



Public Service Commission of Wisconsin

Phil Montgomery, Chairperson
Eric Callisto, Commissioner
Ellen Nowak, Commissioner

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

October 17, 2011

TO: Telecommunication Providers in Wisconsin

RE: Assessments for Wisconsin's Universal Service Fund (USF):
Public Service Commission (PSC) Programs

The USF assessment forwarded with this letter is for obligations of telecommunications providers operating in this state to fund programs specifically established by the Wisconsin legislature. As specified in Wis. Stat. §§ 196.218(5)(a)1., 4., and 9. and Wis. Admin. Code § PSC 160.05(1), the USF may be used to fund the PSC USF programs.

In a delegated decision dated October 12, 2011, the PSC revised the assessment rate for the PSC USF programs.¹ The monthly USF assessment rate for these programs is based on the legislative appropriations for the programs, and reflects retail telecommunications revenues as reported to the PSC by the telecommunications providers.² The billing enclosed with this letter reflects the new assessment rate for the PSC USF programs. **The monthly assessment rate for the PSC USF programs, applied to annual revenues, is .02220 percent.**

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.

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): 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

¹ Also in its October 12, 2011 delegated decision, the Commission revised the monthly assessment rates for the TEACH, UW-System, and DPI programs for BadgerLink, Newsline, library service contracts and aid to public library systems. The TEACH, UW-System, and DPI USF programs will continue to be billed separately from the PSC USF programs, and you will receive a separate letter about those assessments.

² The Commission revised the USF assessment methodology to exclude wholesale revenues from assessment in an order dated October 17, 2011. (Docket 05-GF-104)

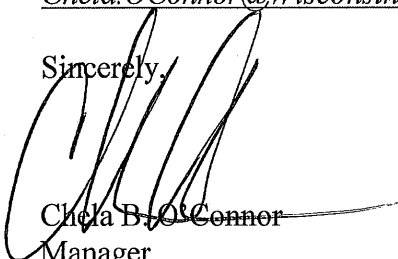
for the purpose of recovering such contributions **shall identify** on customer bills a single amount that is the total amount of the adjustment. The public service commission shall provide telecommunications utilities the information necessary to identify such amounts on customer bills.³ (Emphasis added.)

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

Please also note that the first assessment billing under the new rates is on the 17th of October. Starting in November the assessment date will revert back to the 10th of the month.

Thank you for your prompt remittance of billed assessment amounts and for your cooperation in making universal service programs a success in Wisconsin. Payment for the PSC USF assessment is to a discrete bank account. Please make out checks and send 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 PSC USF assessment may be directed to me at: (608) 266-8950 or at: Chela.OConnor@Wisconsin.gov.

Sincerely,



Chela B. O'Connor
Manager
Universal Service Fund

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