

Clearinghouse Rule 99-019


CERTIFICATE

STATE OF WISCONSIN)
)
PUBLIC SERVICE COMMISSION) SS
OF WISCONSIN)

I, Lynda L. Dorr, Secretary to the Public Service Commission of Wisconsin and custodian of the official records, certify that the annexed order adopting rules, relating to the provision of universal telecommunications service and administration of the universal service fund was duly approved and adopted by this Commission on March 9, 2000.

I further certify that this copy has been compared by me with the original on file in this Commission and that it is a true copy of the original, and of the whole of the original.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the Public Service Commission of Wisconsin at Madison, WI, this 10th day of March 2000.

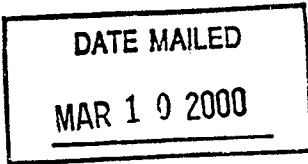


Lynda L. Dorr
Secretary to the Commission
Public Service Commission of Wisconsin

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5-1-00
99-019



BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

Biennial Review of Universal Service Fund Rules in
Wis. Admin. Code Ch. PSC 160

1-AC-166

FINAL ORDER ADOPTING RULES

The Public Service Commission of Wisconsin (Commission) proposes an order to repeal PSC 160.03(2)(c), 160.031(3), 160.06(5)(b), 160.062(2)(b) and (3), 160.09(2)(a), (b), (3)(f), (h), and (6), 160.10(5), 160.16(3) to (5), and 160.18(1)(a) and (b); to renumber PSC 160.02(1) and (9), 160.03(2)(d), 160.06(5)(a), 160.062(5), 160.063(title), (3) and (4), 160.071(6), 160.09(3)(intro.), (i), and (5), 160.16(6); to renumber and amend PSC 160.02(4), 160.035(3), 160.06(1), 160.062(2)(a), (4), and (6), 160.063(1) and (2), 160.09(2)(c), (3)(a) to (e), (g), and (4), and 160.18(1)(intro.); to amend PSC 160.01(2)(a) and (5), 160.02(7), 160.02(8)(a) and (e), 160.03(2)(a)7., 8., 9., 10., and 14., 160.035(1)(c), 160.04(1), 160.05(intro.), (1)(c), (d), (i) and (2), 160.06(3) and (4), 160.061(1) and (6), 160.062(title) and (1), 160.071(1)(a), (b), (c), (f), (j), and (3), 160.075(3), 160.08, 160.09(1), (8) and (9), 160.14(1), (2)(a), (b), (c)3., (3), (4), (5)(a), (b), (d), (6), and (7), 160.15, 160.18(9), and 160.19(4)(a) and (5); to repeal and recreate PSC 160.091 and 160.13; and to create PSC 160.02(1g), (4g), (8)(g), (h), and (9) to (12), 160.035(3)(b), 160.05(1)(k) to (r), and (5) to (7), 160.06(1)(a) to (c), 160.062(2)(a) and (c), (6) and (7), 160.063, 160.071(1)(title), (k) to (n), (2)(title), (3)(title), (4)(title), (5)(title), and (6)(title), 160.071(6)(b), 160.073, 160.075(5), 160.09(3), Figure 160.09(3)(c), 160.11(1m), 160.115, 160.125(title), (1)(c) and (2), 160.14(2)(d) and (8), 160.18(9)(b), 160.18(10) and 160.181 relating to the provision of universal telecommunications service and administration of the universal service fund.

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

A plain language analysis of the proposed rules is set forth as Attachment A hereto.

TEXT OF PROPOSED RULES

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

FINAL REGULATORY FLEXIBILITY ANALYSIS

Existing universal service fund 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,

Docket 1-AC-166

Stats. The 78 small telecommunications utilities, like other telecommunications providers (both large and small), have obligations under the universal service fund, including an obligation for payments to the universal service fund.

The rule changes proposed in this proceeding could have the effect of changing the amount of the assessments to providers for the universal service fund. Some of these changes may increase the amount of funding needed, while others may decrease the amount paid by any given provider. Other changes may impact the amounts that certain providers may recover from the fund. The net effect of these changes is uncertain, although one area where impact is almost certain to be felt is among wireless providers. Under these rules, the assessment exemption for wireless providers is eliminated.


Many of the changes in this proposed rule are clarifications and updates that do not change existing procedures. Others do not change requirements, such as participation in certain programs, but only change the calculations used by participants. Others impose requirements on those who choose to apply to become eligible for certain federal and state universal service fund monies. Many of these are based on federal requirements related to federal universal service fund support eligibility. Other provisions of these proposed rules should have no direct impact on small businesses.

The Commission already has established, in s. PSC 160.18, an exemption from fund assessments to protect entry by and continued operation of small telecommunications providers as directed by statutory objectives. There are no new reporting or bookkeeping requirements imposed under these proposed rules for any business other than wireless carriers. Federal Communications Commission orders concerning universal service require that states apply universal service measures in a manner that does not favor one segment of the industry over another, with limited exceptions. This limits the Commission's ability to treat providers that are small businesses differently than other providers.

The agency has considered the methods in s. 227.114(2), Stats., for reducing the impact of the rules on small businesses. Other than the provisions for exemption from assessments for small providers noted above, these methods do not appear to be necessary, appropriate, or consistent with statutory objectives.

Dated at Madison, Wisconsin, March 9, 2000

By the Commission:


Lynda L. Dorr
Secretary to the Commission

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Attachments

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

Statutory Authority: ss. 196.02(1) and (3), 196.218(3)(c), (4), (4m) and (5m), and 227.11(2), Stats.

Statutes Interpreted: s. 196.218, Stats.

Effective May 1, 1996, the Commission created a set of universal service programs to: provide access to telecommunications service to all Wisconsin customers regardless of geographic location, income or disability; promote the use of advanced services by schools, libraries and health care institutions; and assist in the deployment of advanced services in all areas of the state. These programs are detailed in ch. PSC 160. In that same chapter, the Commission also detailed the mechanisms for funding those programs and for administering the resulting fund.

In 1996, the federal legislature passed a sweeping telecommunications deregulation bill. The Telecommunications Act of 1996, and resulting actions by the Federal Communications Commission (FCC), significantly changed the federal landscape with respect to universal service.

The Commission is proposing the following revisions to its universal service rules to reflect experience with the programs created in 1996, the evolution of the telecommunications market and telecommunications technology in Wisconsin, and to ensure that the state universal service programs do not conflict with the new federal programs. Some changes also reflect provisions of the most recent state budget, 1999 Wisconsin Act 9.

In preparation of these proposed rules, the Commission staff has worked closely with the Universal Service Fund Council (USFC). The USFC has given extensive advice and input on these proposed rules, and many of the changes result directly from that input.

A section-by-section analysis of the proposed changes follows.

Section PSC 160.01 deals with the scope and purpose of the rules. This section remains basically unchanged. The modifications clarify legal points.

Section PSC 160.02 contains definitions of the terms used in the chapter. The modifications are primarily updates and additions. One major change is to the definition of local exchange service provider, which now includes those wireless providers who choose to become eligible telecommunications carriers.

Additionally, the legislative committees reviewing the draft rule requested that the definition of two-line voice carryover be modified to specify that three-way calling is a necessary

component of that service. (Three-way calling is available at no charge under the existing rules at s. 160.071(6).)

Section PSC 160.03, on essential telecommunications services, defines the parts of basic telephone service. The language on telephone relay service and local calling area has been clarified and the connectivity provision now includes the ability to connect with Internet service providers. The language on revertive calling has been changed to clarify that requirement does not apply to wireless technology, and the language on intercept messages has been changed to require that such messages also be available in TTY-readable format. The requirement to provide pay telephone service has been moved to s. PSC 160.13 so that it only applies to those providers who choose to become eligible telecommunications carriers.

Section PSC 160.031, on essential data transmission capability, has had a filing requirement, which is now an anachronism, removed.

Section PSC 160.035, on advanced services capabilities, allows customers to request advanced services that are not being offered in an area or are not offered at an affordable price. One proposed change clarifies the requirements for interactive video conferencing. Another portion of the rule is reorganized for clarity.

Section PSC 160.04, on toll blocking, requires telephone providers to offer customers the opportunity to block long distance usage. The only change is to remove an obsolete filing deadline.

Section PSC 160.05 lists the purposes and programs for which the USF may be used. The revision adds to the list those programs that have the potential to require USF support. Also added is a statement that the USF may be used for the purpose of informing the public about the USF.

