

## Clearinghouse Rule 13-068

### PUBLIC SERVICE COMMISSION OF WISCONSIN

Review of Universal Service Fund Rules

1-AC-236

### NOTICE OF HEARING

<b>Hearing Date:</b>	<b><u>Tuesday, October 22, 2013 - 10:00 a.m.</u></b>
<b>Hearing Location:</b>	<b>Amnicon Falls Hearing Room – 1<sup>st</sup> Floor Public Service Commission 610 North Whitney Way Madison, Wisconsin</b>

<b>Comments Due:</b>	<b>Address Comments To:</b>
<b>November 19, 2013 – Noon</b>	<b>Sandra J. Paske, Secretary to the Commission Public Service Commission P.O. Box 7854 Madison, WI 53707-7854</b>

The Public Service Commission of Wisconsin proposes an order to repeal PSC 160.02 (4g ) and (4m ), 160.031, 160.035, 160.04 (5), 160.05 (1) (h) to (j) and (L), 160.05 (1) (o) and (r) and (4), 160.062 (1), (2), (5) and (6), 160.071 (1) (d), (2) and (3), 160.073, 160.09 (3) (intro.), (a) and (b) and (8), 160.091, 160.092 (4), 160.10, 160.11, 160.14, 160.15 and 161.05 (4); to renumber PSC 160.02 (1g), (1m), (3), (5) and (9) to (12), 160.05 (1) (s), 160.071 (1) (b) 2., 3., 4. to 6. and (c), and 160.115 (6) (c); to renumber and amend 160.01 (5), 160.02 (2), (6) to (8), (12) and (13), 160.03 (1), 160.04 (1), 160.06 (1) (intro.), (a) to (c), (4) (a) and (5), 160.062 (3), 160.07 (title), (1) and (2), 160.071 (1) (title), (a), (b) 1., 4. to 6., (c), (e) to (n), (6) (a) and (b), 160.09 (1) and (3) (c), Figure 160.09 (3) (c), 160.092 (1), 160.125 (2) (c) 1., and 160.18 (9) (b); to amend 160.01 (1), (2) (b) and (4), 160.04 (2) to (4), 160.05 (intro.), (1) (a), (c), (d), (n), (p), (2) and (3), 160.06 (2) and (3), 160.062 (4) and (7), 160.063 (1) to (4), 160.071 (title), (4) and (5), 160.08, 160.09 (2), (3) (a) and (b), (4) (intro.), (b) to (g), (5) to (7) and (9), 160.092 (2) and (3), 160.115 (1) (a), (b) 1. and 2., (2) (intro.), (b), (c), (3), (4) (a), (5) (intro.), (b), (c) and (g), (6) (a) (intro.), 4., (b) and (6), 160.125 (1) (title), (a), (b), (e), (2) (a) and (b), (c) 1. to 3., 5. and (d) to (f), 160.16 (1) and (2), 160.17 (1) (c), (2) and (4), 160.18 (4), (6), (9) (a) and (b) 2. and 3., 160.181, 160.19 (1), (2) and (4) (b), and 171.06 (1); repeal and re-create 160.03 (2), 160.04 (title), 160.061, 160.13, and 160.18 (10); and create PSC 160.01 (5) (a) to (c), 160.02 (2) to (6), (9), (11) to (16), (18), (22), (25), (26),

(28), and (31), 160.03 (1), 160.04 (1) (a) 1. to 5. and (b), 160.05 (1) (s) and (6) to (9), 160.06 (1) (b), (c), (4) (a) and (5), 160.062 (1) to (2r), (3) (title) and (b), (4m), (5), (6), (7) (title) and (8), 160.063 (3m), 160.071 (1m), 2. and 3., (6m) (b) and (c) and (7), 160.09 (1), (1r), (2) (c) and (3) (a) and (b), 160.092 (1) (b) and (c), 160.115 (6) (c) and 160.125 (2) (c) 1. regarding the provisions and administration of the universal service fund.

**ANALYSIS PREPARED BY THE  
PUBLIC SERVICE COMMISSION OF WISCONSIN**

The analysis is set forth as Attachment A.

**TEXT OF PROPOSED RULE**

The text of the proposed rule is set forth as Attachment B.

**INITIAL REGULATORY FLEXIBILITY ANALYSIS**

Existing Universal Service Fund (USF) rules may have an effect on small telecommunications utilities, which are small businesses under s. 196.216, Stats., for the purposes of s. 227.114, Stats. These small telecommunications utilities, like other telecommunications providers (both large and small), may have obligations under the USF, including an obligation for payments to the USF.

These rules should have no significant impact on small businesses. The commission already has established, in s. PSC 160.18(1), an exemption from fund assessments to protect entry by and continued operation of small telecommunications providers as directed by statutory objectives. In s. PSC 160.01(2)(b), the existing rules allow the commission to give individual consideration to unusual situations and to adopt different requirements for particular telecommunications providers. Small businesses can request that the commission provide an exception to a rule requirement. Finally, Eligible Telecommunications Carrier status, which is the trigger for most USF obligations, is voluntary.

**FISCAL ESTIMATE**

An Economic Impact Analysis is included as Attachment C.

**NOTICE OF HEARING**

**NOTICE IS GIVEN** that pursuant to s. 227.16(2)(b), Stats., the commission will hold a public hearing on these proposed rule changes in the Amnicon Falls Hearing Room at the Public Service Commission Building, 610 North Whitney Way, Madison, Wisconsin, on Tuesday, October 22, 2013. This building is accessible to people in

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wheelchairs through the Whitney Way (lobby) entrance. Handicapped parking is available on the south side of the building.

### WRITTEN COMMENTS

Any person may submit written comments on these proposed rules. The record will be open for written comments from the public, effective immediately, and until Tuesday, November 19, 2013, at **noon**. All written comments must include a reference on the filing to docket 1-AC-236. File by one mode only.

**Industry:** File comments using the Electronic Regulatory Filing system. This may be accessed from the commission's web site (psc.wi.gov).

#### **Members of the Public:**

Please submit your comments in one of the following ways:

- **Electronic Comment.** Go to the commission's web site at <http://psc.wi.gov>, and click on the "ERF - Electronic Regulatory Filing" graphic on the side menu bar. On the next page, click on "Need Help?" in the side menu bar for instructions on how to upload a document.
- **Web Comment.** Go to the commission's web site at <http://psc.wi.gov>, click on the "Public Comments" button on the side menu bar. On the next page select the "File a comment" link that appears for docket number 1-AC-236.
- **Mail Comment.** All comments submitted by U.S. mail must include the phrase "Docket 1-AC-236 Comments" in the heading, and shall be addressed to:

Sandra J. Paske, Secretary to the Commission  
Public Service Commission  
P.O. Box 7854  
Madison, WI 53707-7854

The commission does not accept comments submitted via e-mail or facsimile (fax). Any material submitted to the commission is a public record and may appear on the commission's web site. The commission may reject a comment that does not comply with the requirements described in this notice.

### CONTACT PERSON

Questions regarding this matter should be directed to Jeff Richter, USF Director, at (608) 267-9624 or [Jeff.Richter@wisconsin.gov](mailto:Jeff.Richter@wisconsin.gov). Small business questions may be directed to Gary Evenson at (608) 266-6744 or [Gary.Evenson@wisconsin.gov](mailto:Gary.Evenson@wisconsin.gov). Media

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questions should be directed to Nathan Conrad, Communications Director, at (608) 266-9600. Hearing- or speech-impaired individuals may also use the commission's TTY number: if calling from Wisconsin, (800) 251-8345; if calling from outside Wisconsin, (608) 267-1479.

The commission does not discriminate on the basis of disability in the provision of programs, services, or employment. Any person with a disability who needs accommodations to participate in this proceeding, or who needs to get this document in a different format, should contact the USF Director as indicated in the previous paragraph as soon as possible.

Dated at Madison, Wisconsin, this 16<sup>th</sup> day of September, 2013.

By the Commission:



Sandra J. Paske  
Secretary to the Commission

DL: 00716608

**ANAYSIS PREPARED BY THE  
PUBLIC SERVICE COMMISSION OF WISCONSIN**

**A. Statutory Authority and Explanation of Authority**

This rulemaking is authorized under ss. 196.02 (1) and (3), 196.218 (5) (b) and (5m), and 227.11(2), Stats.

Section 227.11 authorizes agencies to promulgate administrative rules. Section 196.02 (1) authorizes the commission to do all things necessary and convenient to its jurisdiction. Section 196.02 (3) grants the commission specific authority to promulgate rules. Sections 196.218 (5) (b) and (5m) authorize the commission’s creation and revision of these specific rules.

**B. Statute Interpreted**

This rule interprets s. 196.218, Stats.

**C. Related Statutes or Rules**

None.

**D. Brief Summary of Rule**

The objective of this rulemaking is to revise the existing chapter PSC 160, Universal Service Support Funding and Programs. These rules were originally created in 1996, and then revised in 2000. Minor changes are also made to chs. PSC 161 and 171. In the proposed rule, the commission revises existing Universal Service programs that provide access to telecommunications service to all Wisconsin customers regardless of geographic location, income or disability. In this same chapter are revisions to the mechanism for funding those programs and for administering the Universal Service Fund (USF).

Any changes made as a result of this rulemaking are intended to continue and enhance support for these general purposes stated in the statutes.

A prior USF rulemaking was withdrawn by act of law on December 31, 2010. That draft of the rules included several issues that were contentious, and time for promulgation ran out. This rulemaking is primarily intended to promulgate those portions of the previously proposed rule that are less contentious, such as program-specific updates. While these proposed rules were being drafted, changes occurred on both the state and federal levels that required additional revisions to these rules. For example, 2011 Wisconsin Act 22 changed the statutory definition of “essential telecommunications services.” Additionally, the federal Lifeline and Link-up

programs were changed dramatically. As a result, these proposed rules were also crafted to make changes necessitated by state and federal law changes.

**PSC 160.02 (2), (3) and (4)**

These are definitions of call blocking, call control and call limitation. The changes provide consistency with applicable federal language and usage.

**PSC 160.02 (9), (12), (14) and (22)**

The commission now recognizes three different types of eligible telecommunications carrier (ETC). A definition of each type has been added.

**PSC 160.03**

This section on essential telecommunications services has been extensively rewritten to reflect changes made by 2011 Wisconsin Act 22. The prior requirements for and definition of essential services have been replaced with those that federal law had in place as of January 2010, as required by 2011 Wisconsin Act 22.

**PSC 160.031**

Pursuant to 2011 Wisconsin Act 22, references to data transmission have been deleted.

**PSC 160.035**

Pursuant to 2011 Wisconsin Act 22, references to advanced service capability have been deleted.

**PSC 160.04**

The section on call limitation (formerly toll blocking) has been rewritten to bring it more into line with current federal rules and definitions.

**PSC 160.05**

This section lists programs that can be funded through the Universal Service Fund (USF). The programs themselves are described elsewhere in the rules. Likewise, a description and explanation of changes appear in the program-specific parts of this analysis.

**PSC 160.06**

This section addresses eligibility requirements for low-income USF programs. Language is added throughout section PSC 160.06 to address the different types of Eligible Telecommunications Carriers (ETCs) now recognized by the commission. Subsection (1) requires all subject providers to use the state verification databases, as required under federal rules. Subsection (1) (c) addresses situations in which the state databases cannot be used for verification. Subsection PSC 160.06 (2) requires providers to re-verify the eligibility of all lifeline recipients annually. This requirement has existed in state rules for years and has now been adopted by the Federal Communications Commission (FCC) as well.

**PSC 160.061**

The FCC has eliminated the federal link-up program (that waives certain service connection charges for low-income customers) for all but tribal lands. This rule change eliminates the existing statewide link-up program. More limited programs targeted at specific customer groups, including those on tribal lands, who show a clear need for support may be authorized under s. PSC 160.125

**PSC 160.062 (1)**

Customers are eligible for only one lifeline credit at a time under federal law. The commission and FCC have both needed to take action to prevent lifeline fraud in this area. The draft rule specifically states that a customer may not request more than one lifeline credit, and requires the providers to take steps to prevent customers from receiving multiple lifeline credits.

**PSC 160.062 (1r)**

ETCs apply the lifeline adjustment to an eligible customer's bill, regardless of whether that customer is purchasing service on a standalone basis or as part of a bundle. The adjustment is made to whatever service or bundle the customer purchases.

**PSC 160.062 (2), (2g) and (2r)**

The lifeline base rate is defined as the rate for essential services, when offered on a standalone basis, or a fixed \$25, when essential service is only offered as part of a service bundle. The lifeline discount is tied to these rates, and is either \$10 or an amount necessary to reduce the lifeline base rate to \$15 (subject to a maximum contribution from the state of \$9.25). Another provision allows for automatic adjustment of lifeline benefits, provided they do not put the state universal service fund at risk. Where federal changes could require additional state payments, the commission would have to consider the impact of those changes before authorizing the resultant state USF expenditures. The draft rules also include a section addressing prepaid wireless service, which offers free minutes of use in lieu of a discount to monthly rates, since prepaid service has no monthly rates. Subsection (2r) contains language for lifeline on tribal lands to keep that portion consistent with the federal program.

**PSC 160.062 (4m)**

This lifeline provision clarifies the process for a provider to follow if it determines that an existing customer is no longer eligible for lifeline discounts.

**PSC 160.062 (5m)**

This section requires providers to file requests for compensation for lifeline credits in a timely manner. The provision strikes a balance: allowing providers sufficient time to file requests for compensation while not requiring the USF to budget for potential reimbursement claims filed years after occurrence.

**PSC 160.063**

The changes to this section clarify application procedures and provide flexibility for low-income outreach programs.

**PSC 160.07**

The provisions on special needs certification are moved into s. PSC 160.071.

**PSC 160.071**

This section addresses service and equipment for individuals with special needs and includes the Telecommunications Equipment Purchase Program (TEPP). Changes in the amount of reimbursement reflect changes to the costs and technologies used to provide the equipment necessary to allow customers with disabilities to use telecommunications services. Subsection (1m) (c) clarifies coverage of TEPP co-payments for low-income customers. Subsection (1m) (j) allows the commission to suspend vendors for cause and stops payments to suspended vendors. Subsection (1m) (L) 2. allows the program to cover the cost of computing equipment, if that is both required and the most cost-effective means of providing the assistance necessary for the customer to utilize telecommunications services. Sections (4), (5) and (6) continue to require providers to waive fees for operator service, directory assistance and custom calling services, when required by an individual with special needs. Providers may receive payment for such waivers. The section which provided for discounted long distance service is obsolete and has been removed. The draft also creates a filing deadline in sub. (7) to prevent providers from claiming reimbursement years after the fact.

**PSC 160.073**

The commission has ceased funding this public interest payphone program, so the language is being removed.

**PSC 160.09**

This section addresses high rate assistance credits, a program that reduces what customers are charged for essential services, when those charges exceed a threshold tied to median household income. The majority of the changes to this section clarify the sources of data used to calculate the credits, the various changes to what is considered part of essential service, and program procedures. Subsection 160.09 (1r) states when providers must recalculate those credits, and allows providers to avoid the expenses involved in such changes when those changes would be insignificant. The changes also set forth the procedure for providers to show what portion of a bundled rate covers essential service. The draft also creates a filing deadline in sub. (5) to prevent providers from claiming reimbursement years after the fact.

**PSC 160.091**

This section on qualifications for high rate assistance credits is eliminated and those requirements have been incorporated into ss. PSC 160.09 and PSC 160.13.

**PSC 160.092**

This section allows the commission to create alternative universal service protection plans on an experimental, temporary basis. The changes clarify the procedure to create such plans and specify what such plans could address. Subsection (4) is eliminated, as the program to which it refers is also being eliminated.

**PSC 160.10**

Rate Shock Mitigation applied only in cases where commission-ordered retail rate increases would negatively impact customers. Since the commission no longer has authority to order rate changes, the rate shock mitigation program is being eliminated.

**PSC 160.11**

The TEACH Program made this program for institutional assistance obsolete, so the language is being deleted.

**PSC 160.125**

The changes in this section promoting access to telecommunications services provide clarity, codify the procedures the commission is currently following and remove advanced services from the list of supportable services as required by 2011 Wisconsin Act 22.

**PSC 160.13**

This section on ETCs has been extensively revised to codify current practice and to incorporate changes in both federal rules and state statutes. Changes in this section also reflect the fact that the commission authorizes three different types of ETCs. Full ETCs are eligible for all state and federal funds, including high cost funding. Low-income-only ETCs are only eligible for lifeline support. Federal-only ETCs are wireless ETCs authorized under s. 196.218(4) (b), Stats. A provider may be both low-income and federal only, in which case the provider would only be eligible for federal lifeline support.

**PSC 160.13(3)**

This subsection lists the information and certifications providers must file as part of their initial applications for ETC status. The section incorporates federal filing requirements. The section requires a list of wire centers in which the provider seeks designation, a showing that the provider is certified to do business in Wisconsin, and the provision of contact information and so forth.

