



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

October 16, 2015

TO: Telecommunications Providers in Wisconsin

RE: Assessments for Wisconsin's Universal Service Fund: TEACH, UW-System, and DPI.

The Universal Service Fund (USF) assessments forwarded with this letter are 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 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) periodical and reference information databases, Newsline for the Blind, aid to public library systems and library service contracts.

In a delegated decision issued October 12, 2015, in Docket 05-GF-104, the Public Service Commission (PSC) revised the monthly assessment rates for the TEACH and DPI programs.¹ The monthly USF assessment rate and bills for these programs are based on the legislative appropriations for the programs 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 rates for these programs. **The new monthly assessment rates, applied to annual revenues, are as follows:**

- .07019 percent for the TEACH programs**
- .09350 percent for the DPI periodical and reference information databases, Newsline for the blind, library service contracts and aid to public library systems**

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, there is no October USF billing for UW-Systems enclosed. Corrective legislation has been introduced under proposal SB 261. Enactment of SB 261 is expected in the coming weeks. Once it is passed, a supplemental assessment order will be issued to cover the assessment for UW-Systems services. The remaining FY 2016 UW-System appropriation to be collected will be divided over the remaining months and added to the USF assessment bills going forward. Further information will be provided in a memo along with that billing.

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 will receive a separate letter about that assessment.

5-GF-104

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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 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 changes, please contact me if you are considering any changes to surcharges or rates as a result of the 2015 USF assessment changes.

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
Telecommunications Division

DL:01270317

² 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.