Section PSC 160.06 defines the criteria customers must meet to qualify for telecommunications-related low-income universal service fund support programs. The changes to this section update obsolete language, clarify eligibility criteria, and require telecommunications providers to inquire regarding eligibility when, for the first time during a year, they contact a customer subject to disconnection or needing payment arrangements.

Section PSC 160.061, on the Link-up America program, requires telecommunications providers to waive connection charges for low-income customers and provides for reimbursement to the provider for those waived fees. The changes include applying the waiver to all connection charges, as required by the FCC, and increasing the amount of reimbursement to cover half the waived fees when FCC coverage for the other half is available, or all the waived fees if no FCC coverage is available.

Section PSC 160.062, on the Lifeline assistance program, provides discounted monthly rates for low-income customers. Like the Link-up program, the Lifeline program is provided

jointly by the states and the FCC. The FCC has significantly modified its program. The proposed changes bring the state program into line with the revised federal program and allow for the maximum amount of federal support. This section is also changed to extend the deadline by which the new rate must appear on a bill, but requires back credit. Two other additions to this section exempt Lifeline customers who take toll blocking from the standard deposit requirements, and exempt them from disconnection of local service for nonpayment of toll charges. Although customers who would be disconnected but for such an exemption may be counseled to accept toll blocking, it may be imposed only under conditions specified in a Commission-approved telecommunications customer assistance program.

Section PSC 160.063, on the voice-mail for the homeless program, has been renumbered and is now part of PSC 160.125. This program is intended to allow a social service agency, job service agency, or homeless shelter to provide temporary voice-mail boxes to homeless people. This will assist the homeless in finding jobs, as well as aiding social service agencies and others in contacting these people, as needed. The program has not been used, however, because the administrative costs of providing voice-mail service have been beyond the capabilities of homeless shelters. This section has been changed to allow the program to pay a part of the administrative costs of an agency serving the homeless and to better align the program with the needs of the homeless and homeless shelters.

A new section PSC 160.063 has been created to provide a limited amount of support to fund collaborative partnerships between community organizations and telecommunications providers to increase participation in the low-income universal service support programs.

Sections PSC 160.07 and 160.071 allow customers with special telecommunications needs to afford the required equipment. An example of such equipment is a teletypewriter to allow deaf people to use the telephone network. The program provides funds to help all such customers pay for appropriate equipment. The changes update the discounts to reflect changes in the average price and type of equipment used. Other changes were made to provide clarifications deemed necessary as a result of experience with this program. The co-payment for equipment in the hard-of-hearing category has been eliminated and the rule has been clarified to explain that monies from the Telecommunications Assistance Program (TAP) of the Department of Health and Family Services may be used to cover the co-payment in other categories. The changes also call for the fund administrator to maintain a list, in consultation with the Commission staff, vendors, and interested parties, of equipment that is eligible for purchase with the program vouchers.

Additionally, a provision is added stating that when a second line and three-way calling are necessary for hearing-impaired customers to use two-line voice carryover technology, there will be no charge for the second line. Providers will receive USF reimbursement for the cost of the second line. Finally, based on a request by the legislative committees reviewing the rule draft, the rule was modified so that each applicant may receive a voucher for the same disability category every three years, even if another person in the household has received a voucher. The

current rules only allow one voucher for the same disability category per household every three years, even if there is more than one person with the same disability in the household.

A new section PSC 160.073 has been created to be consistent with FCC rulings concerning the provision of pay telephones in the public interest when those payphones might not otherwise be available.

Section PSC 160.075, on payphone usability for individuals with disabilities, reiterates that all pay telephone providers are responsible for ensuring that their payphones comply with state and federal standards and that customers can complain about noncompliance to the Commission. The changes merely clarify these rules and require providers to post information on how to file a complaint.

Section PSC 160.08, on the Telecommunications Customer Assistance Program (TelCAP), remains primarily a placeholder for more specific and detailed rules and pilot programs being developed in other proceedings. A change has been made allowing the Commission to authorize permanent TelCAP programs in addition to trials and a clarification is added explaining that such programs may allow providers to restrict certain essential services to low-income households with payment problems in order to preserve at least minimal telephone service.

Section PSC 160.09, on the high-rate assistance program, provides rate reductions in situations where telephone rates would otherwise become unaffordable. The broad outlines of this program remain unchanged. The specifics have been revised, however, to better mesh with the Telecommunications Act of 1996 and the FCC's new universal service support plan. The revised plan will be based on the total monthly cost of service to the average customer, including usage, and will calculate support based on the full monthly cost of the telephone service, not just the cost of the local loop. The amount of support depends both on this cost of telephone service and on the median income in the area in which the rates apply. The formulas for assistance have been revised to reflect the services now being covered.

Section PSC 160.091, on qualifications of providers receiving high rate assistance credits, has been modified to reflect the requirement that the company is designated as an eligible telecommunications carrier (as described below). In addition, the proposed changes require that any company seeking state reimbursement for high-rate assistance credits show that it has first used any available federal high-cost assistance to reduce the affected rates. This provision is intended to prevent a company from diverting federal support away from high-cost areas and then seeking to support those high-cost areas solely through state funding.

Section PSC 160.10, on the rate shock program, remains unchanged except for the removal of obsolete language.

Section PSC 160.11, on the assistance to institutions program that provides discounts to schools, libraries, and hospitals, is being modified so that support under the program is only available to those who are currently participating in it. While those already approved for support under the program will receive the remainder of the support that they were granted when they entered the program, 1999 Wisconsin Act 9 (Budget Bill) ended the further continuation of this program. Since this program will not continue, changes to this section that were considered earlier in this rulemaking proceeding have not been adopted.

Section PSC 160.115 has been created based on a request by the legislative committees reviewing the draft rules. This section implements s. 196.218(4u), Stats., as created by 1999 Wisconsin Act 9. It establishes a process for the commission to make grants to nonprofit medical clinics and public health agencies for the purchase of telecommunications equipment. The equipment must be used to promote technologically advanced medical services, enhance access to medical care in rural or underserved areas, or enhance access to medical care by underserved populations or persons with disabilities.

A new section PSC 160.125, entitled Funding to Promote Access to Telecommunications Services, has been established. The voice-mail for the homeless provisions have been moved to this section. A substantive change to this section allows qualifying agencies the ability to receive competition for direct provision of such services to their clients. A new section is created as well and is intended to allow the Commission to approve partial funding for projects, provided those projects meet certain goals of the universal service fund. The program is limited to non-profit groups, since the fund cannot afford, nor should it be used, to fund commercial ventures on the part of for-profit companies. The proposed rule would allow funding for projects that serve either of the purposes listed in ss. 196.218(5)(a)1. and 2., Stats.

Section PSC 160.13, which formerly dealt with local exchange service providers of last resort, now deals with the newly created FCC term Eligible Telecommunications Carrier (ETC). This term means a telecommunications provider that the Commission has found to be eligible for federal (and some state) universal service funding. This section establishes the criteria for such a designation, consistent with the federal rules, and lays out the rules for becoming an ETC and for relinquishing that status. To become an ETC, a provider must offer basic service to all customers in the area and must advertise that fact. One additional change results in the requirement to provide pay telephone service applying only to ETCs rather than to all local exchange service providers, as is currently the case. There is also a change to the definition of public interest payphone to be consistent with recent FCC rulings

Section PSC 160.14 provides rules for the intraLATA toll provider of last resort. The proposed change to the rules allows the Commission to eliminate the intraLATA toll provider of last resort requirement in exchanges where competition is firmly established, and the requirement is no longer needed. The rules also codify previous Commission findings that a provider of last resort cannot sell or abandon customers, except at the customer's own request. Finally, some changes were made in the interest of clarity and language consistency.

Section PSC 160.15, covering identification of the universal charges on customer bills, is being modified to make the rule language more closely match the statutory language in s. 196.218(3)(e), Stats.

Section PSC 160.16, on the fund administrator, has been modified because the legislature has acted to make the USF a state fund. This section has been changed to remove certain parts of the rule that identify duties of the administrator that are no longer applicable given this change in USF status.

Section PSC 160.18, on the collection of universal service fund assessments, has been changed to make wireless providers subject to universal service fund assessments. This modification was based on a request by the legislative committees reviewing the draft rule. Since the information necessary to assess wireless providers is not currently in the hands of the Commission, the modified rule provides that assessment billings will not occur until that information has been obtained by the Commission (but no later than 90 days after the effective date of the rule). However, wireless providers will be back billed to the effective date of this rule. Another change is made so that the payment and nonpayment of USF assessments will be handled like matters related to other PSC assessments under s. 196.85, Stats.

