

# PUBLIC SERVICE COMMISSION OF WISCONSIN

## Universal Service Fund Council

### SUMMARY OF MAY 16, 2012 MEETING

**Meeting Date/Time:** May 16, 2012, 10:00 a.m.

**Place:** Public Service Commission Building, Pecatonica River Conf. Rm. - Madison, WI

**Universal Service Fund Council (USFC) members present:** **Jason Meyer** – Avada, **Jill Collins**- AT&T, **Bob Jones** – WISCAP, **Bob Kellerman** – GWAAR, **Jim Costello** – Lemonweir Valley, **David Beyers** – NEIT Wireless.

**USFC members on phone:** **Vanessa Key** – New Concept Development, , **Scott Bohler** – Frontier, **Pamela Hollick** – tw telecom.

**PSC personnel participating:** Brian Rybarik, Jeff Richter, Joyce Dingman.

**Other persons present:** John Eich – Office of Rural Health,

### Introductions

Jill Collins called the meeting to Order at 10:11 AM. Minutes of the Feb. 8<sup>th</sup> meeting were tabled – they were not distributed prior to the meeting. They will be reviewed and distributed in the future.

### TEPP Committee Recommendations:

- Jeff Richter ran through the recommendations of the TEPP Advisory Committee for revisions to the TEPP Approved Equipment List.
- Deletions from the list were generally items that are no longer available
- Additions to the list include:
  - o Deaf/Heard of Hearing: unlocked cell phones are included – phones that are exclusive to a single provider would not be eligible
  - o Signalers/Other: ties into home signaling system to let them know cell phone is ringing
  - o Braille display included
  - o Speech impaired: for first time, we have augmented for software and apps for iOS tablets (purchase is for software; not for the hardware).
  - o However, we granted one exception for an ipad in the last month – iOS products have applications and software built in that effectively replace greater than \$1,600 worth of hardware at a much lower cost.
  - o The concern: we want to avoid advertising “free ipads” and ensuring that funding is used in a cost-effective and rational way.
- Bob Jones: asked how the amounts for reimbursement are set; Jeff Richter identified that the amounts are set in the Commission rules.
- Dave Beyers: identified that the approved devices appear to be “single purpose” devices...when you move to devices like ipads, you have new questions: what level of ipad are we talking about; since the ipad is a multi-purpose device, maybe the co-pay should be higher?
- John Eich: one way to look at this is that we are leveraging funds; this is actually less expensive.
- Jason Meyer (Avada): This is a bit of catch 22 – it may be less expensive, but it may drive significant demand and end up costing more in the long-run.
- Richter: this is exactly why we need to have specific guidelines to follow – broadband providers don't pay into the USF; yet that seems to be the way things are going.

MOTION to approve the changes made for the TEPP program with the guidance that we develop further guidelines with respect to multi-use equipment like ipads and other devices. (Costello moved, Bob Jones 2<sup>nd</sup>).

**TEPP FUNDING FOR ONGOING OUTREACH**

Jeff Richter outlined a concept of having a separate budget line-item of funding for TEPP outreach and administration.

Looking at the budget, we should have some additional funding from the budget (Lifeline and Link-Up) to look at having dedicated funds for to vendors to do additional outreach on TEPP programs. Currently, they apply for (and generally receive) grant money through the non-profit grants to perform these services. The concept is to have this funding be more predictable to the ILCs. The expectation is that staff will work with independent living centers and some specialized equipment vendors and will come forward with a proposal.

David Beyers: there may be a concern that what was historically a grant program will become an annual expenditure – we should avoid creating the expectation that the money will ALWAYS be available since we may need to modify the budget and this will likely be the first funding to get modified.

Jones: Who would be eligible – need to identify guidelines so that the funding isn't completely restricted from new entrants and to ensure that you are getting the quality that you want.

Richter: The concern is that under the current grant structure for funding these services we may not be taking into account that grants to certain recipients support services to the most vulnerable of TEPP recipients.

Motion: Direct staff to move forward with developing a proposal for ongoing funding for TEPP Outreach. (Bob Kellerman moved, John Eich second).

**Non-Profit and Telemed Grant Programs:**

Brian Rybarik provided an update on the two grant programs. There is a non-profit grant funding round that is currently being considered by the Commission (\$500,000). In addition, the Telemed program had a deadline for applications of 5/15. The Telemed program is combined for 2 years, so a total of \$1 mil. is available in this grant round.

The non-profit program was adjusted slightly this year because of statutory changes which limited the funding for advanced services. The Commission received 18 applications, and a review panel recommended funding for 14 of the applications. The panel recommended funding approx. \$371,000 for the program. The Commission will take up the grant requests at its 5/24 meeting.

The Telemed program has had a number of applications. Commission staff will convene a panel of raters and make recommendations for funding. The Commission will take up the requests at a meeting in late June.

**PSC 160 Updates:**

Joyce Dingman gave an update on the rules. The prior proposed rules timed out at the end of the last legislative session. We restarted the process to focus on the less-controversial issues. There have been a number of changes in federal and state policy and in rule promulgation process that are being addressed.

Bob Jones: what is the timing?

Joyce: Unclear at this time since there are new rule processes as well. We will have an update in the fall on the process.

**BUDGET:**

Since a modified budget proposal was not before the Council, the Council reviewed the current budget and where we are at today.

TEPP: currently, expenditures are slightly below budget, but this is likely a good number to maintain for future budgets.

High Rate: Slightly below budget – not a large program.

Lifeline: below budget, and with changes to federal policy, this number will likely stay low

Link-up: the program was suspended at the state level following significant action by the FCC. This number should be low this year, and remain low in future years.

Non-profit/Telemed: On target for this year – likely that they will be the same.

Two line VCO: This is an area that is above budget currently; an increasingly popular program so some increase may be necessary.

Administration: this is currently below budget- but probably shouldn't adjust too much.

Jeff R.: Lifeline is expanding at the fed level to include fed programs like school lunch and Sec. 8 housing – we are

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still figuring out how to best implement verification of eligibility for these federal programs.

The Council will receive more specific budget recommendations in the future and will have a meeting scheduled for mid-June to take action on a proposed budget.

**Biennial Report**

Commission staff is currently working on a biennial report, as required by statute. A draft will be sent to the Council in June. Prior reports and maps can be found here:

<http://www.psc.wi.gov/utilityInfo/tele/usf/usfReports.htm>

**NDBEDP Update:** No change.

**Universal Service Award 2012**

In the past, the Commission has given out an award to people who have provided exemplary service to the goals of universal service and the USF Council. We are looking to give out an award (a plaque and recognition) for 2012. Please start thinking of people you think should be considered.

There will need to be a USFC meeting in June for the 2013 budget and the biennial report. Ten AM was identified as a good time for such meetings so a request for available dates in June will be sent out soon.

**Motion to Adjourn:** Beyers/John