**PSC 160.13(5)**

This subsection covers periodic reporting requirements for ETCs. The state requirements generally mirror federal requirements and allow ETCs to meet most state requirements by filing copies of their federal filings with the commission.

**PSC 160.13(9)**

Both federal rules and statutes define the smallest area for which a provider can request ETC designation, but the FCC has granted waivers and forbearance of these requirement in certain situations. The general rule states that the smallest allowable area for areas served by rural incumbent local exchange companies (ILECs) is, with certain exceptions, the entire ILEC service territory. The smallest allowable area for non-rural areas is the wire center.

**PSC 160.13(10)**

This subsection has been modified to conform with FCC directives that call for states to make a public interest finding in designating ETCs in both rural and non-rural areas, although the finding for non-rural areas requires a less detailed analysis.

**PSC 160.13 (12)**

This provision covers the procedures for ETCs to relinquish ETC status. The changes to this section are primarily grammatical, and to address the existence of low-income ETCs. Paragraph (c) incorporates the processes that were referred to in another section which is being eliminated in this rewrite, so that those references appear here. Paragraph (e) addresses the situation of a federal-only ETC which wishes to remain an ETC, but, because of technological change or for other reasons, no longer meets the requirements for federal-only status.

**PSC 160.14**

This section, which ensured customers had access to at least one long distance provider, is being repealed. With the market moving to all-distance pricing, specific protections targeted exclusively at long distance service are no longer necessary.

**PSC 160.18 (9) (b)**

This section clarifies timelines and procedures for providers that wish to object to universal service fund assessments.

**PSC 160.18 (10)**

This section prevents providers from making adjustments to current rates for over or under USF collections from periods long past.

**PSC 160.19 (2)**

The modifications to the composition of the universal service fund council reflect the changes to the industry which have occurred since this provision was last drafted. Long distance is no longer a separate nor an affected market segment, while wireless has clearly become significant.

**E. Comparison with Existing or Proposed Federal Legislation**

There is both a state USF and a federal USF. The state and federal funds and programs are complementary rather than duplicative.

“Eligible Telecommunications Carriers” (ETCs) are designated by the commission and are, thereafter, eligible for funding from the federal USF and for certain funding from the state USF. ETC status was created by the FCC, and codified in 47 U.S.C. § 214(e)(2). Under FCC rules, state commissions are responsible for designating eligible providers as ETCs.<sup>1</sup>

Designation as an ETC is required if a provider is to receive federal USF funding. ETC designation is also required to receive funding from some, but not all, state universal service

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<sup>1</sup> 47 U.S.C. §. 214(e)(2), 47 C.F.R. § 54.201(b).

programs. The FCC established a set of minimum criteria that all ETCs must meet. These are codified in the federal rules.<sup>2</sup> The 1996 Telecommunications Act states that, “A State may adopt regulations not inconsistent with the commission’s rules to preserve and advance universal service.”<sup>3</sup> A court upheld the states’ right to impose additional conditions on ETCs in *Texas Office of Public Utility Counsel v. FCC*, 183 F.3d 393, 418 (5th Cir. 1999). Therefore, while states must examine the federal requirements, they are allowed to create additional requirements. Wisconsin has done so.

The federal USF provides funding to ETCs that are found to serve high-cost areas. That funding is to be used to help cover the costs of expanding infrastructure into those areas. Doing so should help ensure that rates in those areas stay lower since rates need not provide the funds for that expansion. The Wisconsin USF provides reimbursement to providers that offer credits to customers when rates are higher than as designated in s. PSC 160.09.

The federal USF also includes lifeline and link-up programs (on tribal lands only) to assist low-income customers. The Wisconsin lifeline program is structured to complement the federal program and to take advantage of the available federal lifeline funds.

The FCC is currently conducting trials around the country where the lifeline credit may apply to Internet access service. In these rules the Wisconsin lifeline program is adapted to address the needs of disabled individuals whose principal means of communication is not adequately supported by traditional voice telephony. It allows the lifeline credit to apply to Internet access where a certified disabled customer requires it as a substitute for regular essential telecommunications service.

The federal USF assessment applies to all carriers, including wireless carriers, and is assessed based on interstate revenues. The state USF assessment applies to all providers, including wireless providers, and is assessed based on intrastate revenues. Wisconsin exempts certain providers from assessment, such as those with under \$200,000 in intrastate revenues.

There are parts of the federal USF (e.g., the E-Rate program for schools) that do not have a counterpart in the state USF rules. Likewise, some of the state USF rules (e.g., the program to assist persons with disabilities—s. PSC 160.071) address matters not included in the federal USF law or rules.

## **F. Comparison with Similar Rules in Surrounding States**

The following discussion focuses on areas where significant changes are being made to the USF rules.

Many state USF programs, both in Wisconsin and in other states, are intertwined with federal universal service programs. As a result, there is a certain amount of similarity among

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<sup>2</sup> 47 U.S.C. § 214(e)(1), 47 C.F.R. § 54.101(a).

<sup>3</sup> 47 U.S.C. § 254(f).

state programs. For example, each of the surrounding states has lifeline type programs.<sup>4</sup> As required under federal law, each has income-based eligibility criteria although the specifics vary somewhat. The level of credits to customers and the resulting reimbursements to providers are similar, due in part to the federal matching dollars attached to credit/reimbursement levels. A difference in lifeline programs is that the four other states only have a set figure for the lifeline credit/reimbursement amount (although in Michigan that amount may vary depending on which company is involved). Wisconsin has a standard lifeline credit if the base rate<sup>5</sup> is \$25 or below, although, it has a variable component. If the base rate is \$25 or above, the reimbursement/credit is the lesser of:

1. Whatever is necessary to bring that rate down to \$15.
2. The amount available under the federal USF plus \$9.25.

In this way, low-income customers in higher cost (generally rural) areas receive a credit sufficient to bring the base rate to a reasonably affordable level and providers are on a fairly “level playing field.”

The provision in these rules that allows the lifeline credit to apply to Internet access where a certified disabled customer requires it as a substitute for regular essential telecommunications service is unique within the region.

Wisconsin also has a program (TEPP) that helps provide access to telecommunications service for persons with hearing, speech and/or mobility disabilities. TEPP provides vouchers to help persons with disabilities that impair their ability to use standard telecommunications equipment for accessing telecommunications service to obtain equipment that will assist them in doing so. Iowa, Illinois, and Minnesota each have similar programs although the specifics vary. For example, Illinois’ program is limited to those with hearing or speech disabilities, and in Minnesota the equipment belongs to the state and must be returned if the customer leaves the state or loses his/her telephone line.

Wisconsin also has a program to help lower the monthly cost of telephone service in areas of the state where rates are high. In determining whether assistance under this “high rate assistance” program is required, the program looks both at the rate for basic service and what percentage of a county’s median household income that rate entails. Although its commission must vote to activate it, Michigan statutes provide for a similar program that would provide a subsidy to customers of the difference between an affordable rate and the company’s forward looking economic cost of providing service (should the latter be higher than the former). Illinois has a high-cost program that provides support to small telecommunications providers if the economic costs of providing certain services exceed the affordable rate set for those services.

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<sup>4</sup> Lifeline helps pay the monthly cost of telephone service. Link-up helps pay the cost of service installation.

<sup>5</sup> The “base rate” is the monthly residential rate including applicable in-state fees, touch-tone service, 911 charges on the telephone bill, the federal subscriber line charge, access recovery charge and 120 local calls.

Surrounding states have taken a variety of approaches to certification and reporting requirements for ETCs including: adoption of formal rules, orders applicable to either new or all ETCs, and case-by-case determinations.

The Minnesota Public Utilities Commission (docket P999/M-05-741) adopted the FCC's exact language for annual certification requirements, with a couple of modifications. The two main modifications are (1) filing 2-year service quality improvement plans instead of the federal five year requirement, and (2) filing information on a service-area basis instead of a wire-center basis. The new requirements are applied to both new and existing ETCs, and to both landline and wireless providers.

The Michigan Public Service Commission basically adopted the exact language of the FCC's rules unchanged, including the 5-year quality improvement plans. Michigan has service quality and financial reporting rules for wireline companies that do not apply to wireless ETCs, but all ETCs, both existing and new, are required to meet all of the standards and obligations contained in the FCC's ETC rules, FCC 05-46 and 47 U.S.C. § 214. The one exception to this is ETCs receiving only low-income support; they have lesser reporting requirements. There are no standards for what types of reporting on quality of service issues meet the adopted FCC requirements.

The Illinois Commerce Commission has not officially adopted the FCC rules, but uses them as a base for its ETC decisions, which so far have been on a case-by-case basis. The requirements are not applied to existing ETCs. There have been requests for ETC status where the Illinois Commerce Commission has required wireless ETCs to do more than is spelled out by the FCC, holding that the FCC's requirements are "the minimum requirements." The primary areas where wireless ETCs have been subjected to more scrutiny involve consumer protection, service quality standards, and the public interest analysis. As to telephone directories, wireless providers have been required to provide written disclosure to customers that directories will not be provided and numbers will not be published. The FCC's 5-year plan is retained.

The Iowa Utility Board's (IUB) ETC rules incorporate the FCC rules with some modifications. Similar to these proposed rules, IUB requires maps of signal coverage depicting signal strength (although IUB ILECs may refer to maps already on file with the commission.) IUB adopted service quality standards for ETCs although, again like these proposed rules, they differ for landline and wireless. Rolling one year network improvement and maintenance plans are required. The rules are applied to both new and existing ETCs.

The Indiana Regulatory Commission (case 41052-ETC-47) adopted the FCC's exact language in a proceeding involving an individual ETC applicant, but made that decision applicable to all ETCs, both landline and wireless.

**G. Effect on Small Business**

Existing USF rules may have an effect on small telecommunications utilities, which are small businesses under s. 196.216, Stats., for the purposes of s. 227.114, Stats. These small telecommunications utilities, like other telecommunications providers (both large and small), may have obligations under the USF, including an obligation for payments to the USF, which is required under statute. Other requirements in the rule only apply to wireless providers who voluntarily choose to become designated as eligible telecommunications carriers. Since the Commission does not regulate wireless providers, it does not have records indicating how many of them are small businesses.

These proposed rules should have no particular impact on small businesses. The commission already has established, in s. PSC 160.18 (1), an exemption from fund assessments to protect entry by and continued operation of small telecommunications providers as directed by statutory objectives. In s. PSC 160.01 (2) (b), the existing rules allow the commission to give individual consideration to unusual situations and to adopt different requirements for particular telecommunications providers. Small businesses can request that the commission provide an exception to a rule requirement. There are no new reporting or bookkeeping requirements created under these proposed rules. Also, most of the requirements in the proposed rules only apply to providers who voluntarily choose to be designated as ETCs.

The agency has considered the methods in s. 227.114 (2), Stats., for reducing the impact of the rules on small businesses. Accordingly, the agency has included provisions for exemption from assessments for small providers, and allowing requests for consideration of unusual circumstances, as noted above. Further application of these methods is not consistent with statutory objectives.

**FISCAL ESTIMATE**

These rule changes have no fiscal impact. A completed Economic Impact Analysis is included as Attachment C.

**H. Comments**

Comments on this rule may be submitted as outlined in the Notice of Hearing.

**I. Accommodation**

The commission does not discriminate on the basis of disability in the provision of programs, services, or employment. Any person with a disability who needs accommodations to participate in this proceeding or who needs to obtain this document in a different format should contact the docket coordinator listed below.

**J. Agency Contact Person**

Questions regarding this rule should be directed to Jeff Richter, USF Director, at (608) 267-9624 or [Jeff.richter@wisconsin.gov](mailto:Jeff.richter@wisconsin.gov). Small business questions may be directed to Gary Evenson at (608) 266-6744 or [Gary.evenson@wisconsin.gov](mailto:Gary.evenson@wisconsin.gov). Media questions should be directed to Nathan Conrad, Communication Director, at (608) 266-9600. Hearing- or speech-impaired individuals may also use the Commission's TTY number: if calling from Wisconsin, (800) 251-8345; if calling from outside Wisconsin, (608) 267-1479.

1 **TEXT OF THE RULES**

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3 **SECTION 1.** PSC 160.01 (1), (2) (b) and (4) are amended to read:

4  
5 PSC 160.01 **Scope and purpose.** (1) PURPOSE. Chapter PSC 160 is designed to  
6 effectuate and implement s. 196.218, Stats., 47 USC 254, 47 CFR 54 and parts of other  
7 sections of the Wisconsin and federal statutes, authorizing the commission to establish  
8 and operate a universal service fund and programs to further the goal of providing a basic  
9 set of essential telecommunications services ~~and access to advanced service capabilities~~  
10 to all customers ~~of~~ in the state.

11  
12 (2) (b) Nothing in this chapter shall preclude the commission from giving special and  
13 individual consideration ~~being given~~ to exceptional or unusual situations and, upon due  
14 investigation of the facts and circumstances involved, ~~the adoption of~~ from adopting  
15 requirements as to individual providers or services programs that may be lesser, greater,  
16 other or different than those provided in this chapter.

17  
18 (4) ENFORCEMENT. The manner of enforcing ch. PSC 160 is prescribed in ss. 196.218,  
19 196.499 (17) and 196.66, Stats., and includes ~~such~~ any other means as provided in  
20 statutory sections administered by the commission.

21  
22  
23 **SECTION 2.** PSC 160.01 (5) is renumbered 160.01 (5) (intro.), and amended to read:

24  
25 PSC 160.01 (5) (intro.) ORDERS. The commission may issue orders it ~~deems~~ considers  
26 necessary to assist in the implementation or interpretation of this chapter. ~~Except for~~  
27 ~~declaratory rulings under s. 227.41, Stats., which require the opportunity for a hearing,~~  
28 ~~and commission determinations not subject to judicial review under ss. 227.52 and~~  
29 ~~227.53, Stats., orders shall be issued~~ The commission shall issue orders only after notice  
30 and an opportunity for comment by interested parties including the universal service fund  
31 council-, except in the following circumstances:

32  
33  
34 **SECTION 3.** PSC 160.01 (5) (a) to (c) are created to read:

35  
36 PSC 160.01 (5) (a) The commission issues a determination not subject to judicial review  
37 under ss. 227.52 and 227.53, Stats.

38  
39 (b) The commission receives a request for a declaratory ruling under s. 227.41, Stats.,  
40 which requires the opportunity for a hearing.

1 (c) As otherwise provided in this chapter.  
2  
3

4 **SECTION 4.** PSC 160.02 (1g) and (1m) are renumbered 160.02 (1) and (7).  
5  
6

7 **SECTION 5.** PSC 160.02 (2) is renumbered 160.02 (8), and amended to read:  
8

9 PSC 160.02 (8) “Disability” means a physical, cognitive, or sensory impairment that  
10 limits or curtails an individual’s access to or usage of ability to use telecommunications  
11 services or equipment, or both. ~~“Disability” includes a speech, vision, or hearing~~  
12 ~~impairment and motion impairments that limit an individual’s ability to handle~~  
13 ~~telecommunications equipment.~~  
14  
15

16 **SECTION 6.** PSC 160.02 (2) is created to read:  
17

18 PSC 160.02 (2) “Call blocking” means a service that lets customers elect not to allow the  
19 completion of any of the calls specified under s. PSC 160.04 (1) on the customer's  
20 account.  
21  
22

23 **SECTION 7.** PSC 160.02 (3) is renumbered 160.02 (10).  
24  
25

26 **SECTION 8.** PSC 160.02 (3) and (4) are created to read:  
27

28 PSC 160.02 (3) “Call control” means a service that lets a customer specify a certain  
29 amount of the calls specified under s. PSC 160.04 (1) that may be completed per month  
30 on the customer's account.  
31

32 (4) “Call limitation” means either call blocking or call control for providers that are  
33 incapable of providing both services and, for providers that are capable of providing both  
34 services, it means both call blocking and call control.  
35  
36

37 **SECTION 9.** PSC 160.02 (4g) and (4m) are repealed.  
38  
39

40 **SECTION 10.** PSC 160.02 (5) is renumbered 160.02 (17).  
41  
42

1 **SECTION 11.** PSC 160.02 (5) is created to read:

2

3 PSC 160.02 (5) "Cognitive impairment" means a condition that limits every day practical  
4 skills and involves significant difficulty with memory, information processing and  
5 executive functions.

6

7 **SECTION 12.** PSC 160.02 (6) is renumbered 160.02 (19), and amended to read:

8

9 PSC 160.02 (19) "Link-up" means ~~the~~ a program that waives some or all service  
10 connection charges for low-income customers.

