

SECTION 10. PSC 160.03(2)(c) is amended to read:

(c) Public interest pay telephone service pursuant to s. PSC 160.073, as pay telephones specified by s. PSC 165.088, ~~semi-public pay telephone service and private pay telephone service~~ and pay telephone interconnection service subject to federal communications commission orders, commission orders and ch. PSC 169.

SECTION 11. PSC 160.031(3) shall be amended to read:

(3) Local exchange service providers unable to meet the data transmission capability requirement in sub. (1), shall notify the commission in writing by May 1, 1996. These local exchange service providers shall achieve compliance with this requirement under an implementation schedule to be set by the commission.

SECTION 12. 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 13. 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, is not priced comparably to the same service when that service is provided in an urban area, 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 14. PSC 160.035(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,

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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 15. 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 16. PSC 160.04(5) and 160.04(6) are repealed.

SECTION 17. 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 18. 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 vouchers, as specified in s. PSC 160.071(1).

SECTION 19. PSC 160.05(1)(k) and (L) are created to read:

(k) Funding for programs or projects approved under s. PSC 160.125(2).

(L) Other programs, as they are approved by the commission on an emergency basis.

SECTION 20. PSC 160.06(1), (3) and (4) are 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 or a member of the client's household whose income qualifies the client in the records of the Wisconsin department of ~~health and social services~~ workforce development, or to be a recipient of the Wisconsin homestead tax credit ~~in the past year 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. Eligibility verifications shall be done through timely queries of the applicable databases of the Wisconsin department of ~~health and social services~~ workforce development or the Wisconsin department of revenue.

(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 initial contacts with customers subject to disconnection or needing 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 for database queries necessary for eligibility verification. Customers shall complete and remit any reasonably required query authorization forms or forfeit eligibility.

SECTION 21. PSC 160.06(5)(a) is renumbered PSC 160.06(5).

SECTION 22. PSC 160.06(5)(b) is repealed.

SECTION 23. 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 regulated service 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 network access service 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 may receive reimbursement from the universal service fund for ~~25~~ 50% of the waived nonrecurring charges.

SECTION 24. 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 lifeline rates to all qualified low-income customers.

SECTION 25. 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 rate shall be \$15.

SECTION 26. PSC 160.062(2)(a) is created to read:

(a) The lifeline 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 27. PSC 160.062(2)(b) is repealed.

SECTION 28. 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 29. PSC 160.062(3) is repealed.

SECTION 30. PSC 160.062(4) is renumbered 160.062(3) and amended and read:

(3) Lifeline rates may appear as a credit against the full standard tariffed rate on customers' bills or as a special rate designation. ~~Credits~~ 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. 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 precedes the last bill date prior to application, credit shall also be given for one month's prior bill.

SECTION 31. PSC 160.062(5) is renumbered 160.062(4).

SECTION 32. 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 ~~25~~100% 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 33. 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 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 may impose toll blocking on lifeline customers.

SECTION 34. PSC 160.063(title) is renumbered PSC 160.125(1)(title).

SECTION 35. 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. A qualifying agency or authority may be compensated for direct provision of voice-mail service to its homeless clients.~~

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

SECTION 37. 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 6 projects with at least one project focused statewide and one project focused on the Milwaukee area.

(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 enactment of this subsection. The cost of this evaluation shall not exceed \$25,000.

SECTION 38. PSC 160.071(title) is created to read:

(1) TELECOMMUNICATIONS EQUIPMENT PURCHASE PROGRAM.

SECTION 39. PSC 160.071(1)(a), (b), (c) and (f) 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 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 ~~\$ 1,600~~ 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.

(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. ~~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 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.

SECTION 40. 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 administrator shall maintain lists of the types and quantities of equipment eligible for purchase with a single voucher under each category. Revisions to the list shall be done periodically by the 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 these eligible equipment lists may be granted by the administrator only following consultation with commission staff.

(n) Objections to items included on or excluded from the eligible equipment lists and determinations regarding individual exceptions will be handled as informal complaints.

SECTION 41. PSC 160.071(2)(title), (3)(title) shall be created to read:

(2) EQUIPMENT LEASE RATES.

(3) DISCOUNTED LONG DISTANCE SERVICE.

SECTION 42. 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. Providers are encouraged to provide these customers with rates that are even lower than the minimums established in this subsection.

SECTION 43. PSC 160.071(4)(title), (5)(title), and (6)(title) shall be created to read:

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

SECTION 44. PSC 160.071(6) shall be amended to read:

(6) Customers with certified disabilities who deem one or more custom calling services essential in order to receive service that is useful and comparable to the essential service provided to other customers shall receive those services without charge. In addition, hearing impaired customers who are able and choose to use 2 line voice carryover shall not be charged for the second line.

