



## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

**2001 Assembly Bill 475**

**Assembly Amendment 1**

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“Extended area telephone service” is telephone service in which customers in one exchange may call customers in another exchange without incurring toll charges. The Public Service Commission (PSC) has promulgated rules under which customers may petition the PSC to establish extended area telephone service. The rules provide that, if a petition meets certain requirements, the PSC must direct the utilities involved to conduct a study of the level of calling traffic between the exchanges in question. If the traffic meets certain standards, the utilities are then required to determine the cost of providing extended area telephone service and the incremental cost to individual customers and to conduct a survey of customers to determine the customers’ willingness to pay the incremental cost. If at least 50% of all customers in one of the exchanges responded favorably to the survey, the PSC would hold a hearing on the petition, after which it would decide whether to grant the petition based on all of the evidence in the record.

The Joint Committee for the Review of Administrative Rules suspended the provisions of the PSC rules that require that 50% of the customers of one exchange respond favorably to the petition before the PSC is required to hold a hearing on the petition and introduced legislation (2001 Assembly Bill 475 and Senate Bill 234) to require the PSC to hold a hearing on a petition for extended area telephone service if a majority of customers surveyed return ballots and if a majority of the ballots returned favor granting the petition.

**2001 Assembly Bill 475** provides that the PSC may grant a petition for the provision of extended area telephone service. It specifies that, in determining whether to grant such a petition, the PSC must require the utilities to conduct a survey of customer willingness to pay the incremental cost to individual customers of the service. It requires the PSC to hold a hearing on the petition if a majority of customers in one of the exchanges surveyed return ballots and if a majority of the ballots returned favor granting the petition. The bill directs the PSC to promulgate rules regarding the process by which a petition for extended area telephone service may be made and the conditions under which the petition may be granted.

*Assembly Amendment 1* to Assembly Bill 475 makes two changes to the bill. First, it requires that the PSC order a survey only if it first determines that traffic between the affected exchanges meets thresholds established in rules and after the determination of the incremental cost of providing the service.

Second, it requires that the survey be distributed to all customers who *may* experience a rate change if the petition were granted, whereas the bill requires that the survey be distributed to all customers who *would* experience a rate change.

On October 9, 2001, the Assembly Committee on Small Business and Consumer Affairs voted to recommend adoption of Assembly Amendment 1 by a vote of Ayes, 8; Noes, 1; and passage of the bill, as amended, by a vote of Ayes, 9; Noes, 0.