PSC REF#:55215

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Public Service Commission of Wisconsin
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BEFORE THE

PUBLIC SERVICE COMMISSION OF WISCONSIN

Biennial Review of Universal Service Fund Rules 1-AC-198

NOTICE OF HEARING

Hearing Date:	**Friday, July 14, 2006 at 9:30 A.M.**
Hearing Location:	**Public Service Commission, 610 North Whitney Way, Madison, WI**

Comments Due: **Friday, July 28, 2006 – Noon** FAX Due: **Thursday, July 27, 2006 – Noon**	Address Comments To: Sandra J. Paske, Secretary to the Commission Public Service Commission P.O. Box 7854 Madison, WI 53707-7854 FAX (608) 266-3957

The Public Service Commission of Wisconsin proposes an order to repeal PSC 160.03(2)(a)7., 160.031(2), 160.05(1)(i) and (j) and (4), 160.071(1)(d), 160.09(8), 160.092(4), 160.11, 160.14, 161.05(4) and 165.088; to renumber PSC 160.02(8)(h) and (12), 160.03(2)(a)8. to 12., 14. and 15., 160.06(1)(a) to (c), 160.062(4), (6) and (7), 160.071(1)(i), 160.073(3)(intro.), (c), (4)(a) to (f) and (7)(a) and (b), 160.09(3)(intro.), (4)(a) to (e), (6) and (7), 160.125(2)(c)1. to 4., 160.15, 160.17(3), 160.18(9)(b) and 165.043(4)(c) and (f); to renumber and amend 160.02(13), 160.03(2)(a)13., 160.031(1), 160.04(1) and 160.06(1)(intro.), (5) and (6), 160.062(3) and (5), 160.071(1)(e) to (h), (j) to (n) and (4) to (6), 160.073(3)(a) and (b), (4)(intro.) and (5) to (7)(intro.), 160.09(2) to (3)(c), Figure 160.09(3)(c), 160.09(4)(intro.), (f) and (g) and (5), 160.125(2)(c)5., 160.17(4) and 165.043(4)(d) and (e); to amend PSC 160.01(2)(b), (4) and (5), 160.02(2) and (8)(b), (c) and (e), 160.03(2)(a)6. and (b), 160.035(1)(a) to (c) and (2), 160.04(2) to (4), 160.05(intro.), (1)(a), (c), (p), and (r) and (2), 160.06(2), (4) and (5), 160.061(title), (1), and (4)(a) and (b), 160.062(1), 160.063(1) to (3), 160.07(2), 160.071(1)(a), (b)1. and 4. to 6., and (c) and (2), 160.073(1) and (2), 160.08, 160.091(intro.) to (2), 160.092(2) and (3), 160.115(1)(a) and (b)(intro.) to 2., (2)(b) and (c), (3), (4)(a), (5)(b), (c), and (g) and (6)(b), 160.125(1)(title), the note following 160.125(2)(a), 160.125(2)(d)(intro.) to 2., (e) and (f), 160.13(1)(intro.), (a), (b)(intro.) to 2., (c) and (d), (2),(3) and (5)(a) and (c), 160.16(2), 160.17(1)(c) and (2), 160.18(4) and (9)(a), 160.19(1) and (2), 165.043(4)(intro.) and (b), and 171.06(1); to repeal and recreate 160.02(4m), 160.062(2), 160.063(4), 160.071(3), 160 073(8)(c), 160.092(1) and 160.18(10); and to create the note following PSC 160.02(8)(a), 160.02(8)(h), (10m), (12) and (13), 160.035(3)(c), 160.04(1)(a) to (f) and (6)(title), 160.06(1)(b),

160.061(5)(a) to (c), (6) and (8), 160.062(3) to (6), (8)(intro.), (9) and (11), 160.071(1)(k)2. and 3. and (4), 160.073(3), (4)(d) to (g), (5)(g), (6)(b) and (c), (8)(d) and (9), 160.09(2), (3)(intro.) and (b), (4)(a)2. and 3. and (b), and (5)(g), 160.10(5), 160.125(2)(c)1., 160.13(1)(e), 160.15(2), 160.17(3), 160.18(9)(b)2. and 165.043(4)(c) relating to the provision of universal telecommunications service, administration of the universal service fund and related changes.

The Commission invites testimony and written comments about all of the proposed rule changes, and also about:

- **Whether changes concerning Eligible Telecommunications Carrier (ETC) status are necessary or desirable pursuant to changes made to the federal ETC requirements by the Federal Communications Commission (FCC).[1]**

- **Whether assessment of wireless providers should be resumed.**

- **Whether changes should be made to Wis. Admin. Code ss. PSC 160.031 and 160.035 to update the data transmission capability requirement. Possible approaches could be:**
  - **Making no changes to the section.**
  - **Raising the speed requirement for all voice grade lines to some other number, such as 28 kbs, or 56 kbps.**
  - **Other options, such as allowing for the use of other, non-voice grade services to meet the requirement, allowing partnering with other providers, allowing phase-in periods or applying the requirement to a certain percentage of customers, allowing waivers if the company can demonstrate that meeting the requirement will not be profitable, or using Universal Service Fund (USF) money to allow companies to meet the requirement. These options are further described in the Commission Information Memo on Data Transmission.[2]**

ANALYSIS PREPARED BY THE PUBLIC SERVICE COMMISSION OF WISCONSIN

The analysis is set forth as Attachment A.

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[1] See, *In Re: Federal-State Joint Board on Universal Service*, "Report and Order," CC Docket No. 96-45; FCC 05-46, issued March 17, 2005. The Report and Order adopted certain recommendations made by the Federal-State Joint Board on Universal Service regarding minimum eligibility, certification, and reporting requirements for carriers wanting to be designated as an ETC by the FCC. The Report and Order encouraged states exercising jurisdiction over ETC designations pursuant to 47 U.S.C. § 214(e)(2), to adopt the same requirements. In addition, the Report and Order permits states to extend generally applicable consumer protection requirements to all ETCs, including wireless carriers.

[2] The Commission Information Memo is dated November 2, 2005, and is available on the Commission website, psc.wi.gov, under Telecommunications Major Cases.

TEXT OF PROPOSED RULE

The text of the proposed rule is set forth as Attachment B.

INITIAL REGULATORY FLEXIBILITY ANALYSIS

Existing USF rules may have an effect on small telecommunications utilities, which are small businesses under s. 196.216, Stats., for the purposes of s. 227.114, Stats. These small telecommunications utilities, like other telecommunications providers (both large and small), have obligations under the USF, including an obligation for payments to the USF. Additionally, this rule continues to allow the USF assessment of commercial mobile radio service (CMRS) providers, although the assessment has been suspended by the Commission pending the promulgation of this rule. The Commission may or may not end the suspension. Other requirements in the rule only apply to CMRS providers who voluntarily choose to become designated as eligible telecommunications carriers. Since the Commission does not regulate CMRS providers, its does not have records indicating how many of them are small businesses.

These proposed rules should have no particular impact on small businesses. The Commission already has established, in s. PSC 160.18(1), an exemption from fund assessments to protect entry by and continued operation of small telecommunications providers as directed by statutory objectives. In s. PSC 160.01(2)(b), the existing rules allow the Commission to give individual consideration to unusual situations and to adopt different requirements for particular telecommunications providers. Small businesses can request that the Commission provide an exception to a rule requirement. There are no new reporting or bookkeeping requirements created under these proposed rules.

The agency has considered the methods in s. 227.114(2), Stats., for reducing the impact of the rules on small businesses. Accordingly, the agency has included provisions for exemption from assessments for small providers, and allowing requests for consideration of unusual circumstances, as noted above. Further application of these methods is not consistent with statutory objectives.

FISCAL ESTIMATE

These rule changes have no fiscal impact. A completed Fiscal Estimate form is included as Attachment C. There is also no financial impact on the private sector.

NOTICE OF HEARING

NOTICE IS GIVEN that pursuant to s. 227.16(2)(b), Stats., the Commission will hold a public hearing on these proposed rule changes in the Amnicon Falls Hearing Room at the Public Service Commission Building, 610 North Whitney Way, Madison, Wisconsin, on Friday, July 14, 2006, at 9:30 a.m. This building is accessible to people in wheelchairs through the Whitney Way (lobby) entrance. Handicapped parking is available on the south side of the building.

WRITTEN COMMENTS

Any person may submit written comments on these proposed rules. The hearing record will be open for written comments from the public, effective immediately, and until Friday, July 28, 2006, at noon (Thursday, July 27, 2006, at noon, if filed by fax). All written comments must include a reference on the filing to docket 1-AC-198. File by one mode only.

Industry: File comments using the Electronic Regulatory Filing system. This may be accessed from the Commission's website psc.wi.gov.

Members of the Public:

If filing electronically: Use the Public Comments system or the Electronic Regulatory Filing system. Both of these may be accessed from the Commission's website psc.wi.gov.

If filing by mail, courier, or hand delivery: Address as shown in the box on page 1.

If filing by fax: Send fax comments to (608) 266-3957. Fax filing cover sheet MUST state "Official Filing," the docket number 1-AC-198, and the number of pages (limited to 25 pages for fax comments).

CONTACT PERSON

Questions regarding this matter should be directed to Anita Sprenger, Universal Service Fund Manager at (608) 266-3843. Small business questions may be directed to Gary Evenson at (608) 266-6744 or Gary.Evenson@psc.state.wi.us. Media questions should be directed to Linda Barth, Director of Governmental and Public Affairs at (608) 266-9600. Hearing or speech-impaired individuals may also use the Commission's TTY number, if calling from Wisconsin (800) 251-8345, if calling from outside Wisconsin (608) 267-1479.

The Commission does not discriminate on the basis of disability in the provision of programs, services, or employment. Any person with a disability who needs accommodations to participate in this proceeding or who needs to get this document in a different format should contact Anita Sprenger, as indicated in the previous paragraph, as soon as possible.

Dated at Madison, Wisconsin June 1, 2006

By the Commission.

Sandra J. Paske

Sandra J. Paske
Secretary to the Commission
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ANALYSIS PREPARED BY THE PUBLIC SERVICE COMMISSION OF WISCONSIN

Statutory authority: ss. 196.02(3), 196.218(5m), and 227.11(2), Stats.
Statute interpreted: 196.218, Stats.

A. Objective of the Rule

The objective of this rulemaking is to revise the existing Chapter PSC 160, Universal Service Support Funding and Programs. These rules were originally created in 1996, then revised in 2000. Minor changes are also made to Wis. Admin. Code chs. 161, 165, and 171. In the proposed rule, the Commission revises existing Universal Service programs that provide access to telecommunications service to all Wisconsin customers regardless of geographic location, income or disability, and to assist in the deployment of advanced services in all areas of the state. In this same chapter, are revisions to the mechanism for funding those programs and for administering the Universal Service Fund (USF).

The Commission is proposing the following revisions to its universal service rules to reflect its experience with administering and operating the programs included in this proposed rule. The revisions also reflect the evolution of the telecommunications market and telecommunications technology in Wisconsin, and also ensure that state universal service programs do not conflict with new federal programs and rules.

In preparation of these proposed rules, Commission staff worked closely with the Universal Service Fund Council (USFC). The USFC submitted its recommendations on rule changes to the Commission in January 2002. Since then, staff continued revising various sections of the rule. Many of the changes were minor and editorial, but some were substantive. On August 30, 2004, the USFC approved a revised draft of the rules that incorporated all of the changes staff had proposed to that point. Only a few changes to the proposed rule have been made since the USFC approved the draft in August 2004. Those sections are noted in the analysis below.

B. Statutory Authority to Promulgate the Proposed Rule

Section 196.218, Stats., defines and authorizes the USF. Specifically, s. 196.218(5m), Stats., requires the Commission to periodically review and revise, as appropriate, the universal service rules.

C. Section-by-Section Analysis of the Proposed Revisions

A number of non-substantive changes have been made to update language to current drafting style. For example, uses of "shall not" have been changed to "may not."

PSC 160.01 Scope and Purpose

The only change is to the reference regarding services to programs since this chapter focuses on universal service programs.

