

PUBLIC SERVICE COMMISSION OF WISCONSIN

Universal Service Fund Council

SUMMARY OF DECEMBER 11, 2009 MEETING

Meeting Date: December 11, 2009

Place: Public Service Commission Building, Pecatonica River Conf. Rm. - Madison, WI

Universal Service Fund Council (USFC) members present by teleconference:, **Jill Collins-** AT&T (Council Vice-Chair), **Stephanie Harrison** – WPHCA; **Cheryl Rue** – Tri-County Telephone Coop, **Pamela Sherwood** – Time Warner, **Paulette Watford** – Community Advocates

USFC members absent: , : **Dick Schlimm** – WICAP (Council Chair) **Pam Holmes** – Ultratec, **Jean Pauk** – TDS Telecom, **Bob Kellerman** – AgeAdvantage, **Gary Radloff** – DATCP, **Gwen Jackson** – Red Cross, Telecom, **Paul Fuglie** – Verizon

PSC personnel participating: Anita Sprenger, Jeff Richter.

Other persons present (by phone): Emily Wieters – LAB, Kerry Malak – CDHH, Richard Uzanis – Hitec

Introductions

Jill Collins opened the meeting at 9:05 a.m. A quorum was not present (5 of 12).

The June 4, 2009 meeting minutes were reviewed but could not be approved since there was no quorum.

Vice-Chair Collins asked if there were any comments or presentations from public members. There were none.

Status of PSC 160 Administrative Code Revisions

The Commission approved the revised USF Rules – PSC 160, Admin. Code(1-AC-198) and on December 8, 2009, it sent the rules package to the legislature.

Budget

CMRS providers began to be assessed for the USF in October when the new assessment rate was established.

The budget with expenditures to date was reviewed (see end of minutes for attachment).

TEPP Budget Issues

Anita Sprenger reported that expenditures for TEPP are exceeding the budgeted amount. PSC staff recommends making some changes to TEPP to slow the growth of expenditures. First, staff recommends that the hard-of-hearing voucher be reduced from \$125 to \$100. This will require a Commission decision to implement. Secondly, staff recommends that the PSC suspend approval of new vendors and modify the equipment list. The Council members present agreed with the changes, but approval from the Council was not given since there was no quorum.

Legislative Audit Bureau Audit

The audit for FY08 was completed and the report was released in early November. Some activity in the current budget and in the biennial budget session was included in the report. From a fiscal management and program review the LAB did not find any deficiencies problems with the PSC portion of the review.

Other business, next USF Council meeting and adjournment

Next meeting will be scheduled in spring 2010.

The meeting adjourned at 9:25 a.m.

USF PROGRAM	FY2009 Budget	FY2009 Expend.	Approved FY2010 Budget	Expenditures thru Nov. 2009	Comments
Telecom. Equipment Purchase Program	\$1,820,000	\$1,714,659	\$1,700,000	\$854,294	Expenditures to-date are Wipfli amounts and not Wismart expenditure. At current spending levels the estimated annual expenditure would be \$2,050,000
High Rate Ceiling Credit	\$36,000	\$27,029	\$10,000	\$2,906	Remains low--highly dependent on FCC future decision on intercarrier compensation; expenditures to date on target.
Lifeline	\$1,600,000	\$1,343,316	\$2,230,000	\$654,517	Expenditures to-date are Wipfli amounts and not Wismart expenditure. Only reflects one quarter of expenditures since most providers have not filed for the second quarter yet.
Link-Up	\$1,500,000	\$636,306	\$680,000	\$172,836	Expenditures to-date are Wipfli amounts and not Wismart expenditure. Only reflects one quarter of expenditures since most providers have not filed for the second quarter yet.
Non-Profit Access Grant Program	\$173,000	\$0	\$500,000	\$500,000	Grants were awarded in early November.
Telemed Equipment Grant Program	\$500,000	\$500,000	\$500,000	\$0	The Commission has indicated it intends to offer this grant program this fiscal year.
Public Interest Payphones	\$85,000	\$52,239	\$20,000	\$0	Program is closed; no expenditures expected this fiscal year.
Two Line VCO	\$6,000	\$5,426	\$7,000	\$647	Expect moderate growth as CapTel phone becomes more widely used.
Administration	\$280,000	\$333,684	\$293,000	\$95,356	Expect some additional costs for website/server maintenance for financial applications and TEPP website.
Transfer to General Fund as required by 2009 Wis. Act 2		\$600,000		\$0	Transfer to the General Fund as per Dept. of Administration to address FY09 budget shortfall.
TOTAL FOR THE FY	\$6,000,000	\$5,212,659	\$5,940,000	\$2,280,556	

Note: FY09 expenditures are from the Wipfli June financial statements except for grant program which reflect actual awards (in P.O.'s) made by the Commission; additional 13th month spending occurred and are reflected in Wismart budget info.

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