



Public Service Commission of Wisconsin

Eric Callisto, Chairperson
Mark Meyer, Commissioner
Lauren Azar, Commissioner

610 North Whitney Way
P.O. Box 7854
Madison, WI 53707-7854

October 1, 2009

TO: Telecommunication Providers in Wisconsin

RE: Assessments for Wisconsin's Universal Service Fund: TEACH, UW-System, and DPI
BadgerLink, Newline, Aid to Public Library Systems and Library Service Contracts

The universal service fund (USF) assessments forwarded with this letter are for obligations of telecommunication providers, including Commercial Mobile Radio Services (CMRS) providers,¹ operating in this state to fund programs specifically established by the Wisconsin legislature. As specified in Wis. Stat. § 196.218(5)(a), the USF may be used to fund the Educational Telecommunications Access Program of the Technology for Educational Achievement in Wisconsin (TEACH) initiative, to fund telecommunications services provided to the University of Wisconsin System (UW-System), and to fund the Department of Public Instruction (DPI) BadgerLink, Newline, state aid to public library systems and library service contracts.

In a delegated decision dated September 22, 2009, the Public Service Commission (PSC) revised the monthly assessment rates for the TEACH, UW-System, and DPI's BadgerLink, Newline, aid to public library systems and library service contracts.² The monthly USF assessment rates for these programs are based on the legislative appropriations for those programs and reflect updated gross intrastate operating revenues as reported to the PSC by telecommunications providers. The billing enclosed with this letter reflects the new assessment rates for these programs. The **monthly assessment rates**, applied to annual revenues, are as follows:

.04218 percent for TEACH programs
.00281 percent for UW-System services
**.10265 percent for the DPI BadgerLink, Newline, library service contracts
and aid to public library systems**

Please note that all providers are allowed to place a surcharge on customer bills to recover costs for all USF contributions. The following statutory provision is in effect for all providers:

196.218(3)(e) A telecommunications provider or other person may establish a surcharge on customers' bills to collect from customers contributions required under this subsection.

¹ CMRS providers are subject to USF assessments as a result of 2009 WI Act 28 changes to Wis. Stat. §196.202(2).

² Also in its September 22, 2009 delegated decision, the Commission determined a new assessment rate for the PSC USF programs. The assessment for TEACH, UW-System, and DPI BadgerLink, Newline, library service contracts and aid to public library systems will continue to be billed separately from the PSC USF program assessment and you will receive a separate letter about that assessment.

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Instead of placing a surcharge on the bill, a telecommunications utility that provides local exchange service, may adjust rates to recover state USF assessments, but if it does so, it must specifically identify that adjustment on customers' bills. The applicable statute is as follows:

196.218(3)(f) Notwithstanding §§. 196.196(1) and (5)(d)2., 196.20(2m), (5) and (6), 196.213 and 196.215, a telecommunications utility that provides local exchange service may make adjustments to local exchange service rates for the purpose of recovering its contributions to the universal service fund required under this subsection. A telecommunications utility that adjusts local exchange service rates for the purpose of recovering such contributions **shall identify** on customer bills a single amount that is the total amount of the adjustment. The Public Service Commission shall provide telecommunications utilities the information necessary to identify such amounts on customer bills.³ (Emphasis added.)

The PSC website provides background and detailed information on bill identification and on the assessment rates at: <http://psc.wi.gov/utilityinfo/tele/usf/usfAssessments.htm>.

Thank you for your prompt remittance of billed assessment amounts, and for your cooperation in making universal service programs a success in Wisconsin. Payments for the TEACH, UW-System, and DPI BadgerLink, Newsline, library service contracts and aid to public library systems assessments are to a discrete bank account. Please make out checks and forward them as instructed on the billing. Questions on invoices or payments may be directed to Wipfli LLP, at numbers shown on the bill. Other questions on the TEACH, UW-System, and DPI assessments may be directed to me at: (608) 266-3843 or by e-mail at: anita.sprenger@wisconsin.gov.

Sincerely,

Anita C. Sprenger
Manager
Universal Service Fund

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³ This letter and the billing for the TEACH, UW-System and DPI USF programs, together with a separate letter and billing for the PSC USF programs, provides this necessary information for telecommunications utilities.