



# 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

March 9, 2016

TO: Telecommunications Providers in Wisconsin

RE: Interim Assessment Rate for Wisconsin's Universal Service Fund for Department of Public Instruction (DPI) Programs.

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 specific telecommunications services provided to the Department of Public Instruction (DPI).

In a delegated decision issued March 9, 2016, in Docket 05-GF-104, the Public Service Commission (PSC) revised the monthly assessment rate for DPI on an interim basis.<sup>1</sup> The monthly USF assessment rate and the bills for this program are based on the legislative appropriation 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 interim assessment rate for the DPI programs. **The new four-month interim monthly assessment rate, applied to annual revenues, is .12306 percent for the DPI programs for March 2016 through June 2016.** In July 2016, the DPI assessment rate will revert to its prior level of .09350 percent.

Unusual circumstances have resulted in this individual assessment rate being adjusted later than the other USF assessment rates established in the delegated Decision in this docket issued October 16, 2015. A late change in the Budget Bill covering the USF assessments for DPI in the 2016-2017 biennium was inadvertently overlooked. The change added a new use of the USF in Wis. Stat. § 196.218(5)(a)14: "To provide funding for online courses made available under s. 115.28(53) and for the delivery of digital content and collaborative instruction under s. 115.28(54)." Authority to collect for these purposes was added under Wis. Stat. § 196.218(3)(a)3.b., and the appropriation was set at \$2,000,000 for the 2016 fiscal year. Therefore, the FY 2016 DPI USF appropriation must be increased by \$2,000,000 on an interim basis to be collected over the remaining four months in the 2016 fiscal year.

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:

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<sup>1</sup> In its October 12, 2015 delegated decision, the Commission also 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 received two separate letters about those assessments in your October USF bills. A separate letter regarding the UW-System assessment was included in your December bill for non-PSC USF assessments.

**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.

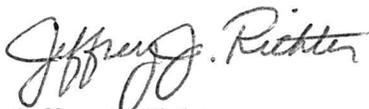
Instead of placing a surcharge on the bill, a telecommunications utility that provides local exchange service, may adjust rates to recover state USF assessments, but if it does so, it must specifically identify that adjustment on customers' bills in a single amount. The applicable statute is Wis. Stats.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

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 interim nature of this DPI USF assessment change, it may be desirable to spread collection of the costs from customers over several months. Please contact me if you have questions about calculating adjustments to USF surcharges or rates based on this interim assessment rate.**

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](mailto:jeff.richter@wisconsin.gov).

Sincerely,



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

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<sup>2</sup> This letter, the December 3, 2015 letter regarding the U-System assessment, the October 16, 2015 assessment 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, together provide the necessary information for telecommunications utilities.