SECTION 45. 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 person. Such requests shall be handled on an informal basis.

(3) All of the items in pars. (a) and (b) shall be considered in determining whether to designate a pay telephone as a public interest pay telephone, but the determination does not depend on the presence or absence of any one or more items.

(a) Items favoring designation:

1. Designation fulfills a public policy objective in health, safety, or public welfare.

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2. The actual or projected revenue from the pay telephone is a minimum of \$30 per month and a maximum of \$90 per month on an annual basis.

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

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

(b) Items disfavoring designation:

1. Designation is provided for a location provider with an existing contract for the provision of a pay telephone.

2. The applicant for the public interest pay telephone has a signed contract with a pay telephone provider.

3. The pay telephone would otherwise exist as a result of the operation of the competitive market.

4. There is another pay telephone located within 500 feet.

5. The pay telephone is a coinless type.

6. The location provider on whose property the phone is located will receive compensation from another source related to the placement of the pay telephone or revenues generated from the pay telephone.

(4) The charges for provision of basic service and equipment for a public interest pay telephone shall be eligible for recovery from the federal and state universal service funds. The state universal service fund shall only cover the costs not covered by the federal fund.

SECTION 46. PSC 160.075(3) is amended to read:

(3) ~~Pay All~~ 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 individuals with disabilities.

SECTION 47. PSC 160.075(5) is created to read:

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

SECTION 48. 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. 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 49. PSC 160.09(1) is amended to read:

(1) High rate assistance ~~credits~~ for a portion of the price of local service rate shall be ~~issued~~ provided to residential customers when the ~~rate charged for service price~~ price exceeds levels set in this section. ~~Local~~ Except as provided in sub. (9), local exchange service providers issuing credits in accordance with this section shall be eligible for reimbursement from the universal service fund for the ~~cost~~ value of those credits, provided that they qualify under s. PSC 160.091.

SECTION 50. PSC 160.09(2)(a) and (b) are repealed.

SECTION 51. PSC 160.09(2)(c) is renumbered 160.09(2) and amended to read:

(2) If Credits shall be applied to the price of local 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 52. PSC 160.09(3)(a) to (e) are renumbered 160.09(4)(a) to (e) and amended to read:

(4) Local exchange service providers shall issue high rate assistance credits according to the following criteria:

(a) For the portion of the ~~local access line charge price~~ price of local 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~~ price of local 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~~ price of local 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~~ price of local 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 local 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 53. PSC 160.09(3)(f) is repealed.

SECTION 54. 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 55. PSC 160.09(3)(h) is repealed.

SECTION 56. PSC 160.09(3)(i) is renumbered 160.09(4)(g).

SECTION 57. PSC 160.09(3) is created to read:

(3) The price of local 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) following]

SECTION 58. 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 customers	Exchange's combined local calling and extended community calling area size as measured by number of customers	Usage charges includable in the 160.09(3)(c) calculation of the cost of local service
At least 50,000	(Not applicable)	Per minute or calculated charges for 480 minutes of local calling by that type of customer.
Less than 50,000 but at least 5,000	At least 50,000	Per minute or calculated charges for 360 minutes of local calling by that type of customer, 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 by that type of customer, plus Price of 1 minute of extended community calling times 90 minutes, plus The average price of 1 minute of toll service, as periodically calculated by the commission, times 30 minutes.
Less than 5,000	At least 50,000	Per minute or calculated charges for 240 minutes of local calling by that type of customer, 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 by that type of customer, plus Price of 1 minute of extended community calling times 120 minutes, plus The average price of 1 minute of toll service, as periodically calculated by the commission, times 120 minutes.

Note: As of October 1998, the average price of toll service is \$.12 per minute.

SECTION 59. 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 60. PSC 160.09(5) is renumbered 160.09(6).

SECTION 61. PSC 160.09(6) is repealed.

SECTION 62. 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 63. 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 other quality of service rules established by the commission;

(2) Be designated by the commission as an eligible telecommunications carrier for the area in which it seeks reimbursement;

(3) Be a contributory provider unless exempted from payment under s. PSC 160.18(1)(a); and

(4) Show that it has applied the money it receives from the federal high cost support fund, 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 64. PSC 160.10(5) is repealed.

SECTION 65. PSC 160.11(1)(a) and (3) are amended to read:

(1) Partial support funding through rate discounts is available for institutions ordering telecommunications services to be used to provide any of the following services:

(a) Two-way interactive video or audiographic services.