Section PSC 160.181 provides that the recipients of universal service funds may be subject to audit by the Commission.

Section PSC 160.19 is being changed to remove outdated language from the section on collections and from the section on the Universal Service Fund Council.

SECTION 1. PSC 160.01(2)(a) is amended to read:

(2) SCOPE AND EXCEPTION. (a) The requirements of ch. PSC 160 shall be observed by the telecommunications providers subject to the jurisdiction of the commission as indicated in this chapter, except insofar as any exemption may be made by the commission. Except as otherwise expressly provided by law, s. 196.218, Stats., and the requirements of this chapter apply to telecommunications providers certified under s. 196.203(2), Stats.

SECTION 2. PSC 160.01(5) is amended to read:

(5) ORDERS. The commission may issue orders it deems necessary to assist in the implementation or interpretation of this chapter. Except for declaratory rulings under s. 227.41, Stats., which require the opportunity for a hearing, and commission determinations not subject to judicial review under ss. 227.52 and 227.53, Stats., Orders orders shall be issued only after notice and an opportunity for comment by interested parties including the universal service fund council.

SECTION 3. PSC 160.02(1) is renumbered 160.02(1m).

SECTION 4. PSC 160.02(1g) is created to read:

(1g) "Calculated charge" means the charge calculated by converting a per call charge into a per minute charge. The conversion to a per minute charge shall be accomplished by dividing the per call charge by the telecommunications provider's average residential call duration. If there are multiple per call charges within one local calling area, the weighted average shall be used as the per call charge.

SECTION 5. PSC 160.02(4) is renumbered 160.02(4m) and 160.02(4m)(a), as renumbered, is amended to read:

(a) Not-for-profit schools, which includes each school in a school district as defined by s. ~~115.001(3)~~ 115.01(3), Stats., private schools as defined by s. ~~115.001(3)(r)~~ 115.001(3r), Stats., charter schools as defined by s. 118.40, Stats., colleges and universities as defined by s. 36.05(13), Stats., and ~~vocational, technical and adult education~~ technical college districts as defined by s. 38.01(5), Stats.

SECTION 6. PSC 160.02(4g) is created to read:

(4g) "Federal high cost program" means any program established by the federal communications commission under 47 CFR 54 subpt. D.

SECTION 7. PSC 160.02(7) is amended to read:

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

SECTION 8. PSC 160.02(8)(a) is amended to read:

(a) ~~Aid to families with dependent children under 42 USC 601 to 615.~~ Wisconsin works under ss. 49.141 to 49.161, Stats.

SECTION 9. PSC 160.02(8)(e) is amended to read:

(e) The low income household energy assistance program under s. ~~49.80~~ 16.385, Stats.

SECTION 10. PSC 160.02(8)(g) and (h) are created to read:

(g) Badger care under s. 49.665, Stats.

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

SECTION 11. PSC 160.02(9) is renumbered 160.02(13).

SECTION 12. PSC 160.02(9) to (12) are created to read:

(9) "Non-profit group" means an organization described in s. 501(c)(3) of the internal revenue code that is exempt from federal income tax under s. 501(a) of the internal revenue code.

(10) "Nonrecurring charge" means the charge for those activities and materials necessary

to connect network services to the customer's premises, up to and including the network interface device but not including customer premises wiring or customer premises equipment, and not including construction charges.

(11) "Rural telephone company" has the meaning given in 47 USC 153(37).

(12) "Two line voice carryover" means the technique of using 3-way calling and 2 telephone lines, one for voice and one for TTY or similar equipment, to connect a caller who is deaf or hard of hearing but can speak, with another caller via the telecommunications relay service.

SECTION 13. PSC 160.03(2)(a)7. is amended as follows:

7. Single party revertive calling, if 2 or more pieces of customer premises equipment can be simultaneously active on the line or channel being used by the customer.

SECTION 14. PSC 160.03(2)(a)8., 9., 10., and 14. are amended as follows:

8. A reasonably adequate number of calls within a reasonably adequate local calling area as defined by the commission.

9. Connectivity with all public toll, local, wireline and wireless networks, and with various internet service providers.

10. Telecommunications relay service ~~for voice to text and text to voice translation to facilitate communication between teletypewriter users and non-teletypewriter users.~~

14. Intercept and announcements for vacant, changed, suspended and disconnected numbers in oral and TTY-readable formats.

SECTION 15. PSC 160.03(2)(c) is repealed.

SECTION 16. PSC 160.03(2)(d) is renumbered 160.03(2)(c).

SECTION 17. PSC 160.031(3) is repealed.

SECTION 18. PSC 160.035(1)(c) is amended to read:

(c) Two-way interactive video conferencing at a speed no less than 30 frames per second and two-way interactive imaging capabilities by January 1, 2003.

SECTION 19. PSC 160.035(3) is renumbered 160.035(3)(a) and amended to read:

(a) Upon its own motion, upon petition by a local exchange service provider for relief from an obligation in sub. (2) above or upon petition by a customer alleging that an advanced service is not available in a timely manner, is needed but not scheduled for deployment under this section, or is not priced at an affordable level, the commission may investigate the offering of a given advanced service capability. ~~The investigation shall address, but is not limited to, the reasonableness of the required investment in equipment and facilities, the presence of alternative providers, level of demand, and other factors included in s. 196.03(6), Stats. Following investigation, including notice and opportunity for hearing, the commission may determine, based on the above criteria, a deployment schedule, a maximum reasonable rate, whether a contributory provider requires assistance from an appropriate intrastate universal service program to provide the service, and any other requirement necessary to meet customer demand for an advanced service capability.~~

SECTION 20. PSC 160.035(3)(b) is created to read:

(b) The investigation shall address, but is not limited to, the reasonableness of the required investment in equipment and facilities, the presence of alternative providers, level of demand, and other factors included in s. 196.03(6), Stats. Following investigation, including notice and opportunity for hearing, the commission may determine, based on the above criteria, a deployment schedule, a maximum reasonable rate, whether the provider requires assistance from the universal service fund to provide the service, and any other requirement necessary to meet customer demand for an advanced service capability.

SECTION 21. PSC 160.04(1) is amended to read:

(1) **BLOCKING OBLIGATIONS.** Every local exchange service provider in the state shall offer the capability to block all long distance calls and, separately, the capability to block 900 and 976 number calls and, ~~by January 1, 1997,~~ the capability to block extended community calling unless a timely waiver has been granted to the local exchange service provider by the commission.

SECTION 22. PSC 160.05(intro.) is amended to read:

PSC 160.05 Universal service fund programs. Universal service fund monies may be used for fund administration; for the purpose of informing the public regarding the universal service fund, its existence, purpose, intent and areas of use; and for the following purposes:

SECTION 23. PSC 160.05(1)(c) and (d) are amended to read:

- (c) Voice mail service for the homeless, as specified in s. PSC ~~160.063~~ 160.125(1).
- (d) ~~Special needs equipment~~ Telecommunications equipment purchase program (TEPP) vouchers, as specified in s. PSC 160.071(1).

SECTION 24. PSC 160.05(1)(i) is amended to read:

- (i) Assistance ~~for~~ to institutions, as specified in s. PSC 160.11.

SECTION 25. PSC 160.05(1)(k) to (s) are created to read:

- (k) Funding for programs or projects approved under s. PSC 160.125(2).
- (L) Public interest pay telephones, as specified in s. PSC 160.073.
- (m) Outreach for low-income assistance programs, as specified in s. PSC 160.063.
- (n) Eligible telecommunications carriers designated under s. PSC 160.13(5)(c).
- (o) Advanced service capabilities, as specified in s. PSC 160.035.
- (p) Second line for two line voice carryover, as specified in s. PSC 160.071(6)(b).
- (q) Medical telecommunications equipment program, as specified in s. 196.218(4u),

Stats.

(r) Payments by the department of public instruction to extend its contract with the National Federation of the Blind for the Newsline electronic information service, as specified in s. 9139 (1d), 1999 Wis. Act 9, and s. 196.218(5)(a)8., Stats.

(s) Other programs consistent with the purposes identified in s. 196.218(5)(a)1. and (2), Stats., as they are approved by the commission on an interim basis.