PSC 160.02 Definitions

The modifications reflect updates in statutes and rules. The definition of "institutions" is removed since the institutions program no longer exists. A definition for "pay-per-call service" has been added as defined in statute. Cognitive impairment has been added to the definition of disability to address the needs of those individuals with cognitive impairments that need specialized telecommunications equipment to have access to essential telecommunications services. SeniorCare under s. 49.688, Stats., has been added as a program that enables a household to be defined as low-income. This will enable many of the senior citizens that currently qualify under the Wisconsin Homestead Tax Credit eligibility criteria to now qualify under SeniorCare. The verification process for SeniorCare is simpler and more efficient than the verification process for Homestead Tax Credit. The definition of "two-line hearing carryover" has been added.

PSC 160.03 Essential Telecommunications Services

Single party revertive calling is deleted from the list of essential telecommunication services with regard to the USF because it is already included as a basic utility obligation under Wis. Admin. Code s. PSC 165.081(6). The description of toll blocking is changed so that rather than repeating the requirement here, it refers to the section of the rule relating to toll blocking.

The USFC recommended deleting the directory listing and annual directory distribution requirements from the list of essential services because at the time this was decided, another rulemaking would have made these sections redundant. That rule is not through the promulgation process, so the recommended changes to this rule have not been included in this rulemaking. They can be included in the next review of these rules.

PSC 160.035 Advanced Service Capabilities

This authorizes the Commission to use universal service support to enable a provider to use other sources, such as small diameter satellite dish system companies, to provide an equivalent to an advanced service when it is not reasonable to require a provider to offer a given advanced service capability.

PSC 160.04 Toll Blocking

The proposed revisions for this section include blocking of all pay-for-service calls, rather than specifying 900 and 976 calls as the current rule does. Clarification concerning the blocking of collect and certain other calls is added.

PSC 160.05 Universal Service Fund Programs

Reference to the "assistance to institutions" program is eliminated since this program no longer exists. Intralata toll provider of last resort is removed from the program list since the section it refers to is being deleted. Two-line voice carryover was expanded to also include two-line hearing carryover.

PSC 160.06 Eligibility for Low-Income Programs

This section is updated to expand eligibility to those who qualify for federal USF support as residents of tribal lands.

PSC 160.061(1)

Changes to this section allow residences with more than one telephone line to qualify for LinkUp for one of the lines. (Currently residences with more than one line are not eligible for any LinkUp assistance.) This modification allows more flexibility for participants in the program, particularly in situations where a separate telephone line is needed by a low-income resident of a household where multiple families or unrelated roommates share an address. With this change, the rule would be consistent with the Federal Communications Commission (FCC) rule which now allows Lifeline to cover one line in residences with more than one line.

PSC 160.061(5)

Language is added to clarify when a customer becomes eligible for LinkUp benefits, if eligibility cannot be verified at the time the service order is issued. Specifically, a provision is added relating to customers who are eligible for federal universal service fund support as residents of tribal lands.

PSC 160.061(6)

This change corrects an anomaly that could result in certain eligible telecommunications carriers (ETCs) receiving less USF support for LinkUp than non-ETCs with the same charges. This is due to the interplay between state and federal USF support for ETCs. This rule revision ensures that ETCs and non-ETCs receive the same total amount of USF support for LinkUp.

PSC 160.061(7)

This section is added so that local service providers file timely requests for reimbursements and so charges to the universal fund cannot be accumulated over several years.

PSC 160.062(1), (2) and (3)

The first change in this section clarifies the intent to have providers offer a lifeline discount on any rate or package the customer chooses. This change would enable customers to select the local rate or service package that will best meet the needs of their household and have the lifeline discount package applied to that rate or package.

The second change in this section enables residences with more than one line to potentially qualify for Lifeline for one of the lines. This allows more flexibility for the program particularly in situations where a separate telephone line is needed by a low-income resident of a household where multiple families or unrelated roommates share an address. This is consistent with the FCC rule, which now allows Lifeline to cover one line in residences with more than one line.

PSC 160.062(4) (Changes in this section were made after the Council approved the draft rules)

The changes to this section clarify how to determine what the lifeline discount will be under several scenarios. This section is added because of the changing telecommunications market where many customers purchase local service as part of a larger telecommunications service package and it can be unclear as to how to determine what level lifeline discount to apply.

This section also addresses when and how a commercial mobile radio (wireless) service provider establishes its lifeline base rate, from which the monthly lifeline rate adjustment is calculated.

PSC 160.062(5) (Changes in this section were made after the Council approved the draft rules)

This section includes changes in how the reimbursement level for providers is determined in certain situations, so that changes at the federal level can be accommodated without Commission action. Generally, state USF dollars are not affected, and this change will allow the federal contribution to the lifeline adjustment to be provided to customers automatically. The current rules require an exception from the Commission before providers can increase Lifeline credits in order to match FCC ordered increases in the federal Subscriber Line Charge – even when the FCC increases its reimbursements to cover those increases. Finally, this section changes the calculation of lifeline adjustments.

PSC 160.062(6)

This section adds provisions related to customers who are eligible for federal USF support as residents of tribal lands.

PSC 160.062(9) (Changes in this section were made after the Council approved the draft rules)

This section adds provisions that require customer notification before ending lifeline assistance. This gives customers who no longer qualify as low-income under one criteria, but who still qualify under a different criteria, time to show that they qualify under that different criteria. These changes are based on changes adopted by the FCC.

PSC 160.062 (11)

This section is added so that local service providers file timely requests for reimbursements and so charges to the universal fund are not able to accumulate over several years.

PSC 160.063

In this section, the program is changed from a Request for Proposal (RFP) process to a biennial grant program. Offering the grant program will be determined by availability of funding. The grant program will be managed similarly to the other two grant programs in PSC 160, except that this program would be offered biennially. This will simplify the process for this program and will enable organizations that are focused on serving low-income customers to more easily apply for funding.

PSC 163.07

The requirement for a written medical description of special needs has been changed to allow such descriptions to be prepared by medical professionals rather than just by doctors. This change makes the language consistent with similar provisions elsewhere in the rules.

PSC 160.071 Service and Equipment Pricing for Individuals with Special Needs

Some minor editing changes and minor rule changes are made to improve program operation such as requiring eligible equipment lists and identifying processes to modify that list and to handle objections to the equipment lists and eligibility determinations. Specific program changes are discussed below.

PSC 160.071(1)(b)

The voucher amount for the hard of hearing category is reduced from $200 to $125. This change reflects a determination made by the Commission on September 23, 2004, to reduce the hard of hearing voucher to $125 because the Telecommunications Equipment Purchase Program (TEPP) exceeded its budget in FY04 and FY05.

The Commission based its decision to reduce the voucher maximum for the hard of hearing category on program data from the previous two fiscal years. If program changes were not made and the rate at which the program was growing continued at the pace it was in September 2004, the projected program expenditure was over $4 million while the program budget was $2.3 million. The hard of hearing disability category had experienced the most growth seeing more than a doubling of applications over two years (from 4,110 applications in FY 2003 to 8,274 in FY 2004).

PSC 160.071(1)(c)

This section is amended to enable low-income speech, mobility or motion impaired voucher recipients to be exempt from the $100 co-payment if they are able to certify that they meet the income requirements of the telecommunications assistance program (TAP), which provides the co-payment for low-income hard of hearing or deaf voucher recipients. In the past, low-income disabled voucher recipients that are speech, motion, or mobility impaired had no program for assistance in paying the $100 co-payment that is required under the TEPP. This has been a barrier for some disabled individuals in obtaining the equipment needed to use the telecommunication system. The number of low-income disabled individuals that would qualify for waiving the $100 co-pay requirement is expected to be small and not expected to significantly affect the TEPP budget.

PSC 160.071(1)(i)

The addition will the give the Commission the ability to impose consequences on vendors that abuse these programs.

PSC 160.071(1)(k)2. and 3.

These additions explicitly allow the purchase of a personal computer under the TEPP to serve as telecommunications equipment for individuals that have a medical statement indicating that such equipment is necessary for that individual to access telecommunications services.

PSC 160.071(2)

This section deals with leasing specialized customer premises equipment for persons with disabilities. The only change is to make the program optional. While this is a very rarely used option, retaining the concept in the rule will provide flexibility to both providers and customers.

PSC 160.071(3)

This section is significantly changed to reflect profound changes in the long distance sector of the telecommunications industry. The existing rule requires long distance companies to provide a discount to eligible disabled customers based on the formerly prevalent time-of-day rate discount schedules. These discounts are now outdated because options for long distance providers services and rates have changed with the advent of competition in long distance markets. The draft rule includes language changes to the required discount program so that it is optional for providers to provide the discount and provides the opportunity for providers to be

reimbursed for the discount if certain conditions are met. The basis for providing TTY users with a discount is that for the same "conversation," a TTY user's telephone call lasts many times longer than a non-TTY user's telephone call. This discount helps bring TTY users' long distance costs closer to those of non-TTY users. For providers to be reimbursed, they must offer a discount program that results in a minimum of a 35 percent discount. Three options are included in the rule for how providers are able to offer discounts to TTY users. This allows flexibility for providers to choose how they can best offer a discount program to these customers within the constraints of their established billing systems.

PSC 160.071(4)

This section of the rule relates to discounted wireless service and is similar in intent to the section above. Offering the discount to special needs customers is also optional. The only difference is that in this subsection the discount is applied to the total wireless bill.

PSC 160.071(7)(b)

The section has two changes. First, this section enables speech impaired customers to receive, without charge, two-line hearing carryover services. This includes intrastate nonrecurring charges or the monthly rate for the second line. Second, a requirement for timely filing of reimbursement requests is added.

PSC 160.073 Public interest pay telephone

The section under par. (3) is added to ensure that when a provider has approval for installation of a new public interest pay telephone, that the telephone is installed in a reasonable timeframe.

The sections under (4)(d) through (g) and (5)(g) are added to further define where public interest pay telephones may or may not be located and places requirements on the operation of those telephones. The section under (6) was amended to clarify the level of detail required in financial records that public interest pay telephone providers must keep. The section under (7) was changed to allow more flexibility in reporting and the section under (8)(d) was added so that public interest pay telephones are labeled as such.

The section under (9) is added to explicitly provide that the Commission may suspend or reduce payment to providers if there are problems with the operation of the public interest pay telephone.

PSC 160.09 High rate assistance credits

The revised rule clarifies how often the high rate assistance credits need to be calculated and defines how the average price of a one-minute intrastate toll call can be determined. It also eliminates the reference to Wisconsin Department of Workforce as the source for median household income since it does not publish such a number. Instead the revised rule references the figure published by the U. S. Census Bureau or as determined by the Commission. If the Commission determines this figure, there will be an opportunity for public comment.

This section also addresses when and how a commercial mobile radio (wireless) service provider's method of calculating high rate assistance credits will be established. Further, it adds certain FCC authorized charges to the pool of charges that are considered when determining whether a credit is owed.

A requirement for timely filing for reimbursement requests is also added.

PSC 160.092 Alternative universal service protection plans (Changes in this section were made after the Council approved the draft rules)

This section is amended to add plans to ensure interlata and intralata toll service, and other measures approved by the Commission to protect universal service, to the list of alternative plans that may be implemented. The existing "intralata toll provider of last resort" section is being deleted from the rule. This amendment allows the Commission to establish a similar (but experimental and limited) program should it become necessary in the future. Such a plan can only be implemented after notice and opportunity for hearing.

PSC 160.10 Rate shock mitigation

A requirement for timely filing for reimbursement requests is added to this section.

PSC 160.11 Assistance to institutions

The section of the rule for the institutional discount program is eliminated. This program was replaced by TEACH, now know as the Educational Telecommunications Access Program. The existing rule allowed continued funding until October 29, 2002, for institutions already in the program. However, as of the beginning of FY2002, no institutions remained in the program.

PSC 160.115 Medical telecommunications equipment program

The term "medical clinic" is clarified to include clinics and hospitals.

This section now includes the terms "directly or indirectly" to clarify that applications, such as those for equipment that improves the efficiency of the medical clinic and so improve patient health care, are eligible for this grant program.