(3) Support funding is available only as partial payment for new services. ~~The amount of funding shall decrease year by year, as follows:~~ Funding is available for up to 3 years at a monthly discount of 20% of the monthly charge or \$200 per month, whichever is less.

SECTION 66. PSC 160.11(3m) is created to read:

(3m) Notwithstanding sub. (3), if an institution received support funding under this section for a new service at a 30% or \$300 discount level in the first year, and at a 20% or \$200 discount level in the second year, it shall only receive support funding for that new service for the third year at a 10% or \$100 discount level.

SECTION 67. PSC 160.11(3)(a) to (d) are repealed.

SECTION 68. PSC 160.11(7) is created to read:

(7) A school, library or library system receiving discounts under the federal schools and libraries universal service program in a given month may not receive state discounts under this section for the same service for that month.

SECTION 69. PSC 160.125(title) is created to read:

PSC 160.125 Funding to promote access to telecommunications services.

SECTION 70. 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 71. PSC 160.125(2) is created to read:

(2) ACCESS PROGRAMS OR PROJECTS BY NONPROFIT GROUPS. (a) Partial funding may be available to nonprofit 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. to 3., Stats.

Note: As of February 1999, s. 196.218(5)(a)1. to 3., 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.
3. To promote affordable access throughout this state to high-quality education, library and health care information services.

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

(c) Applications must 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. to 3., 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 using telecommunications or information services;
4. A showing that the proposed 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 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 will 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 will 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 will be determined by the commission. The commission will seek comments on the programs or projects to be funded, but will not hold a hearing. A maximum of \$500,000 in funding will be dispersed under this subsection per calendar year.

SECTION 72. PSC 160.13 is repealed and recreated to read:

PSC 160.13 Designation of eligible telecommunication carriers. (1) A company shall be deemed eligible to receive intrastate and interstate universal service funding under the federal high cost program and applicable state programs for an area if it meets 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; and

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

1. Disseminated in the mass media expected to reach the majority of customers in the area, at least 3 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) Maintains prices for service in the area that do not unreasonably discriminate between customers, and that comply with s. PSC 160.155. An eligible telecommunications carrier may not charge nonrecurring or construction charges for rural customers that are not reasonably comparable to what urban customers would pay.

(d) Offers, at a minimum, all portions of essential telecommunications service, as defined in s. PSC 160.03; and

(e) Offers lifeline and link-up service, as defined in ss. PSC 160.061 and 106.062.

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

(a) For a non-rural local exchange carrier, the wire center, unless the commission designates a smaller area.

(b) For a rural local exchange carrier, the service territory, unless the commission designates, and the federal communications commission approves, a smaller area.

Note: Ameritech Wisconsin and GTE North, Incorporated are non-rural local exchange carriers. All other incumbent local exchange carriers are rural.

(3) For areas served by non-rural local exchange carriers, the commission may designate a number of eligible telecommunications carriers, without further proceeding.

(4) For areas served by rural local exchange carriers, the commission may only designate more than one eligible telecommunications carrier after finding that the public interest requires multiple eligible telecommunications carriers, pursuant to federal law and s. 196.50(2), Stats.

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

(6) 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.

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

(b) If no other eligible telecommunication carrier is designated for that area, the relinquishing carrier must remain as eligible telecommunications carrier for that area until the commission designates an alternative eligible telecommunications carrier. In such a case, the commission will 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 conduct a proceeding or auction similar to that described in s. PSC 160.14 to designate a new eligible telecommunications carrier for an area for which the only existing eligible telecommunications carrier is seeking to relinquish that status.

(c) 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 must notify affected customers and follow the established abandonment procedures under ss. PSC 165.11 and 165.12.

SECTION 73. PSC 160.14(2)(b) is amended to read:

(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.

SECTION 74. PSC 160.14(2)(d) is created to read:

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

SECTION 75. PSC 160.14(8) is created to read:

(8) An intralata toll 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 76. 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 77. PSC 160.155 is created to read:

PSC 160.155 Reasonably comparable urban and rural rates (1) All telecommunications providers must maintain rates in rural area that are reasonably comparable to those charged by that provider in urban areas. The services offered for those rates must also be reasonably comparable.

(2) To be reasonably comparable, rates must not vary significantly, except to the extent that higher rates are for additional or higher quality service than is generally offered. Having a longer length circuit between the switch and customer premises is not considered additional or higher quality service.

(3) Non-recurring charges for rural customers must also be reasonably comparable to those charged to urban customers.