11

12 **SECTION 13.** PSC 160.02 (6) is created to read:

13

14 PSC 160.02 (6) "Commission" means the public service commission.

15

16

17 **SECTION 14.** PSC 160.02 (7) is renumbered 160.02 (20), and amended to read:

18

19 PSC 160.02 (20) "Local exchange service provider" means any ~~commercial mobile radio~~  
20 ~~service-wireless~~ provider that has been designated as an eligible telecommunications  
21 carrier under s. PSC 160.13, or a telecommunications utility or any other provider of  
22 basic local exchange service or standard business lines and usage.

23

24

25 **SECTION 15.** PSC 160.02 (8) is renumbered 160.02 (21), and amended to read:

26

27 PSC 160.02 (21) "Low-income" means a household that receives benefits from one or  
28 more of the following programs:

29

30 (a) Wisconsin works under ss. 49.141 to ~~49.161~~ 49.162, Stats.

31

32 Note: This includes all programs, including financial and employment assistance, child care subsidy,  
33 etc.

34

35 (b) Medical assistance under 42 USC ~~1395~~ 1396 et seq.

36

37 (c) Supplemental security income under 42 USC 1381 to ~~1385e~~ 1383.

38

39 (d) Food stamps under 7 USC 2011 to 2029.

40

41 (e) The low income household energy assistance program under s. 16.27, Stats.

42

1 (f) The Wisconsin homestead tax credit under ss. 71.51 to 71.55, Stats.

2

3 (g) ~~Badger care~~ BadgerCare Plus programs under s. ~~49.665~~ 49.471, Stats., consistent  
4 with the income limits in par. (h).

5

6 (gm) SeniorCare 1 and 2a under s. 49.688, Stats.

7

8 (h) As approved by the commission, other state or federally administered programs for  
9 households with income levels ~~equal to or less than~~ less than or equal to 200% of the  
10 poverty line as defined in 42 USC 9902 (2).

11

12 Note: See subs. 160.06 (1) (c) concerning other households that may be considered low-income.

13

14

15 **SECTION 16.** PSC 160.02 (9) is renumbered 160.02 (23).

16

17

18 **SECTION 17.** PSC 160.02 (9) is created to read:

19

20 PSC 160.02 (9) “Eligible telecommunications carrier” or “ETC” means a  
21 telecommunications provider that the commission has so designated and includes  
22 federal-only ETCs, full ETCs and low-income ETCs.

23

24

25 **SECTION 18.** PSC 160.02 (10) and (11) are renumbered 160.02 (24) and (27).

26

27

28 **SECTION 19.** PSC 160.02 (11) is created to read:

29

30 PSC 160.02(11) “Extended community calling” means a telecommunications service by  
31 which a customer in one exchange may call a customer in another exchange or  
32 combination of exchanges under an expanded local calling plan based on usage.

33

34

35 **SECTION 20.** PSC 160.02 (12) is renumbered 160.02 (29), and amended to read:

36

37 PSC 160.02 (29) “Two line voice carryover” means the technique of using 3-way calling  
38 and 2 telephone lines, one for voice and one for ~~TTY or similar equipment~~ text, to  
39 connect a caller who is deaf or hard of hearing but can speak, with another caller via the  
40 telecommunications relay service.

41

42

1 **SECTION 21.** PSC 160.02 (12) is created to read:  
2

3 PSC 160.02 (12) "Federal – only eligible telecommunications carrier" or "federal-only  
4 ETC" means a telecommunications provider that the commission has so designated under  
5 s. 196.218 (4) (b), Stats., or so designated before June 9, 2011.  
6  
7

8 **SECTION 22.** PSC 160.02 (13) is renumbered 160.02 (30), and amended to read:  
9

10 PSC 160.02 (30) "Universal service" means a statewide rapid, efficient, communications  
11 network with adequate, economically placed facilities to ~~assure~~ ensure that a basic set of  
12 essential telecommunications services is available to all persons in this state within a  
13 reasonable time and at affordable prices ~~and that the advanced service capabilities of a~~  
14 ~~modern telecommunications infrastructure are affordable and accessible to all areas of the~~  
15 ~~state within a reasonable time.~~  
16  
17

18 **SECTION 23.** PSC 160.02 (13) to (16) are created to read:  
19

20 PSC 160.02 (13) "Federal subscriber line charge" means a monthly per line federal  
21 charge that is assessed directly on a local exchange telephone service customer as  
22 allowed by the federal communications commission.  
23

24 **Note:** This is also known federally as the end-user common line charge. See 47 CFR 69.104.  
25

26 (14) "Full eligible telecommunications carrier" or "full ETC" means a  
27 telecommunications provider that the commission has so designated under s. PSC 160.13  
28 for participation in all universal service programs.  
29

30 (15) "Household" has the meaning given in 47 CFR 54.400 (h).  
31

32 **Note:** As of April 2013, 47 CFR 54.400 (h) read as follows: A "household" is any individual or  
33 group of individuals who are living together at the same address as one economic unit. A household may  
34 include related and unrelated persons. An "economic unit" consists of all adult individuals contributing to  
35 and sharing in the income and expenses of a household. An adult is any person 18 years or older. If an adult  
36 has no or minimal income, and lives with someone who provides financial support to him/her, both people  
37 shall be considered part of the same household. Children under the age of 18 living with their parents or  
38 guardians are considered to be part of the same household as their parents or guardians.  
39

40 (16) "Incumbent local exchange carrier" means a telecommunications provider, and its  
41 successors and assigns, authorized under law or by the commission before September 1,  
42 1994, to place facilities and provide basic local service in a particular geographic area.  
43  
44

1 **SECTION 24.** PSC 160.02 (18) is created to read:

2

3 PSC 160.02 (18) “Line” means an access line or service to an activated wireless handset.

4

5

6 **SECTION 25.** PSC 160.02 (22) is created to read:

7

8 PSC 160.02 (22) “Low-income eligible telecommunications carrier” or “low-income  
9 ETC” means a telecommunications provider that the commission has so designated under  
10 s. PSC 160.13 for participation only in the lifeline or link-up program, or both.

11

12

13 **SECTION 26.** PSC 160.02 (25) and (26) are created to read:

14

15 PSC 160.02 (25) “Pay-per-call service” has the meaning given in s. 196.208 (1) (a), Stats.

16

17 (26) "Provider" or “telecommunications provider” has the meaning given in s. 196.01  
18 (8p), Stats.

19

20

21 **SECTION 27.** PSC 160.02 (28) is created to read:

22

23 PSC 160.02 (28) “Two line hearing carryover” means the technique of using 3-way  
24 calling and 2 telephone lines, one for hearing and one for text, to connect a hearing caller  
25 who is speech impaired with another caller via the telecommunications relay service.

26

27

28 **SECTION 28.** PSC 160.02 (31) is created to read:

29

30 PSC 160.02 (31) “Wireless provider” means a commercial mobile radio service provider  
31 as defined in s. 196.01 (2g).

32

33

34 **SECTION 29.** PSC 160.03 (1) is renumbered 160.03 (1m), and amended to read:

35 PSC 160.03 (1m) Each local exchange service provider eligible telecommunications  
36 carrier shall make all essential telecommunications services available to all of its  
37 customers at affordable prices.

38

39

40 **SECTION 30.** PSC 160.03 (1) is created to read:

41

1 PSC 160.03 **Essential telecommunications services.** (1) For purposes of this  
2 subsection:

3  
4 (a) "911" means a service that permits a telecommunications user to use the three-digit  
5 code '911,' to access emergency services through a public safety answering point  
6 operated by a local government.

7  
8 (b) "Directory assistance" means a service that includes making available to customers,  
9 upon request, information contained in directory listings, such as customer address and  
10 telephone number.

11  
12 (c) "Dual tone multi-frequency" means a method of signaling that facilitates the  
13 transportation of signaling through the network, shortening call set-up time.

14  
15 **Note:** This is commonly known as touch tone.

16  
17 (d) "Emergency services" includes services, such as 911 and enhanced 911, provided by  
18 local governments or other public safety organizations.

19  
20 (e) "Enhanced 911" means 911 service that includes the ability to provide automatic  
21 numbering information, which enables the public safety answering point to call back if  
22 the call is disconnected, and automatic location information, which permits emergency  
23 service providers to identify the geographic location of the calling party.

24  
25 (f) "Interexchange service" means the use of the loop, as well as that portion of the  
26 switch that is paid for by the end user, or the functional equivalent of these network  
27 elements in the case of a wireless provider, necessary to access an interexchange  
28 provider's network.

29  
30 (g) "Local usage" means an amount of exchange service, prescribed by the commission,  
31 provided free of charge to end users.

32  
33 (h) "Operator services" means any automatic or live assistance to a customer to arrange  
34 for billing or completion, or both, of a telephone call.

35  
36 (i) "Single-party service" means telecommunications service that permits users to have  
37 exclusive use of a landline subscriber loop or access line for each call placed, or, in the  
38 case of wireless providers, which use spectrum shared among users to provide service, a  
39 dedicated message path for the length of a user's particular transmission.

40  
41 (j) "Voice grade access" means a functionality that enables a user of telecommunications  
42 services to transmit voice communications, including signaling the network that the caller

1 wishes to place a call, and to receive voice communications, including receiving a signal  
2 indicating there is an incoming call.

3  
4  
5 **SECTION 31.** PSC 160.03 (1) is renumbered 160.03 (1m), and amended to read:

6  
7 PSC 160.03 (1m) ~~Each local exchange service provider eligible telecommunications~~  
8 carrier shall make all essential telecommunications services available to all of its  
9 ~~customers at affordable prices all essential telecommunications services.~~

10  
11  
12 **SECTION 32.** PSC 160.03 (1) is created to read:

13  
14 PSC 160.03 (1) For purposes of this subsection:

15  
16 (a) "911" means a service that permits a telecommunications user to use the three-digit  
17 code '911,' to access emergency services through a public safety answering point  
18 operated by a local government.

19  
20 (b) "Directory assistance" means a service that includes making available to customers,  
21 upon request, information contained in directory listings, such as customer address and  
22 telephone number.

23  
24 (c) "Dual tone multi-frequency" means a method of signaling that facilitates the  
25 transportation of signaling through the network, shortening call set-up time.

26  
27 **Note:** This is commonly known as touch tone.

28  
29 (d) "Emergency services" includes services, such as 911 and enhanced 911, provided by  
30 local governments or other public safety organizations.

31  
32 (e) "Enhanced 911" means 911 service that includes the ability to provide automatic  
33 numbering information, which enables the public safety answering point to call back if  
34 the call is disconnected, and automatic location information, which permits emergency  
35 service providers to identify the geographic location of the calling party.

36  
37 (f) "Interexchange service" means the use of the loop, as well as that portion of the  
38 switch that is paid for by the end user, or the functional equivalent of these network  
39 elements in the case of a wireless provider, necessary to access an interexchange  
40 provider's network.

1 (g) "Local usage" means an amount of exchange service, prescribed by the commission,  
2 provided free of charge to end users.

3  
4 (h) "Operator services" means any automatic or live assistance to a customer to arrange  
5 for billing or completion, or both, of a telephone call.

6  
7 (i) "Single-party service" means telecommunications service that permits users to have  
8 exclusive use of a landline subscriber loop or access line for each call placed, or, in the  
9 case of wireless providers, which use spectrum shared among users to provide service, a  
10 dedicated message path for the length of a user's particular transmission.

11  
12 (j) "Voice grade access" means a functionality that enables a user of telecommunications  
13 services to transmit voice communications, including signaling the network that the caller  
14 wishes to place a call, and to receive voice communications, including receiving a signal  
15 indicating there is an incoming call.

16  
17  
18 **SECTION 33.** PSC 160.03 (2) is repealed and re-created to read:

19  
20 PSC 160.03 (2) "Essential telecommunications services" means all of the following:

21  
22 (a) Voice grade access to the public switched network with a minimum bandwidth of 300  
23 to 3,000 hertz.

24  
25 (b) Single-party service or its functional equivalent.

26  
27 (c) Local usage.

28  
29 (d) Dual tone multi-frequency signaling or its functional equivalent.

30  
31 (e) Access to emergency services.

32  
33 (f) Access to operator services.

34  
35 (g) Access to interexchange service.

36  
37 (h) Access to directory assistance.

38  
39 (i) Call limitation for low-income customers.

40  
41  
42 **SECTION 34.** PSC 160.031 and 160.035 are repealed.

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**SECTION 35.** PSC 160.04 (title) is repealed and re-created to read:

**PSC 160.04 (title) Call limitation.**

**SECTION 36.** PSC 160.04 (1) is renumbered 160.04 (1) (a) (intro.), and amended to read:

**PSC 160.04 (1) (a) (intro.)** ~~BLOCKING-CALL LIMITATION~~ OBLIGATIONS. Every ~~local exchange service provider~~ eligible telecommunications carrier in the state shall offer the call limitation capability to block all long distance calls and, separately, the capability to block 900 and 976 number calls and the capability to block extended community calling unless a timely waiver has been granted to the local exchange service provider by the ~~commission~~ for each of the following:

**SECTION 37.** PSC 160.04 (1) (a) 1. to 5. and (b) are created to read:

PSC 160-04 (1) (a) 1. Long distance toll calls.

2. Pay-per-call service.

3. Collect toll calls.

4. Toll calls charged to a telephone credit card associated with the telephone number for which call limitation has been requested.

5. Toll calls charged to a third telephone number for which call limitation has been requested.

(b) Notwithstanding par. (a) and s. 160.03 (1m), federal-only eligible telecommunications carriers are not required to offer call limitation capabilities to customers who are not low income.

**SECTION 38.** PSC 160 04 (2) to (4) are amended to read:

PSC 160.04 (2) CHARGES. ~~Blocking shall be without~~ An eligible telecommunications carrier may not impose a monthly or nonrecurring charge to on a low-income customers

1 ~~customer for call limitation, and at no charge other than~~ An ETC, other than a federal-  
 2 only ETC, may only impose a nonrecurring charge, and not a monthly charge, for a  
 3 second and or subsequent service activation orders order for other residential and  
 4 standard business line customers.

5  
 6 (3) EMERGENCY SERVICE. ~~Blocking shall~~ A local exchange service provider may not  
 7 ~~prevent the~~ impose a call limitation that prevents a customer from reaching the  
 8 emergency service numbers appropriate for the customer's location.

9  
 10 (4) PUBLIC NOTIFICATION AND EDUCATION. ~~A local exchange service provider~~ An  
 11 eligible telecommunications carrier shall make all reasonable efforts to inform its  
 12 customers within its service areas of the availability of, and where charge-free, eligibility  
 13 requirements for, cost-free toll blocking call limitation services, 900 and 976 number  
 14 blocking services and extended community calling blocking services. The local  
 15 exchange service provider An eligible telecommunications carrier shall also make  
 16 reasonable efforts to instruct eligible customers requesting the service in the use of the  
 17 ~~equipment or service.~~

18  
 19  
 20 **SECTION 39.** PSC 160.04 (5) is repealed.

21  
 22  
 23 **SECTION 40.** PSC 160.05 (intro.) is amended to read:

24  
 25 PSC 160.05 (intro.) **Universal service fund programs.** Universal service fund monies  
 26 may be used for fund administration; for ~~the purpose of informing the public regarding of~~  
 27 ~~the universal service fund, its existence, purpose, intent and areas of use~~ uses of the  
 28 universal service fund; and for the following purposes:

29  
 30  
 31 **SECTION 41.** PSC 160.05 (1) (a), (c) and (d) are amended to read:

32  
 33 PSC 160.05 (1) (a) Link-up ~~America~~ assistance, as specified in s. PSC 160.061.

34  
 35 (c) ~~Voice mail~~ Telephone access service for the homeless, as specified in s. PSC 160.125  
 36 (1).

37  
 38 (d) Telecommunications equipment purchase program (TEPP) vouchers, as specified in  
 39 s. PSC 160.071 (~~+~~) (1m).

40  
 41  
 42 **SECTION 42.** PSC 160.05 (1) (h) to (j) and (L) are repealed.

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**SECTION 43.** PSC 160.05 (1) (n) is amended to read:

PSC 160.05 (1) (n) Eligible telecommunications carriers designated by a process under s. PSC 160.13 ~~(5)~~ (8) (c).

**SECTION 44.** PSC 160.05 (1) (o) is repealed.

**SECTION 45.** PSC 160.05 (1) (p) is amended to read:

PSC 160.05 (1) (p) Second line for 2 line voice or hearing carryover, as specified in s. PSC 160.071 ~~(6)(b)~~ (6m).

**SECTION 46.** PSC 160.05 (1) (r) is repealed.

**SECTION 47.** PSC 160.05 (1) (s) is renumbered 160.05 (1) (t).

**SECTION 48.** PSC 160.05 (1) (s) is created to read:

PSC 160.05 (1) (s) Directory assistance, operator assistance and custom calling service payments under s. PSC 160.071 (4) to (6).