This section changes "will" to "may" in par. (5)(c) since it may be premature for some applicants to have selected their final vendor when applications are filed.

PSC 160.125(2) Funding to promote access to telecommunications services

While funding for the projects is provided on a fiscal year basis, this section is changed so that more than one year of funding may be approved when the Commission is awarding grants. This gives flexibility to the Commission to approve multi-year projects if it determines that the success of the program is dependant upon multi-year funding.

Dates for when applications are submitted and awarded are eliminated to give the Commission more flexibility and to recognize that the biennial budget needs to be approved prior to awarding grants.

The matching fund requirement of grant applicants is reduced from 50 percent to 25 percent. With a less stringent matching requirement, more applicants will be able to apply for the grants. Language is also added to clarify that in-kind goods or services may be used to meet the grant matching requirement.

PSC 160.13 Designation of eligible telecommunication carriers (Changes in this section were made after the Council approved the draft rules)

A change is made to (1)(a) to clarify that commercial mobile radio service providers can be designated as eligible telecommunication carriers (ERCs). Section (1)(e) is created to merge the existing pay telephone requirements in Wis. Admin. Code chs. PSC 160 and PSC 165. It also allows multiple ETCs to share in the provision of the required pay telephone.

A change was also made to the section defining the territory for which a provider is designated as an ETC. It is changed to indicate that in a non-rural territory the area may not be smaller than a wire center. For rural companies it is changed to indicate that it cannot include only a portion of a wire center. These changes are made to conform with FCC orders.

PSC 160.14 Intralata toll service provider of last resort

This section is deleted. This issue is dealt with in the amendment to PSC 160.092.

PSC 160.15 Identification of charges

This section is amended to conform with existing law concerning identification of the portion of local exchange rates that are for recovery of certain mandatory USF contributions. A new provision is also created stating that adjustments to local exchange rates made more than four months after a new USF assessment rate goes into effect will not be considered to be for the purpose of recovering contributions to the USF. This provision precludes a company from representing on customer bills that a rate adjustment is due to an increase in its USF assessment if the rate increase occurs too long after the actual change in assessment.

PSC 160.17 Fund budget and assessment rates.

A requirement is added that, like it does with the department of administration and the TEACH program, the Commission must consult with the department of public instruction (DPI) before determining the amount budgeted for certain programs DPI administers.

PSC 160.18 Collection of universal service fund monies

The language that established the procedure for the (now passed) initial USF assessment of commercial mobile radio service providers is deleted.

Clarification is added regarding the procedure for objecting to an assessment and how assessment collections will be "trued up" from year to year as customer numbers and company revenues change.

PSC 160.19 Universal Service Fund Council

The requirement for institutional representatives on the USFC has been removed. This was a vestige of the time when the universal service fund rules included an "aid to institutions" program.

Changes to rules other than PSC 160

PSC 161.05(4)

This provision is deleted because the rule section it references is being repealed,

PSC 165.043(4)

This provision is amended to add a requirement that notice be provided to customers, in situations where line power is not provided to the network interface device, that service may be affected if there is a power failure. Historically, customers that have their telephone line through telephone wiring in a home are accustomed to telephones functioning even if there is a commercial power outage. This addition would provide notice to those customers that loss of electric power may also affect telephone service. While in early rule drafts this was located in the list of "essential services" in s. PSC 160.03(2), it was decided that it made more sense to locate this in the consumer protection rules.

PSC 165.088

This provision is being deleted. The issue is dealt with through PSC 160.13(1)(e).

PSC 171.06(1)

This provision is amended to clarify that cable television telecommunications service providers are subject to s. 196.218, Stats. This updates the provision to conform with existing law.

D. Comparison with Existing or Proposed Federal Regulations

There is both a state USF and a federal USF. The state and federal funds and programs are complementary rather than duplicative.

"Eligible Telecommunications Carriers" (ETCs) are designated by the Commission and are, thereafter, eligible for funding from the federal USF and for certain funding from the state USF. ETC status was created by the FCC, and codified in 47 U.S.C. § 214(e)(2). Under FCC rules, the state Commissions are required to designate providers as ETCs.[3]

Designation as an ETC is required if a provider is to receive federal USF funding. ETC designation is also required to receive funding from some, but not all, state universal service programs. The FCC established a set of minimum criteria that all ETCs must meet. These are codified in the federal rules.[4] The 1996 Telecommunications Act states that "States may adopt regulations not inconsistent with the Commission's rules to preserve and advance universal service."[5] A court upheld the states' right to impose additional conditions on ETCs in *Texas Office of Public Utility Counsel v. FCC*, 183 F.3d 393, 418 (5th Cir. 1999). Therefore, while states must examine the federal requirements, they are allowed to create additional requirements. Wisconsin has done so. The Commission's requirements for ETC designation clarify and expand upon the more basic FCC rules.

[3] 47 U.S.C. § 214(e)(2), 47 C.F.R. § 54.201(b).
[4] 47 U.S.C. § 214(e)(1), 47 C.F.R. § 54.101(a).
[5] 47 U.S.C. § 254(f).

The federal USF provides funding to ETCs that are found to serve high-cost areas. That funding is to be used to help cover the costs of expanding infrastructure into those areas. Doing so should help ensure that rates in those areas stay lower since rates need not provide the funds for that expansion. The Wisconsin USF provides funding to providers with high rates for credits provided to customers. The federal USF also includes lifeline and link-up programs. The Wisconsin Lifeline and Link-Up programs are structured to take maximum advantage of the available federal lifeline and link-up funds.

The federal USF assessment applies to all carriers, including wireless carriers, and is assessed based on interstate revenues. The state USF assessment applies to all providers, including wireless providers (although that assessment is currently suspended) and is assessed based on intrastate revenues. Wisconsin exempts certain providers from assessment, such as those with under $200,000 in intrastate revenues.

E. Comparison with Similar Rules in Adjacent States

The following discussion focuses on areas where significant changes are being made to the USF rules.

Many state USF programs, both in Wisconsin and in other states, are intertwined with federal universal service programs. As a result, there is a certain amount of similarity among state programs. For example, each of the surrounding states has Lifeline and Link-Up type programs.[6] As required under federal law, each has income-based eligibility criteria although the specifics vary somewhat. The level of credits to customers and the resulting reimbursements to providers are similar, due in part to the federal matching dollars attached to credit/reimbursement levels. A difference in Link-up programs is that the Wisconsin program will pay for whatever nonrecurring installation costs are not paid for under the federal program. In each of the surrounding states the potential exists for a low-income customer to have to pay for a portion of the installation charges (although three of them also require that any additional amount be eligible for an interest free deferred payment arrangement.) A difference in Lifeline programs is that the four other states have a set figure for the Lifeline credit/reimbursement amount (although in Michigan that amount may vary depending on which company is involved). Wisconsin also has a set amount if the base rate[7] is $25 or below. If the base rate is $25 or above, the reimbursement/credit is whatever amount is necessary to bring that base rate to $15. In this way, low-income customers in higher cost (generally rural) areas receive a credit sufficient to bring the base rate to a reasonably affordable level.

Wisconsin also has a program that helps provide access to telecommunications service for persons with hearing, speech and/or mobility disabilities. TEPP provides vouchers to help persons with disabilities that impair their ability to use standard telecommunications equipment to access telecommunications service, obtain equipment that will assist them in doing so. Iowa, Illinois, and Minnesota each have similar programs although the specifics vary. For example, Illinois' program is limited to those with hearing or speech disabilities, and in Minnesota the equipment belongs to the state and must be returned if the customer leaves the state or loses his/her phone line.

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[6] Lifeline helps pay the monthly cost of telephone service. Link-up helps pay the cost of service installation.

[7] The "base rate" is the monthly residential rate including touch-tone service, 911 charges on the telephone bill, the federal subscriber line charge, and 120 local calls.

Wisconsin was the first and is still only one of three states that have a Public Interest Pay Telephone program.[8] The programs of both other states are modeled, in very large part, on the Wisconsin program. This is the first rulemaking since the program was implemented in Wisconsin and the changes made in this rulemaking are based on the experience gained during the first few years of the program.

Wisconsin also has a program to help lower the monthly cost of telephone service in areas of the state where rates are high. In determining whether assistance under this "high rate assistance" program is required, the program looks both at the rate for basic service and what percentage of a county's median household income that rate entails. Although its commission must vote to activate it, Michigan statutes provide for a similar program that would provide a subsidy to customers of the difference between an affordable rate and the company's forward looking economic cost of providing service (should the latter be higher than the former). Illinois has a high-cost program that provides support to small telecommunication providers if the economic costs of providing certain services exceed the affordable rate set for those services.

[8] The other two states are Alaska and Hawaii.

TEXT OF THE RULE

SECTION 1. PSC 160.01(2)(b), (4) and (5) are amended to read:

PSC 160.01(2)(b) Nothing in this chapter shall preclude special and individual consideration being given to exceptional or unusual situations and, upon due investigation of the facts and circumstances involved, the adoption of requirements as to individual providers or ~~services~~ programs that may be lesser, greater, other or different than those provided in this chapter.

(4) ENFORCEMENT. The manner of enforcing ch. PSC 160 is prescribed in ss. 196.218, 196.499(17) and 196.66, Stats., and includes ~~such~~ any other means ~~as~~ provided in statutory sections administered by the commission.

(5) ORDERS. The commission may issue orders it ~~deems~~ considers necessary to assist in the implementation or interpretation of this chapter. Except for as otherwise provided in this chapter, declaratory rulings under s. 227.41, Stats., which require the opportunity for a hearing, and commission determinations not subject to judicial review under ss. 227.52, Stats., orders shall be issued only after notice and an opportunity for comment by interested parties including the universal service fund council.

SECTION 2. PSC 160.02(2) is amended to read:

PSC 160.02(2) "Disability" means a physical, cognitive or sensory impairment that limits or curtails an individual's ~~access to or usage of~~ ability to use telecommunications services. "Disability" includes a speech, vision, cognitive, ~~or~~ hearing ~~impairment and~~ or motion ~~impairments~~ impairment that ~~limit~~ limits an individual's ability to handle telecommunications equipment.

SECTION 3. PSC 160.02(4m) is repealed and recreated to read:

PSC 160.02(4m) "Federal subscriber line charge" means the tier one federal support amount as defined in 47 CFR s. 54.403(a)(1).

SECTION 4. The note following PSC 160.02(8)(a) is created to read:

Note: This includes all programs, including financial and employment assistance, child care subsidy, etc.

SECTION 5. PSC 160.02(8)(b), (c) and (e) are amended to read:

PSC 160.02(8)(b) Medical assistance under 42 USC ~~1395~~ 1396.

(c) Supplemental security income under 42 USC 1381 to ~~1385e~~ 1383.

(e) The low income household energy assistance program under s. ~~16.385~~ 16.27, Stats.

SECTION 6. PSC 160.02(8)(h) is renumbered PSC 160.02(8)(i).

SECTION 7. PSC 160.02(8)(h) and (10m) are created to read:

PSC 160.02(8)(h) SeniorCare under s. 49.688, Stats.

(10m) "Pay-per-call service" has the meaning given in s. 196.208(1)(a), Stats.

SECTION 8. PSC 160.02(12) is renumbered 160.02(14).

SECTION 9. PSC 160.02(13) is renumbered 160.02(15) and amended to read:

PSC 160.02(15) "Universal service" means a statewide rapid, efficient, communications network with adequate, economically placed facilities to ~~assure~~ ensure that a basic set of essential telecommunications services is available to all persons in this state at affordable prices and that the advanced service capabilities of a modern telecommunications infrastructure are affordable and accessible to all areas of the state within a reasonable time.

SECTION 10. PSC 160.02(12) and (13) are created to read:

PSC 160.02(12) "TTY" means a teletypewriter device for the deaf.

(13) "Two line hearing carryover" means the technique of using 3-way calling and 2 telephone lines, one for hearing and one for TTY or similar equipment, to connect a caller who is speech impaired but can hear, with another caller via the telecommunications relay service.