(4) Rates for incumbent local exchange carriers which vary between exchanges, and which have been set by commission order, are exempted until such time as the rates are revised or changed. A rate decrease which is applied uniformly across an entire rate classification does not constitute a change for the purposes of this paragraph.

(5) In order to maintain rural and urban toll rate parity, where a local exchange service provider's switched access rates exceed 150% of the benchmark access rates established by the commission, the provider will issue credits to the access customer reducing those access rates to 150 percent of the benchmark rates. The commission may revise the benchmark access rates by order, following comment and opportunity for hearing. Local exchange service providers will be reimbursed by the universal service fund for the value of the credits issued.

Note: The initial benchmarks were established by the commission in docket 05-TI-130.

SECTION 78. 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 79. 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.

1997 Session

LRB or Bill No./Adm. Rule No.

1-AC-166

Amendment No. if Applicable

 ORIGINAL UPDATED CORRECTED SUPPLEMENTAL**FISCAL ESTIMATE**

DOA-2048 N(R10/96)

Subject

Biennial Review of Wis. Admin. Code Ch. PSC 160 Rules on the Universal Services Fund.

Fiscal Effect**State:** No State Fiscal EffectCheck columns below only if bill makes a direct appropriation
or affects a sum sufficient appropriation. Increase Costs - May be possible to Absorb
Within Agency's Budget Yes No Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation Decrease Costs**Local:** No local government costs

1. Increase Costs
 Permissive Mandatory
2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Governmental Units Affected:
- Towns Villages Cities
 Counties Others _____
 School Districts WTCS Districts

Fund Sources Affected GPR FED PRO PRS SEG SEG-S**Affected Ch. 20 Appropriations**

20.155(l)(g)

Assumptions Used in Arriving at Fiscal Estimate

The annual appropriation for the Universal Services Fund Programs covered under rules in Ch. PSC 160 is \$8,000,000. There is no anticipation that spending for the specific programs identified in this rule making proceeding will exceed this spending level.

Long-Range Fiscal Implications

Agency/Prepared by: (Name & Phone No.)
PSC/Gordon Grant 267-9086

Authorized Signature/Telephone No.

Date
1/29/99



WISCONSIN STATE SENATE
RODNEY C. MOEN
SENATOR - 31ST DISTRICT

State Capitol, P.O. Box 7882, Madison, Wisconsin 53707-7882 Phone: (608) 266-8546 Toll-free Hotline: 1-800-362-9472

February 7, 2000

Ave Bie, Chairperson
Wisconsin Public Service Commission
610 North Whitney Way
P.O. Box 7854
Madison, WI 53707-7854

COPY

Dear Chairperson Bie:

Thank you for the letter of February 4, 2000, in which you communicated the Commission's agreement to consider modifications to Clearinghouse Rule 99-019, relating to the Universal Service Fund (USF), as requested by the Senate Committee on Health, Utilities, Veterans and Military Affairs. The following are the specific modifications that we would like to see to the rule:

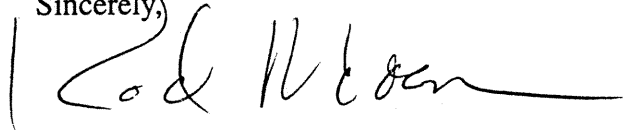
1. Add provisions to the rule to implement the Medical Telecommunications Equipment Program under s. 196.218 (4u), Stats., as created by 1999 Wisconsin Act 9.
2. Require Commercial Mobile Radio Service providers to contribute to the USF on the same terms as other telecommunications providers.
3. Modify the definition of "two line voice carryover" in s. PSC 160.02 (12) to include reference to three-way calling.
4. Remove restrictions in the Telecommunications Equipment Purchase Program under s. PSC 160.071, Wis. Adm. Code, on issuing a voucher to a person if another person in the same household has received a voucher.

In addition, the committee received testimony on the need for the promotion of USF programs, to ensure that adequate information regarding the programs is provided to potential beneficiaries, especially in the rural areas of the state. CHR 99-019 includes language changes that will allow the use of the USF for the promotion of the programs, which we support. In addition, we want you to allocate sufficient staff and resources to this purpose to ensure that all potential beneficiaries know of the programs and their offerings.

Ave Bie, Chairperson
February 7, 2000
Page 2

Again, thank you for your cooperation. I look forward to your response and hope that we can move quickly to implement this important rule.

Sincerely,

A handwritten signature in black ink, appearing to read "Rodney C. Moen". The signature is written in a cursive style with a large, sweeping initial "R".

Senator Rodney C. Moen, Chairperson
Senate Committee on Health, Utilities,
Veterans and Military Affairs

RCM:tr

cc: Senator Robert Jauch
Representative David Hutchison