**SECTION 49.** PSC 160.05 (2) and (3) are amended to read:

PSC 160.05 (2) For payments by the ~~technology for educational achievement in Wisconsin board~~ department of administration for educational telecommunications access support, as specified in s. 196.218 (5) (a) 5., Stats., under the appropriation in s. 20.505(4) (s), (t), (tm), ~~and (tu)~~ and (tw), Stats., and for payments under the appropriation in s. 20.865 (4) (u), Stats.

(3) For payments ~~to the department of administration~~ for telecommunications services provided to the campuses of the university of Wisconsin system ~~at River Falls, Stout, Superior and Whitewater~~, as specified in s. 196.218 (5) (a) 6., Stats., under the appropriation in s. 20.285 (1) (q), Stats.

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**SECTION 50.** PSC 160.05 (4) is repealed.

**SECTION 51.** PSC 160.05 (6) to (9) are created to read:

PSC 160.05 (6) For payments by the department of public instruction for newslines for the blind, under the appropriation in s. 20.255 (3) (q), Stats.

(7) For payments by the department of public instruction for supplemental aid to public library systems as specified in s. 43.24, Stats., under the appropriation in s. 20.255 (3) (qm), Stats.

(8) For payments by the department of public instruction for library service contracts as specified in s. 43.03 (6) and (7), Stats., under the appropriation in s. 20.255 (3) (r), Stats.

(9) For other payments authorized by statute.

**SECTION 52.** PSC 160.06 (1) (intro.) is renumbered 160.06 (1) (a) (intro.), and amended to read:

PSC 160.06 **Eligibility for low-income programs.** (1) LOW-INCOME ASSISTANCE ELIGIBILITY. (a) (intro.) ~~Local exchange service providers~~ All ETCs shall verify an applicant's eligibility for low-income assistance programs by making timely queries of the applicable databases of the Wisconsin department of ~~workforce development~~ health services, the Wisconsin department of revenue, or other ~~state government~~ agencies designated by the commission. ~~Applicant~~ An ETC shall verify an applicant's eligibility shall be verified by finding the applicant to be any of the following:

**SECTION 53.** PSC 160.06 (1) (a) to (c) are renumbered 160.06 (1) (a) 1. to 3., and amended to read:

PSC 160.06 (1) (a) 1. An active client of at least one of the programs listed in s. PSC 160.02 ~~(8)~~ (21).

2. A member of the active client's household whose low income qualifies the client for benefits under at least one of the programs listed in s. PSC 160.02 ~~(8)~~ (21).

3. A Unless the provider is a federal-only ETC, a recipient of the Wisconsin homestead tax credit for the most recently completed tax year. If the applicant's tax filing for the

1 most recently completed tax year has not been posted to the records of the Wisconsin  
 2 department of revenue and if application for low-income assistance is made on or before  
 3 June 30th, then the tax year prior to the most recently completed tax year may be used to  
 4 determine eligibility.

5  
 6  
 7 **SECTION 54.** PSC 160.06 (1) (b) and (c) are created to read:

8  
 9 PSC 160.06 (1) (b) Notwithstanding par. (a), an eligible telecommunications carrier shall  
 10 verify an applicant as eligible for low-income assistance programs if the applicant  
 11 qualifies for federal universal service fund support for eligible residents of tribal lands  
 12 under 47 CFR 54.400 *et seq.*

13  
 14 (c) If an eligible telecommunications carrier cannot verify an applicant's eligibility under  
 15 par. (a) or (b), and the eligible telecommunications carrier files with the commission  
 16 proof that it has filed with the federal communications commission an acceptable plan for  
 17 eligibility verification and annual reverification, in addition to the households considered  
 18 low-income under the definition in s. PSC 160.02 (21), the ETC shall consider a  
 19 household that meets one of the following criteria to be low-income:

- 20  
 21 1. Receives benefits from federal public housing assistance (section 8).  
 22  
 23 2. Receives benefits from the national school lunch program's free lunch program.  
 24  
 25 3. Customer's income, as defined in 47 CFR 54.400 (f), is at or below 135% of the  
 26 federal poverty guidelines.  
 27  
 28 4. Temporary assistance for needy families, other than Wisconsin works under ss. 49.141  
 29 to 49.161, Stats.  
 30  
 31 5. Any other federal low-income eligibility criteria.

32  
 33  
 34 **SECTION 55.** PSC 160.06 (2) and (3) are amended to read:

35  
 36 PSC 160.06 (2) ELIGIBILITY ~~RECONFIRMATION~~ REVERIFICATION. ~~Eligibility shall be~~  
 37 ~~reconfirmed~~ An eligible telecommunications carrier shall reverify eligibility on at least an  
 38 annual basis for all customers receiving lifeline assistance. The eligible  
 39 telecommunications carrier shall first attempt to reverify eligibility by making timely  
 40 queries of the applicable databases of the Wisconsin department of health services, the  
 41 Wisconsin department of revenue, or other government agencies designated by the  
 42 commission.

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**(3) ELIGIBILITY INQUIRY.** ~~Local exchange service providers~~ Eligible telecommunications carriers other than federal-only ETCs shall inquire of ~~the~~ each customer regarding eligibility of that customer for low-income programs on each order for initial or moved residential service and, orally or in writing, in the first contact with a customer during a year concerning disconnection or payment arrangements.

**SECTION 56.** PSC 160.06 (4) (a) is renumbered 160.06 (4) (b), and amended to read:

PSC 160.06 (4) ~~(b) Local exchange service providers~~ Eligible telecommunications carriers shall obtain whatever ~~comply with client customer authorization requirements of~~ is required by the Wisconsin department of ~~workforce development~~ health services, the Wisconsin department of revenue, or other ~~state government~~ state government agencies for the database queries necessary for eligibility verification. ~~Customers shall complete and remit any reasonably required query authorization forms or forfeit eligibility. The commission may revoke the eligible telecommunications carrier designation and order the forfeiture of reimbursements if it accesses a customer's database information without that customer's authorization. The commission may also refer the eligible telecommunications carrier to the Wisconsin department of justice or other state agency for appropriate action.~~

**SECTION 57.** PSC 160.06 (4) (a) is created to read:

PSC 160.06 (4) (a) Customers shall complete and remit any reasonably required query authorization forms or forfeit eligibility.

**SECTION 58.** PSC 160.06 (5) is renumbered 160.06 (6), and amended to read:

PSC 160.06 (6) **EXCEPTIONS.** ~~Lifeline and Link-Up programs are~~ The lifeline program is not available to customers who are dependents for federal income tax purposes as defined in 26 USC 152 (1986), unless the customer is more than 60 years of age.

**SECTION 59.** PSC 160.06 (5) is created to read:

PSC 160.06 (5) **APPLICANT REQUIREMENTS.** Notwithstanding any other provision of this section, an applicant is only eligible for low-income assistance programs under this chapter if the applicant provides all of the information required under state and federal law.

1

2 **SECTION 60.** PSC 160.061 is repealed and recreated to read:

3

4 PSC 160.061 Link-up program. The commission may fund programs to identify and  
5 provide monetary assistance to low-income persons who are unlikely to be able to obtain  
6 telecommunications service without such assistance. Such programs may include  
7 customers who qualify for federal universal service fund support for eligible residents of  
8 tribal lands under 47 CFR 54.400 *et seq.*

9

10

11 **SECTION 61.** PSC 160.062 (1) and (2) are repealed.

12

13

14 **SECTION 62.** PSC 160.062 (1) to (2r) are created to read:

15

16 PSC 160.062 **Lifeline program.** (1) **APPLICABILITY.** For purposes of subs. (2) to (7),  
17 "eligible telecommunications carrier" or "ETC" means only full and low – income ETCs,  
18 and does not include federal-only ETCs.

19

20 (1g) **LIFELINE MONTHLY RATE.** For purposes of this section, "lifeline monthly rate"  
21 means the lifeline base rate under sub. (2) minus the lifeline adjustment under sub. (2g)  
22 or (2r).

23

24 (1r) **ELIGIBILITY.** (a) All eligible telecommunications carriers shall offer to all qualified  
25 low-income customers a lifeline-adjustment to the customer's rate for either of the  
26 following:

27

28 1. Essential telecommunications service whether stand-alone or as part of a service  
29 package.

30

31 2. Internet access, if the customer demonstrates that, because of his or her disability  
32 certified under s. PSC 160.071 (1), the customer requires internet access that is adequate  
33 to support service that is substitutable for and comparable to essential  
34 telecommunications service.

35

36 **Note:** An example under subd. 2. is video relay service.

37

38 **Note:** Subd. 2. does not require a provider to offer internet access service. If provider offers a service  
39 needed under subd. 2, the provider applies the lifeline adjustment to the price of that service.

40

41 (b) An ETC taking an application for the lifeline program shall do the following:

42

- 1 1. Ask the applicant if he or she is currently receiving a lifeline adjustment on any other  
2 line.
- 3
- 4 2. Require the applicant to certify that he or she is not currently receiving a lifeline  
5 adjustment on any other line or from any other provider.
- 6
- 7 3. Only offer and apply the lifeline adjustment on one line.
- 8
- 9 4. Ensure that any federal requirements about lifeline are met.

10 **Note:** For example, see 47 CFR 54.410 regarding use of state databases for eligibility verification.

11  
12  
13 (c) A customer may not request a lifeline adjustment on more than one line. An ETC  
14 shall not apply the lifeline adjustment unless the customer has certified under par. (b) that  
15 the customer is not receiving a lifeline adjustment on another line or from any other  
16 provider.

17  
18 (d) If an ETC becomes aware that a customer is receiving a lifeline adjustment on more  
19 than one line or from more than one provider, the ETC shall provide notice and take  
20 action under sub. (4m) to ensure that the customer receives a lifeline adjustment on only  
21 one line.

22  
23 (2) LIFELINE BASE RATE. The lifeline base rate is one of the following:

24  
25 (a) For an eligible telecommunications carrier offering local service on a stand-alone  
26 basis, the sum of:

27  
28 1. The in-state charges and fees for stand-alone single-party residential service with  
29 touch-tone, including, as applicable, all of the following:

- 30
- 31 a. Police and fire protection fee.
- 32 b. State universal service fund assessment.
- 33 c. Remainder assessment.
- 34 d. Telecommunications utility trade practices assessment.

35  
36 2. Any 911 charges billed on the telephone bill.

37  
38 3. The federal subscriber line charge.

39  
40 4. The access recovery charge.

41  
42 5. The charge for 120 local calls, excluding extended community

1 calling calls.

2  
3 6. Other charges as approved by the commission.

4  
5 (b) \$25, if the eligible telecommunications carrier does not offer local service on a stand-  
6 alone basis, and only offers it as part of a service package.

7  
8 (c) The commission may authorize a different lifeline base rate based on the particular  
9 facts and circumstances concerning an eligible telecommunications carrier's local service  
10 or internet access charges.

11  
12 (2g) LIFELINE ADJUSTMENT. (a) Except as provided in par. (b) and sub. (2r):

13  
14 1. If the lifeline base rate is \$25 or less, the lifeline adjustment shall be \$10.

15  
16 2. If the lifeline base rate is greater than \$25, the lifeline adjustment shall be the lesser of  
17 the following:

18  
19 a. The amount necessary to reduce the lifeline monthly rate to \$15.

20  
21 b. The maximum reimbursement available under 47 CFR 54.403, plus \$9.25.

22  
23 **Note:** Subsection (2g)(a)2.b. caps the adjustment at, essentially, double the maximum amount  
24 available from the federal USF at the time the rules went into effect. In the future, the amount available  
25 from the federal USF may increase, but the state portion is frozen at \$9.25 so that if, for example, the  
26 federal subscriber line charge is raised and paid for through the federal USF, the state does not  
27 automatically increase its reimbursement portion. This step was taken to protect the state fund by blocking  
28 any automatic increase in state reimbursement due to federal action.

29  
30 (b) If the ETC offers prepaid wireless service, the lifeline adjustment for that service shall  
31 be the greater of the following:

32  
33 1. The number of minutes that, when calculated using the lowest per minute rate the ETC  
34 offers to its prepaid wireless customers, equals or exceeds the value of the adjustment  
35 under par. (a) that would otherwise apply.

36  
37 2. The number of minutes recognized by the federal communications commission as an  
38 acceptable compliance plan provision for that provider.

39  
40 (c) The adjustment under par. (a) 1. shall be increased automatically if both of the  
41 following occur:

42

1 1. A federal communications commission order or a change in federal law causes an  
2 increase in a customer's lifeline base rate.

3  
4 2. The state reimbursement amount after the increased lifeline adjustment is not greater  
5 than it was before the federal communications commission order or change in federal  
6 law.

7  
8 **Note:** A provider may petition the commission under s. PSC 160.01(2)(b) for an increased lifeline  
9 adjustment if the increased adjustment would increase the state reimbursement amount.

10  
11 (d) Notwithstanding subs. (2g) and (2r), the lifeline adjustment for partial months of  
12 service shall follow the policy set by the federal universal service administration  
13 corporation or its successors.

14  
15 (2r) ADJUSTMENTS FOR RESIDENTS OF TRIBAL LANDS. (a) When a customer qualifies for  
16 federal universal service fund support for eligible residents of tribal lands under 47 CFR  
17 54.400 *et seq.*:

18  
19 1. If the lifeline base rate under sub. (2) is \$25 or less, the lifeline adjustment shall be  
20 \$10, plus whatever federal universal service fund support the customer qualifies for as an  
21 eligible resident of tribal lands.

22  
23 2. If the lifeline base rate under sub. (2) is greater than \$25, the lifeline adjustment shall  
24 be the amount necessary to reduce the lifeline monthly rate to the level at which the  
25 adjustment results in a state reimbursement amount that is equal to what it would be  
26 under sub. (2g) (a) 2., plus whatever federal universal service fund support the customer  
27 qualifies for as an eligible resident of tribal lands.

28  
29 (b) The adjustment under par. (a)1. shall be increased automatically if both of the  
30 following occur:

31  
32 1. A federal communications commission order or a change in federal law causes an  
33 increase in a customer's lifeline base rate.

34  
35 2. The state reimbursement amount after the increased adjustment is not greater than it  
36 was before the federal communications commission order or change in federal law.

37  
38 **Note:** A provider may petition the commission under s. PSC 160.01(2)(b) for an increased lifeline  
39 adjustment if the increased adjustment would increase the state reimbursement amount.

40  
41  
42 **SECTION 63.** PSC 160.062 (3) (title) is created to read:  
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PSC 160.062(3) (title) SHOWING THE ADJUSTMENT.

**SECTION 64.** PSC 160.062 (3) is renumbered 160.062 (3) (a), and amended to read:

PSC 160.062 (3) (a) ~~The~~ Except as provided in par. (b), the eligible telecommunications carrier shall show the lifeline ~~monthly rate may appear~~ adjustment as a credit against either an adjustment to the full ~~standard~~ tariffed or standard rate on a customer’s bill or as a special rate designation. Whenever possible, the eligible telecommunications carrier shall begin showing the lifeline adjustment or rate ~~shall begin to appear~~ on an eligible customer’s bill on the next bill date following the date of application for lifeline assistance. If the ETC does not apply the lifeline adjustment or rate ~~does not begin to appear~~ on the next bill date, when it the ETC does ~~appear back~~ apply the credit ~~will~~ it shall be ~~given~~ applied back to the date of application. ~~In cases where a customer’s eligibility date as found in the records of the Wisconsin department of workforce development, the Wisconsin department of revenue, or other state agencies precedes the last bill date prior to application, credit shall also be given for one month’s prior bill.~~

**SECTION 65.** PSC 160.062 (3) (b) is created to read:

PSC 160.062 (3) (b) If an eligible telecommunications carrier offers prepaid service and does not render a bill for that service, as long as it maintains a statement of account for a customer the provisions of par. (a) apply to the statement of account.

**SECTION 66.** PSC 160.062 (4) is amended to read:

PSC 160.062 (4) PERIOD OF ELIGIBILITY. (a) ~~Eligibility~~ Except as provided in pars. (b) and (c) and sub. (4m), eligibility for lifeline assistance continues until the next bill date following a failure to meet eligibility requirements.

(b) When the low income household energy assistance program is one of the customer’s qualifying income assistance programs, the eligibility for lifeline assistance shall continue until the bill date in the next December following the close of the heating season. ~~At that time, the customer’s lack of eligibility shall be verified by the local exchange service provider before removing the lifeline assistance from the customer’s bill.~~

(c) When the homestead tax credit is one of the customer’s qualifying income assistance programs, the eligibility for lifeline assistance continues until the bill date in the next June following the end of the tax year. ~~At that time, lack of eligibility shall be reverified~~

1 ~~by the local exchange service provider before removing the lifeline assistance from the~~  
2 ~~customer's bill.~~

3  
4 Note: See sub. (4m) for notice requirements when removing a customer from the lifeline program.