SECTION 11. PSC 160.03(2)(a)6. is amended to read:

PSC 160.03(2)(a)6. Equal access to intralata interexchange carriers ~~pursuant to~~ under schedules, terms and conditions imposed by commission orders and rules.

SECTION 12. PSC 160.03(2)(a)7. is repealed.

SECTION 13. PSC 160.03(2)(a)8. to 12. are renumbered 160.02(2)(a)7. to 11.

SECTION 14. PSC 160.03(2)(a)13. is renumbered to 160.02(2)(a)12. and amended to read:

PSC 160.03(2)(a)12. ~~Toll blocking, 900 and 976 number blocking and extended community calling blocking~~ Blocking options as specified in s. PSC 160.04.

SECTION 15. PSC 160.03(2)(a)14. and 15. are renumbered PSC 160.03(2)(a)13. and 14.

SECTION 16. PSC 160.03(2)(b) is amended to read:

PSC 160.03(2)(b) Annual distribution of a local telephone directory ~~in accordance with~~ under s. PSC 165.055.

SECTION 17. PSC 160.031(1) is renumbered 160.031 and amended to read:

PSC 160.031 The data transmission capability specified in s. PSC 160.03 shall be at least 9600 bits per second ~~effective July 1, 1996~~ on all lines.

SECTION 18. PSC 160.031(2) is repealed.

SECTION 19. PSC 160.035(1)(a) to (c), and (2) are amended to read:

PSC 160.035(1)(a) Digital access lines and channels ~~by January 1, 2000~~.

(b) High speed data transfer connectivity ~~by January 1, 2002~~.

(c) Two-way interactive video conferencing at a speed no less than 30 frames per second and two-way interactive imaging capabilities ~~by January 1, 2003~~.

(2) In the absence of alternative providers and in the presence of sufficient demand, or to promote economic development and infrastructure development, a local exchange service provider shall, by the date set by the commission, make available to any customer on request, in a timely manner, at affordable prices, any advanced service capabilities. If the provider is a commercial mobile radio service provider, it shall make available advanced service capabilities that are technologically feasible for the provider, as determined by the commission.

SECTION 20. PSC 160.035(3)(c) is created to read:

PSC 160.035(3)(c) If, after an investigation, the commission determines that it is not reasonable to require the local exchange service provider to offer a given advanced service capability, it may investigate and authorize use of universal service fund support to enable the provider to use other sources to provide an equivalent to the advanced service. "Other sources" includes small diameter satellite dish system companies.

Note: An example under par. (c) would be commission authorization for a rural telecommunications utility to contract with a satellite dish company to provide high speed data transfer connectivity service to a customer of the utility. The utility would receive reimbursement from the universal service fund.

SECTION 21. PSC 160.04(1) is renumbered 160.04(1)(intro.) and amended to read:

PSC 160.04(1)(intro.) BLOCKING OBLIGATIONS. Every local exchange service provider in the state shall offer the capability to separately block all ~~long distance calls and, separately, the capability to block 900 and 976 number calls and the capability to block extended community~~

~~calling~~ of the following, unless a timely waiver has been granted to the local exchange service provider by the commission~~.~~:

SECTION 22. PSC 160.04(1)(a) to (f) are created to read:

PSC 160.04(1)(a) All long distance calls.

(b) Pay-per-call service.

(c) Extended community calling.

(d) Collect calls.

(e) Calls using a telephone credit card associated with the telephone number for which the block has been requested.

(f) Calls charged to a third telephone number for which the block has been requested.

SECTION 23. PSC 160.04(2) to (4) are amended to read:

PSC 160.04(2) CHARGES. Blocking shall be without monthly or nonrecurring charge to low-income customers and at no charge other than a nonrecurring charge for second and subsequent service activation orders for other residential and standard business line customers.

(3) EMERGENCY SERVICE. Blocking ~~shall~~ may not prevent the customer from reaching the emergency service numbers appropriate for the customer's location.

(4) PUBLIC NOTIFICATION AND EDUCATION. A local exchange service provider shall make all reasonable efforts to inform customers within its service areas of the availability of, and eligibility requirements for, the cost-free ~~toll~~ blocking services specified in this section~~, 900 and 976 number blocking services and extended community calling blocking services~~. The local exchange service provider shall also make reasonable efforts to instruct eligible customers requesting the service in use of the equipment or service.

SECTION 24. PSC 160.04(6)(title) is created to read:

PSC 160.04(6)(title) WAIVER PROCESS.

SECTION 25. PSC 160.05(intro.), and (1)(a) and (c) are amended to read:

PSC 160.05(intro.) **Universal service fund programs.** Universal service fund monies may be used for fund administration; ~~for the purpose of informing~~ to inform the public regarding the universal service fund, its existence, purpose, intent and areas of use; and for the following purposes:

(1)(a) Link-Up ~~America~~ assistance, as specified in s. PSC 160.061.

(c) ~~Voice mail~~ Telephone access service for the homeless, as specified in s. PSC 160.125 (1).

SECTION 26. PSC 160.05(1)(i) and (j) are repealed.

SECTION 27. PSC 160.05(1)(p), (r) and (2) are amended to read:

PSC 160.05(1)(p) Second line for 2 line voice or hearing carryover, as specified in s. PSC 160.071(~~6~~7)(b)

(r) Payments by the department of public instruction ~~to extend~~ for its contract with the National Federation of the Blind for the Newsline electronic information service, as specified in ~~s. 9139 (1d), 1999 Wis. Act 9, and~~ s. 196.218 (5) (a) 8., Stats.

(2) For payments by the ~~technology for educational achievement in Wisconsin board~~ department of administration for ~~educational~~ telecommunications access support, as specified in s. 196.218 (5) (a) 5., Stats., under the appropriation in s. ~~20.275 (1)~~ 20.505(4)(s), (t), (tm), ~~and~~ (tu) and (tw), Stats., and for payments under the appropriation in s. 20.865 (4) (u), Stats.

SECTION 28. PSC 160.05(4) is repealed.

SECTION 29. PSC 160.06(1)(intro.) is renumbered PSC 160.06(1)(a)(intro.) and amended to read:

PSC 160.06(1)(a)(intro.) Local exchange service providers shall verify an applicant's eligibility for low-income assistance programs by making timely queries of the applicable databases of the Wisconsin department of workforce development, the Wisconsin department of revenue, or other ~~state~~ government agencies. Applicant eligibility shall be verified by finding the applicant to be any of the following:

SECTION 30. PSC 160.06(1)(a) to (c) are renumbered 160.06(1)(a)1. to 3.

SECTION 31. PSC 160.06(1)(b) is created to read:

PSC 160.06(1)(b) Notwithstanding par. (a), an applicant shall also be verified as eligible if the applicant qualifies for federal universal service fund support for eligible residents of tribal lands under 47 CFR 54.400 *et seq.* and submits the certification required under 47 CFR 54.409(c).

SECTION 32. PSC 160.06(2), (4) and (5) are amended to read:

PSC 160.06(2) ELIGIBILITY RECONFIRMATION. Eligibility shall be reconfirmed on at least an annual basis for all customers receiving lifeline assistance except those whose eligibility is verified under sub. (1)(b).

(4) QUERY AUTHORIZATION. Local exchange service providers shall comply with client authorization requirements of the Wisconsin department of workforce development, the Wisconsin department of revenue, or other ~~state~~ government agencies for database queries necessary for eligibility verification. Customers shall complete and remit any reasonably required query authorization forms or forfeit eligibility.

(5) EXCEPTIONS. Lifeline and ~~Link-Up~~ link-up programs are not available to customers who are dependents for federal income tax purposes as defined in 26 USC 152 ~~(1986)~~, unless the customer is more than 60 years of age.

SECTION 33. PSC 160.061(title), (1), and (4)(a) and (b) are amended to read:

PSC 160.061(title) **Link-Up ~~America~~ program.** (1) All local exchange service providers shall waive all applicable nonrecurring charges when initiating or moving essential telecommunications services, as defined in s. PSC 160.03 (2), for low-income~~, single line~~ customers. All federal, state, county and local taxes applicable to the waived charges shall also be waived. If such a customer has more than one residential line, the waivers shall only be applied to that customer's primary line and not to any secondary or additional lines.

(4)(a) A ~~Customers~~ customer whose claim of eligibility for link-up benefits cannot be verified ~~at the time~~ when the service order is issued may be billed for installation charges. ~~These customers~~ This customer shall receive a grace period for payment of installation charges until the due date of the second bill issued following installation of service. A credit shall be issued for appropriate charges once eligibility has been confirmed.

(b) ~~The~~ Except when a customer's eligibility is being verified under s. PSC 160.06(1)(b), the local exchange service provider shall periodically perform an eligibility verification check during the 60-day period from the date service is connected. If the customer's eligibility cannot be confirmed within 45 days, the customer shall be notified in writing of the situation. ~~A credit shall be issued for appropriate charges once eligibility has been confirmed.~~

SECTION 34. PSC 160.061(5) is renumbered 160.061(5)(intro.) and amended to read:

PSC 160.061(5)(intro.) A ~~Customers~~ customer whose claim of eligibility for link-up benefits cannot be verified when the service order is issued ~~who have paid installation charges may~~ shall receive the link-up waiver as a credit on their bills~~, providing that claim is made with the local exchange service provider within 60 days following completion of the service order and that all other link-up eligibility requirements are met.~~ if any of the following are true:

SECTION 35. PSC 160.061(5)(a) to (c) are created to read:

PSC 160.061(5)(a) The customer has paid the installation charges, the claim for the waiver is made with the local exchange service provider within 60 days following completion of the service order and all other link-up eligibility requirements are met.

(b) The customer qualifies for federal universal service fund support for eligible residents of tribal lands under 47 CFR 54.400 *et seq.*, submits the certification required under 47 CFR 54.409(c) and the claim for the waiver to the local exchange service provider within 60 days following completion of the service order, and meets all other link-up eligibility requirements.

(c) The customer's eligibility is verified under sub. (4)(b) and the customer meets all other link-up eligibility requirements.

SECTION 36. PSC 160.061(6) is renumbered 160.061(7) and amended to read:

PSC 160.061(7) Local exchange service providers that ~~are eligible telecommunications carriers under s. PSC 160.13~~ meet the requirements under sub. (7) may receive reimbursement from the universal service fund for ~~50%~~ 100% of that portion of the waived nonrecurring charges that are in excess of the amount of the link-up charges which are eligible for reimbursement from federal link-up program funds. ~~Local exchange service providers that are not eligible telecommunications carriers may receive reimbursement from the universal service fund for 100% of the waived nonrecurring charges.~~

SECTION 37. PSC 160.061(6) and (8) are created to read:

PSC 160.061(6) A customer eligible for link-up assistance may not be charged a deposit for service if the customer voluntarily accepts toll blocking, may not be requested to pay in advance for more than one month's local service bill, and may not be disconnected from local service for nonpayment of toll charges billed by the local exchange service provider. A customer that otherwise would be subject to disconnection may be counseled to accept toll blocking.

(8) A local exchange service provider shall file its reimbursement request with the fund administrator before April 1 of the year following the year during which the customer would have been assessed the charge. A provider may obtain an extension from commission staff for good cause.

SECTION 38. PSC ss. 160.062(1) is amended to read:

PSC 160.062(1) All local exchange service providers shall offer to all low-income customers a lifeline ~~monthly rate to all qualified low-income customers~~ adjustment to any rate for local service. If a customer has more than one residential line, the lifeline adjustment shall only be offered on one line.

SECTION 39. PSC 160.062(2) is repealed and recreated to read:

PSC 160.062(2) For purposes of this section, "Lifeline monthly rate" means the lifeline base rate under sub. (4) minus the lifeline adjustment under subs. (5) and (6).

SECTION 40. PSC. 160.062(3) is renumbered 160.062(7) and amended to read:

PSC 160.062(7) The lifeline ~~monthly rate~~ adjustment may appear as a credit against the full ~~standard~~ tariffed or standard rate on a customer's bill or as a special rate designation. Whenever

possible, the lifeline rate shall begin to appear on an eligible customer's bill on the next bill date following the date of application for lifeline assistance. If the rate does not begin to appear on the next bill date, when it does appear back credit ~~will~~ shall be given. In cases where a customer's eligibility date as found in the records of the Wisconsin department of workforce development, the Wisconsin department of revenue, or other ~~state~~ government agencies precedes the last bill date prior to application, credit shall also be given for one month's prior bill.

