



Public Service Commission of Wisconsin

Ellen Nowak, Chairperson
Phil Montgomery, Commissioner
Mike Huebsch, Commissioner

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

December 3, 2015

TO: Telecommunications Providers in Wisconsin

RE: Assessment for Wisconsin's Universal Service Fund for UW-System.

The Universal Service Fund (USF) assessment forwarded with this letter is for obligations of telecommunications providers operating in this state, including nomadic and non-nomadic Voice Over Internet Protocol (VOIP) providers, 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 telecommunications services provided to the University of Wisconsin System (UW-System).

In a delegated decision issued December 3, 2015, in Docket 05-GF-104, the Public Service Commission (PSC) revised the monthly assessment rate for the UW-System.¹ The monthly USF assessment rate and the bills for this program are based on the legislative appropriation for the program and the retail telecommunications revenues for 2014 as reported to the PSC by the telecommunications providers. The billing enclosed with this letter reflects the new assessment rate for the UW-System. **The new monthly assessment rate, applied to annual revenues, is .00663 percent for the UW-System Services.**

Unusual circumstances have resulted in this individual assessment rate being applied two months later than the other USF assessment rates established in the delegated Decision in this docket issued October 16, 2015. Due to an unintentional omission in the Budget Bill covering the 2016-2017 biennium, the PSC was left without authority to use, as it has in prior years, USF assessment to collect the \$1,054,000 appropriation for UW-System services. As a result, an order setting the rate for the USF billings for UW-System could not be issued in October. Corrective legislation, passed as 2015 Wisconsin Act 108, became effective November 13, 2015. The remaining FY 2016 UW-System appropriation to be collected, therefore, must be divided over the remaining seven months in the 2016 fiscal year and added to the USF assessment bills going forward.

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 Also in its October 12, 2015 delegated decision, the Commission determined a new assessment rate for the PSC USF programs. The assessment for TEACH, UW-System, and DPI programs will continue to be billed separately from the PSC USF program assessment and you have received two separate letters about those assessments in your October USF bills.

5-GF-104

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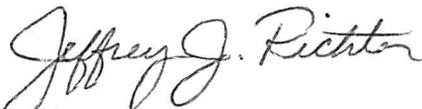
Instead of placing a surcharge on the bill, a telecommunications utility that provides local exchange service, may adjust rates to recover state USF assessments, but if it does so, it must specifically identify that adjustment on customers' bills in a single amount. The applicable statute is Wis. Stats. § 196.218(3)(f). The PSC is required to provide telecommunications utilities the information necessary to identify such amounts on customer bills.²

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>.

Under the circumstances regarding the 2015 UW-System USF assessment change, any changes to USF surcharges or rates as a result of the 2015 USF assessment changes should be based on the assessment billing as it would have been calculated if spread over nine months rather than based on the rate applied over seven months. Those monthly bills would have been calculated using .00516 percent times the provider's average monthly 2014 revenue. Please contact me if you have questions about calculating 2015 adjustments to USF surcharges or rates.

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 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) 267-9624 or at jeff.richter@wisconsin.gov.

Sincerely,



Jeffrey J. Richter
Universal Service Fund Director
Division of Business and Program Management

DL: 01273666

² This letter, the October 16 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.