5  
6  
7 **SECTION 67.** PSC 160.062 (4m) is created to read:

8  
9 PSC 160.062 (4m) NOTICE OF IMPENDING TERMINATION. (a) If an eligible  
10 telecommunications carrier has a reasonable basis to believe that a customer no longer  
11 meets the lifeline eligibility requirements, it shall query the state database used to verify  
12 the customer's eligibility in order to obtain information about whether the customer is  
13 still eligible according to that database. If that database indicates that the customer is no  
14 longer eligible, the ETC shall furnish the customer a written notice of impending  
15 termination of lifeline assistance at least 30 days before the termination date. The ETC  
16 shall send the notice separately from the customer's regular monthly bill, shall state the  
17 termination date on the notice, and shall provide information on the notice about how to  
18 demonstrate continued eligibility.

19  
20 (b) The ETC shall terminate lifeline assistance on the termination date unless the  
21 customer demonstrates continued eligibility.

22  
23 (c) Notwithstanding par. (b), an ETC may postpone termination of lifeline assistance  
24 without issuance of additional notice if additional time is required to review customer  
25 claims of continued eligibility, or due to special circumstances.

26  
27  
28 **SECTION 68.** PSC 160.062 (5) and (6) are repealed.

29  
30  
31 **SECTION 69.** PSC 160.062 (5) to (6) are created to read:

32  
33 PSC 160.062 (5) PROVIDER REIMBURSEMENT. (a) Only low-income and full eligible  
34 telecommunications carriers may receive reimbursement from the state universal service  
35 fund.

36  
37 (b) An ETC may only receive reimbursement if it complies with all federal lifeline  
38 requirements, including the requirement to stop requesting federal universal service fund  
39 reimbursement for a prepaid wireless telephone that has not been used in 60 days and the  
40 requirement to use the appropriate state database where possible to verify lifeline  
41 eligibility.

1 (c) The commission may withhold or suspend reimbursement while investigating  
2 compliance with state or federal lifeline requirements.

3  
4 (d) If an ETC is eligible to receive lifeline reimbursement under the federal lifeline  
5 program, it may receive reimbursement from the state universal service fund for the  
6 difference between what it is eligible to receive in federal reimbursement and what its  
7 reimbursement would otherwise be under sub. (2g).

8  
9 (e) Notwithstanding par. (c), the provider reimbursement for partial months of service  
10 shall follow the policy set by the federal universal service administration corporation or  
11 its successors.

12  
13 (5m) DEADLINE FOR FILING. An eligible telecommunications carrier shall file its  
14 reimbursement request with the fund administrator before April 1 of the year following  
15 the year during which the customer was charged the lifeline monthly rate for which  
16 reimbursement is sought. A provider may obtain an extension from commission staff for  
17 good cause, if the extension request is received before the April 1 deadline.

18  
19 (6) LIMITATIONS ON CHARGES. (a) An eligible telecommunications carrier may not do any  
20 of the following to a lifeline customer:

- 21  
22 1. Charge a deposit for service if the customer voluntarily accepts call limitation.  
23  
24 2. Request that the customer pay in advance for more than one month's local service bill.  
25  
26 3. Disconnect the customer from local service for nonpayment of toll charges.

27  
28 (b) An ETC may counsel a customer that otherwise would be subject to disconnection to  
29 accept call limitation.

30  
31  
32 **SECTION 70.** PSC 160.062 (7) (title) is created to read:

33  
34 PSC 160.062 (7) CALL LIMITATION UNDER SPECIAL PROGRAMS.

35  
36  
37 **SECTION 71.** PSC 160.062 (7) is amended to read:

38  
39 PSC 160.062 (7) ~~A local exchange service provider~~ An eligible telecommunications  
40 carrier acting under the limited conditions specified in its commission approved  
41 telecommunications customer assistance program under s. PSC 160.08 may impose toll  
42 ~~blocking or restriction~~ call limitation on lifeline customers.

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**SECTION 72.** PSC 160.062 (8) is created to read:

PSC 160.062 (8) FEDERAL-ONLY ETCs. Federal-only eligible telecommunications carriers shall comply with all federal lifeline requirements, including the requirement to stop requesting federal universal service fund reimbursement for a prepaid wireless telephone that has not been used in 60 days and the requirement to use the appropriate state database where possible to verify lifeline eligibility.

**SECTION 73.** PSC 160.063 (1) to (3) are amended to read:

PSC 160.063 **Outreach for low-income assistance programs.** (1) Funding ~~shall~~ may be available to fund ~~collaborative partnerships between community-based organizations and telecommunications providers projects~~ to increase participation of the eligible populations in the universal service fund low-income support programs.

(2) Funding from the universal service fund for ~~these collaborative efforts~~ projects under sub. (1) shall may not exceed \$250,000 in one year. Funding shall be limited to not more than 6 projects with at least one project focused statewide and one project focused on the Milwaukee area, if feasible.

(3) The commission ~~shall annually~~ may periodically review applications and grant funding, when funding is available, based on complete responses to a request for ~~proposals~~ applications. ~~Funding shall be limited to not more than 6 projects with at least one project focused statewide and one project focused on the Milwaukee area, if feasible.~~ An application may involve disbursement of support during multiple state fiscal years. All applications become public documents upon filing.

**SECTION 74.** PSC 160.063 (3m) is created to read:

PSC 160.063 (3m) An application for funding under sub. (1) shall include all of the following:

- (a) A description of the proposed project.
- (b) The name and a description of any project partners and the role of each partner.

1 (c) A description of the proposed activities and an explanation of how those activities  
 2 may increase participation of eligible populations in the universal service fund low -  
 3 income support programs.

4  
 5 (d) A budget showing a breakdown of costs and how a grant under this section would be  
 6 used.

7  
 8 (e) Any other information that the commission considers necessary.  
 9

10  
 11 **SECTION 75.** PSC 160.063 (4) is amended to read:

12  
 13 PSC 160.063 (4) The commission ~~shall~~ may authorize funding to conduct or contract for  
 14 an evaluation of the effectiveness of this program in promoting enrollment in low-income  
 15 programs and subscribership to ~~telephone~~ telecommunications service to. This  
 16 evaluation shall be completed within 2 years of ~~May 1, 2000~~ the date on which the  
 17 commission grants the project funding. The cost of this evaluation shall not exceed  
 18 \$25,000. This \$25,000 shall be included as part of the \$250,000 maximum total funding  
 19 available under this section during the year in which the evaluation occurs.  
 20

21  
 22 **SECTION 76.** PSC 160.07 (title), (1) and (2) are renumbered 160.071 (1) (title), (a) and  
 23 (b), and amended to read:

24  
 25 PSC 160.071 (1) SPECIAL TELECOMMUNICATIONS NEEDS CERTIFICATION. (a) A person  
 26 with a disability may determine whether that disability presents a barrier to use of  
 27 telecommunications ~~services, or equipment, or both~~. That person shall determine what  
 28 accommodations are needed to ensure effective telecommunications access.  
 29

30 (b) When a ~~local exchange service provider or~~ the fund administrator, a vendor, or the  
 31 commission has sound reason to question the self-certification of a customer under ~~sub-~~  
 32 ~~(1)-par. (a)~~, additional verification of disability, such as an appropriate ~~doctor's written~~  
 33 medical professional's written diagnosis and description of physical limitations and  
 34 special needs resulting from that diagnosis, may be required for certification of special  
 35 telecommunications needs.  
 36

37  
 38 **SECTION 77.** PSC 160.071 (title) is amended to read:

39  
 40  
 41 PSC 160.071 **Service and equipment pricing for individuals with special**  
 42 **telecommunications needs.**

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**SECTION 78.** PSC 160.071 (1) (title) and (a) are renumbered 160.071 (1m) (title) and (a), and amended to read:

PSC 160.071 (1m) TELECOMMUNICATIONS EQUIPMENT PURCHASE PROGRAM. (~~TEPP~~)

(a) ~~Vouchers shall be~~ The universal service fund administrator shall make vouchers available to assist customers with a disability who have special telecommunications needs certification under s. PSC 160.071 (1) in the purchase of equipment needed to personally access and use essential services of the telecommunications network. ~~Vouchers may not be used~~ A customer may not use a voucher to purchase equipment which will be used exclusively for commercial purposes.

**SECTION 79.** PSC 160.071 (1) (b) is renumbered PSC 160.071 (1m) (b).

**SECTION 80.** PSC 160.071 (1) (b) 1. is renumbered PSC 160.071 (1m) (b) 1., and amended to read:

PSC 160.071 (1m) (b) 1. ~~\$200~~ 100 for hard of hearing.

**SECTION 81.** PSC 160.071(1) (b) 2. and 3. are renumbered PSC 160.071 (1m) (b) 2. and 3.

**SECTION 82.** PSC 160.071 (1) (b) 4. to 6. and (c) are renumbered PSC 160.071 (1m) (b) 4. to 6. and (c), and amended to read:

PSC 160.071 (1) (b) 4. \$1,600 for mobility or motion impaired.

5. \$2,500 for severely hard of hearing - low vision or deaf - low vision.

6. \$7,200 for severely hard of hearing - blind or deaf - blind.

(c) A voucher recipient under par. (b) 1. is not required to make a co-payment. All other voucher recipients are required to make a co-payment of \$100 ~~at the time when~~ when the equipment is purchased. ~~Pursuant to~~ Under par. (f), for certain low income customers the co-payment may be supplied by funding through the telecommunications assistance

1 program (TAP) administered by the Wisconsin department of health services under s.  
 2 46.297, Stats., and ch. DHS 78. For certain low-income customers in the categories under  
 3 pars. (b) 3. and 4. the co-payment may be supplied by the universal service fund if the  
 4 customer provides a medical professional's statement confirming the need for  
 5 telecommunications equipment available under this section and if the customer certifies  
 6 that he or she would meet the income requirements of the telecommunications assistance  
 7 program.

8  
 9  
 10 **SECTION 83.** PSC 160.071 (1) (d) is repealed.

11  
 12  
 13 **SECTION 84.** PSC 160.071 (1) (e) to (k) are renumbered PSC 160.071 (1m) (e) to (k),  
 14 and amended to read:

15  
 16 ~~PSC 160.071 (1) (e) Customers with disabilities may obtain voucher application forms~~  
 17 ~~from the fund administrator, their local exchange service provider, or other sources.~~  
 18 ~~Completed~~ An applicant shall submit a completed, commission-approved voucher  
 19 ~~application forms shall be submitted~~ form to the universal service fund administrator.

20  
 21 **Note:** Customers with disabilities may obtain commission-approved voucher application forms from  
 22 the fund administrator, the commission, or other sources, including the commission's website psc.wi.gov.

23  
 24 (f) Applicants for vouchers under this section shall be Wisconsin residents. An  
 25 applicant may not receive a voucher for equipment for the same disability more than once  
 26 every 3 years. An applicant may receive a voucher for equipment even if another person  
 27 in the same household has also received a voucher. ~~Applications~~ The fund administrator  
 28 shall refer applications filed by low-income ~~deaf and hard of hearing~~ individuals in the  
 29 categories under par. (b) 2., 5., and 6., shall be referred to the Wisconsin department of  
 30 health services for telecommunications assistance program (TAP) funding to provide any  
 31 customer co-payment required under par. (c). If the applicant is found eligible, the fund  
 32 administrator may issue an alternative voucher ~~may be issued~~ to include that program's  
 33 funding. If found ineligible, the fund administrator shall process a voucher application  
 34 ~~shall be processed~~ in priority according to its original date of receipt ~~by the fund~~  
 35 ~~administrator.~~

36  
 37 (g) ~~Applications shall be granted~~ The fund administrator shall grant applications on a  
 38 first-come, first-served basis; except, no single disability classification described in par.  
 39 (b) may be issued vouchers ~~totalling~~ totaling more than 75% of the total annual budget  
 40 within the first 3 quarters of the budget year.

41  
 42 (h) ~~A~~ The fund administrator shall establish a waiting list ~~shall be established~~ for  
 43 applications held pending available funding ~~or pursuant to~~ under par. (g).

1  
2 (i) The commission may establish new disability categories and voucher maximums if it  
3 identifies a need is identified.

4  
5 (j) Vendors may redeem vouchers, submitted with an invoice, from the universal service  
6 fund administrator. ~~Reimbursement~~ A vendor may not exceed receive reimbursement that  
7 exceeds the total purchase price of the equipment with tax less, where applicable, a  
8 customer co-payment of \$100. The commission may, for good cause, suspend a vendor's  
9 eligibility to redeem vouchers under this program. Suspended vendors may not receive  
10 reimbursement for vouchers submitted for purchases or customer orders made after the  
11 date of suspension.

12  
13 (k) ~~The commission~~ Commission staff may impose reasonable limits on the types and  
14 quantities of devices that may be purchased with one voucher.

15  
16  
17 **SECTION 85.** PSC 160.071 (1) (L) is renumbered 160.071 (1m) (L) 1., and amended to  
18 read:

19  
20 PSC 160.071 (1) (L) 1. The fund administrator shall ~~maintain lists, and make accessible,~~  
21 a list of the types and quantities of equipment eligible for purchase with a single voucher  
22 in each category under par. (b). Revisions to the list shall be done periodically by the  
23 fund administrator in consultation with the commission staff and representatives selected  
24 by the universal service fund council. ~~Input~~ The fund administrator and commission may  
25 solicit input regarding revisions ~~may be solicited~~ from vendors, representatives of  
26 interested groups serving the disabled and others, as appropriate.

27  
28 Note: The equipment list will be posted on the commission's website ([psc.wi.gov](http://psc.wi.gov)). A vendor may  
29 submit an e-mail address to the commission and request e-mail notification of whenever a revised list is  
30 posted.

31  
32  
33 **SECTION 86.** PSC 160.071 (1m) 2. and 3. are created to read:

34  
35 PSC 160.071 (1m) 2. The commission staff and fund administrator may include  
36 equipment that can be used to access the internet for telecommunications service on the  
37 list of equipment available to individuals in the categories under pars. (b) 3.to 6. Internet  
38 access equipment includes a personal computing device and necessary software, but does  
39 not include customer premises wiring, telephone or cable access lines, or  
40 telecommunications services.

41

1 3. Individuals requesting equipment under subd. 2. shall provide a medical professional's  
 2 statement to the fund administrator stating that the equipment is necessary to meet the  
 3 telecommunications needs of that individual.

4  
 5  
 6 **SECTION 87.** PSC 160.071 (1) (m) and (n) are renumbered 160.071 (1m) (m) and (n),  
 7 and amended to read:

8  
 9 PSC 160.071 (1) (m) Equipment purchases involving individual exceptions to the  
 10 eligible equipment lists under par. (L) may be granted by the fund administrator only  
 11 following consultation with commission staff. Commission staff, the fund administrator,  
 12 or both, may solicit input regarding such exceptions from vendors, representatives of  
 13 interested groups serving the disabled and others, as appropriate.

14  
 15 (n) Objections to items included on or excluded from the eligible equipment lists and  
 16 determinations regarding individual exceptions shall be ~~handled as informal complaints~~  
 17 submitted to the commission in writing. The commission staff shall review the objection  
 18 and issue a letter addressing it. ~~Such~~ Commission staff decisions may be appealed to the  
 19 commission.

20  
 21  
 22 **SECTION 88.** PSC 160.071 (2) and (3) are repealed.

23  
 24  
 25 **SECTION 89.** PSC 160.071 (4) and (5) are amended to read:

26  
 27 PSC 160.071 (4) DIRECTORY ASSISTANCE CHARGES. ~~Customers~~ An eligible  
 28 telecommunications carrier other than a federal-only ETC may not charge customers with  
 29 certified disabilities certified under s. PSC 160.071 (1) that prevent them from using the  
 30 telephone directory shall not be charged for a reasonable number of directory assistance  
 31 calls in a month. The ETC may receive payment from the universal service fund for these  
 32 calls.

33  
 34 **(5) OPERATOR ASSISTANCE CHARGES.** ~~Customers~~ An eligible telecommunications  
 35 carrier other than a federal-only ETC may not charge customers with ~~certified~~  
 36 certified disabilities certified under s. PSC 160.071 (1) that prevent them from directly dialing or keying calls  
 37 shall not be charged for operator assistance to place calls. The ETC may receive payment  
 38 from the universal service fund for these calls.

39  
 40  
 41 **SECTION 90** PSC 160.071 (6) (a) and (b) are renumbered 160.071 (6) and (6m) (a), and  
 42 amended to read:

1 PSC 160.071 (6) CUSTOM CALLING SERVICE CHARGES. ~~Customers~~ An eligible  
 2 telecommunications carrier other than a federal-only ETC may not charge customers with  
 3 certified disabilities who deem certified under s. PSC 160.071 (1) one or more for custom  
 4 calling services that the customer believes are essential in order to receive service that is  
 5 useful and comparable to the essential service provided to other customers shall receive  
 6 those services without charge. The ETC may receive payment from the universal service  
 7 fund for these services.