SECTION 41. PSC 160.062(3) is created to read:

PSC 160.062(3) The lifeline adjustment shall be calculated under sub. (5) or (6) based on the local exchange service provider's lifeline base rate under sub. (4).

SECTION 42. PSC 160.062(4) is renumbered 160.062(8).

SECTION 43. PSC 160.062(4) is created to read:

PSC 160.062(4)(a) Except as provided in par. (c)., the lifeline base rate includes one of the following:

(a) If the local exchange service provider is a wireline provider and has been designated as an eligible telecommunications carrier under s. PSC 160.13 for the exchange in which the customer lives:

1. If the local exchange service provider does not offer local service in a service package, then single-party residential service, touch-tone service, any 9-1-1 charges billed on the telephone bill, the federal subscriber line charge and 120 local calls, excluding extended community calling calls.

2. If the local exchange service provider offers local service both individually and in a service package, then the base rate under subd. 1.

3. If the local exchange service provider does not offer local service individually but only offers it in a service package, then the portion of the package rate that includes those items listed in subd.1, but the lifeline base rate may not exceed the maximum base rate in sub. (5)(a)1.

(b) If the local exchange service provider is a wireline provider but has not been designated as an eligible telecommunications carrier under s. PSC 160.13 for the exchange in which the customer lives, then the maximum base rate in sub. (5)(a)1.

Note: See sub. (5)(b)1. concerning potential adjustments to the amount in sub. (5)(a)1.

(c) If the provider is a commercial mobile radio service provider, the lifeline base rate determined by the commission when it designates the provider as an eligible telecommunications carrier.

SECTION 44. PSC 160.062(5) is renumbered 160.062(10) and amended to read:

PSC 160.062(10) Local exchange service providers that meet the requirements under sub. (11) may receive reimbursement from the universal service fund for 100% of that portion of the

~~standard authorized rate for service which~~ lifeline adjustment that is ~~in excess of~~ more than the amount ~~of the lifeline monthly rate which~~ that is eligible for reimbursement from federal lifeline program funds.

SECTION 45. PSC 160.062(5) is created to read:

PSC 160.062(5) (a) Except as provided in par. (c) and sub. (6):

1. If the lifeline base rate is $25.00 or less, the lifeline adjustment shall be $10.

2. If the lifeline base rate is greater than $25.00, the lifeline adjustment shall be whatever amount is necessary to reduce the lifeline monthly rate to $15.

(b) 1. The adjustment under par. (a)1. shall be increased automatically if an FCC order or a change in federal law causes an increase in a customer's lifeline base rate, and the state reimbursement amount after the increased adjustment is not greater than it was before the FCC order or change in federal law.

Note: A utility may petition the commission under s. PSC 160.01(2)(b) if the increased adjustment would increase the state reimbursement amount.

2. The adjustment under par. (a)2. shall be increased automatically if an FCC order or a change in federal law causes an increase in a customer's lifeline base rate, regardless of whether the state reimbursement amount after the increased adjustment is greater than it was before the FCC order or change in federal law.

(c) Except as provided in sub. (6), in no case shall the lifeline monthly rate be less than $3 or more than $15.

SECTION 46. PSC 160.062(6) is renumbered 160.062(12).

SECTION PSC 160.062(6) is created to read:

PSC 160.062(6)(a) When a customer qualifies for federal universal service fund support for eligible residents of tribal lands under 47 CFR 54.400 *et seq.*:

1. If the lifeline base rate is $25.00 or less, the lifeline adjustment shall be $10.00 plus whatever additional federal universal service fund support the customer qualifies for as an eligible resident of tribal lands.

2. If the lifeline base rate is greater than $25.00, the lifeline adjustment shall be whatever amount is necessary to reduce the lifeline monthly rate to the level at which the adjustment results in a state reimbursement amount that is equal to what it would be under sub. (5)(a)2.

(b) The adjustment under par. (a)1. shall be increased automatically if an FCC order or a change in federal law causes an increase in a customer's lifeline base rate, and the state reimbursement amount after the increased adjustment is not greater than it was before the FCC order or change in federal law.

Note: A utility may petition the commission under s. PSC 160.01(2)(b) if the increased adjustment would increase the state reimbursement amount.

Note: The adjustment under par. (a)2. will increase automatically since it is tied to the state reimbursement amount under sub. (5)(a)2., which may be adjusted under sub. (5)(b)2.

(c) Notwithstanding pars. (a) and (b), in no case shall the lifeline monthly rate be less than $1.

SECTION 47. PSC 160.062(7) is renumbered 160.062(13).

SECTION 48. PSC 160.062(8)(intro.), (9) and (11) are created to read:

PSC 160.062(8)(intro.) Except as provided in sub. (9),

(9) If a provider has a reasonable basis to believe that a customer no longer meets the lifeline eligibility requirements, the provider shall furnish the customer a written notice of impending termination of lifeline assistance at least 60 days and no more than 90 days before the termination date. The notice shall be sent separately from the customer's regular monthly bill, shall state the termination date and shall provide information on how to demonstrate continued eligibility. The customer shall be given at least 60 days after the date of the notice of impending termination to demonstrate continued eligibility. Lifeline assistance may not be terminated during that time. Lifeline assistance shall be terminated no less than 60 days and no more than 90 days after the date of the notice if the customer does not demonstrate continued eligibility during that time.

(11) A local exchange service provider shall file its reimbursement request with the fund administrator before April 1 of the year following the year during which the customer was charged the lifeline monthly rate for which reimbursement is sought. A provider may obtain an extension from commission staff for good cause.

SECTION 49. PSC 160.063(1) to (3) are amended to read:

PSC 160.063(1) Funding ~~shall~~ may be available to fund ~~collaborative partnerships between community-based organizations and telecommunications providers~~ projects to increase participation of the eligible populations in the universal service fund low-income support programs.

(2) Funding from the universal service fund for these ~~collaborative efforts~~ projects ~~shall~~ may not exceed $250,000 in one year. Funding shall be limited to not more than 6 projects with at least one project focused statewide and one project focused on the Milwaukee area, if feasible.

(3) The commission ~~shall annually~~ may periodically review and grant funding, when funding is available, based on complete responses to a request for ~~proposals~~ applications. ~~Funding shall be limited to not more than 6 projects with at least one project focused statewide and one project focused on the Milwaukee area, if feasible.~~ An application may involve disbursement of support during multiple state fiscal years. All applications shall become public documents upon filing.

SECTION 50. PSC 160.063(4) is repealed and recreated to read:

PSC 160.063(4) An application shall include all of the following:

(a) A description of the proposed project

(b) A description of any project partners and the roles of each partner.

(b) A description of the proposed activities and an explanation of how those activities may increase participation of eligible populations in the universal service fund low-income support programs.

(c) A budget showing a breakdown of costs and how a grant under this section would be used.

(d) Any other information that the commission considers necessary.

SECTION 51. PSC 160.07(2) is amended to read:

PSC 160.07(2) When a local exchange service provider, ~~or~~ the fund administrator or its designee, a vendor, or the commission has sound reason to question the self-certification of a customer under sub. (1), additional verification of disability, such as an appropriate ~~doctor's~~ medical professional's written medical diagnosis and description of physical limitations and special needs resulting from that diagnosis, may be required for certification of special telecommunications needs.

SECTION 52. PSC 160.071(1)(a), (b)1. and 4. to 6., and (c) are amended to read:

PSC 160.071(1)(a) Vouchers shall be available to assist customers with a disability who have special needs certification under s. PSC 160.07(1) in the purchase of equipment needed to personally access and use essential services of the telecommunications network. Vouchers may not be used to purchase equipment which will be used exclusively for commercial purposes.

(b)1. ~~$200~~ $125 for hard of hearing.

4. $1600 for mobility or motion impaired.

5. $2,500 for severely hard of hearing-low vision or deaf - low vision.

6. $7,200 for severely hard of hearing - blind or deaf - blind.

(c) A voucher recipient under par. (b) 1. is not required to make a co-payment. All other voucher recipients are required to make a co-payment of $100 ~~at the time~~ when the equipment is purchased. For certain low-income customers in the categories under par. (b)3. and 4. the co-payment may be supplied by the universal service fund if the customer provides a medical professional's statement confirming the need for telecommunications equipment available under this section and if the customer certifies that he or she would meet the income requirements of the telecommunications assistance program (TAP) administered by the Wisconsin department of health and family services. ~~Pursuant to~~ Under par. ~~(f)~~ (e), for certain low income customers the co-payment may be supplied by funding through ~~the telecommunications assistance program (~~TAP~~)~~.

SECTION 53. PSC 160.071(1)(d) is repealed.

SECTION 54. PSC 160.071(1) (e) to (h) are renumbered 160.071(1)(d) to (g) and amended to read:

PSC 160.071(1)(d) Customers with disabilities may obtain commission approved voucher application forms from the fund administrator, their local exchange service provider, or other sources. Completed voucher application forms shall be submitted to the universal service fund administrator or its designee.

(e) Applicants for vouchers under this section shall be Wisconsin residents. An applicant may not receive a voucher for equipment for the same disability more than once every 3 years. An applicant may receive a voucher for equipment even if another person in the same household has also received a voucher. Applications filed by low-income ~~deaf and hard of hearing~~ individuals in the categories under par. (b)2., 5., and 6. shall be referred to the Wisconsin department of health and family services for telecommunications assistance program (TAP) funding to provide any customer co-payment required under par. (c). If found eligible, an alternative voucher may be issued to include that program's funding. If found ineligible, a voucher application shall be processed in priority according to its original date of receipt by the fund administrator or its designee.

(f) Applications shall be granted on a first-come, first-served basis; except, no single disability classification described in par. (b) may be issued vouchers ~~totalling~~ totaling more than 75% of the total annual budget within the first 3 quarters of the budget year.

(g) A waiting list shall be established for applications held pending available funding or ~~pursuant to~~ under par. (f).

SECTION 55. PSC 160.071(1)(i) is renumbered 160.071(1)(h).

SECTION 56. PSC 160.071(1)(j) to (L) are renumbered 160.071(1)(i) to (k)1. and amended to read:

PSC 160.071(1)(i) Vendors may redeem vouchers, submitted with an invoice, from the universal service fund administrator. Reimbursement may not exceed the total purchase price of the equipment with tax less, where applicable, a customer co-payment of $100. The commission may, for good cause, suspend a vendor's eligibility to redeem vouchers under this program. Suspended vendors shall not receive reimbursement for vouchers submitted for purchases or customer orders made after the date of suspension.

(j) ~~The commission~~ Commission staff may impose reasonable limits on the types and quantities of devices that may be purchased with one voucher.

(k)1. The fund administrator or its designee shall maintain, and make accessible, lists of the types and quantities of equipment eligible for purchase with a single voucher in each category under par. (b). Revisions to the list shall be done periodically ~~by the fund administrator~~ in consultation with the commission staff and representatives selected by the universal service fund council. Input regarding revisions may be solicited from vendors, representatives of interested groups serving the disabled and others, as appropriate.

Note: The equipment list will be posted on the commission's website (psc.wi.gov). A vendor may submit an e-mail address and request e-mail notification of whenever a revised list is posted.

SECTION 57. PSC 160.071(1)(k)2. and 3. are created to read:

PSC 160.071(1)(k)2. Equipment that can be used to access the internet for telecommunications service may be included on the list of equipment available to individuals in the categories under pars. (b)4., 5., and 6. "Equipment" includes a personal computer and necessary software, but does not include customer premises wiring, telephone or cable access lines, or telecommunications services.

3. Individuals requesting equipment under subd. 2. shall provide a medical professional's statement that the equipment is necessary to meet the telecommunications needs of that individual.

