

may be applied to the entire channel. The university of Wisconsin system may receive a separate discount at each of its regional 2-year and 4-year campuses.

(5) After the discount for a service under sub. (3) has ended, the institution may receive support for a new service. An institution may not receive a discount for a service that has been canceled and reinstated.

History: Cr. Register, April, 1996, No. 484, eff. 5-1-96.

**PSC 160.13 Local exchange service provider of last resort.** (1) The commission may designate providers of last resort for local exchange service within a geographic area.

(2) At exchanges in which the commission has not authorized local service competition, the provider of last resort for local exchange services, including extended community calling, shall be the telecommunications utility serving the exchange.

(3) At exchanges in which the commission has authorized local service competition, the commission may designate, after notice and opportunity for hearing, a local exchange service provider of last resort.

History: Cr. Register, April, 1996, No. 484, eff. 5-1-96.

**PSC 160.14 Intralata toll service provider of last resort.** (1) The intralata toll provider of last resort for an exchange shall be the designated telecommunications utility toll provider for that exchange until intralata 1+ presubscription service is available in that exchange or until the commission orders otherwise under sub. (7).

(2) (a) When intralata 1+ presubscription service is available in an exchange, the designated telecommunications utility 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 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) The petitioner shall notify all of its affected customers of its request to have its provider of last resort requirements lifted. The notice to customers shall be approved in advance by the commission and clearly state the following:

1. The petitioner is seeking authority to deny service to some or all customers within the exchange.

2. Toll services in the future may be available only from other telecommunications providers, or from only one telecommunications provider.

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.

(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 cus-

tomers 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.

(c) Customers who do not return ballots shall be randomly allocated to the telecommunications providers appearing on the ballot, according to the percentage of customers who chose each listed provider.

(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 last resort responsibility. When the last toll service provider of last resort files to exit the market, the process described in this section recommences.

(e) Half of the costs of balloting shall be paid by the local exchange carrier serving the exchange and half will be paid by the providers appearing on the ballot.

(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 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.

History: Cr. Register, April, 1996, No. 484, eff. 5-1-96.

**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, payment of universal service fund obligations.

History: Cr. Register, April, 1996, No. 484, eff. 5-1-96.

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

(2) The fund administrator may propose changes or modification to the mechanisms of administration of the fund. The commission may approve such requests without hearing.

(3) The fund administrator may assess a reasonable late payment penalty or interest charge to providers that do not pay in a timely manner per s. PSC 160.18 (9).

(4) The fund administrator shall maintain a reasonable cash working capital balance sufficient to cover contingencies. If cash working capital surpluses

accrue above a reasonable level, the surplus amount shall be used to reduce the total liability for the next quarter.

(5) The fund administrator, with commission approval, may borrow monies to cover short-term liabilities, where time constraints or administrative efficiencies make borrowing preferable to an immediate increase in assessment levels.

(6) The universal service fund shall compensate the administrator for the administrator's costs of administering the fund as approved by the commission.

History: Cr. Register, April, 1996, No. 484, eff. 5-1-96; reprinted to restore dropped copy, Register, May, 1996, No. 485.

**PSC 160.17 Fund budget.** (1) At least annually, the commission shall set the budget for the entire universal service fund and its individual programs.

(2) The commission may make adjustments to the budget as needed to address unforeseen circumstances. Adjustments may include:

- (a) Reallocating the budget among programs.
- (b) Modifying the support formulas or benefits within a program.
- (c) Deferring support payments to a later period.
- (d) Raising or reducing assessment levels.

(3) The commission shall provide notice of the proposed annual fund budget and any proposed changes to the budget to the universal service fund council and other interested parties with an opportunity for comment prior to commission action.

History: Cr. Register, April, 1996, No. 484, eff. 5-1-96.

**PSC 160.18 Collection of universal service fund monies.** (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:

(a) Wisconsin telecommunications providers with intrastate gross telecommunications revenues of less than \$200,000 during the preceding calendar year are exempt from assessment.

(b) Cellular mobile radio telecommunications utilities shall be assessed only if the commission determines after hearing that market information regarding the cellular service area indicates that cellular services are a substitute for land-line telephone exchange service for a substantial portion of the communications in this state pursuant to 47 USC 332 (c) (3).

Note: Section 196.218(3), Stats., states that "the commission shall require all telecommunications providers to contribute to the universal service fund beginning on January 1, 1996." Because these rules may not be officially published by January 1, 1996, the fund administrator will need to back bill assessed providers to January 1, 1996.

(2) The commission may require a person other than a telecommunications provider to contribute to the universal service fund, if after notice and opportunity for hearing the commission determines that the person is offering nontraditional broadcast services in competition with a telecommunications service for which a contribution is required under this chapter.

(3) Telecommunications providers shall be assessed on the basis of their gross intrastate operating revenues from telecommunications services.

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

(5) The percentage liability for a given telecommunications provider is the ratio of that provider's intrastate gross telecommunications revenues to the sum

of the intrastate gross telecommunications revenues for all contributory providers.

(6) The amount to be assessed to a given telecommunications provider is the percentage liability of that provider under sub. (5) multiplied by the total amount to be collected.

(7) Telecommunications providers who provided telecommunications service in Wisconsin for only part of the preceding calendar year shall be assessed based on actual revenues for the year, without adjustments to annualize that revenue.

(8) Failure to receive a bill is not grounds for relief from a telecommunications provider's liability for assessment.

(9) A telecommunications provider that has not paid within 45 days of receiving a bill shall be deemed to have not paid under s. 196.218 (8), Stats.

History: Cr. Register, April, 1996, No. 484, eff. 5-1-96.

**PSC 160.19 Universal service fund council.** (1) The commission shall appoint a universal service fund council to advise the commission concerning the administration of s. 196.218, Stats., the content of administrative rules adopted pursuant to s. 196.218, Stats., and any other matters assigned to the universal service fund council by the commission.

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

(3) A majority of the members of the universal service fund council shall be representatives of consumers of telecommunications services.

(4) (a) Terms of universal service fund council members initially appointed by the commission are effective through December 31, 1995. After December 31, 1995, 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.

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

(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 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.

(6) The universal service fund council shall meet at least twice annually. Other meetings may be called, upon adequate notice to all members, to address matters of the fund as they arise. Meetings of the universal service fund council shall be open to the public.

(7) Members of the universal service fund council shall serve without compensation. Members, other than those members representing the telecommunications industry and any members representing state agencies, may be reimbursed

for their actual and necessary expenses incurred in the performance of their duties as part of the universal service fund council, subject to budget guidelines adopted by the commission.

**(8)** (a) The universal service fund council may adopt bylaws appropriate for its operation.

(b) The universal service fund council may form subcommittees of its membership as necessary to review issues and make recommendations for consideration of the full council.

**(9)** The commission shall assign staff members as needed to facilitate the work of the universal service fund council. The commission shall appoint a member of the commission staff to serve as staff liaison for the universal service fund council. The liaison shall be a non-voting member and shall do all of the following:

(a) Assist the universal service fund council in obtaining subject matter expertise in the area of universal telecommunications service.

(b) Maintain the official record of the universal service fund council, including membership, minutes of meetings, agendas and reports.

(c) Assist the chairperson of the universal service fund council in planning the agendas, times and places of meetings.

(d) Provide other administrative assistance as required.

History: Cr. Register, April, 1996, No. 484, eff. 5-1-96.