Note: The text of s. 196.218(5)(a)1. and 2., Stats., appears in a note after s. PSC 160.125(2)(a).

SECTION 26. PSC 160.05(2) is amended to read:

(2) For payments by the technology for educational achievement in Wisconsin board for educational telecommunications access support, as specified in s. 196.218 (5) (a) 5., Stats., under the appropriation in s. 20.275 (1) (s), (t), ~~and (tm) and (tu)~~, Stats., and for payments under the appropriation in s. 20.865(4)(u), Stats.

SECTION 27. PSC 160.05(5) is created to read:

(5) For payments by the department of public instruction to contract for periodical and reference information databases as specified in s. 115.28(26), Stats., under the appropriation in s. 20.255(3)(q), Stats.

SECTION 28. PSC 160.06(1) is renumbered 160.06(1)(intro,) and is amended to read:

(1) **LOW-INCOME ASSISTANCE ELIGIBILITY.** Local exchange service providers shall verify an applicant's eligibility for low-income assistance programs by ~~finding the applicant to be an active client in the records~~ making timely queries of the applicable databases of the Wisconsin department of health and family services or ~~to be a recipient of the Wisconsin homestead tax credit in the past year of workforce development, the Wisconsin department of revenue, or other state agencies.~~ Eligibility verifications shall be done through timely queries of the applicable databases of the Wisconsin department of health and family services or the Wisconsin department of revenue. Applicant eligibility shall be verified by finding the applicant to be any of the following:

SECTION 29. PSC 160.06(1)(a) to (c) are created to read:

- (a) An active client of at least one of the programs listed in s. PSC 160.02(8).
- (b) 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).
- (c) A recipient of the Wisconsin homestead tax credit for the most recently completed tax year. If the applicant's tax filing for the most recently completed tax year has not been posted to the records of the Wisconsin department of revenue and if application for low-income assistance is made on or before June 30th, then the tax year prior to the most recently completed tax year may be used to determine eligibility.

SECTION 30. PSC 160.06(3) and (4) are amended to read:

(3) **ELIGIBILITY INQUIRY.** Local exchange service providers shall inquire of the 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.

(4) **QUERY AUTHORIZATION.** Local exchange service providers shall comply with client authorization requirements of the Wisconsin department of ~~health and social services workforce development,~~ or the Wisconsin department of revenue, or other state agencies for database queries necessary for eligibility verification. Customers shall complete and remit any reasonably required query authorization forms or forfeit eligibility.

SECTION 31. PSC 160.06(5)(a) is renumbered PSC 160.06(5).

SECTION 32. PSC 160.06(5)(b) is repealed.

SECTION 33. PSC 160.061(1) and (6) are amended to read:

(1) ~~Low-income residential customers shall receive a waiver of~~ All local exchange service providers shall waive all applicable nonrecurring charges when initiating or moving network access line service. Where such charges are less than \$20, participation in the link-up program is optional on the part of the local exchange service provider essential telecommunications services, as defined in s. PSC 160.03(2), for low-income, single line customers. All federal, state, county and local taxes applicable to the waived charges shall also be waived.

(6) Local exchange service providers that are eligible telecommunications carriers under s. PSC 160.13 may receive reimbursement from the universal service fund for 25 50% of the waived nonrecurring charges. Local exchange service providers that are not eligible telecommunications carriers may receive reimbursement from the universal service fund for 100% of the waived nonrecurring charges.

SECTION 34. PSC 160.062(title) is amended to read:

PSC 160.062 Lifeline assistance program.

SECTION 35. PSC 160.062(1) is amended to read:

(1) ~~Local exchange service providers whose monthly residential rate exceeds \$15 for single party residential service including touch-tone service; 9-1-1 charges billed on the telephone bill; the federal subscriber line charge and 120 local calls, excluding extended community calling;~~ All local exchange service providers shall offer a lifeline monthly rate to all qualified low-income customers.

SECTION 36. PSC 160.062(2)(a) is renumbered 160.062(2)(b) and amended to read:

(b) Lifeline The lifeline monthly rates, including touch-tone service; 9-1-1 charges billed on the telephone bill; the federal subscriber line charge and 120 local calls, excluding extended community calling, may not exceed \$15 rate shall be the total of the residential monthly rates for the items in par. (a) minus \$7 or, if the total of the monthly residential rates for the items in par. (a) is greater than \$22, the lifeline monthly rate shall be \$15.

SECTION 37. PSC 160.062(2)(a) is created to read:

(a) The lifeline monthly rate includes single-party residential service, touch-tone service, any 9-1-1 charges billed on the telephone bill, the federal subscriber line charge and 120 local calls, excluding extended community calling calls.

SECTION 38. PSC 160.062(2)(b) is repealed.

SECTION 39. PSC 160.062(2)(c) is created to read:

(c) Notwithstanding par. (b), in no case shall the lifeline monthly rate be less than \$3 or more than \$15.

SECTION 40. PSC 160.062(3) is repealed.

SECTION 41. PSC 160.062(4) is renumbered 160.062(3) and amended to read:

(3) The lifeline monthly rate may appear as a credit against the full standard tariffed rate on a customer's bill or as a special rate designation. Credits Whenever possible, the lifeline 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 rate does not begin to appear on the next bill date, when it does appear back credit will be given. In cases where a customer's eligibility date as found in the records of the Wisconsin department of health and social services workforce development, or 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 42. PSC 160.062(5) is renumbered 160.062(4).

SECTION 43. PSC 160.062(6) is renumbered 160.062(5) and amended to read:

(5) Local exchange service providers may receive reimbursement from the universal service fund for 25100% of that portion of the difference between the lifeline rate and the standard authorized rate for service which is in excess of the amount of the lifeline monthly rate which is eligible for reimbursement from federal lifeline program funds.

SECTION 44. PSC 160.062(6) and (7) are created to read:

(6) Customers eligible for lifeline or link-up America assistance may not be charged a deposit for service if they voluntarily accept toll blocking, may not be requested to pay in advance for more than one month's local service bill, and may not be disconnected from local service for nonpayment of toll charges billed by the local exchange service provider. Customers that otherwise would be subject to disconnection may be counseled to accept toll blocking.

(7) A local exchange service provider acting under the limited conditions specified in its commission approved telecommunications customer assistance program under s. PSC 160.08 may impose toll blocking or restriction on lifeline customers.

SECTION 45. PSC 160.063(title) is renumbered PSC 160.125(1)(title).

SECTION 46. PSC 160.063(1) and (2) are renumbered 160.125(1)(a) and (b) and amended to read:

(a) ~~When a local exchange service provider or its affiliate offers voice mail service within an exchange and has available capacity on its voice mail system, Any voice mail provider may be compensated for providing, on request, to a social services agency, a job service agency or other homeless shelter authority shall receive, on request, voice-mail service without charge to be used by that agency or authority for the benefit of its homeless clients or residents.~~

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

SECTION 47. PSC 160.063(3) and (4) are renumbered 160.125(1)(d) and (e).

SECTION 48. PSC 160.063 is created to read:

PSC 160.063 Outreach for low-income assistance programs. (1) Funding shall be available to fund collaborative partnerships between community-based organizations and telecommunications providers 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 shall not exceed \$250,000 in one year.

(3) The commission shall annually review and grant funding based on complete responses to a request for proposals. 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.

(4) The commission shall contract for an evaluation of the effectiveness of this program in promoting enrollment in low-income programs and subscribership to telephone service to be completed within two years of the effective date of this subsection....[revisor inserts date]. The cost of this evaluation shall not exceed \$25,000. This \$25,000 shall be included as part of the \$250,000 maximum total funding available under this section during the year in which the evaluation occurs.

SECTION 49. PSC 160.071(1)(title) is created to read:

(1) TELECOMMUNICATIONS EQUIPMENT PURCHASE PROGRAM (TEPP).

SECTION 50. PSC 160.071(1)(a), (b), (c), (f) and (j) are amended to read:

(a) Vouchers shall be available to assist ~~disabled~~ customers with a disability who have special needs certification in the purchase of equipment needed ~~in their homes~~ to personally access and use essential services of the telecommunications network. Vouchers may not be used to purchase equipment which will be used exclusively for commercial purposes.

(b) Vouchers shall be limited to the following amounts by category of disability:

1. \$200 for hard of hearing.
2. ~~\$500~~ \$800 for deaf and severely hard of hearing.
3. ~~\$1,500~~ \$1,600 for speech impaired.
4. ~~\$1,500~~ \$1,600 for mobility impaired.
5. \$2,500 for deaf-low vision.
6. ~~\$6,700~~ \$7,200 for deaf-blind.