SECTION 58. PSC 160.071(1)(m) and (n) are renumbered 160.071(1)(L) and (m), and are amended to read:

PSC 160.071(1)(L) Equipment purchases involving individual exceptions to the eligible equipment lists under par. ~~(L)~~ (k) may be granted by the fund administrator or its designee only following consultation with commission staff. ~~Commission staff, the fund administrator, or both, may solicit input~~ Input regarding ~~such~~ exceptions may be solicited from vendors, representatives of interested groups serving the disabled and others, as appropriate.

(m) Objections to items included on or excluded from the eligible equipment lists and determinations regarding individual exceptions shall be ~~handled as informal complaints~~ submitted to the commission in writing. The commission staff shall review the objection and issue a letter addressing it. Commission staff decisions may be appealed to the commission.

SECTION 59. PSC 160.071(2) is amended to read:

PSC 160.071(2) EQUIPMENT LEASE RATES. Customer premises equipment required to meet special telecommunications needs of those with disabilities ~~shall~~ may be tariffed by the telecommunications utility for monthly lease at rates that recover, over a reasonable period of time, only the utility's direct costs for the customer premises equipment, plus directly attributable overheads. No further contribution to the utility's earnings or general overhead costs shall be included in calculating the rate.

SECTION 60. PSC. 160.071(3) is repealed and recreated to read:

PSC 160.071(3) DISCOUNTED LONG DISTANCE SERVICE. (a) A customer with a special needs certification under s. PSC 160.07(1) may receive discounted residential long distance service if all of the following conditions are met:

1. The customer needs to use a teletypewriter for telephonic conversations.

2. The customer is deaf, hard of hearing or speech impaired, either alone or in combination with other disabilities.

3. The customer is a Wisconsin resident.

4. The customer has not chosen a service package that includes unlimited flat rate long distance service.

Note: An example of a customer under subd. 2 is a customer who is both deaf and blind.

Note: This discount program is only available to a customer if his or her long distance service provider has agreed to voluntarily discount services to customers who qualify under par. (a).

(b) A long distance service provider may receive reimbursement from the universal service fund for the discount given if the provider offers a program that results in at least a 35% discount but no more than a 50% discount in the total residential long distance charges of a customer that qualifies under par. (a). A program may use any of the following methods of providing a discount:

1. A credit applied directly to the customer's bill in an amount equal to at least 35% but no more than 50% of the customer's total residential long distance bill.

2. Rate adjustments that result in the customer paying an amount that is at least 35% but no more than 50% less than the provider's average revenue for one minute of residential long distance service.

3. An alternative method approved by the commission.

SECTION 61. PSC 160.071(4) is renumbered 160.071(5) and amended to read:

PSC 160.071(5) DIRECTORY ASSISTANCE CHARGES. Customers with ~~certified~~ disabilities certified under s. PSC 160.07(1) ~~that prevent~~ as preventing them from using the telephone directory ~~shall~~ may not be charged for a reasonable number of directory assistance calls in a month.

SECTION 62. PSC 160.071(4) is created to read:

PSC 160.071(4) DISCOUNTED WIRELESS SERVICE. (a) A customer with a special needs certification under s. PSC 160.07(1) may receive discounted wireless service if all of the following conditions are met:

1. The customer needs to use a teletypewriter for telephonic conversations.

2. The customer is deaf, hard of hearing or speech impaired, either alone or in combination with other disabilities.

3. The customer is a Wisconsin resident.

4. The customer has not chosen a service package that includes unlimited flat rate long distance service.

Note: An example of a customer under subd. 2 is a customer who is both deaf and blind.

Note: This discount program is only available to a customer if his or her wireless provider has agreed to voluntarily discount services to customers who qualify under par. (a).

(b) A wireless provider may receive reimbursement from the universal service fund for the discount given if the provider offers a program that results in at least a 35% discount in the total residential wireless charges of a customer that qualifies under par. (a). A program may use any of the following methods of providing a discount:

1. A credit applied directly to the customer's bill in an amount equal to at least 35% but no more than 50% of the customer's total residential wireless bill.

2. Rate adjustments that result in the customer paying an amount that is at least 35% but no more than 50% less than the provider's average revenue for one minute of residential wireless service.

3. An alternative method approved by the commission.

SECTION 63. PSC 160.071(5) and (6) are renumbered 160.071(6) and (7) and amended to read:

PSC 160.071(6) OPERATOR ASSISTANCE CHARGES. Customers with ~~certified~~ disabilities certified under s. PSC 160.07(1) ~~that prevent~~ as preventing them from directly dialing or keying calls ~~shall~~ may not be charged for operator assistance to place calls.

(7) CUSTOM CALLING SERVICE CHARGES. (a) Customers with ~~certified~~ disabilities who certify under s. PSC 160.07(1) ~~deem~~ that one or more custom calling services is essential ~~in order~~ to receive service that is useful and comparable to the essential service provided to other customers shall receive those services without charge.

(b) Hearing impaired customers who are able and choose to use 2 line voice carryover, and speech impaired customers who are able and choose to use 2 line hearing carryover, ~~shall~~ may not be charged any intrastate nonrecurring charge or monthly rate for the second line. The local exchange service provider shall receive reimbursement from the universal service fund for the amount waived if it files its reimbursement request with the fund administrator no later than April 1 of the year following the year during which the customer would have been assessed the charge. The provider may obtain an extension from commission staff for good cause.

SECTION 64. PSC 160.073(1) and (2) are amended to read:

PSC 160.073(1) The commission shall ~~assure~~ support, through the universal service fund, provision of a pay telephone where it determines that the public health, safety, and welfare is jeopardized without the telephone yet insufficient demand, usage or other public or private funds are available to ~~assure~~ ensure its installation and its continued operation. Pay telephones so designated are considered public interest pay telephones.

(2) A request for designation of a pay telephone as a public interest pay telephone may be made by a pay telephone service provider or any other person. The commission staff shall review the request and issue a letter to the requester granting or denying the request. ~~Such~~ These decisions may be appealed to the commission.

SECTION 65. PSC 160.073(3)(intro.) is renumbered 160.073(4)(intro.).

SECTION 66. PSC 160.073(3)(a) and (b) are renumbered 160.073(4)(a) and (b), and amended to read:

PSC 160.073(4)(a) Shall fulfill a public policy objective in health, safety or public welfare. For pay telephones in certain locations, where the telephone does not otherwise exceed the revenue limitations set forth in sub. ~~(4)~~(5)(a), designation shall be presumed to fulfill ~~such~~ a public policy objective. These locations are: public schools (K-12), public libraries, town halls, public parks, public pools, public museums, public boat landings, public waysides and locations provided under s. PSC ~~165.088~~ 160.13(1)(e).

(b) May not be a pay telephone that is or will be provided under a contract or agreement for multiple pay telephones, or that should be included in ~~such a~~ the contract or agreement but is not.

SECTION 67. PSC 160.073(3)(c) is renumbered 160.073(4)(c).

SECTION 68. PSC 160.073(3) is created to read:

PSC 160.073(3) If a pay telephone is not installed within 60 days of its designation as a public interest pay telephone, that designation shall lapse. Commission staff may extend this deadline due to exceptional or unusual circumstances.

SECTION 69. PSC 160.073(4)(intro.) is renumbered 160.073(5)(intro.) and amended to read:

PSC 160.073(5)(intro.) While the determination of whether to designate a pay telephone as a public interest pay telephone does not depend on the presence or absence of any one or more of the following items, these items shall be considered, in addition to other considerations that may be relevant, in determining whether to make ~~such~~ a designation. Items favoring designation include:

SECTION 70. PSC 160.073(4)(a) to (f) are renumbered 160.073(5)(a) to (f).

SECTION 71. PSC 160.073(4)(d) to (g) are created to read:

PSC 160.073(4)(d) May not be a pay telephone that would otherwise exist as a result of a state or federal law requiring its placement.

(e) May not be located in an area or facility that may only be entered after paying a fee.

(f) Shall have the capability to receive calls.

(g) May not have time limits on calls.

SECTION 72. PSC 160.073(5) is renumbered 160.073(6)(a) and amended to read:

PSC 160.073(6)(a) The pay telephone service provider ~~shall~~ may be reimbursed the reasonable costs and charges for equipment, provision of basic service, maintenance and servicing, and administrative operations such as collection and accounting for a public interest pay telephone. The state universal service fund shall only cover the reasonable costs and charges not covered by a federal universal service program and revenues from the pay telephone. The Commission may issue guidelines concerning what costs and charges are reasonable.

SECTION 73. PSC 160.073(5)(g) is created to read:

PSC 160.073(5)(g) Designation will further the geographic diversity of public interest pay telephone locations.

SECTION 74. PSC 160.073(6) is renumbered 160.073(7) and amended to read:

PSC 160.063(7) The public interest pay telephone designation of each telephone so designated shall be reviewed periodically by the commission ~~annually in the quarter during which the designation was originally granted~~. For purposes of this review, the commission may delegate initial screening or review of the qualification of facilities carrying the public interest pay telephone designation to a private organization ~~or organizations~~.

SECTION 75. PSC 160.073(6)(b) and (c) are created to read:

PSC 160.073**(6)**(b) Financial records, including supporting documentation, shall be kept with sufficient detail to fully support a provider's request for reimbursement. This includes records and documentation on costs, charges and revenues.

(c) The records and documentation in par. (b), and monthly records for all repair service and preventive maintenance shall be kept for two years and shall be made available to the commission on request.

SECTION 76. PSC 160.073(7)(intro.) is renumbered 160.073(8)(intro.) and amended to read:

PSC 160.073(8)(intro.) A pay telephone provider that is providing a public interest pay telephone shall meet the following ~~service quality related~~ requirements as to that telephone:

SECTION 77. PSC 160.073(7)(a) and (b) are renumbered 160.073(8)(a) and (b).

SECTION 78. PSC 160.073(8)(c) is repealed and recreated to read:

PSC 160.073(8)(c) Maintenance and provision of all records required under sub. (6)(b) and (c).

SECTION 79. PSC 160.073(8)(d) and (9) are created to read:

PSC 160.073(8)(d) 1. Post a notice, that has been submitted to commission staff for approval, on the telephone identifying it as a commission designated public interest pay telephone.

2. Remove the notice under subd. 1. promptly when the designation ends.

(9) If the commission suspends a public interest pay telephone designation, it may reduce or eliminate the payments made to the provider under this section for the suspension period. If the suspension is due to a violation of this section, the reduction or elimination may be applied retroactively to the date on which the violation was identified.

SECTION 80. PSC 160.08 is amended to read:

PSC 160.08 **Telecommunications customer assistance program.** The commission may authorize individual telecommunications providers to establish telecommunications customer assistance programs that meet authorized goals and objectives for increasing or stabilizing subscription levels for non-optional, essential telephone service within its service territory or to address avoidance of disconnection or limitation of service to low-income households with payment problems. ~~Such~~ The customer assistance programs may allow a provider to not make available certain essential services, as defined in s. PSC 160.03(2), in order to ~~preserve~~ keep at least minimal telephone service to certain low-income households with payment problems. The commission shall determine on a case-by-case basis whether or not a telecommunications customer assistance program may receive universal service fund monies.

SECTION 81. PSC 160.09(2) is renumbered 160.09(3)(a) and amended to read:

PSC 160.09(3)(a) ~~Credits shall be applied to the price of service as specified in sub. (3), except that if~~ If a local exchange service provider charges a single rate covering basic local exchange service and other telecommunications or related services, the commission may determine, by order and after opportunity for hearing, the portion of ~~such~~ the bundled rates to which rate assistance credits apply.

SECTION 82. PSC 160.09(2) is created to read:

PSC 160.09(2) A local exchange service provider shall recalculate credits under this section whenever the fixed monthly charge for essential telecommunications service as defined in s. PSC 160.03(2) is changed, or whenever so ordered by the commission.

SECTION 83. PSC 160.09(3)(intro.) is renumbered 160.09(4)(a)(intro.).

SECTION 84. PSC 160.09(3)(intro.) is created to read:

PSC 160.09(3)(intro.) Credits shall be applied to the price of service as specified in sub. (4), except that:

SECTION 85. PSC 160.09(3)(a) to (c) are renumbered 160.09(4)(a)1., 4., and 5., and amended to read:

PSC 160.09(4)(a)1. The fixed monthly charge for essential telecommunications service, as defined in s. PSC 160.03~~;~~.