8  
 9 (6m) SECOND LINE CHARGES. (a) ~~Hearing~~ An eligible telecommunications carrier other  
 10 than a federal-only ETC may not charge hearing impaired customers who are able and  
 11 choose to use 2 line voice carryover and speech impaired customers who are able and  
 12 choose to use 2 line hearing carryover, shall not be charged any intrastate nonrecurring  
 13 charge or monthly rate for the second line.

14  
 15  
 16 **SECTION 91.** PSC 160.071 (6m) (b) and (c), and (7) are created to read:

17  
 18 PSC 160.071 (6m) (b) If a customer requests a service that is equivalent to those listed in  
 19 par. (a), the ETC shall waive the same amount it would waive under par. (a).

20  
 21 (c) The ETC may receive reimbursement from the universal service fund for the amount  
 22 waived.

23  
 24 (7) **FILING DEADLINE.** A provider may not receive reimbursement under sub. (4) to  
 25 (6m) unless it files its reimbursement request with the fund administrator no later than  
 26 April 1 of the year following the year during which the provider would have billed the  
 27 charge. The provider may obtain an extension from commission staff for good cause.

28  
 29  
 30 **SECTION 92.** PSC 160.073 is repealed.

31  
 32  
 33 **SECTION 93.** PSC 160.08 is amended to read:

34  
 35 PSC 160.08 **Telecommunications customer assistance program.** The commission may  
 36 authorize individual telecommunications providers to establish telecommunications  
 37 customer assistance programs that meet authorized goals and objectives for increasing or  
 38 stabilizing subscription levels for non-optional, essential ~~telephone~~ telecommunications  
 39 service within its service territory or to address avoidance of disconnection or limitation  
 40 of service to low-income households with payment problems. ~~Such~~ The customer  
 41 assistance programs may allow a provider to not make available certain essential  
 42 services, as defined in s. PSC 160.03 (2), in order to ~~preserve~~ keep at least minimal  
 43 telephone telecommunications service to certain low-income households with payment

1 problems. The commission shall determine on a case-by-case basis whether or not a  
 2 telecommunications customer assistance program may receive universal service fund  
 3 monies.

4  
 5  
 6 **SECTION 94.** PSC 160.09 (1) is renumbered 160.09 (1g), and amended to read:

7  
 8 PSC 160.09 (1g) ~~A local exchange service provider that is an eligible telecommunications~~  
 9 ~~carrier under s. PSC 160.13~~ full ETC shall provide high rate assistance credits to residential  
 10 customers when the price of service exceeds levels set in this section.

11  
 12  
 13 **SECTION 95.** PSC 160.09 (1) is created to read:

14  
 15 PSC 160.09 **High rate assistance credits.** (1) In this section, “median household  
 16 income” means the estimated median household income per county published annually  
 17 by the U.S. census bureau’s small area income and poverty estimate program.

18  
 19 **Note:** This may be found at [www.census.gov/did/ww/saipe/data/statecounty/data](http://www.census.gov/did/ww/saipe/data/statecounty/data)

20  
 21  
 22 **SECTION 96.** PSC 160.09 (1r) is created to read:

23  
 24 PSC 160.09 (1r) A full ETC shall recalculate credits under this section whenever the  
 25 fixed monthly charge for essential telecommunications service, as defined in s. PSC  
 26 160.03(2), is changed, or when ordered to do so by the commission. If the recalculation  
 27 results in a de minimis change, the ETC may request that the administrator of the  
 28 telecommunications division stay the requirement to increase or decrease the credit.

29  
 30  
 31 **SECTION 97.** PSC 160.09 (2) is amended to read:

32  
 33 PSC 160.09 one ~~Credits shall be applied to the price of service~~ Full eligible  
 34 telecommunications carriers shall calculate credits as specified in sub. (34), ~~except that if~~  
 35 ~~a local exchange service provider charges a single rate covering basic local exchange~~  
 36 ~~service and other telecommunications or related services, the commission may determine,~~  
 37 ~~by order and after opportunity for hearing, the portion of such bundled rates to which rate~~  
 38 ~~assistance credits apply.~~ For purposes of calculating credits:

39  
 40  
 41 **SECTION 98.** PSC 160.09 (2) (c) is created to read:

1 PSC 160.09 (2) (c) For purposes of Figure 160.09 (2) (b) 8., the commission shall  
2 periodically calculate the average price for one minute of intrastate toll service. As an  
3 alternative, the commission may approve a full eligible telecommunications carrier's  
4 request to use an average price for one minute of intrastate toll service that it has  
5 calculated using data specific to that full ETC.

6  
7 **Note:** As of February 2013, the commission calculated average price of intrastate toll service is 10  
8 cents per minute.

9  
10  
11 **SECTION 99.** PSC 160.09 (3) (intro.), (a) and (b) are repealed.

12  
13  
14 **SECTION 100.** PSC 160.09 (3) (a) and (b) are created to read:

15  
16 PSC 160.09 (3) (a) For full ETCs that only offer essential services bundled with other  
17 services, the price of service shall be established, after opportunity for comment or  
18 hearing, using one or more methods approved by the commission for determining the  
19 portion of a bundled rate that shall be considered the price of service.

20  
21 (b) For full ETCs that offer essential services individually, the price of service shall  
22 include all of the following

23  
24 1. The in-state charges and fees for stand-alone single-party residential service with  
25 touch-tone, including, as applicable, all of the following:

- 26  
27 a. Police and fire protection fee.  
28 b. State universal service fund assessment.  
29 c. Remainder assessment.  
30 d. Telecommunications utility trade practices assessment.

31  
32 2. Any 911 charges billed on the telephone bill.

33  
34 3. The federal subscriber line charge.

35  
36 4. The access recovery charge.

37  
38 5. The charge for 120 local calls, excluding extended community calling calls.

39  
40 6. The federal communications commission authorized charge for implementation of  
41 local number portability.

42

1 7. Other charges as approved by the commission.  
 2  
 3

4 **SECTION 101.** PSC 160.09 (3) (c) and Figure 160.09 (3) (c) are renumbered 160.09 (2)  
 5 (b) 8. and Figure 160.09 (2) (b) 8., and amended to read:  
 6

7 PSC 160.09 (2) (b) 8. Usage charges, if any, based on the size of the local calling area  
 8 ~~excluding extended community calling territory~~, as follows: [See Figure 160.09 ~~(3) (c)~~  
 9 (2) (b) 8. following]  
 10

<b>Figure 160.09 <del>(3) (c)</del> (2) (b) 8.:</b>		
Exchange’s local calling area size, excluding extended community calling territory, as measured by number of access lines	Exchange’s combined local calling and extended community calling area size as measured by number of access lines	Usage charges includable in the s. PSC 160.09 <del>(3) (c)</del> <u>(2)</u> calculation of the price of service
At least 50,000	(Not applicable)	Per minute or calculated charges for 480 minutes of local calling.
Less than 50,000 but at least 5,000	At least 50,000	Per minute or calculated charges for 360 minutes of local calling, <b>plus</b> Price of † <u>one</u> minute of extended community calling times 120 minutes.
Less than 50,000 but at least 5,000	Less than 50,000	Per minute or calculated charges for 360 minutes of local calling, <b>plus</b> Price of † <u>one</u> minute of extended community calling times 90 minutes, <b>plus</b> The average price of † <u>one</u> minute of intrastate toll service, <del>as periodically calculated by the commission,</del> times 30 minutes. If a provider does not have extended community calling in the exchange, the above 360 minutes of local calling <del>should</del> <u>shall</u> be changed to 450 minutes.
Less than 5,000	At least 50,000	Per minute or calculated charges for 240 minutes of local calling,

		<b>plus</b> Price of $\pm$ <u>one</u> minute of extended community calling times 240 minutes.
Less than 5,000	Less than 50,000	Per minute or calculated charges for 240 minutes of local calling, <b>plus</b> Price of $\pm$ <u>one</u> minute of extended community calling times 120 minutes, <b>plus</b> The average price of $\pm$ <u>one</u> minute of intrastate toll service, <del>as periodically calculated by the commission,</del> times 120 minutes. If a provider does not have extended community calling in the exchange, the above 240 minutes of local calling <del>should</del> <u>shall</u> be changed to 360 minutes.

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**SECTION 102.** PSC 160.09 (4) (intro.), (b) to (g), and (5) to (7) are amended to read:

PSC 160.09 (4) (intro.) ~~Local exchange service providers~~ Full eligible telecommunications carriers shall issue high rate assistance credits according to the following criteria:

(b) For the portion of the price of service equal to or above 1.5% but below 2.0% of median household income, per month, for the area in which the rate applies, ~~the local exchange service provider shall issue~~ a credit equal to 50% of that amount.

(c) For the portion of the price of service equal to or above 2.0% but below 2.5% of median household income, per month, for the area in which the rate applies, ~~the local exchange service provider shall issue~~ a credit equal to 75% of that amount.

(d) For the portion of the price of service equal to or above 2.5% but below 3.0% of median household income, per month, for the area in which the rate applies, ~~the local exchange service provider shall issue~~ a credit equal to 85% of that amount.

(e) For the portion of the price of service equal to or above 3% of median household income, per month, for the area in which the rate applies, ~~the local exchange service provider shall issue~~ a credit equal to 95% of that amount.

1 (f) When a rate applies in only one county, the median household income, ~~as published~~  
2 ~~by the Wisconsin department of workforce development,~~ used to calculate the credit shall  
3 be that of that county in which the rate applies. When a rate applies in more than one  
4 county, the median household income used to compute the credit shall be the average of  
5 the median household incomes in each county in which the rate applies, weighted by the  
6 number of customers paying that rate in each county.

7  
8 (g) If the amount of money required to reimburse ~~local exchange service providers full~~  
9 ~~ETCs~~ for credits under this section exceeds the amount budgeted for this program under  
10 s. PSC 160.17, the commission may modify the formula for high rate assistance credits.  
11 ~~Such modification may be done by commission order, after notice and an opportunity for~~  
12 ~~hearing.~~

13  
14 (5) Except as provided in sub. (9), each ~~local exchange service provider shall full ETC~~  
15 ~~may be reimbursed by the universal service fund for the value of the credits it issues;~~  
16 ~~provided that it qualifies under s. PSC 160.091 if it files its reimbursement claims with~~  
17 ~~the fund administrator by April 1 of the year following the year during which it issued the~~  
18 ~~credit. The full ETC may obtain an extension of the filing deadline from commission~~  
19 ~~staff for good cause.~~

20  
21 (6) When a ~~local exchange service provide full ETC~~ charges a pro-rated portion of the  
22 normal monthly charge for service because the customer has had service for only a  
23 portion of the month, the rate assistance credit for that customer shall be pro-rated by the  
24 same percentage.

25  
26 (7) ~~High~~ A full ETC shall show and identify the high rate assistance credits ~~shall be~~  
27 ~~shown and identified~~ on bills issued to customers.

28  
29  
30 **SECTION 103.** PSC 160.09 (8) is repealed.

31  
32  
33 **SECTION 104.** PSC 160.09 (9) is amended to read:

34  
35 PSC 160.09 (9) ~~Local exchange service providers shall Full ETCs may not be reimbursed~~  
36 by the universal service fund for the value of credits issued to customers receiving  
37 essential telecommunications service under a contract if the contract has a duration of  
38 greater than one year. The commission may grant waivers of this subsection by order.  
39 This subsection does not apply to rural line extension contracts entered into before  
40 January 1, 1996.

41  
42  
43 **SECTION 105.** PSC 160.091 is repealed.

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**SECTION 106.** PSC 160.092 (1) is renumbered 160.092 (1) (a), and amended to read:

PSC 160.092 (a) ~~As an~~ An alternative to the high rate assistance credit mechanism in s. PSC 160.09, ~~the commission may, by order, after notice and an opportunity for hearing, implement other plans under this section.~~

**SECTION 107.** PSC 160.092 (1) is created to read:

PSC 160.092 **Alternative universal service protection plans.** (1) After notice and opportunity for hearing the commission may, by order, implement one or more of the following plans:

**SECTION 108.** PSC 160.092 (1) (b) and (c) are created to read:

PSC 160.092 (1) (b) A measure to ensure provision of intralata and interlata essential services.

(c) A measure approved by the commission as necessary to protect universal service and ensure provision of services.

**SECTION 109.** PSC 160.092 (2) and (3) are amended to read:

PSC 160.092 (2) Alternative plans under ~~sub. (1) this section~~ shall be implemented on an experimental basis. These ~~experiments~~ plans shall be reviewed within 3 years of inception and shall terminate within 5 years of inception, unless made permanent by commission order after notice and an opportunity for hearing.

(3) Alternative ~~high-cost support~~ plans under this section may make use of cost studies, bidding, auctions, defined service territories or other mechanisms to protect universal service. The commission may, by order, authorize payment of universal service fund monies as part of an alternative plan.

**SECTION 110.** PSC 160.092 (4), 160.10 and 160.11 are repealed.

**SECTION 111.** PSC 160.115 (1) (a) and (b) 1. and 2. are amended to read:

1  
2 PSC 160.115 (1) (a) "Initial application" means ~~an~~ the first application for universal  
3 service fund support under this section that ~~is the first such application filed by the~~ an  
4 applicant ~~during~~ files in a state fiscal year.

5  
6 (b) "Non-profit medical clinic" includes any clinic or hospital that meets all of the  
7 following:

8  
9 1. Is a non-profit organization governed by a board of directors;;

10  
11 2. Serves federally designated health professional shortage areas as defined in 42  
12 USC 254e (a) (1), medically underserved areas, or medically underserved populations;  
13 and.

14  
15  
16 **SECTION 112.** PSC 160.115 (2) (intro.), (b), (c), (3),(4) (a), (5) (intro.), (b), (c) and (g),  
17 (6) (a) (intro.) and 4. and (b), and (6) are amended to read:

18  
19 PSC 160.115 (2) (intro.) ~~Funding may be available~~ The commission may grant funding to  
20 non-profit medical clinics and public health agencies for the purchase of  
21 telecommunications equipment for any of the following purposes:

22  
23 (b) To directly or indirectly enhance access to medical care in rural or underserved areas  
24 of the state, or both.

25  
26 (c) To directly or indirectly enhance access to medical care by underserved populations  
27 or persons with disabilities in the state, or both.

28  
29 (3) ~~A~~ The commission may grant a maximum of \$500,000 in universal service fund  
30 support ~~may be dispersed~~ granted under this section per state fiscal year, or \$1,000,000  
31 per state biennium.

32  
33 (4) (a) An application applicant for universal service fund support under this section may  
34 not, in its application, involve disbursement request disbursement of support ~~during~~  
35 multiple state fiscal years for a time period longer than that specified in the solicitation  
36 for grant applications.

37  
38 (5) ~~Applications~~ An applicant for funding shall include all of the following in its  
39 application:

40  
41 (b) An explanation of how the applicant's purchase of ~~such~~ the telecommunications  
42 equipment will support the purposes identified in sub. (2).

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(c) Identification of the vendor that ~~will~~may supply the telecommunications equipment.

(g) Any other information that the commission ~~deems~~ considers necessary.

(6) (a) The commission shall evaluate all applications submitted under this section. ~~Provided that funds remain for this purpose, the~~ The commission may approve all or part of an application if it includes the information required under sub. (5) and if the commission determines the following:

1. The applicant is a non-profit medical clinic or public health agency located in Wisconsin.
2. The applicant’s purchase of telecommunications equipment will support the purposes identified in sub. (2).
3. The applicant will be able to pay for the portion of the cost of the equipment not funded under this section.
4. ~~The medical clinic or public health agency~~ applicant has taken steps to secure the equipment at reasonable prices.

(b) Public health agencies and non-profit organizations that operate more than one location may receive universal service fund support for telecommunications equipment at more than one location, but before approving an application involving an additional location, the commission shall consider how much total universal service fund support has been received by ~~such~~ the agency or organization during ~~the state fiscal year time period specified in the solicitation for grant applications~~ and the total amount remaining available to be ~~dispersed~~ granted under this section during ~~the fiscal year that time period~~. ~~Preference may be given to initial applications filed by a public health agency or non-profit medical clinic.~~

**SECTION 113.** PSC 160.115 (6) (c) is renumbered 160.115 (6) (d).

**SECTION 114.** PSC 160.115 (6) (c) is created to read:

PSC 160.115 (6) (c) The commission may give preference to initial applications filed by a public health agency or non-profit medical clinic.