(c) ~~The A voucher recipient is 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 the equipment is purchased. Pursuant to par. (f), for low income customers the co-payment may be supplied by funding through the telecommunications assistance program (TAP).~~

(f) Applicants for vouchers under this section shall be Wisconsin residents. ~~Neither the applicant nor a member of the applicant's household may have received a voucher for equipment for the same disability within the last 3 years. An applicant may not receive a voucher for equipment for the same disability more than once every 3 years. An applicant may receive a voucher for equipment even if another person in the same household has also received a voucher.~~ Low-income Applications filed by low-income deaf and hard of hearing applicants-individuals shall be referred to the Wisconsin department of health and family services for application for telecommunications assistance program (TAP) funding to provide any customer co-payment required under par. (c). If found eligible, an alternative voucher may be issued to include that

program's funding. If found ineligible, a voucher application shall be processed in priority according to its original date of receipt by the fund administrator.

(j) Vendors may redeem vouchers, submitted with an invoice, from the universal service fund administrator. Reimbursement may not exceed the total purchase price of the equipment with tax less, where applicable, a customer co-payment of \$ 100.

SECTION 51. PSC 160.071(1)(k) to (n) are created to read:

(k) The commission may impose reasonable limits on the types and quantities of devices that may be purchased with one voucher.

(L) The fund administrator shall maintain lists of the types and quantities of equipment eligible for purchase with a single voucher in each category under par. (b). Revisions to the list shall be done periodically by the fund administrator in consultation with the commission staff and representatives selected by the universal service fund council. Input regarding revisions may be solicited from vendors, representatives of interested groups serving the disabled and others, as appropriate.

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

(n) Objections to items included on or excluded from the eligible equipment lists and determinations regarding individual exceptions shall be handled as informal complaints. The commission staff shall review the objection and issue a letter addressing it. Such decisions may be appealed to the commission.

SECTION 52. PSC 160.071(2)(title), (3)(title) are created to read:

(2) EQUIPMENT LEASE RATES.

(3) DISCOUNTED LONG DISTANCE SERVICE.

SECTION 53. PSC 160.071(3) is amended to read:

(3) Certified hearing impaired customers and certified speech impaired customers who need to use a teletypewriter for telephonic conversations shall receive discounted long distance service. For these customers, all telecommunications providers offering long distance services shall, at a minimum, apply their evening or off-peak discounts or rate schedules in the daytime or peak rate period and their ~~night or weekend~~ or off-peak discounts or rate schedules in all other rate periods.

Note: Providers are encouraged to provide these customers with rates that are even lower than the minimums established in this subsection.

SECTION 54. PSC 160.071(4)(title), (5)(title), and (6)(title) are created to read:

- (4) DIRECTORY ASSISTANCE CHARGES.
- (5) OPERATOR ASSISTANCE CHARGES.
- (6) CUSTOM CALLING SERVICE CHARGES.

SECTION 55. PSC 160.071(6) shall be renumbered 160.071(6)(a).

SECTION 56. PSC 160.071(6)(b) shall be created to read:

(b) Hearing impaired customers who are able and choose to use 2 line voice carryover shall not be charged any intrastate nonrecurring charge or monthly rate for the second line. The local exchange service provider shall receive reimbursement from the universal service fund for the amount waived.

SECTION 57. PSC 160.073 is created to read:

PSC 160.073 Public interest pay telephones. (1) The commission shall assure provision of a pay telephone where it determines that the public health, safety, and welfare is jeopardized without the telephone yet insufficient demand, usage or other public or private funds are available to assure its installation and its continued operation. Pay telephones so designated are considered public interest pay telephones.

(2) A request for designation of a pay telephone as a public interest pay telephone may be made by a pay telephone service provider or any other person. The commission staff shall review the request and issue a letter to the requester granting or denying the request. Such decisions may be appealed to the commission.

(3) A public interest pay telephone:

(a) Shall fulfill a public policy objective in health, safety or public welfare. For pay telephones in certain locations, where the telephone does not otherwise exceed the revenue limitations set forth in sub. (4)(a), designation shall be presumed to fulfill such a public policy objective. These locations are: public schools (K-12), public libraries, town halls, public parks, public pools, public museums, public boat landings, public waysides and locations provided under s. PSC 165.088.

(b) May not be a pay telephone that is or will be provided under a contract or agreement for multiple pay telephones, or that should be included in such a contract or agreement but is not.

(c) May not be a pay telephone that would otherwise exist as a result of the operation of the competitive marketplace.

(4) While the determination of whether to designate a pay telephone as a public interest pay telephone does not depend on the presence or absence of any one or more of the following items, these items shall be considered, in addition to other considerations that may be relevant, in determining whether to make such a designation. Items favoring designation include:

(a) The average actual or projected monthly revenue from the pay telephone is \$90 or less, or \$120 or less if the pay telephone has a TTY device.

(b) The pay telephone is outside or otherwise available to the public 24 hours per day.

(c) The pay telephone is physically and geographically accessible to the general public during the operating hours of any facility in which it is located.

(d) There is no other pay telephone located within 500 feet.

(e) The pay telephone allows coin calls.

(f) The person on whose property the pay telephone is located will receive neither revenues generated from the telephone nor compensation from another source related to the placement of the telephone.

(5) The pay telephone service provider shall be reimbursed the costs and charges for equipment, provision of basic service, maintenance and servicing, and administrative operations such as collection and accounting for a public interest pay telephone. The state universal service fund shall only cover the costs and charges not covered by a federal universal service program and revenues from the pay telephone.

(6) The public interest pay telephone designation of each telephone so designated shall be reviewed by the commission annually in the quarter during which the designation was originally granted. For purposes of this review, the commission may delegate initial screening or review of the qualification of facilities carrying the public interest pay telephone designation to a private organization or organizations.

(7) A pay telephone provider that is providing a public interest pay telephone shall meet the following service quality related requirements as to that telephone:

(a) The telephone shall be in compliance with all state and federal laws and regulations regarding the provision of pay telephone service.

(b) The telephone shall be kept in good working condition. Service and repairs shall be made within a reasonable time period after receiving a request for service. Preventive maintenance shall be performed on a reasonable and routine basis.

(c) Monthly records for all repair service, preventive maintenance and coin collection shall be kept for one year and shall be made available to the commission on request.

SECTION 58. PSC 160.075(3) is amended to read:

(3) ~~Pay~~ All pay telephone service providers and ~~local exchange service providers~~ are responsible for compliance with all federal and state standards regarding usability of their pay telephones ~~for~~ by individuals with disabilities.

SECTION 59. PSC 160.075(5) is created to read:

(5) Information on how to report non-compliance or any other complaint under sub. (3) to the commission shall be posted at or on each pay telephone unit or bank of units.

SECTION 60. PSC 160.08 is amended to read:

PSC 160.08 Telecommunications customer assistance program. The commission may authorize individual telecommunications providers to establish ~~trial~~ telecommunications customer assistance programs that meet authorized goals and objectives for increasing or stabilizing subscription levels for non-optional, essential telephone service within its service territory or to address avoidance of disconnection or limitation of service to low-income households with payment problems. Such programs may allow a provider to not make available certain essential services, as defined in s. PSC 160.03(2), in order to preserve at least minimal telephone service to certain low-income households with payment problems. The commission shall determine on a case-by-case basis whether or not a telecommunications customer assistance program may receive universal service fund monies.

SECTION 61. PSC 160.09(1) is amended to read:

(1) ~~High~~ A local exchange service provider that is an eligible telecommunications carrier under s. PSC 160.13 shall provide high rate assistance credits to residential customers for a portion of the local service rate shall be issued to residential customers when the rate charged for service price of service exceeds levels set in this section. Local exchange service providers issuing credits in accordance with this section shall be eligible for reimbursement from the universal service fund for the cost of those credits.

SECTION 62. PSC 160.09(2)(a) and (b) are repealed.

SECTION 63. PSC 160.09(2)(c) is renumbered 160.09(2) and amended to read:

(2) If Credits shall be applied to the price of service as specified in sub. (3), except that if a local exchange service provider charges a single rate covering the local access line basic local exchange service and other telecommunications or related services, the commission may

determine, by order, and after opportunity for hearing, the portion of such bundled rates to which rate assistance credits apply.