4. The federal communications commission ~~end user common~~ subscriber line charge~~;~~.

5. Usage charges~~, if any~~, based on the size of the local calling area~~, excluding extended community calling territory,~~ as follows: [See Figure 160.09 ~~(3) (c)~~ (4)(a)5. following]

SECTION 86. PSC 160.09(3)(b) is created to read:

PSC 160.09(3)(b) If a local exchange service provider is a commercial mobile radio service provider, the commission shall determine, by order and after opportunity for hearing, the method of calculating the credits.

SECTION 87. Figure 160.09(3)(c) is renumbered Figure 160.09(4)(a)5. and amended to read:

Figure 160.09~~(3)(c)~~ (4)(a)5.:		
Exchange's local calling area size, excluding extended community calling territory, as measured by number of access lines	Exchange's combined local calling and extended community calling area size as measured by number of access lines	Usage charges includable in the s. 160.09 ~~(3)(c)~~ (4)(a) calculation of the price of service
At least 50,000	(Not applicable)	Per minute or calculated charges for 480 minutes of local calling.
Less than 50,000 but at least 5,000	At least 50,000	Per minute or calculated charges for 360 minutes of local calling, **plus** Price of 1 minute of extended community calling times 120 minutes.
Less than 50,000 but at least 5,000	Less than 50,000	Per minute or calculated charges for 360 minutes of local calling, **plus** Price of 1 minute of extended community calling times 90 minutes, **plus** The average price of 1 minute of intrastate toll service~~, as periodically calculated by the commission,~~ times 30 minutes. If a provider does not have extended community calling in the exchange, the above 360 minutes of local calling ~~should~~ shall be changed to 450 minutes.
Less than 5,000	At least 50,000	Per minute or calculated charges for 240 minutes of local calling, **plus** Price of 1 minute of extended community calling times 240 minutes.
Less than 5,000	Less than 50,000	Per minute or calculated charges for 240 minutes of local calling, **plus**

		Price of 1 minute of extended community calling times 120 minutes, **plus** The average price of 1 minute of intrastate toll service~~, as periodically calculated by the commission,~~ times 120 minutes. If a provider does not have extended community calling in the exchange, the above 240 minutes of local calling ~~should~~ shall be changed to 360 minutes.

SECTION 88. PSC 160.09(4)(intro.) is renumbered 160.09(5)(intro.) and amended to read:

PSC 160.09(5)(intro.) Except as provided in sub. (3)(b), ~~Local~~ local exchange service providers shall issue high rate assistance credits according to the following criteria:

SECTION 89. PSC 160.09(4)(a) is renumbered 160.09(5)(a).

SECTION 90. PSC 160.09(4)(a)2. and 3. are created to read:

PSC 160.09(4)(a)2. The federal communications commission authorized charge for implementation of local number portability, or other similar charges as approved by the commission.

3. Any 9-1-1 charges billed on the telephone bill.

SECTION 91. PSC 160.09(4)(b) to (e) are renumbered 160.09(5)(b) to (e).

SECTION 92. PSC 160.09(4)(b) is created to read:

PSC 160.09(4)(b) For purposes of Figure 160.09 (4)(a)3., the average price of 1 minute of intrastate toll service shall be periodically calculated by the commission. As an alternative, the commission may approve a local exchange service provider's request to use an average price of 1 minute of intrastate toll service that it has calculated using data specific to that local exchange service provider.

Note: As of May 2006, the commission calculated average price of intrastate toll service is 5 cents per minute.

SECTION 93. PSC 160.09(4)(f),(g) and (5) are renumbered 160.09(5)(f), (h) and (6), and amended to read:

PSC 160.09(5)(f) When a rate applies in only one county, the median household income~~, as published by the Wisconsin department of workforce development,~~ used to calculate the credit

shall be that of that county in which the rate applies. When a rate applies in more than one county, the median household income used to compute the credit shall be the average of the median household incomes in each county in which the rate applies, weighted by the number of customers paying that rate in each county.

(h) If the amount of money required to reimburse local exchange service providers for credits under this section exceeds the amount budgeted for this program under s. PSC 160.17, the commission may modify the formula for high rate assistance credits. ~~Such~~ A modification may be done by commission order, after notice and an opportunity for hearing.

(6) Except as provided in sub. (9), each local exchange service provider shall be reimbursed by the universal service fund for the value of the credits it issues, provided that it qualifies under s. PSC 160.091, if it files its reimbursement claims with the fund administrator by April 1 of the year following the year during which it issued the credit. The provider may obtain an extension from commission staff for good cause.

SECTION 94. PSC 160.09(5)(g) is created to read:

PSC 160.09(5)(g) For purposes of this section, "median household income" means the median household income figure published by the U.S. census bureau, or determined by the commission following an opportunity for public comments.

SECTION 95. PSC 160.09(6) and (7) are renumbered 160.09(7) and (8).

SECTION 96. PSC 160.09(8) is repealed.

SECTION 97. PSC 160.091(intro.), (1) and (2) are amended to read:

PSC 160.091(intro.) **Qualifications for providers receiving universal service funding for high rate assistance credits.** A local exchange service provider receiving reimbursement for high rate assistance credits under s. PSC 160.09 shall do all of the following:

(1) Provide service that meets the minimum requirements of s. PSC 160.03 and any applicable quality of service administrative rules established by or orders issued by the commission~~;~~.

(2) Be designated by the commission as an eligible telecommunications carrier under s. PSC 160.13 for the area in which it seeks reimbursement~~; and~~

SECTION 98. PSC 160.092(1) is repealed and recreated to read:

PSC 160.092 Alternative universal service protection plans. (1) After notice and opportunity for hearing the commission may, by order, implement one or more of the following plans:

(a) An alternative to the high rate assistance credit mechanism in s. PSC 160.09.

(b) A measure to ensure provision of intraLATA and interLATA toll services.

(c) A measure approved by the commission as necessary to protect universal service and ensure provision of other services.

SECTION 99. PSC 160.092(2) and (3) are amended to read:

PSC 160.092(2) Alternative plans under this section shall be implemented on an experimental basis. These experiments shall be reviewed within 3 years of inception and shall terminate within 5 years of inception, unless made permanent by commission order after notice and an opportunity for hearing.

(3) Alternative ~~high cost support~~ plans under this section may make use of cost studies, bidding, provider of last resort requirements, defined service territories or other mechanisms to protect universal service. The commission may, by order, authorize payment of universal service fund monies as part of an alternative plan.

SECTION 100. PSC 160.092(4) is repealed.

SECTION 101. PSC 160.10(5) is created to read:

PSC 160.10(5) In order to receive reimbursement from the universal service fund, the telecommunications utility must file its reimbursement claims with the fund administrator by April 1 of the year following the year during which the credit was issued. The utility may obtain an extension from commission staff for good cause.

SECTION 102. PSC 160.11 is repealed.

SECTION 103. PSC 160.115(1)(a) and (b)(intro.), 1. and 2., (2)(b) and (c), (3), (4)(a), (5)(b), (c) and (g), and (6)(b) are amended to read:

PSC 160.115(1)(a) "Initial application" means an application for universal service fund support ~~under this section~~ that is the first ~~such~~ application under this section filed by the applicant during a state fiscal year.

(b)(intro.) "Non-profit medical clinic" includes any clinic or hospital that meets the following three conditions:

1. Is a non-profit organization governed by a board of directors~~;~~.

2. Serves federally designated health professional shortage areas as defined in 42 USC 254e(a)(1), medically underserved areas, or medically underserved populations~~, and~~.

(2)(b) To directly or indirectly enhance access to medical care in rural or underserved areas of the state, or both.

(c) To directly or indirectly enhance access to medical care by underserved populations or persons with disabilities in the state, or both.

(3) A maximum of $500,000 in universal service fund support may be ~~dispersed~~ granted under this section per state fiscal year.

(4)(a) An application for universal service fund support under this section may not involve ~~dispersement~~ disbursement of support during multiple state fiscal years.

(5)(b) An explanation of how the applicant's purchase of ~~such~~ the telecommunications equipment will support the purposes identified in sub. (2).

(c) Identification of the vendor that ~~will~~ may supply the telecommunications equipment.

(g) Any other information that the commission ~~deems~~ considers necessary.

(6)(b) Public health agencies and non-profit organizations that operate more than one location may receive universal service fund support for telecommunications equipment at more than one location, but before approving an application involving an additional location, the commission shall consider how much total universal service fund support has been received by ~~such~~ the agency or organization during the state fiscal year and the total amount remaining available to be ~~dispersed~~ granted under this section during the fiscal year. Preference may be given to initial applications filed by a public health agency or non-profit medical clinic.

SECTION 104. PSC 160.125(1)(title) is amended to read:

PSC 160.125(1)(title) ~~VOICE MAIL~~ TELEPHONE ACCESS SERVICE FOR THE HOMELESS.

SECTION 105. The note following PSC 160.125(2)(a) is amended to read:

Note: As of ~~November 1999~~ May 2006, s. 196.218 (5) (a) 1. and 2., Stats., reads:
(5) USES OF THE FUND. (a) The commission shall use the moneys in the universal service fund only for any of the following purposes:
1. To assist customers located in areas of this state that have relatively high costs of telecommunications services, low-income customers and disabled customers in obtaining affordable access to a basic set of essential telecommunications services.
2. To assist in the deployment of advanced service capabilities of a modern telecommunications infrastructure throughout this state.

SECTION 106. PSC 160.125(2)(b) is amended to read:

PSC 160.125(2)(b) Any non-profit group may apply for universal service funding to fund any portion of a program or project or both. Funding shall be ~~provided~~ granted on a state fiscal year basis, but funding for more than one fiscal year may be approved at one time. ~~Applications for funding in the following fiscal year shall be submitted by November 15th~~. The commission shall issue a list of approved programs or projects, or both, ~~by April 15th, with funding for those programs or projects, or both, to begin that July 1st~~ when grants are awarded. All applications shall become public documents upon filing.

SECTION 107. PSC 160.125(2)(c)1. to 4. are renumbered 160.125(2)(c)2. to 5.

SECTION 108 PSC 160.125(2)(c)1. is created to read:

PSC 160.125(2)(c)1. A statement that the applicant is a non-profit group, as defined in s. PSC 160.02(9).

SECTION 109. PSC 160.125(2)(c)5. is renumbered 160.125(2)(c)6. and amended to read:

PSC 160.125(2)(c)6. Identification of the providers of each portion of the telecommunications services or equipment and a specific description of the following components of the program or project including all of the following:

a. The costs of telecommunications services and telecommunications equipment used by the program or project~~;~~.

b. The cost of training for those who are served by the program or project so that they can ~~utilize~~ use the services~~;~~.

c. The administrative costs directly attributable to the program or project~~;~~.

d. The cost of technical expertise required to complete the program or project~~; and~~.

e. Revenue from services or training described in subd. ~~5.~~6.b.

SECTION 110. PSC 160.125(2)(d)(intro.) to 2., (e) and (f) are amended to read:

PSC 160.125(2)(d)(intro.) The commission shall evaluate all applications submitted. In evaluating the applications the commission shall consider information including~~, but not limited to,~~ the following:

1. The basis of the public need to be met~~;~~.

2. The extent to which other programs or projects, either funded under this section or otherwise under this chapter, meet that need~~; and~~.

(e) The universal service fund shall reimburse applicants for up to ~~50%~~ 75% of the cost of reimbursable portions of the program or project, or both. The reimbursable costs include those listed in par. (c) ~~5~~6.a. to d. The resources to be used for the remainder of the costs of the program or project, or both, may include in-kind goods or services, or both.

(f) The programs or projects, or both, to be funded and the amount of reimbursement for each program or project shall be determined by the commission. ~~The commission shall seek comments on the programs or projects to be funded, but shall not hold a hearing.~~ A maximum of $500,000 in funding may be ~~dispersed~~ granted under this subsection per state fiscal year.

