

PUBLIC SERVICE COMMISSION OF WISCONSIN
Universal Service Fund Council Meeting
SUMMARY OF DECEMBER 11, 2018 MEETING

Meeting Date/Time: December 11, 2018 at 9:30 AM
Place: Hill Farms State Office Building
4822 Madison Yards Way, Madison, WI 53705
Conference Room N115 on First Floor

In-person Attendees:

USFC Members: Jean Pauk, Jim Jermain, Pam Young-Holmes, Bob Kellerman, Adam Raschka, Kathy Schmitt, and Jerry Schneider.

Staff: Jeff Richter, Holly O'Higgins, Billy Mauldin, Pete Jahn, Theresa Elliott

Public: Shari Bruner, representing Midstate Independent Living and the Wisconsin Coalition of Independent Living Centers (WCILC)

Telephone Attendees:

USFC Members: Kitty Barry, Scott Bohler, Brad Dodson, Vanessa Johnson, and David Mortimer.

Chair Jean Pauk called the meeting to order at 9:40 AM, reviewed the roll, declared quorum, and requested self-introductions.

Holly O'Higgins provided a reminder that several members had not provided a response to the legal notice from the PSC Chief Counsel in February 2018. That notice required acknowledgement from each USFC member that they reviewed the state's lobbying, public records, and ethics laws. Holly will send a reminder to those who have not provided a signed certificate.

Minutes of the July 26, 2018, USFC meeting were approved after being moved by Jim Jermain and seconded by Pam Holmes.

Appointments

Council membership renewals for 2018-20:

- Scott Bohler, Frontier Communications;
- Jim Jermain, AT&T Wisconsin;
- Pam Young-Holmes, Ultratec/Captel; and,
- David Mortimer, Hospital Sisters Health System

Each of these members indicated they would seek reappointment and provided their reappointment request materials to Holly O'Higgins. Shari Bruner's appointment is included to replace the retiring Kitty Barry, of Options for Independent Living (representing WCILC). The memo to the Commission for those appointments will be circulated shortly.

Jean announced that the USFC member Lorenzo Cruz will need to be replaced and she will reach out to CenturyLink to see if they have a replacement to recommend.

Access to Documents

Jeff reminded members that they receive links to all documents posted in the Commission's Electronic Regulatory Filing System (ERF) for 5-UF-2018 (overall USF matters) and can also access those from the PSC's web homepage. Other relevant dockets are 5-NF-2018 (Nonprofit Grants) and 5-TF-2018 (TeleMedicine Grants). Staff was asked to make sure that future budget and financial reports include the data from the annual budget and where funds are relative to it.

Rules Change

Staff shared the Statement of Scope for the 1-AC-251 submitted to the Governor's Office. Lifeline rules are proposed to be changed to match the programming in CALER and the requirements for Lifeline eligibility ordered by Commission. In addition, there is provision for rule changes to simplify the 2LVCO program and expand it to allow non-ETCs to participate on a voluntary basis. The Commission will issue a Notice of Rulemaking after the Statement of Scope is approved and the USFC has had an opportunity to provide input to staff on drafting rules that will be included in that Notice. Jean said the USFC will wait for action by the Governor's Office and proceed from there.

Budget

Jeff Richter reported that no alarms are going off with regard to the status of FY 2018 USF Budget, with the exception of TEPP. Nevertheless, Jeff Richter reminded members that the administrator of the Division of Business and Program Management, Theresa Elliott, delegated authority to reallocate funds between USF programs under the \$4.1M USF Budget. If needed, the budget could use additional funds up to the \$5.9M appropriation.

TEPP

Billy Mauldin reported that TEPP has spent \$646,659 of the \$1.45M TEPP Budget as of 11/30/18. That is 55% of the budget in five months so we expect to exceed the TEPP budget by \$101,000. Billy Mauldin is working with Solix to get more data to track this more closely and do better forecasting. In 2018, 55 of the 89 vendors turned in vouchers but only four vendors were responsible for 80% of the vouchers redeemed.

Staff is working on getting detailed information from Solix on what equipment is being purchased. Discussion followed regarding the trends that are causing the increase in TEPP spending—basically it involves a transition from amplified telephones to equipment that amplifies smart telecommunications devices. Those later purchases are generally under an \$800 Deaf/Severely Hard-of-Hearing vouchers rather than the prior \$100 Hard-of-Hearing vouchers. Further details will be provided as Billy is able to get access to more detailed information

Staff also explained how a vendor becomes an approved TEPP vendor and why the program limits voucher redemption to approved vendors and how that system works.

Lifeline

The Lifeline Program and Low-Income Subcommittee considerations for 2019 and on track to stay under the \$1.15M Lifeline budget. Lots of changes have been rolled out by the FCC over the last few years and

the public information has not kept up with those changes. These will be updated in the next few months to reflect the current options in the Lifeline program and how to enroll.

Lifeline

Staff is working on a contract with the FCC/USAC for the National Verifier (NV) to set up how the NV will be able to access the CALER query system without disrupting the way CALER functions with regard to its association with providers, so the annual reverifications can continue through CALER. The contract will also have to address the responsibility of USAC to pay for any upgrades necessary to CALER for the NV access.

Other Business

Still need a replacement for the Low Income Subcommittee chair.

The next meeting would be May or June in 2019 for budget action, but an earlier meeting may be necessary to address matters in the rulemaking docket. Subcommittee chairs may call meetings before the next USFC meeting. Jim Jermain chairs the Rulemaking Subcommittee and Pam Holmes chairs the TEPP Advisory Subcommittee

Under "Other Business" Peter Jahn shared information of the possible impact of the application of Viasat for Eligible Telecommunications Carrier (ETC) designation in Wisconsin in only those high-cost census blocks where the FCC's Connect America Fund (CAF II) provides a funding subsidy. The ETC program, in Wisconsin, defines the minimum area in which a company can be designated as an ETC as the wire center, an area much larger than the census block. Viasat has requested a waiver of the minimum size rule. Viasat has said that it may turn down the CAF II funding if it is required to serve entire wire centers. However, the Commission relies on wire center designation, and the market forces it creates, to avoid having to pay ETCs to serve the least profitable areas. Moving to a census block designation may mean that existing ETCs surrender designation in non-profitable census blocks unless they receive USF subsidies for serving those blocks. This could mean that USF money would be required to fund the ETC program.

Farewells were offered for Jeff's retirement.

Meeting adjourned at 11:42 AM.