

2001 ASSEMBLY BILL 656

December 3, 2001 – Introduced by Representatives FREESE, GRONEMUS, AINSWORTH, ALBERS, LADWIG, MILLER, MUSSER, OTT, PLOUFF, SHERMAN and TOWNSEND, cosponsored by Senators MOEN, SCHULTZ and ERPENBACH. Referred to Joint committee on Information Policy and Technology.

1 **AN ACT** *to create* 196.204 (8) and 196.52 (10) of the statutes; **relating to:**
2 cross-subsidization requirements public and service commission jurisdiction
3 regarding telecommunications cooperatives.

Analysis by the Legislative Reference Bureau

Under current law, with certain exceptions, a telecommunications utility may not subsidize any activity, including the activity of an affiliate, that is not subject to regulation by the public service commission (PSC). Also, with certain exceptions, a telecommunications utility must offer telecommunications services at prices that exceed total service long-run incremental costs, except for telecommunications services that are offered by a competitor, which are subject to other price restrictions.

Also under current law, the PSC has supervisory jurisdiction over contracts between telecommunications utilities and their affiliated interests, but only as necessary to enforce the requirements described above and certain other requirements regarding users of telecommunications services. In general, an “affiliated interest” is any person owning or holding, directly or indirectly, 5% or more of the voting securities of a public utility, including a telecommunications utility.

This bill exempts a telecommunications utility that is a cooperative association from all of the above.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