SECTION 64. PSC 160.09(3)(intro.) is renumbered 160.09(4)(intro.).

SECTION 65. PSC 160.09(3)(a) to (e) are renumbered 160.09(4)(a) to (e) and amended to read:

(a) For the portion of the ~~local access line charge price of service~~ below 0.75-1.5% of median household income, per month, for the area in which the rate applies, no ~~rate~~ credits apply.

(b) For the portion of the ~~local access line charge price of service~~ equal to or above 0.75-1.5% but below ~~1.0~~ 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 ~~75~~ 50% of that amount.

(c) For the portion of the ~~local access line charge price of service~~ equal to or above 1.0-2.0% but below ~~1.25~~ 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 ~~80~~ 75% of that amount.

(d) For the portion of the ~~local access line charge price of service~~ equal to or above 1.25-2.5% but below ~~1.50~~ 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 ~~local access line charge price of service~~ equal to or above 1.50-3% but below ~~2.00%~~ 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 ~~90~~ 95% of that amount.

SECTION 66. PSC 160.09(3)(f) is repealed.

SECTION 67. PSC 160.09(3)(g) is renumbered 160.09(4)(f) and amended to read:

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

SECTION 68. PSC 160.09(3)(h) is repealed.

SECTION 69. PSC 160.09(3)(i) is renumbered 160.09(4)(g).

SECTION 70. PSC 160.09(3) is created to read:

(3) For purposes of calculating credits under this section, the price of service shall include the following:

- (a) The fixed monthly charge for essential telecommunications service, as defined in s. PSC 160.03;
- (b) The federal communications commission end user common line charge; and
- (c) Usage charges, if any, based on the size of the local calling area, excluding extended community calling territory, as follows: [See Figure 160.09(3)(c) following]

SECTION 71. Figure PSC 160.09(3)(c) is created to read:

Figure 160.09(3)(c):		
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. 160.09(3)(c) 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, plus Price of 1 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, plus Price of 1 minute of extended community calling times 90 minutes, plus The average price of 1 minute of intrastate toll service, as periodically calculated by the commission, times 30 minutes. If a provider does not have extended community calling in the exchange, the above 360 minutes of local calling should be changed to 450 minutes.

Less than 5,000	At least 50,000	Per minute or calculated charges for 240 minutes of local calling, plus Price of 1 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, plus Price of 1 minute of extended community calling times 120 minutes, plus The average price of 1 minute of intrastate toll service, as periodically calculated by the commission, times 120 minutes. If a provider does not have extended community calling in the exchange, the above 240 minutes of local calling should be changed to 360 minutes.

SECTION 72. PSC 160.09(4) is renumbered 160.09(5) and amended to read:

(5) Each Except as provided in sub. (9), each local exchange service provider shall be reimbursed by the universal service fund for the value of the credits it issues, provided that it qualifies under s. PSC 160.091.

SECTION 73. PSC 160.09(5) is renumbered 160.09(6).

SECTION 74. PSC 160.09(6) is repealed.

SECTION 75. PSC 160.09(8) and (9) are amended to read:

(8) Telecommunications utilities with rate ceiling programs in place on May 1, 1996 may continue those programs until rates subject to those programs are changed, unless the Commission ~~commission~~ authorizes an extension of the rate ceiling program. ~~The universal service fund shall reimburse telecommunications utilities for these programs for services provided beginning on January 1, 1996.~~

(9) ~~Customers receiving high rate assistance credits may not be provided essential telecommunications service under contract~~ Local exchange service providers shall not be

reimbursed by the universal service fund for the value of credits issued to customers receiving essential telecommunications service under a contract if the contract has a duration of greater than one year. The commission may grant waivers of this subsection by order. This subsection does not apply to rural line extension contracts entered into before January 1, 1996.

SECTION 76. PSC 160.091 is repealed and recreated to read:

PSC 160.091 Qualifications for providers receiving universal service funding for high rate assistance credits. A local exchange service provider receiving reimbursement for high rate assistance credits under s. PSC 160.09 shall:

- (1) Provide service that meets the minimum requirements of s. PSC 160.03 and any applicable quality of service administrative rules established by or orders issued by the commission;
- (2) Be designated by the commission as an eligible telecommunications carrier under s. PSC 160.13 for the area in which it seeks reimbursement;
and
- (3) Show that it has applied any money it receives from the federal high cost program, to the extent permitted under federal communications commission regulations, to the rates for which it is issuing credits, and not to other services or to ineligible customers.

SECTION 77. PSC 160.10(5) is repealed.

SECTION 78. PSC 160.11(1m) is created to read:

(1m) Only institutions that were granted support funding through rate discounts for up to 3 years under this section and were receiving such discounts as of October 29, 1999 are eligible for continued discounts under this section. Such institutions are eligible to continue to receive discounts for the remainder of the 3 year period for which they were granted support.

SECTION 79. PSC 160.115 is created to read:

PSC 160.115 Medical Telecommunications Equipment Program.

- (1) For purposes of this section:
 - (a) "Initial application" means an application for universal service fund support under this section that is the first such application filed by the applicant during a state fiscal year.
 - (b) "Non-profit medical clinic" includes any clinic that:
 1. Is a non-profit organization governed by a board of directors,
 2. Serves federally designated health professional shortage areas as defined in 42 USC 254e(a)(1), medically underserved areas, or medically underserved populations, and

3. Does one or both of the following:
 - a. Provides services to all patients regardless of insurance status.
 - b. Uses a sliding fee scale for uninsured patients based on income status.

(c) "Public health agency" includes the department of health and family services, any local health department as defined in s. 250.01(4), Stats., and any health care facility or program operated by a tribe or tribal organization under the Indian Self-Determination Act (25 USC 450f et seq.)

(2) Funding may be available to non-profit medical clinics and public health agencies for the purchase of telecommunications equipment for any of the following purposes:

- (a) To promote technologically advanced medical services.
- (b) To enhance access to medical care in rural or underserved areas of the state, or both.
- (c) To enhance access to medical care by underserved populations or persons with disabilities in the state, or both.

(3) A maximum of \$500,000 in universal service fund support may be dispersed under this section per state fiscal year.

(4) (a) An application for universal service fund support under this section may not involve dispersement of support during multiple state fiscal years.

(b) All applications shall become public documents upon filing.

(5) Applications shall include all of the following:

(a) A description of the telecommunications equipment for which universal service fund support is requested.

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

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

(d) A description of how the portion of the purchase price not covered by universal service fund support, if any, will be paid for.

(e) A description of the steps taken to secure the telecommunications equipment at reasonable prices.

(f) A statement certifying that the universal service fund support will be used for the purpose granted.

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

(6)(a) The commission shall evaluate all applications submitted under this section. Provided that funds remain for this purpose, the commission may approve 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 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 agency or organization during the state fiscal year and the total amount remaining available to be dispersed under this section during the fiscal year. Preference may be given to initial applications filed by a public health agency or non-profit medical clinic.

(c) The commission may convene a panel of experts to assist in the evaluation of applications submitted under this section.

SECTION 80. PSC 160.125(title) is created to read:

PSC 160.125 Funding to promote access to telecommunications services.

SECTION 81. PSC 160.125(1)(c) is created to read:

(c) A qualifying agency or authority administering or providing voice-mail service to homeless clients may request reimbursement for its costs directly attributable to administering and providing the voice-mail boxes for the benefit of its homeless clients.

SECTION 82. PSC 160.125(2) is created to read:

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

Note: As of November 1999, s. 196.218(5)(a)1. and 2., Stats., reads:

(5) Uses of the fund. (a) The commission shall require that moneys in the universal service fund be used only for any of the following purposes:

1. To assist customers located in areas of this state that have relatively high costs of telecommunications services, low-income customers and disabled customers in obtaining affordable access to a basic set of essential telecommunications services.
2. To assist in the deployment of advanced service capabilities of a modern telecommunications infrastructure throughout this state.

(b) Any non-profit group may apply for universal service funding to fund any portion of a program or project or both. Funding shall be provided on a state fiscal year basis. Applications for funding in the following fiscal year shall be submitted by November 15th. The commission shall issue a list of approved programs or projects, or both, by April 15th, with funding for those programs or projects, or both, to begin that July 1st. All applications shall become public documents upon filing.

