PUBLIC SERVICE COMMISSION OF WISCONSIN

Universal Service Fund Council

SUMMARY OF APRIL 23, 2008 MEETING

Meeting Date: April 23, 2008
Place: Public Service Commission Building, Flambeau River Conf. Rm. - Madison, WI

Universal Service Fund Council (USFC) members present: Dick Schlimm – WICAP (Council Chair), Jill Collins-AT&T (Council Vice-Chair), Paul Fuglie – Verizon, Gwen Jackson – Red Cross (by phone), Jean Pauk – TDS Telecom, Pamela Sherwood – Time Warner Telecom (by phone), Stephanie Harrison – WPHCA, Gary Radloff – DATCP, Pam Holmes – Ultratec,

USFC members absent: Cheryl Rue – Tri-County

PSC personnel participating: Anita Sprenger, Joyce Dingman, Pete Jahn.

Other persons present: Chris LaRowe-WSTA, Brian Rybarik – WSTA, Mike Wirl-Verizon, Meta Cucinotta, Julie Heer – Wipfli, Michelle Skogen LAB, Emily Wieters – LAB, Robert Bocher – DPI, Jack Cassell – DOA.

Introductions
Dick Schlimm opened the meeting at 9:32 a.m. A quorum was present (9 of 11).

The June 12, 2007 meeting minutes were approved.

Chair Schlimm asked if there were any comments or presentations from public members. There were none.

USF Council Chair and Vice-Chair for 2008
Gwen Jackson nominated Dick Schlimm as USF Council Chair and Jill Collins as Vice Chair; Pam Holmes seconded the nomination; the vote was unanimous.

PSC 160 Administrative Code Revisions
Anita Sprenger reviewed the major changes that have been made to the draft PSC 160 since the USF Council approved the draft rule. That version was sent in mid-April by PSC staff to the Commission for decision. The most controversial areas of the rule are:
-assessing cellular providers for the state USF (currently included in the draft rule; no change from the current rule but a Commission decision would be needed to remove suspension of assessing cellular providers;
-increasing the minimum data transmission speed to 200kbs in both directions (this received a considerable amount of discussion among the Council members with issues related to the need to mesh with programs and policies being discussed at the Federal level, costs to implement this requirement, and the need for setting a higher minimum so customers are able to use technology):
-ETC information filing requirements that enable the Commission staff to review data and maps to ascertain if ETC’s are complying with ETC designation requirements.

The commission is expected to consider this draft at an open meeting this summer. After the Commission approves the draft rule, it is sent to the leader of each house where it will be assigned to a committee. The draft rule is likely to have a public hearing scheduled that would receive public comments. The final process for approval of the rule is largely dependent on whether there are objections to the rule at the hearing or by legislative committee members. The timeframe

This summary is considered draft. The Council may affirm or modify this summary at its next meeting.
for the legislative review/processing of the draft rule is likely to be at least 3 to 6 months.

NonProfit Grant Program and Telemedicine Grant Program
Anita Sprenger provided Council members with a list of Nonprofit grants what were awarded in March (available on the PSC website). A total of $450,820 was awarded to 23 different organizations. Because expenditures have been higher than expected for the LinkUp program, it is unclear how much money will be available for the Telemedicine Grant program for FY08. The Telemedicine grant program has been announced for both FY08 and FY09 and the amount of funding for grants for those fiscal years will be adjusted depending on the status of expenditures of the USF budget for FY08. The Telemedicine grant award decision will be made at the end of June.

FY09 Budget
Anita Sprenger presented a proposed USF budget for FY09. Expenditures for each program are primarily based on expenditures trends from prior fiscal years, but are adjusted when program changes are made that will affect the budget. Such is the case for LinkUp where program changes were made by the Commission in March 2008 so that low income consumers would only be eligible for LinkUp once every 12 months from the same provider.

The total proposed USF budget is $6.0 million. The dollars available for the Nonprofit Grant program will be dependent on expenditures of the other programs and a decision will likely be made in mid fiscal year. There was a brief discussion of the budget and then Gwen Jackson moved for approval of the FY08 budget. Gary Radloff seconded the motion and the Council voted to approve the FY09 budget (included at the end of these minutes).

Other business, next USF Council meeting and adjournment
Next meeting will be scheduled in 2009.

The meeting adjourned at 12:10 p.m.
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| TOTAL FOR THE FY09 | $5,587,030 | $6,000,000 | $4,449,318 | $6,000,000 | $6,000,000 |

*Assumes $30 cap on LinkUp for 4th quarter and one LU credit per year per customer.*