1 **SECTION 115.** PSC 160.125 (1) (title), (a) and (b) are amended to read:  
2

3 PSC 160.125 (1) (title) ~~VOICE MAIL~~ TELEPHONE ACCESS SERVICE FOR THE HOMELESS.

4 (a) ~~Any~~ The commission may compensate any voice mail provider ~~may be compensated~~  
5 for providing, on request, to a social services agency, a job service agency or other  
6 homeless shelter authority, voice-mail service without charge to be used by that agency  
7 or authority for the benefit of its homeless clients or residents.  
8

9 (b) A voice-mail provider that is providing voice-mail boxes to a qualifying agency or  
10 authority at no charge may request and receive reimbursement only for its incremental  
11 usage and administrative costs of providing this service using available capacity. As an  
12 alternative, a provider may request and receive reimbursement ~~may be requested and~~  
13 ~~received~~ from the fund at a standard rate set by the commission to cover expected  
14 incremental costs of providing this service using available capacity.  
15

16  
17 **SECTION 116.** PSC 160.125 (1) (e) and (2) (a) and (b) are amended to read:  
18

19 PSC 160.125 (1) (e) A social services agency, job service agency and homeless shelter  
20 authority participating in this program shall maintain a list of all individuals receiving  
21 voice mail under this section shall be maintained by the social services agencies, job  
22 service agencies or homeless shelter authorities participating in this program.  
23

24 (2) ACCESS PROGRAMS OR PROJECTS BY NON-PROFIT GROUPS. (a) ~~Partial~~ The commission  
25 shall grant partial funding ~~may be available~~ to non-profit groups for the facilitation of  
26 affordable access to telecommunications ~~and information~~ services through programs or  
27 projects, or both, not supported elsewhere in this chapter, but that are consistent with the  
28 purposes identified in s. 196.218 (5) (a) 1. ~~and 2.~~, Stats.  
29

30 **Note:** As of ~~November 1999~~ February 2013, s. 196.218 (5) (a) 1. ~~and 2.~~, Stats., reads in pertinent part:  
31

32 (5) *USES OF THE FUND.* (a) *The commission shall use the moneys in the universal service fund only for*  
33 *any of the following purposes:*

34 1. *To assist customers located in areas of this state that have relatively high costs of*  
35 *telecommunications services, low-income customers and disabled customers in obtaining affordable access*  
36 *to a basic set of essential telecommunications services.*

37 2. ~~*To assist in the deployment of advanced service capabilities of a modern telecommunications*~~  
38 ~~*infrastructure throughout this state.*~~  
39

40 (b) Any non-profit group may apply for universal service funding to fund any portion  
41 of a program or project or both. Funding shall be ~~provided~~ granted on a state fiscal year  
42 basis, but funding for more than one fiscal year may be approved at one time.  
43 ~~Applications for funding in the following fiscal year shall be submitted by November~~  
44 ~~15th.~~ The commission shall issue a list of approved programs or projects, or both, by

1 ~~April 15th, with funding for those programs or projects, or both, to begin that July 1st~~  
2 ~~when grants are awarded.~~ All applications shall become public documents upon filing.

3  
4  
5 **SECTION 117.** PSC 160.125 (2) (c) 1. is renumbered 160.125(2) (c) 1m., and amended  
6 to read:

7  
8 PSC160.125 (2) (c) 1m. A description of a public need which is not being met at  
9 present;.

10  
11  
12 **SECTION 118.** PSC 160.125 (2) (c) 1. is created to read:

13  
14 PSC 160.125 (2) (c) 1. A statement that the applicant is a non-profit group, as defined in  
15 s. PSC 160.02 and (23).

16  
17  
18 **SECTION 119.** PSC 160.125 (2) (c) 2. 3., 5., and (d) to (f) are amended to read:

19  
20 PSC 160.125 (2) (c) 2. A description of how the program or project is consistent with the  
21 ~~purposes~~ purpose identified in s. 196.218 (5) (a) 1. ~~and 2.~~, Stats.

22  
23 3. A description of the program or project proposed, including a description of how the  
24 public need described in subd. 4 1m. may be met through affordable access to  
25 telecommunications ~~or information services;~~.

26  
27 5. Identification of the providers of each portion of the telecommunications services or  
28 equipment and a specific description of the ~~following~~ components of the program or  
29 project including all of the following:

30  
31 a. The costs of telecommunications services and telecommunications equipment used by  
32 the program or project;.

33  
34 b. The cost of training for those who are served by the program or project so that they  
35 can ~~utilize~~ use the services;.

36  
37 c. The administrative costs directly attributable to the program or project;.

38  
39 d. The cost of technical expertise required to complete the program or project; ~~and~~.

40  
41 e. Revenue from services or training described in subd. 5. b.  
42

1 (d) The commission shall evaluate all complete and timely applications submitted. In  
 2 evaluating the applications the commission shall consider information including, ~~but not~~  
 3 ~~limited to,~~ all of the following:

- 4
- 5 1. The basis of the public need to be met;
- 6
- 7 2. The extent to which other programs or projects, either funded under this section or  
 8 otherwise under this chapter, meet that need; ~~and,~~
- 9
- 10 3. The overall cost of the proposed program or project.
- 11

12 (e) The universal service fund shall reimburse applicants for up to ~~50%~~ 75% of the cost  
 13 of reimbursable portions of the program or project, or both. The reimbursable costs  
 14 include those listed in par. (c) 5. a. to d. The applicant may include in-kind goods or  
 15 services, or both, as resources to be used for the remainder of the costs of the program or  
 16 project, or both.

17

18 (f) The commission shall determine the programs or projects, or both, to be funded and  
 19 the amount of reimbursement for each program or project shall be determined by the  
 20 commission. The commission shall seek comments on the programs or projects to be  
 21 funded, but shall not hold a hearing. A The commission may grant a maximum of  
 22 \$500,000 in funding may be dispersed under this subsection per state fiscal year, or  
 23 \$1,000,000 per state biennium.

24

25

26 **SECTION 120.** PSC 160.13 is repealed and recreated to read:

27

28 PSC 160.13 (1) GENERAL. (a) The commission may designate a telecommunications  
 29 provider as an eligible telecommunications carrier. This designation is not transferable.

30

31 (b) The commission may suspend or revoke an ETC designation if the designee violates  
 32 the requirements in this section.

33

34 (2) REQUIREMENTS FOR ETC DESIGNATION. (a) A full or low-income ETC, but not a  
 35 federal-only ETC, is eligible to receive universal service funding for an area, under both  
 36 applicable federal and state universal service programs, if it meets all of the following  
 37 requirements:

- 38
- 39 1. Holds itself ready to offer all elements of essential telecommunications service, as  
 40 defined in s. PSC 160.03 (2), to all customers in the area for which it is requesting ETC  
 41 status.
- 42

1 2. Regularly advertises its service in the area for which it is requesting ETC status, with  
2 the advertisements meeting all of the following requirements:

3  
4 a. Are disseminated in media of general distribution in the area, at least 2 times per year.

5  
6 b. Describe the services offered.

7  
8 c. Describe the discounts available to low income customers.

9  
10 3. Offers lifeline-service, as defined in s. PSC 160.062, wherever service is offered in the  
11 area for which it is requesting ETC status, and publicizes the availability of those  
12 offerings in a manner reasonably designed to reach those likely to qualify for them.

13  
14 4. Meets all of the applicable federal eligibility requirements in 47 CFR 54.201 and  
15 54.202 (a).

16  
17 (b) An applicant for federal-only ETC designation under s. 196.218 (4) (b), Stats., is  
18 required to meet all of the applicable federal eligibility requirements in 47 CFR 54.201  
19 and 54.202, and any state requirements or processes that federal law requires ETCs to  
20 follow.

21  
22 **Note:** For example, federal ETC regulations require all providers to follow some provisions of state  
23 law, such as use of state lifeline eligibility verification databases.

24  
25 (3) APPLICATION FOR NEW OR EXPANDED ETC STATUS. An applicant for new or expanded  
26 eligible telecommunications carrier status shall demonstrate its ability to meet the  
27 requirements under sub. (2) by including all of the following information in its  
28 application:

29  
30 (a) Certification that it will meet the requirements in sub. (2) (a) or (b).

31  
32 (b) A demonstration of how the applicant meets the requirement of 47 USC 214 (e) (1)  
33 (A). This shall be demonstrated in one of the following ways:

34  
35 1. An explanation of how the applicant will use its own facilities to provide voice  
36 telecommunications service to a Wisconsin customer.

37  
38 2. An electronic link to or copy of the federal communications commission order  
39 approving the applicant's compliance plan, and an electronic link to the approved  
40 compliance plan.

41

1           **Note:** A provider may apply for ETC designation before its compliance plan is approved by the  
2 Federal Communications Commission, but the commission will not act on the application until the plan is  
3 approved.

4  
5 (c) One of the following:

6  
7 1. A copy of the applicant's 5 year plan, and associated documentation, as required by 47  
8 CFR 54.202 (a) (1) ii., including certification that it will use any federal high cost support  
9 monies for the purposes allowed under 47 USC 254 (e), 47 CFR 54.313 (a) and 54.314  
10 (a).

11  
12 2. A certified statement that the applicant will not seek high cost assistance funding from  
13 the federal universal service fund or high rate assistance funding from the state universal  
14 service fund.

15  
16 (d) A copy of any certifications, information and demonstrations required under 47 CFR  
17 54.201 and 54.202.

18  
19 (e) A list of all of the exchanges or wire centers, or both, for which ETC status is sought  
20 and identification of any wire center for which status is sought for only a portion of the  
21 wire center.

22  
23 (f) The applicant's name, any other name under which the applicant does business, the  
24 applicant's commission utility identification number and proof of registration with the  
25 department of financial institutions.

26  
27 (g) The applicant's contact information for each of the following:

28  
29 1. Commission inquiries about financial or assessment issues.

30  
31 2. Commission inquiries about customer issues.

32  
33 3. Customers to use to contact the applicant directly about customer issues.

34  
35 4. Potential customers to use to obtain service from the applicant.

36  
37 (h) A statement that the applicant will timely update the information in pars. (f) and (g).

38  
39 (i) A statement that the applicant will provide the information necessary to populate the  
40 state broadband map or its successor.

41  
42 (j) Any other information the commission considers necessary.

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(4) ETC REPORTING. All eligible telecommunications carriers shall submit to the commission, within 14 days of the associated federal filing date, all of the following:

(a) For full ETCs that are eligible for high cost assistance, all of the following:

1. All of the information required under 47 CFR 54.313.
2. Any information necessary for the commission to certify that the ETC has this year, and will next year, use its high cost assistance monies for the purposes allowed under 47 USC 254 (e), and 47 CFR 54.313 (a) and 54.314 (a).
3. Any other information that federal regulations require such ETCs to provide to state commissions.

(b) For all full and low-income ETCs, all of the following:

1. The information required under 47 CFR 54.422.
2. Any other information that federal regulations require such ETCs to provide to state commissions.

(c) For all ETCs, all of the following within 14 days of the occurrence:

1. Updates to all of the information in subs. (3) (g) and (h).
2. Any other information that federal regulations require ETCs to provide to state commissions.

**Note:** Some of the information required under this section can be provided to the commission by submitting copies of filings with the FCC.

(5) AREA COVERED BY ETC DESIGNATION. (a) The area in which a provider shall be designated as an eligible telecommunications carrier shall be one of the following:

1. If requesting ETC designation for an area that is served by an incumbent local exchange provider that is not a rural telephone company, one of the following:
  - a. For a full ETC applicant, one or more of the incumbent local exchange service provider's wire centers.

1 b. For a low-income ETC applicant, the area designated by the applicant and approved by  
2 the commission.

3  
4 2. If requesting ETC designation for an area that is served by an incumbent local  
5 exchange service provider that is a rural telephone company, one of the following:

6  
7 a. Except as provided in sub. 2. b., the incumbent local exchange service provider's  
8 entire service territory.

9  
10 b. If the federal communications commission has granted a provider forbearance from the  
11 requirement that its designated area match the boundaries of a rural incumbent local  
12 exchange carrier's service territory, the area designated by the applicant and approved by  
13 the commission.

14  
15 (b) Notwithstanding any other provision in this subsection, unless approved by the  
16 commission and, if necessary, the federal communications commission, no ETC  
17 designation area may include only a portion of a wire center.

18  
19 (6) DESIGNATION OF MULTIPLE ETCs IN AN AREA . (a) The commission may only  
20 designate an additional eligible telecommunications carrier in an area where one has  
21 already been designated after finding that doing so is in the public interest. For an area  
22 served by an incumbent local exchange service provider that is not a rural telephone  
23 company, the commission may perform a less detailed public interest analysis than if the  
24 area is served by an incumbent local exchange service provider that is a rural telephone  
25 company.

26  
27 (b) In its public interest analysis under par. (a) the commission shall include  
28 consideration of all of the following:

29  
30 1. The factors in s. 196.03 (6), Stats.

31  
32 2. The potential for cream-skimming.

33  
34 (7) LIST OF ETCs. The commission shall maintain a list of the eligible  
35 telecommunications carriers for all areas of the state.

36  
37 (8) RELINQUISHING ETC DESIGNATION. (a) An eligible telecommunications carrier may  
38 relinquish its that designation for an area by notifying the commission and the  
39 administrators of both the state and federal universal service funds, in writing, of its  
40 intention.

41

1 (b) If at least one other-ETC is designated for that area, the relinquishing ETC shall be  
2 relieved of-ETC status for that area, without commission action, on the later of 14 days  
3 after commission receipt-of the notification or the effective date proposed by the  
4 provider.

5  
6 (c) If no other ETC is designated for that area, the relinquishing ETC shall remain as the  
7 ETC for that area until the commission designates an alternative ETC. In that case, the  
8 commission shall notify the relinquishing, ETC and the administrators of the state and  
9 federal funds, that ETC status is still in effect. The commission may use an auction or  
10 other reasonable process to designate a new-ETC for an area for which the only existing  
11 ETC is seeking to relinquish that status. The commission may authorize compensation  
12 from the universal service fund as part of this process.

13  
14 (d) A provider may continue to provide services in an area for which it has relinquished  
15 ETC status. If a provider seeks to abandon facilities or discontinue any service, it shall  
16 notify affected customers and follow any abandonment or discontinuance procedures  
17 required by the commission, Wisconsin department of agriculture, trade and consumer  
18 protection or the federal communications commission.

19  
20 (e) A federal-only eligible telecommunications carrier that is no longer eligible for that  
21 designation because it is no longer a wireless provider or because it wants to access state  
22 USF support may apply for a new ETC designation. The ETC's federal-only ETC status  
23 remains in effect while the commission investigates and acts on the ETC's new  
24 application.

25  
26  
27 **SECTION 121.** PSC 160.14 and 160.15 are repealed.

28  
29  
30 **SECTION 122.** PSC 160.16 (1) and (2) are amended to read:

31  
32 PSC 160.16 **Fund administrator.** (1) The commission shall designate the fund  
33 administrator and provide for an annual independent audit of the fund. The commission  
34 shall establish guidelines for administration and assignment of liabilities.

35  
36 (2) The fund administrator may propose ~~changes~~ a change or modification to the  
37 mechanisms of administration of the fund. The commission may approve ~~such requests~~  
38 the request without hearing.

39  
40  
41 **SECTION 123.** PSC 160.17 (1) (c), (2) and (4) are amended to read:

42  
43 PSC 160.17 (1) (c) Deferring support ~~payments~~ payment decisions to a later period.

1  
2 (2) At least annually, the commission, in consultation with the ~~technology for educational~~  
3 ~~achievement in Wisconsin board and department of administration~~ the appropriate  
4 agencies, shall determine the amounts necessary for funding the payments specified in s.  
5 PSC 160.05 (2), ~~(3)~~ and ~~(4)~~ (5) to (8).

6  
7 (4) The commission shall provide notice of the proposed budget under sub. (1) ~~and any~~  
8 ~~proposed changes to the budget~~ to the universal service fund council and other interested  
9 ~~parties~~ persons with an opportunity for comment prior to commission action.

10  
11  
12 **SECTION 124.** PSC 160.18 (4), (6) and (9) (a) are amended to read:

13  
14 PSC 160.18 (4) Each telecommunications provider shall submit information, on a  
15 schedule and in a format ~~to be~~ set by the commission, on the telecommunications  
16 provider's gross intrastate telecommunications revenues during the preceding calendar  
17 year.

18  
19 ~~(6) The amount to be assessed to a~~ A given telecommunications provider ~~is~~ shall be  
20 assessed the percentage liability of that provider under sub. (5) multiplied by the total  
21 annual amount to be collected. For monthly billings, the annual assessment amount shall  
22 be divided into 12 equal parts. For quarterly billings the annual amount shall be divided  
23 into four equal parts.

24  
25 ~~(9) (a) Assessments shall be paid~~ The commission may bill telecommunications  
26 providers for the assessments as calculated in sub. (6) on a monthly, quarterly or annual  
27 basis. A telecommunications provider shall pay its monthly, quarterly or annually billed  
28 portion of its calculated assessment within 30` days after the bill is mailed. A  
29 telecommunications provider that has not paid within 30 days after the bill is mailed shall  
30 be deemed considered to have not paid under s. 196.218 (8), Stats. Assessments not paid  
31 within 30 days after the bill is mailed shall be collected, and the commission may collect  
32 the bill using the process described in s. 196.85 (3), Stats.