(c) Applications shall include:

1. A description of a public need which is not being met at present;
2. A description of how the program or project is consistent with the purposes identified in s. 196.218(5)(a)1. and 2., Stats.
3. A description of the program or project proposed, including a description of how the public need described in subd. 1. may be met through affordable access to telecommunications or information services;
4. A showing that the proposed program or project meets the described public need in a least cost manner. This requirement can be met by showing that the applicant carried out an appropriate request for proposals.
5. Identification of the providers of each portion of the telecommunications services or equipment and a specific description of the following components of the program or project:
 - a. The costs of telecommunications services and telecommunications equipment used by the program or project;
 - b. The cost of training for those who are served by the program or project so that they can utilize the services;
 - c. The administrative costs directly attributable to the program or project;
 - d. The cost of technical expertise required to complete the program or project; and
 - e. Revenue from services or training described in subd. 5.b.

(d) The commission shall evaluate all applications submitted. In evaluating the applications the commission shall consider information including, but not limited to, the following:

1. The basis of the public need to be met;
2. The extent to which other programs or projects, either funded under this section or otherwise under this chapter, meet that need; and
3. The overall cost of the proposed program or project.

(e) The universal service fund shall reimburse applicants for up to 50% of the cost of reimbursable portions of the program or project, or both. The reimbursable costs include those listed in par. (c)5.a. to d.

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

SECTION 83. PSC 160.13 is repealed and recreated to read:

PSC 160.13 Designation of eligible telecommunication carriers. (1) The commission may designate a telecommunications provider as an eligible telecommunications carrier. Such a provider is eligible to receive universal service funding under both applicable federal and state universal service programs for an area, if it meets all of the following requirements:

(a) Holds itself ready to offer service to all customers in the area, except that those customers with a demonstrated inability to pay for service may be denied service in accordance with ss. PSC 165.051 and 165.052.

(b) Advertises its service in the area on a regular basis, with such advertisements:

1. Disseminated in media of general distribution in the area, at least 2 times per year;
2. Describing the services offered; and
3. Describing the affordability of the services, including the availability of discounts for low income customers.

(c) Makes available lifeline and link-up service, as defined in ss. PSC 160.061 and 160.062.

(d) Offers, at a minimum, all portions of essential telecommunications service, as defined in s. PSC 160.03. For purposes of this subsection "essential services" includes public interest pay telephone service pursuant to s. PSC 160.073, pay telephones specified by s. PSC 165.088, and pay telephone interconnection service subject to federal communications commission orders, commission orders and ch. PSC 169.

(2) The area in which a provider shall be designated as an eligible telecommunications carrier shall be:

(a) For an area that is served by an incumbent local exchange service provider that is not a rural telephone company, the incumbent local exchange service provider's wire center, unless the commission designates a smaller area.

(b) For an area that is served by an incumbent local exchange service provider that is a rural telephone company, the service territory comprised of one or more of the incumbent local exchange service provider's wire centers, unless the commission designates, and the federal communications commission approves, a smaller area.

(3) For an area served by an incumbent local exchange service provider that is a rural telephone company, the commission may only designate an additional eligible telecommunications carrier after finding that the public interest requires multiple eligible telecommunications carriers, pursuant to federal law and s. 196.50(2), Stats. For an area served by an incumbent local exchange service provider that is not a rural telephone company, the commission may designate an additional eligible telecommunications carrier without making such a finding.

(4) The commission shall maintain a list of the eligible telecommunications carriers for all areas of the state.

(5)(a) An eligible telecommunications carrier may relinquish its designation as such for an area by notifying the commission and the administrators of both the state and federal universal service funds, in writing, of its intention.

(b) If at least one other eligible telecommunications carrier is designated for that area, the relinquishing carrier shall be relieved of eligible telecommunications carrier status for that area 2 weeks after receipt by the commission of the letter, and without commission action.

(c) If no other eligible telecommunication carrier is designated for that area, the relinquishing carrier shall remain as eligible telecommunications carrier for that area until the commission designates an alternative eligible telecommunications carrier. In such a case, the commission shall notify the relinquishing carrier, and the administrators of the state and federal funds, that eligible telecommunications carrier status is still in effect. The commission may use a process similar to that described in s. PSC 160.14(3) to (6) to designate a new eligible telecommunications carrier for an area for which the only existing eligible telecommunications carrier is seeking to relinquish that status.

(d) A provider may continue to provide services in an area for which it has relinquished eligible telecommunications carrier status, but may not continue to receive high cost assistance funding. If a provider seeks to abandon facilities or discontinue any service, it shall notify affected customers and follow any abandonment or discontinuance procedures established by the commission.

SECTION 84. PSC 160.14(1), (2)(a), (b) and (c)3. are amended to read:

(1) The intralata toll ~~service~~ provider of last resort for an exchange shall be the designated ~~telecommunications utility~~ intralata toll provider for that exchange until intralata 1+ presubscription service is available in that exchange or until the commission orders otherwise under sub. (7). For purposes of this section, "provider of last resort" means the intralata toll service provider of last resort.

(2)(a) When intralata 1+ presubscription service is available in an exchange, the designated ~~telecommunications utility~~ intralata toll provider may petition the commission for withdrawal of its ~~toll~~ provider of last resort requirements for that exchange.

(b) The petition shall be filed in writing with the commission, ~~and the~~. Except as provided in par. (d), petitioner retains intralata toll service provider of last resort responsibilities until a new provider of last resort is designated, or for a period of 12 months, whichever is shorter.

(c) 3. If a new ~~intralata toll service~~ provider of last resort is designated, all customers may be switched to that provider's service, although they may choose to obtain service from any other intralata toll service provider in the area after reassignment of the ~~toll service~~ provider of last resort requirement.

SECTION 85. PSC 160.14(2)(d) is created to read:

(d) If intralata 1+ presubscription service has been in effect in an exchange for at least one year, and if the designated telecommunications utility toll provider has less than 50% of all presubscribed residential access lines in that exchange, then the commission may lift the provider of last resort requirement for that exchange. If future circumstances so require, the commission may designate a new provider of last resort pursuant to sub. (3).

SECTION 86. PSC 160.14(3), (4), (5)(a), (b),(d), (6) and (7) are amended to read:

(3) If a petition under sub. (2) is filed, the commission shall issue a notice requesting applications from all telecommunications providers interested in becoming the ~~intralata toll service~~ provider of last resort for that exchange. The provider seeking to abandon provider of last resort requirements for that exchange may not file an application to become the new provider of last resort once again.

(4) If only one telecommunications provider responds to the request for applications, that provider becomes the provider of last resort, effective in 90 days. All customers shall be notified of the proposed change at least 60 days prior to the effective date. The notice shall include a telephone number which they may use to designate their intralata toll service provider. On the effective date, all customers who do not designate an intralata toll service provider shall be presubscribed to the new intralata toll service provider of last resort.

(5)(a) If more than one telecommunications provider applies to become the intralata toll service provider of last resort, the local exchange service provider at that exchange shall ballot customers on their choice of intralata toll service provider.

(b) Only those telecommunications providers that file applications to be the intralata toll service provider of last resort for the exchange may appear on the ballot, although customers may "write-in" another telecommunications provider if desired.

(d) All telecommunications providers appearing on the ballot shall be the intralata toll service providers of last resort for at least one year. After that date, these providers may notify the commission that they wish to be relieved of provider of last resort responsibility. When the last toll service provider of last resort files to exit the market, the process described in this section recommences.

(6) If no toll providers apply to be intralata toll service provider of last resort for an exchange, the commission shall hold an auction of the provider of last resort responsibility. The commission may authorize compensation from the universal service fund for the provider of last resort selected by the auction.

(7) If the intralata toll provider of last resort for an exchange files a petition for withdrawal of its intralata toll provider of last resort requirements at an exchange where intralata 1+ presubscription is not available, the commission may investigate that petition and order that the provider of last resort obligation be withdrawn for that provider subject to conditions, notice requirements and balloting procedures the commission deems necessary and reasonable for the service change at that exchange. Those conditions, requirements and procedures shall be as designated in this section to the extent the commission determines they are applicable.

SECTION 87. PSC 160.14(8) is created to read:

(8) A provider of last resort may not sell or dispose of any intralata toll customer to another provider, except at the express request of the customer.

SECTION 88. PSC 160.15 is amended to read:

PSC 160.15 Identification of charges caused by universal service funding liability.

Telecommunications providers may not establish a surcharge ~~or separately identify~~ on customer bills, ~~any amounts for recovering, or contributing to, or recovering any portion of the providers'~~ payment of universal service fund obligations.

