

2001 DRAFTING REQUEST

Bill

Received: 10/29/2001

Received By: **kunkemd**

Wanted: **As time permits**

Identical to LRB:

For: **Mark Pettis (608) 267-2365**

By/Representing: **Don Nelson**

This file may be shown to any legislator: **NO**

Drafter: **kunkemd**

May Contact:

Addl. Drafters:

Subject: **Public Util. - telco**

Extra Copies:

Submit via email: **NO**

Pre Topic:

No specific pre topic given

Topic:

Exemptions for small telecommunications utilities

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jackcted</u>	<u>Required</u>
/?	kunkemd 10/29/2001	jdyer 10/29/2001		_____			
/1			pgreensl 10/29/2001	_____	lrb_docadmin 10/29/2001	lrb_docadmin 11/16/2001	

FE Sent For:

none needed

<END>

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1/?	kunkemd	1 10/29 jld	10/29 px	10/29 px			

FE Sent For:

<END>

TOMORROW 10/30
4:30

D-NOTE

2001 BILL

jld
- 4/134/1

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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 small telecommunications utilities.

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, 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 from all of the above if the telecommunications utility has less than 50,000 access lines in use in this state. If a telecommunications utility is owned by a holding company, the telecommunications utility's access lines, as well as the access lines of all other telecommunications utilities owned by the holding company, are counted to determine whether the telecommunications utility has less than 50,000 access lines.

with one exception,

BILL

INSERT 2A ✓

However, the access lines of a commercial mobile radio service provider are not counted. The bill defines "holding company" as a person that owns 50% or more of the outstanding voting securities of a telecommunications utility.

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

1 SECTION 1. 196.204 (8) of the statutes is created to read:

2 196.204 (8) (a) In this subsection, "holding company" means a person that, in
3 any chain of successive ownership, directly or indirectly as a beneficial owner, owns,
4 controls, or holds 50% or more of the outstanding voting securities of a
5 telecommunications utility.

6 (b) ~~This~~ ^{Except for sub. (2), this} section does not apply to a telecommunications utility that has less
7 than 50,000 access lines in use in this state. For purposes of this paragraph, if a
8 telecommunications utility is owned, controlled, or held by a holding company, the
9 number of access lines in use in this state by the telecommunications utility shall
10 include the number of access lines in use in this state by all other
11 telecommunications utilities, other than commercial mobile radio service providers,
12 that are owned, controlled, or held by the holding company.

13 SECTION 2. 196.52 (10) of the statutes is created to read:

14 196.52 (10) (a) In this subsection, "holding company" means a person that, in
15 any chain of successive ownership, directly or indirectly as a beneficial owner, owns,
16 controls, or holds 50% or more of the outstanding voting securities of a
17 telecommunications utility.

18 (b) This section does not apply to a telecommunications utility that has less
19 than 50,000 access lines in use in this state. For purposes of this paragraph, if a
20 telecommunications utility is owned, controlled, or held by a holding company, the

BILL

1 number of access lines in use in this state by the telecommunications utility shall
2 include the number of access lines in use in this state by all other
3 telecommunications utilities, other than commercial mobile radio service providers,
4 that are owned, controlled, or held by the holding company.

5 (END)

**2001-2002 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-4134/lins
MDK:.....

1

INSERT 1A:

In addition, the PSC is allowed to attribute any revenues derived from the sale of directory advertising or directory publishing rights to the regulated activities of a telecommunications utility for purposes of rate making.✓

2

INSERT 2A:

The one exception under the bill is that, for purposes of rate making, the PSC is allowed, as under current law, to attribute any revenues derived from the sale of directory advertising or directory publishing rights to the regulated activities of a telecommunications utility, including a telecommunications utility that has less than 50,000 access lines in this state.

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-4134/1dn
MDK:.....

Representative Pettis:

This bill is identical to LRB-3638/2, ✓ except that small telecommunications utilities are subject to s. 196.204 (2), ✓ stats.

Mark D. Kunkel
Legislative Attorney
Phone: (608) 266-0131
E-mail: mark.kunkel@legis.state.wi.us

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-4134/1dn
MDK:jld:pg

October 29, 2001

Representative Pettis:

This bill is identical to LRB-3638/2, except that small telecommunications utilities are subject to s. 196.204 (2), stats.

Mark D. Kunkel
Legislative Attorney
Phone: (608) 266-0131
E-mail: mark.kunkel@legis.state.wi.us

Barman, Mike

From: Barman, Mike
Sent: Tuesday, November 06, 2001 10:03 AM
To: Nelson, Don
Subject: LRB-4134/1 (attached - per your request)



01-4134/1



01-4134/1dn



State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

100 NORTH HAMILTON STREET
5TH FLOOR
MADISON, WI 53701-2037

STEPHEN R. MILLER
CHIEF

LEGAL SECTION: (608) 266-3561
LEGAL FAX: (608) 264-6948

October 29, 2001

MEMORANDUM

To: Representative Pettis

From: Mark D. Kunkel, Legislative Attorney

Re: LRB-4134/1 Excmptions for small telecommunications utilities

The attached draft was prepared at your request. Please review it carefully to ensure that it is accurate and satisfies your intent. If it does and you would like it jacketed for introduction, please indicate below for which house you would like the draft jacketed and return this memorandum to our office. If you have any questions about jacketing, please call our program assistants at 266-3561. Please allow one day for jacketing.

JACKET FOR ASSEMBLY JACKET FOR SENATE

If you have any questions concerning the attached draft, or would like to have it redrafted, please contact me at (608) 266-0131 or at the address indicated at the top of this memorandum.

If the last paragraph of the analysis states that a fiscal estimate will be prepared, the LRB will request that it be prepared after the draft is introduced. You may obtain a fiscal estimate on the attached draft before it is introduced by calling our program assistants at 266-3561. Please note that if you have previously requested that a fiscal estimate be prepared on an earlier version of this draft, you will need to call our program assistants in order to obtain a fiscal estimate on this version before it is introduced.

Please call our program assistants at 266-3561 if you have any questions regarding this memorandum.