

## PUBLIC SERVICE COMMISSION OF WISCONSIN

### Universal Service Fund Council

#### SUMMARY OF JUNE 12, 2012 MEETING

**Meeting Date/Time:** June 12, 2012, 2:00 p.m.

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

**Universal Service Fund Council (USFC) members present:** **Jean Pauk** – TDS Telecom, **Jason Meyer** – Avada, **Jill Collins**- AT&T, **Pam Holmes** –Ultratech, Inc., **David Beyers** – NEIT Wireless, **Kathy Schmitt** – DATCP

**USFC members on phone:** **Vanessa Key** – New Concept Development

**PSC personnel participating:** Brian Rybarik, Jeff Richter, Peter Jahn.

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

#### **Introductions**

Jean Pauk called the meeting to Order at 2:05 PM. Participants introduced themselves.

Minutes of the May 16<sup>th</sup> meeting were moved, seconded and approved.

#### **TEPP Committee Recommendations:**

##### **TEPP Funding for Ongoing Outreach**

Jeff Richter outlined a concept of having a separate budget line-item of funding for TEPP outreach and administration at the last USFC meeting. 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.

Motion: Direct staff to move forward with developing a proposal for ongoing funding for TEPP Outreach moved by Schmitt, seconded by Holmes, and approved.

#### **Telemedicine Grant Funding:**

Peter Jahn provided an update on progress in the recent round of Telemedicine Grants for fiscal years 2012 and 2013. The Telemedicine Grant Program is intended to promote the use of telecommunications to provide technically advanced medical services or access to medical service in underserved areas of the state. The program covers equipment, not telecommunications services. Grant cycles cover two fiscal years at \$500,000 each for a total of \$1.0M. The FY2012/13 cycle produced 30 applications totaling about \$1.6M. Preliminary review is complete and recommendations are set for approval at the Commission's June 20<sup>th</sup> open meeting. A map was presented showing the extensive geographical diversity of the grant proposals recommended for funding in this cycle.

#### **Budget Review and Approval:**

**Review 2012 Budget through June:** A proposal for modification of the budget for FY 2012 budget proposal was proposed by Staff. The proposal is to increase the budget for Two-Line Voice Carry-Over (2LVCO) from \$8,000 to \$10,000. Council reviewed the current budget and where we are at today at its May 16 meeting and 2LVCO was identified as an increasingly popular program for which an increase may be necessary. MOTION for Council recommendation to the Commission for this \$2,000 FY2012 USF budget adjustment by Holmes, seconded by Meyer,

and approved.

**Review and Approve FY2013 Budget Proposal:** The following proposed budget for FY2013 was presented to the Council with the explanations for the changes from the FY2012 budget in the comments column:

**Universal Service Fund  
Proposed FY13 Budget Compared to FY12 Budget  
June 1, 2012**

USF PROGRAM	FY2012 Approved Budget	FY2013 Proposed Budget	Change	Comments
Telecom. Equipment Purchase Program	\$1,800,000	\$1,800,000	\$0	Expenditures are on target or slightly below. Amount estimated for FY12 is \$1,558,580.
High Rate Ceiling Credit	\$11,000	\$378,000	\$367,000	Decreases in intercarrier compensation ordered by the FCC go into effect 7/1/2012. This may cause companies with already high local rates to raise them to a level that would tap into this fund.
Lifeline	\$2,521,000	\$2,250,000	-\$271,000	FY2012 Expenditures are below projected amounts. State reimbursements for ETCs will be reduced by \$0.42 per line due to FCC change to \$9.25 standard credit reimbursement.
Link-Up	\$300,000	\$200,000	-\$100,000	The FCC has eliminated the federal Link-Up program. PSCW must decide if suspension of state Link-Up credit will continue or be eliminated.
Non-Profit Access Grant Program	\$500,000	\$500,000	\$0	
Telemed Equipment Grant Program	\$500,000	\$500,000	\$0	Anticipate RFP April 2012 and Funding FY 2012/2013 in June 2012
Two Line VCO	\$8,000	\$12,000	\$4,000	FY12 expenditures are above target and still growing.
Administration	\$300,000	\$300,000	\$0	FY12 expenditures are below projected level, however with potential changes due to federal program changes we need to assure adequate funds for administration.
<b>TOTAL FOR THE FY</b>	<b>\$5,940,000</b>	<b>\$5,940,000</b>	<b>\$0</b>	

Following discussion by the Council there was a motion for Council recommendation to the Commission of approval of the FY2013 USF Budget as proposed by staff. The MOTION was made by Key, seconded by Holmes, and approved. The budget will be taken up by the Commission at its open meeting of June 28. Jeff Richter noted that along with ten percent reductions to all other USF assessments, the assessment for the USF's \$5.9M budget will be reduced by \$590,000 in order to reduce the amount in the USF reserve by \$4.3M.

**Biennial Report**

Brian Rybarik reported that Commission staff is currently working on a biennial report, as required by statute. A draft will be sent to the Council informally after June 20<sup>th</sup>. The Commission will likely take the report up for approval at its June 28 open meeting because it is due to the legislature by July 1. Prior reports and maps can be found here:

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

**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 send recommendations for people you think should be considered to Brian or Jeff.

**Other Business:** Jeff Richter noted that there is a new web access portal to the state's CARES database for providers to use for Lifeline eligibility verifications.

**Motion to Adjourn: Beyers/Schmitt**

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