SECTION 89. PSC 160.16 (3) to (5) are repealed.

SECTION 90. PSC 160.16(6) is renumbered 160.16(3).

SECTION 91. PSC 160.18(1)(intro.) is renumbered 160.18(1) and amended to read:

(1) Each assessed provider shall pay the amount of its assessment to the universal service fund. ~~Providers are liable for assessments beginning January 1, 1996.~~ Assessed providers include all telecommunications providers operating within Wisconsin, with the following exceptions: except those with intrastate gross telecommunications revenues of less than \$200,000 during the preceding calendar year.

SECTION 92. PSC 160.18(1)(a) and (b) are repealed.

SECTION 93. PSC 160.18(9) is renumbered 160.18(9)(a) and amended to read:

(a) Assessments shall be paid within 30 days after the bill is mailed. A telecommunications provider that has not paid within ~~45~~ 30 days ~~of receiving a~~ after the bill is mailed shall be deemed to have not paid under s. 196.218(8), Stats. Assessments not paid within 30 days after the bill is mailed shall be collected using the process described in s. 196.85(3), Stats.

SECTION 94. PSC 160.18(9)(b) is created to read:

(b) Objection to an assessment amount shall be made within 30 days after the bill is mailed. The making of the objection and commission action regarding that objection shall follow the process described in s. 196.85(4), Stats.

SECTION 95. PSC 160.18(10) is created to read:

(10) The commission shall obtain the information necessary to process the assessment of commercial mobile radio service providers and shall mail bills to such providers within 90 days of the effective date of this rule....[revisor inserts date]. These bills will include assessments back to the effective date of this rule....[revisor inserts date].

SECTION 96. PSC 160.181 is created to read:

PSC 160.181 Use audit. Recipients of universal service fund monies may be audited by the commission to ensure that the funding was applied for and used appropriately.

SECTION 97. PSC 160.19(4)(a) and (5) are amended to read:

(a) ~~Terms of universal service fund council members initially appointed by the commission are effective through December 31, 1995. After December 31, 1995, universal~~ Universal service fund council members shall be appointed to staggered three-year terms.

~~Note: For terms beginning on January 1, 1996, the commission will appoint some universal service fund council members to a one year term, others to a 2 year term and the remaining members to a 3 year term.~~

(5) ~~The commission shall appoint a chairperson for the universal service fund council who shall serve in that capacity through December 31, 1995. Thereafter, the~~ The universal service fund council shall elect a chairperson and a vice-chairperson from its membership, not including the commission staff liaison. The term of office for these positions shall be one year. Elections may be held at the first meeting of each calendar year ~~commencing after December 31, 1995~~, or may be conducted by mail prior to the first meeting of each calendar year.

The rule shall take effect on the first day of the month following publication in the Wisconsin administrative register as provided in s. 227.22(2)(intro.), Stats., except :

Subdivision 160.03(2)(a)14. shall become effective 6 months after the effective date of this rule....[revisor inserts date].

BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

Biennial Review of Universal Service Fund Rules in
Wis. Admin. Code Ch. PSC 160

1-AC-166

FINAL ORDER ADOPTING RULES

The Public Service Commission of Wisconsin (Commission) proposes an order to repeal PSC 160.03(2)(c), 160.031(3), 160.06(5)(b), 160.062(2)(b) and (3), 160.09(2)(a), (b), (3)(f), (h), and (6), 160.10(5), 160.16(3) to (5), and 160.18(1)(a) and (b); to renumber PSC 160.02(1) and (9), 160.03(2)(d), 160.06(5)(a), 160.062(5), 160.063(title), (3) and (4), 160.071(6), 160.09(3)(intro.), (i), and (5), 160.16(6); to renumber and amend PSC 160.02(4), 160.035(3), 160.06(1), 160.062(2)(a), (4), and (6), 160.063(1) and (2), 160.09(2)(c), (3)(a) to (e), (g), and (4), and 160.18(1)(intro.); to amend PSC 160.01(2)(a) and (5), 160.02(7), 160.02(8)(a) and (e), 160.03(2)(a)7., 8., 9., 10., and 14., 160.035(1)(c), 160.04(1), 160.05(intro.), (1)(c), (d), (i) and (2), 160.06(3) and (4), 160.061(1) and (6), 160.062(title) and (1), 160.071(1)(a), (b), (c), (f), (j), and (3), 160.075(3), 160.08, 160.09(1), (8) and (9), 160.14(1), (2)(a), (b), (c)3., (3), (4), (5)(a), (b), (d), (6), and (7), 160.15, 160.18(9), and 160.19(4)(a) and (5); to repeal and recreate PSC 160.091 and 160.13; and to create PSC 160.02(1g), (4g), (8)(g), (h), and (9) to (12), 160.035(3)(b), 160.05(1)(k) to (r), and (5) to (7), 160.06(1)(a) to (c), 160.062(2)(a) and (c), (6) and (7), 160.063, 160.071(1)(title), (k) to (n), (2)(title), (3)(title), (4)(title), (5)(title), and (6)(title), 160.071(6)(b), 160.073, 160.075(5), 160.09(3), Figure 160.09(3)(c), 160.11(1m), 160.115, 160.125(title), (1)(c) and (2), 160.14(2)(d) and (8), 160.18(9)(b), 160.18(10) and 160.181 relating to the provision of universal telecommunications service and administration of the universal service fund.

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

A plain language analysis of the proposed rules is set forth as Attachment A hereto.

TEXT OF PROPOSED RULES

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

FINAL REGULATORY FLEXIBILITY ANALYSIS

Existing universal service fund 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. The 78 small telecommunications utilities, like other telecommunications providers (both large and small), have obligations under the universal service fund, including an obligation for payments to the universal service fund.

The rule changes proposed in this proceeding could have the effect of changing the amount of the assessments to providers for the universal service fund. Some of these changes may increase the amount of funding needed, while others may decrease the amount paid by any given provider. Other changes may impact the amounts that certain providers may recover from the fund. The net effect of these changes is uncertain, although one area where impact is almost certain to be felt is among wireless providers. Under these rules, the assessment exemption for wireless providers is eliminated.

Many of the changes in this proposed rule are clarifications and updates that do not change existing procedures. Others do not change requirements, such as participation in certain programs, but only change the calculations used by participants. Others impose requirements on those who choose to apply to become eligible for certain federal and state universal service fund monies. Many of these are based on federal requirements related to federal universal service fund support eligibility. Other provisions of these proposed rules should have no direct impact on small businesses.

The Commission already has established, in s. PSC 160.18, an exemption from fund assessments to protect entry by and continued operation of small telecommunications providers as directed by statutory objectives. There are no new reporting or bookkeeping requirements imposed under these proposed rules for any business other than wireless carriers. Federal Communications Commission orders concerning universal service require that states apply universal service measures in a manner that does not favor one segment of the industry over another, with limited exceptions. This limits the Commission's ability to treat providers that are small businesses differently than other providers.

The agency has considered the methods in s. 227.114(2), Stats., for reducing the impact of the rules on small businesses. Other than the provisions for exemption from assessments for small providers noted above, these methods do not appear to be necessary, appropriate, or consistent with statutory objectives.

Dated at Madison, Wisconsin, _____

By the Commission:

Lynda L. Dorr
Secretary to the Commission



Public Service Commission of Wisconsin

Ave M. Bie, Chairperson
Joseph P. Mettner, Commissioner
John H. Farrow, Commissioner

610 North Whitney Way
P.O. Box 7854
Madison, WI 53707-7854

Mr. Gary Poulson, Deputy Revisor
Revisor of Statutes Bureau
131 West Wilson Street, Suite 800
Madison, WI 53703-3233

RE: Biennial Review of Universal Service Fund Rules in
Wis. Admin. Code Ch. PSC 160

1-AC-166

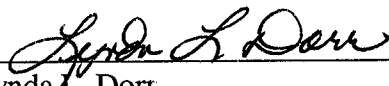
Dear Mr. Poulson:

Enclosed please find two copies (one certified) of the Final Order of the Public Service Commission Adopting Rules in the above-entitled matter. Commission staff will also send you the rules via e-mail.

The rules have been seen by legislative committees.

Dated at Madison, Wisconsin, March 10, 2000

By the Commission:


Lynda L. Dorr
Secretary to the Commission

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Enclosures

cc: Records Management, MFC