SECTION 111. PSC 160.13(1)(intro.), (a), (b)(intro.) to 2., (c) and (d) are amended to read:

PSC 160.13(1)(intro.) The commission may designate a telecommunications provider, including a commercial mobile radio service provider, as an eligible telecommunications carrier. ~~Such a provider~~ An eligible telecommunications carrier is eligible to receive universal service funding

under both applicable federal and state universal service programs for an area, if it meets all of the following requirements:

(a) Holds itself ready to offer service to all customers in the area, except that those customers with a demonstrated inability to pay for service may be denied service ~~in accordance with~~ under ss. PSC 165.051 and 165.052.

(b)(intro.) Advertises its service in the area on a regular basis, with ~~such~~ the advertisements meeting all of the following:

1. Disseminated in media of general distribution in the area, at least 2 times per year~~;~~.
2. Describing the services offered~~; and~~.

(c) ~~Makes available~~ Offers lifeline and link-up service, as defined in ss. PSC 160.061 and 160.062.

(d) Offers, at a minimum, all portions of essential telecommunications service, as defined in s. PSC 160.03. ~~For purposes of this subsection "essential services" includes public interest pay telephone service pursuant to s. PSC 160.073, pay telephones specified by s. PSC 165.088, and pay telephone interconnection service subject to federal communications commission orders, commission orders and ch. PSC 169.~~

SECTION 112. PSC 160.13(1)(e) is created to read:

PSC 160.13(1)(e) Ensures that there is at least one public pay telephone in each exchange, incorporated municipality and where public convenience requires it. The public pay telephone shall be available to the public on a 24-hour basis and shall provide service at an affordable rate. If more than one eligible telecommunication carrier provides service in the exchange or municipality, then two or more of the eligible telecommunications carriers may jointly provide the pay telephone.

SECTION 113. PSC 160.13(2), (3) and (5)(a) and (c) are amended to read:

PSC 160.13**(2)** The area in which a provider shall be designated as an eligible telecommunications carrier shall be:

(a) For an area that is served by an incumbent local exchange service provider that is not a rural telephone company, the incumbent local exchange service provider's wire center~~, unless the commission designates a smaller area~~.

(b) For an area that is served by an incumbent local exchange service provider that is a rural telephone company, the service territory comprised of one or more of the incumbent local exchange service provider's wire centers, unless the commission designates, and the federal communications commission approves, a smaller area. No service territory may include only a portion of a wire center.

(3) For an area served by an incumbent local exchange service provider that is a rural telephone company, the commission may only designate an additional eligible telecommunications carrier after finding that doing so is in the public interest ~~requires multiple eligible telecommunications carriers, pursuant to federal law and s. 196.50 (2), Stats~~. For an area served by an incumbent local exchange service provider that is not a rural telephone company, the commission may designate an additional eligible telecommunications carrier without making such a finding.

(5) (a) An eligible telecommunications carrier may relinquish ~~its~~ that designation ~~as such~~ for an area by notifying the commission and the administrators of both the state and federal universal service funds, in writing, of its intention.

(c) If no other eligible ~~telecommunication~~ telecommunications carrier is designated for that area, the relinquishing carrier shall remain as the eligible telecommunications carrier for that area until the commission designates an alternative eligible telecommunications carrier. In ~~such a~~ that case, the commission shall notify the relinquishing carrier, and the administrators of the state and federal funds, that eligible telecommunications carrier status is still in effect. The commission may use ~~a process similar to that described in s. PSC 160.14(3) to (6)~~ an auction or a similar process to designate a new eligible telecommunications carrier for an area for which the only existing eligible telecommunications carrier is seeking to relinquish that status.

SECTION PSC 160.14 is repealed.

SECTION 114. PSC 160.15 is renumbered PSC 160.15(1).

SECTION 115. PSC 160.15(2) is created to read:

PSC 160.15(2)(a) Telecommunications providers that adjust local exchange service rates for the purpose of recovering any or all of the contributions to the universal service fund determined by the commission under s. 196.218(3)(a)4., Stats., shall identify on customer bills a single amount that is the total amount of the adjustment.

(b) An adjustment to local exchange service rates that occurs more than 4 months after the date on which a commission ordered new assessment rate goes into effect will not be considered to be for the purpose of recovering contributions to the universal service fund unless the telecommunications provider files, before the deadline has passed, for an extension of the deadline based on good cause, and the request is granted.

SECTION 116. PSC 160.16(2) is amended to read:

PSC 160.16(2) The fund administrator may propose changes or modification to the mechanisms of administration of the fund. The commission may approve ~~such~~ the requests without hearing.

SECTION 117. PSC 160.17(1)(c) and (2) are amended to read:

PSC 160.17(1)(c) Deferring support ~~payments~~ payment decisions to a later period.

(2) At least annually, the commission, in consultation with the ~~technology for educational achievement in Wisconsin board and~~ department of administration, shall determine the amounts necessary for funding the payments specified in s. PSC 160.05 (2), (3) and (4).

SECTION 118. PSC 160.17(3) is renumbered 160.17(4).

SECTION 119. PSC 160.17(3) is created to read:

PSC 160.17(3) At least annually, the commission, in consultation with the department of public instruction, shall determine the amount necessary for funding the payment specified in s. PSC 160.05(5).

SECTION 120. PSC 160.17(4) is renumbered 160.17(5) and amended to read:

PSC 160.17(5) The commission shall provide notice of the proposed budget under sub. (1) ~~and any proposed changes to the budget~~ to the universal service fund council and other interested parties with an opportunity for comment prior to commission action.

SECTION 121. PSC 160.18(4) and (9)(a) are amended to read:

PSC 160.18(4) Each telecommunications provider, <u>including commercial mobile radio service providers,</u> shall submit information, on a schedule and in a format to be set by the commission, on the telecommunications provider's gross intrastate telecommunications revenues during the preceding calendar year.

(9)(a) Assessments shall be paid within 30 days after the bill is mailed. A telecommunications provider that has not paid within 30 days after the bill is mailed shall be ~~deemed~~ <u>considered</u> to have not paid under s. 196.218(8), Stats. Assessments not paid within 30 days after the bill is mailed shall be collected using the process described in s. 196.85(3), Stats.

SECTION 122. PSC 160.18(9)(b) is renumbered 160.18(9)(b)1.

SECTION 123. PSC 160.18(9)(b)2. is created to read:

PSC 160.18(9)(b)2. Objection to a new assessment amount shall be made within 30 days after the first bill using the new assessment amount is mailed. An objection to an assessment amount made more than 30 days after the first bill using the new assessment amount is mailed shall be an objection to the assessment amount beginning with the most recent assessment bill. The making of the objection and commission action regarding that objection shall follow the process described in s. 196.85 (4), Stats.

Note: For example, if a new assessment amount is billed on October 1 and an objection is filed on October 15, the objection will be to the amount on all bills from October 1st on. If an appeal is filed on November 15, the objection will be to the amount on all bills from November 1st on.

SECTION 124. PSC 160.18(10) is repealed and recreated to read:

PSC 160.18(10) Adjustments of local exchange rates to correct overcollection or undercollection of amounts charged for the purpose of recovering contributions to the universal

service fund are limited to adjustments for the prior year or for the period beginning with the effective date of the commission's last assessment determination, and shall be calculated within 60 days after the date on which a new assessment rate amount goes into effect.

SECTION 125. PSC 160.19(1) and (2) are amended to read:

PSC 160.19(1) The commission shall appoint a universal service fund council to advise the commission concerning the administration of s. 196.218, Stats., the content of administrative rules adopted under s. 196.218, Stats., and any other matters assigned to the ~~adopted pursuant to s.~~ universal service fund council by the commission.

(2) The universal service fund council shall consist of telecommunications providers and of consumers of telecommunications services. The commission shall appoint a diverse membership to the universal service council including representatives of the local exchange telecommunications industry; the interexchange telecommunications industry, including facilities-based carriers and resellers; the cable television industry; other telecommunications providers and consumers of telecommunications services including residential, business, governmental, ~~institutional,~~ and public special interest group users of telecommunications services.

SECTION 126. PSC 161.05(4) is repealed.

SECTION 127. PSC 165.043(4)(intro.) and (b) are amended to read:

PSC 165.043(4)(intro.) All applicants, upon applying for new telecommunications service, shall as a minimum, be informed by the utility ~~as herein described~~ of all of the following:

(b) Applicants shall be informed of the basic exchange services that are available and given a description of the general service types. The telecommunications utility shall inform the customer of the range of monthly rates which applies to these services and, if either the high-rated or low-rated service is a measured service, of the call allowance and charge for additional usage associated with ~~such~~ the service. The monthly rates which are quoted for basic services shall be without inclusion of rates for any additional, optional service features.

SECTION 128. PSC 165.043(4)(c) is renumbered 165.043(4)(d).

SECTION 129. PSC 165.043(4)(c) is created to read:

PSC 165.043(4)(c) If line power is not provided to a customer's network interface device, the customer shall be informed when he or she is ordering service that his or her telecommunications service may be affected if there is a commercial power failure.

SECTION 130. PSC 165.043(4)(d) and (e) are renumbered 165.043(4)(e) and (f) and amended to read:

PSC 165.043(4)(e) Applicants shall be informed by the utility providing local exchange service of the names, addresses and telephone numbers of carriers from which they can purchase toll service, provided ~~such~~ the carriers have provided the information to the utility. This information shall also be provided to existing customers upon request.

(f) Information described in pars. (a) to ~~(d)~~ (e) shall be provided in writing when written telecommunications service applications are used or when requested by customers in other, nonwritten, requests for telecommunications service.

SECTION 131. PSC 165.043(4)(f) is renumbered 165.043(4)(g).

SECTION 132. PSC 165.088 is repealed.

SECTION 133. PSC 171.06(1) is amended to read:

PSC 171.06(1) All qualified cable television telecommunications service providers shall be subject to the following sections of ch. 196, Stats.: ss.196.02, 196.08, 196.12, 196.203, 196.218, 196.25, 196.39, 196.395, 196.40, 196.41, 196.43, 196.44, 196.65 and 196.66, Stats.

This rule shall take effect on the first day of the first month following publication in the Wisconsin administrative register as provided in s. 227.22(2)(intro.), Stats.

(end)

1

2005 Session

☒ ORIGINAL ☐ UPDATED
☐ CORRECTED ☐ SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.
1-AC-198

Amendment No. if Applicable

FISCAL ESTIMATE

DOA-2048 N(R10/96)

Subject
Modify existing Universal Services Program rules in Wis. Admin. Code ch. PSC 160

Fiscal Effect

State: ☒ No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

☐ Increase Existing Appropriation ☐ Increase Existing Revenues
☐ Decrease Existing Appropriation ☐ Decrease Existing Revenues
☐ Create New Appropriation

☐ Increase Costs - May be possible to Absorb Within Agency's Budget ☐ Yes ☐ No

☐ Decrease Costs

Local: ☒ No local government costs

1. ☐ Increase Costs ☐ Permissive ☐ Mandatory
2. ☐ Decrease Costs ☐ Permissive ☐ Mandatory
3. ☐ Increase Revenues ☐ Permissive ☐ Mandatory
4. ☐ Decrease Revenues ☐ Permissive ☐ Mandatory
5. Types of Local Governmental Units Affected:
☐ Towns ☐ Villages ☐ Cities
☐ Counties ☐ Others _____
☐ School Districts ☐ WTCS Districts

Fund Sources Affected
☐ GPR ☐ FED ☒ PRO ☐ PRS ☐ SEG ☐ SEG-S

Affected Ch. 20 Appropriations
20.155 (1) (g)

Assumptions Used in Arriving at Fiscal Estimate

The proposed rule is required to be reviewed periodically by Wis. Stat. 196.218. The rules changes being proposed are intended to continue and enhance the general purposes of the USF statutes and will not add to or subtract from the grants and costs to manage the USF programs.

Long-Range Fiscal Implications
NONE

Agency/Prepared by: (Name & Phone No.)	Authorized Signature/Telephone No.	Date
Gordon Grant 267-9086	Gordon Grant	4/4/2006