33  
34  
35 **SECTION 125.** PSC 160.18 (9) (b) is renumbered 160.18 (9) (b) 1., and amended to read:

36  
37 PSC 160.18 (9) (b)1. ~~Objection to an assessment amount shall be made~~ A  
38 telecommunications provider that disagrees with a new assessment amount as calculated  
39 under sub. (6) shall object within 30 days after the bill using the new assessment amount  
40 is mailed. The making of the objection and commission action regarding that objection  
41 shall follow the process described in s. 196.85 (4), Stats. The commission shall consider  
42 an objection to an assessment amount made more than 30 days after the first bill using

1 the new assessment amount is mailed as an objection to the assessment amount beginning  
2 with the most recent assessment bill.

3  
4 Note: For example, if a new assessment amount is billed on October 1 and an objection is filed on  
5 October 15, the objection will be to the amount on all bills from October 1 on. If an objection is filed on  
6 November 15, the objection will be to the amount on all bills from November 1 on.

7  
8  
9 **SECTION 126.** PSC 160.18 (9) (b) 2. and 3. are amended to read:

10  
11 PSC 160.18 (9) (b) 2. The making of an objection and commission action regarding that  
12 objection shall follow the process described in s. 196.85 (4), Stats.

13  
14 3. Notwithstanding subd. (b) 1., if the objection is due to a mistake in calculating or  
15 reporting data, and the mistake results in a provider overpaying, then the commission  
16 shall reimburse the provider the amount overpaid even if the objection is made more than  
17 30 days after the first bill using a new assessment amount.

18  
19  
20 **SECTION 127.** PSC 160.18 (10) is repealed and recreated to read:

21  
22 PSC 160.18 (10) A telecommunications provider's adjustments of local exchange rates or  
23 surcharges to correct overcollection or undercollection of amounts charged for the  
24 purpose of recovering contributions to the universal service fund shall be limited to  
25 adjustments for the prior year or for the period beginning with the effective date of the  
26 commission's last assessment determination. A telecommunications provider shall file  
27 notice of such an adjustment with the commission, in a format acceptable to the  
28 commission, within 180 days after the date on which a new assessment rate amount goes  
29 into effect.

30  
31  
32 **SECTION 128.** PSC 160.181 is amended to read:

33  
34 PSC 160.181 **Use audit.** Recipients of universal service fund monies may be audited by  
35 the commission to ensure that the funding was ~~applied for~~ requested and used  
36 appropriately.

37  
38  
39 **SECTION 129.** PSC 160.19 (1), (2) and (4) (b) are amended to read:

40  
41 PSC 160.19 **Universal service fund council.** (1) The commission shall appoint a  
42 universal service fund council to advise the commission concerning the administration of  
43 s. 196.218, Stats., the content of administrative rules adopted ~~pursuant to~~ under s.

1 196.218, Stats., and any other matters assigned to the universal service fund council by  
2 the commission.

3  
4 (2) The universal service fund council shall consist of telecommunications providers and  
5 of consumers of telecommunications services. The commission shall appoint a diverse  
6 membership to the universal service council including representatives of the local  
7 exchange telecommunications industry; ~~the interexchange telecommunications industry,~~  
8 ~~including facilities-based carriers and resellers;~~ the cable television industry; the wireless  
9 industry; other telecommunications providers and consumers of telecommunications  
10 services including residential, business, governmental, ~~institutional,~~ and public special  
11 interest group users of telecommunications services.

12  
13 (4) (b) The commission may appoint a replacement member ~~when necessary~~ to serve the  
14 remaining term of a member withdrawing from the universal service fund council.

15  
16  
17 **SECTION 130.** PSC 161.05 (4) is repealed.

18  
19  
20 **SECTION 131.** PSC 171.06 (1) is amended to read:

21  
22 PSC 171.06(1) All qualified cable television telecommunications service providers shall  
23 be subject to the following sections of ch. 196, Stats.: ss.196.02, 196.08, 196.12, 196.203,  
24 196.218, 196.25, 196.39, 196.395, 196.40, 196.41, 196.43, 196.44, 196.65 and 196.66,  
25 Stats.

26  
27  
28 **SECTION 132.** Effective date. This rule shall take effect on the first day of the month  
29 following publication in the Wisconsin Administrative Register as provided in s. 227.22  
30 (2) (intro.), Stats.

STATE OF WISCONSIN  
DEPARTMENT OF ADMINISTRATION  
DOA-2049 (R03/2012)

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### ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis

Original     Updated     Corrected

2. Administrative Rule Chapter, Title and Number

PSC 160 Universal Service Support Funding and Programs

3. Subject

Updating the Universal Service Fund rules

4. Fund Sources Affected

GPR     FED     PRO     PRS     SEG     SEG-S

5. Chapter 20, Stats. Appropriations Affected

6. Fiscal Effect of Implementing the Rule

No Fiscal Effect     Increase Existing Revenues     Increase Costs  
 Indeterminate     Decrease Existing Revenues     Could Absorb Within Agency's Budget  
 Decrease Cost

7. The Rule Will Impact the Following (Check All That Apply)

State's Economy     Specific Businesses/Sectors  
 Local Government Units     Public Utility Rate Payers  
 Small Businesses (if checked, complete Attachment A)

8. Would Implementation and Compliance Costs Be Greater Than \$20 million?

Yes     No

9. Policy Problem Addressed by the Rule

Outdated rules that are no longer in compliance with state and federal law. Elimination of outdated or ineffective provisions. Curtail fraud and abuse potential for federal and state USF programs.

10. Summary of the businesses, business sectors, associations representing business, local governmental units, and individuals that may be affected by the proposed rule that were contacted for comments.

Wisconsin Federation of Independent Business; League of Wisconsin Municipalities, Wisconsin Towns Association, Wisconsin Alliance of Cities, Citizens' Utility Board, Wisconsin State Telecommunications Association, National Federation of Independent Businesses, Universal Service Fund Council, and all telecommunications providers.

11. Identify the local governmental units that participated in the development of this EIA.

League of Wisconsin Municipalities, Wisconsin Towns Association and Wisconsin Alliance of Cities.

12. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)

The changes made in this rulemaking have minimal, if any, economic impacts

Comments on the economic impact of the rulemaking were more about the substance of the rules. No economic figures were provided. One commenter raised two issues about which the commission has no jurisdiction. Another commenter made a number of comments about the existing rule language rather than changes made as a part of this rulemaking. Some concern was raised about the potential for the size of the fund to increase, but the size of the fund is controlled by the legislature. One economic change was made by deleting a proposed provision about when assessments must be paid.

13. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

Updating and revising outdated rules. Added efficiency. The updates will bring these rules into compliance with recent changes to state and federal laws.

14. Long Range Implications of Implementing the Rule

Added efficiency and compliance with recent changes to state and federal laws.

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## ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

### 15. Compare With Approaches Being Used by Federal Government

The state and federal universal service funds and programs are complementary rather than duplicative.

“Eligible Telecommunications Carriers” (ETCs) are designated by the commission and are, thereafter, eligible for funding from the federal USF and for certain funding from the state USF. ETC status was created by the FCC, and codified in 47 U.S.C. § 214(e)(2). Under FCC rules, state commissions are responsible for designating eligible providers as ETCs.<sup>6</sup>

Designation as an ETC is required if a provider is to receive federal USF funding. ETC designation is also required to receive funding from some, but not all, state universal service programs. The FCC established a set of minimum criteria that all ETCs must meet. These are codified in the federal rules.<sup>7</sup> The 1996 Telecommunications Act states that, “A State may adopt regulations not inconsistent with the Commission’s rules to preserve and advance universal service.”<sup>8</sup> A court upheld the states’ right to impose additional conditions on ETCs in *Texas Office of Public Utility Counsel v. FCC*, 183 F.3d 393, 418 (5th Cir. 1999). Therefore, while states must examine the federal requirements, they are allowed to create additional requirements. Wisconsin has done so.

The federal USF provides funding to ETCs that are found to serve high-cost areas. That funding is to be used to help cover the costs of expanding infrastructure into those areas. Doing so should help ensure that rates in those areas stay lower since rates need not provide the funds for that expansion. The Wisconsin USF provides reimbursement to providers that offer credits to customers when rates are higher than as designated in s. PSC 160.09.

The federal USF also includes Lifeline and Link-Up programs to assist low-income customers. The Wisconsin Lifeline and Link-Up programs are structured to complement the federal program and to take advantage of the available federal Lifeline and Link-Up funds.

The federal USF assessment applies to all carriers, including wireless carriers, and is assessed based on interstate revenues. The state USF assessment applies to all providers, including wireless providers, and is assessed based on intrastate revenues. Wisconsin exempts certain providers from assessment, such as those with under \$200,000 in intrastate revenues.

There are parts of the federal USF (e.g., the E-Rate program for schools) that do not have a counterpart in the state USF rules. Likewise, some of the state USF rules (e.g., the program to assist persons with disabilities – s. PSC 160.071) address matters not included in the federal USF law or rules.

### 16. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

Many state USF programs, both in Wisconsin and in other states, are intertwined with federal universal service programs. As a result, there is a certain amount of similarity among state programs. For example, each of the surrounding states has Lifeline type programs.<sup>9</sup> As required under federal law, each has income-based eligibility criteria although the specifics vary somewhat. The level of credits to customers and the resulting reimbursements to providers are similar, due in part to the federal matching dollars attached to credit/reimbursement levels. A difference in Lifeline programs is that the four other states only have a set figure for the Lifeline credit/reimbursement amount (although in Michigan that amount may vary depending on which company is involved). Wisconsin also has a standard Lifeline credit if the base rate<sup>10</sup> is \$25 or below, although, it has a variable component. If the base rate is \$25 or above, the reimbursement/credit is the lesser of:

<sup>6</sup> 47 U.S.C. § 214(e)(2), 47 C.F.R. § 54.201(b).

<sup>7</sup> 47 U.S.C. § 214(e)(1), 47 C.F.R. § 54.101(a).

<sup>8</sup> 47 U.S.C. § 254(f).

<sup>9</sup> Lifeline helps pay the monthly cost of telephone service.

<sup>10</sup> The “base rate” is the monthly residential rate including applicable in-state fees, touch-tone service, 911 charges on the telephone bill, the federal subscriber line charge, access recovery charge and 120 local calls.

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## ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

1. Whatever is necessary to bring that rate down to \$15.
2. The amount available under the federal USF plus \$9.25.

In this way, low-income customers in higher cost (generally rural) areas receive a credit sufficient to bring the base rate to a reasonably affordable level and providers are on a fairly “level playing field.”

The provision in these rules that allows the Lifeline credit to apply to Internet access where a certified disabled customer requires it as a substitute for regular essential telecommunications service is unique within the region.

Wisconsin also has a program (TEPP) that helps provide access to telecommunications service for persons with hearing, speech and/or mobility disabilities. TEPP provides vouchers to help persons with disabilities that impair their ability to use standard telecommunications equipment for accessing telecommunications service to obtain equipment that will assist them in doing so. Iowa, Illinois, and Minnesota each have similar programs although the specifics vary. For example, Illinois’ program is limited to those with hearing or speech disabilities, and in Minnesota the equipment belongs to the state and must be returned if the customer leaves the state or loses his/her telephone line.

Wisconsin also has a program to help lower the monthly cost of telephone service in areas of the state where rates are high. In determining whether assistance under this “high rate assistance” program is required, the program looks both at the rate for basic service and what percentage of a county’s median household income that rate entails. Although its commission must vote to activate it, Michigan statutes provide for a similar program that would provide a subsidy to customers of the difference between an affordable rate and the company’s forward looking economic cost of providing service (should the latter be higher than the former). Illinois has a high-cost program that provides support to small telecommunications providers if the economic costs of providing certain services exceed the affordable rate set for those services.

Surrounding states have taken a variety of approaches to certification and reporting requirements for ETCs including: adoption of formal rules, orders applicable to either new or all ETCs, and case-by-case determinations.

The Minnesota Public Utilities Commission (docket P999/M-05-741) adopted the FCC’s exact language for annual certification requirements, with a couple of modifications. The two main modifications are (1) like these proposed rules, filing 2-year service quality improvement plans, and (2) filing information on a service-area basis instead of a wire-center basis. The new requirements are applied to both new and existing ETCs, and to both landline and wireless providers.

The Michigan Public Service Commission basically adopted the exact language of the FCC’s rules unchanged, including the 5-year quality improvement plans. Michigan has service quality and financial reporting rules for wireline companies that do not apply to wireless ETCs, but all ETCs, both existing and new, are required to meet all of the standards and obligations contained in the FCC’s ETC rules, FCC 05-46 and 47 USC 214. The one exception to this is ETCs receiving only low-income support; they have lesser reporting requirements. There are no standards for what types of reporting on quality of service issues meet the adopted FCC requirements.

The Illinois Commerce Commission has not officially adopted the FCC rules, but uses them as a base for its ETC decisions, which so far have been on a case-by-case basis. The requirements are not applied to existing ETCs. There have been requests for ETC status where the Illinois Commerce Commission has required wireless ETCs to do more than is spelled out by the FCC, holding that the FCC’s requirements are “the minimum requirements.” The primary areas where wireless ETCs have been subjected to more scrutiny involve consumer protection, service quality standards, and the public interest analysis. As to telephone directories, wireless providers have been required to provide written disclosure to customers that directories will not be provided and numbers will not be published. The FCC’s 5-year plan is retained.

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**ADMINISTRATIVE RULES**  
**Fiscal Estimate & Economic Impact Analysis**

The Iowa Utility Board’s (IUB) ETC rules incorporate the FCC rules with some modifications. Similar to these proposed rules, IUB requires maps of signal coverage depicting signal strength (although IUB ILECs may refer to maps already on file with the commission.) IUB adopted service quality standards for ETCs although, again like these proposed rules, they differ for landline and wireless. Rolling one year network improvement and maintenance plans are required. The rules are applied to both new and existing ETCs.

The Indiana Regulatory Commission (case 41052-ETC-47) adopted the FCC’s exact language in a proceeding involving an individual ETC applicant, but made that decision applicable to all ETCs, both landline and wireless.

17. Contact Name Lisa Farrell	18. Contact Phone Number 608-267-9086
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This document can be made available in alternate formats to individuals with disabilities upon request.

STATE OF WISCONSIN  
DEPARTMENT OF ADMINISTRATION  
DOA-2049 (R03/2012)

DIVISION OF EXECUTIVE BUDGET AND FINANCE  
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**ADMINISTRATIVE RULES  
Fiscal Estimate & Economic Impact Analysis**

**ATTACHMENT A**

Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

Existing USF rules may have an effect on small telecommunications utilities, which are small businesses under s. 196.216, Stats., for the purposes of s. 227.114, Stats. These small telecommunications utilities, like other telecommunications providers (both large and small), may have obligations under the USF, including an obligation for payments to the USF. Other requirements in the rule only apply to CMRS providers who voluntarily choose to become designated as eligible telecommunications carriers. Since the Commission does not regulate CMRS providers, it does not have records indicating how many of them are small businesses.

These proposed rules should have no particular impact on small businesses. The Commission already has established, in s. PSC 160.18(1), an exemption from fund assessments to protect entry by and continued operation of small telecommunications providers as directed by statutory objectives. In s. PSC 160.01(2)(b), the existing rules allow the Commission to give individual consideration to unusual situations and to adopt different requirements for particular telecommunications providers. Small businesses can request that the Commission provide an exception to a rule requirement. There are no new reporting or bookkeeping requirements created under these proposed rules. Also, most of the requirements in the proposed rules only apply to providers who voluntarily choose to be designated as "eligible telecommunications carriers."

The agency has considered the methods in s. 227.114(2), Stats., for reducing the impact of the rules on small businesses. Accordingly, the agency has included provisions for exemption from assessments for small providers, and allowing requests for consideration of unusual circumstances, as noted above. Further application of these methods is not consistent with statutory objectives.

2. Summary of the data sources used to measure the Rule's impact on Small Businesses  
Knowledge of the programs, input from industry.

3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?
- Less Stringent Compliance or Reporting Requirements
  - Less Stringent Schedules or Deadlines for Compliance or Reporting
  - Consolidation or Simplification of Reporting Requirements
  - Establishment of performance standards in lieu of Design or Operational Standards
  - Exemption of Small Businesses from some or all requirements
  - Other, describe:

4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses  
No requirement to pay assessments if revenues are less than \$200,000. Ability to request waiver. Applicability of most requirements is based on a voluntary election.

5. Describe the Rule's Enforcement Provisions  
**160.01 (4) ENFORCEMENT.** The manner of enforcing ch. PSC 160 is prescribed in ss. 196.218, 196.499(17) and 196.66, Stats., and includes such other means as provided in statutory sections administered by the commission.

6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)
- Yes
  - No