

2003 DRAFTING REQUEST

Assembly Amendment (AA-ASA(LRBs0019/2)-AB61)

Received: 02/28/2003

Received By: **mkunkel**

Wanted: **As time permits**

Identical to LRB:

For: **Phil Montgomery (608) 266-5840**

By/Representing: **Rose**

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

Drafter: **mkunkel**

May Contact:

Addl. Drafters:

Subject: **Public Util. - telco**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Montgomery@legis.state.wi.us**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Surcharge for prepaid wireless customers

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
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FE Sent For:

<END>

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1?	mkunkel	1 cjs 2/28 03	1 cpl 2/28	scif 2/28			

FE Sent For:

<END>

Kunkel, Mark

From: Stolzenberg, John
Sent: Wednesday, February 26, 2003 4:50 PM
To: Smyrski, Rose
Cc: Lovell, David; Kunkel, Mark
Subject: RE: "Active prepaid wireless telephone" means a prepaid wireless tele phone that has been used by the customer during the month to

Rose,

Besides the unnecessary level of detail (for a statute) and wordy drafting style that doesn't conform to Wisconsin practices, I see some other problems with the attached proposal. Foremost, it results in a prepaid subscriber paying sales tax on the surcharge whereas "regular" subscribers do not. (I'd expect that the amount of the sales tax for any one prepaid subscriber would be small, e.g., 5.5% of, say, 2 months of surcharges or 5.5% of about \$1.) Second, the proposal requires the state to conform its billing and "remitting" requirements to the "wireless provider's existing operating or technological abilities." With at least 11 providers in the state, it could be difficult for the state's program and requirements to conform to all of these existing "abilities."

Let me know if you'd like some options on dealing with this issue.

John

> -----Original Message-----

> From: Smyrski, Rose
> Sent: Wednesday, February 26, 2003 3:26 PM
> To: Kunkel, Mark; Stolzenberg, John
> Subject: FW: "Active prepaid wireless telephone" means a prepaid
> wireless tele phone that has been used by the customer during
> the month
> to

> -----Original Message-----

> From: Perry, Terrance [mailto:Terrance.Perry@T-Mobile.com]
> Sent: Wednesday, February 26, 2003 3:17 PM
> To: 'rep.montgomery@legis.state.wi.us'
> Cc: Leary, Dan; Van Ness, Dave
> Subject: "Active prepaid wireless telephone" means a prepaid wireless
> tele phone that has been used by the customer during the month to

> Rep. Montgomery,

> Attached please find a draft of the previously proposed
> concept for applying E911 surcharges to prepaid subscribers.
> The industry is currently working on a proposal to
> standardize E911 language as it relates to prepaid
> subscribers, that may supersede the proposal below.

> Should you have any questions, please do not hesitate to give
> me a call.

> Thank you,

> Terrance Perry
> State & Local Tax Manager
> T-Mobile USA

> 4 Sylvan Way,
> Parsippany NJ 07054
> Desk: 973-292-8931
> Fax: 973-898-8597
> <<Prepaid Fallback Language-9-10-02 - Clean.doc>>
>

DRAFT

PREPAID WIRELESS LANGUAGE¹

"Active prepaid wireless telephone" means a prepaid wireless telephone that has been used by the customer during the month to complete a telephone call for which the customer's card or account was decremented.

"Mobile telephone number" or "MTN" shall mean the telephone number assigned to a wireless telephone at the time of initial activation.

"Prepaid wireless telephone service" means wireless telephone service which is activated in advance by payment for a finite dollar amount of service or for a finite set of minutes which terminate either upon use by a customer and delivery by the wireless provider of an agreed-upon amount of service corresponding to the total dollar amount paid in advance or within a certain period of time following the initial purchase or activation, unless additional payments are made.

"Sufficient positive balance" means a dollar amount greater than or equal to the monthly wireless surcharge amount.

In the case of prepaid wireless telephone service, the monthly wireless 911 surcharge imposed by [cite to appropriate section(s)] shall be remitted based upon each prepaid wireless telephone associated with this State, for each wireless service customer that has a sufficient positive balance as of the last day of each month. The surcharge shall be remitted in any manner consistent with the wireless provider's existing operating or technological abilities, such as customer address, location associated with the MTN, or reasonable allocation method based upon other comparable relevant data. The surcharge amount or an equivalent number of minutes may be reduced from the prepaid subscriber's account since a direct billing may not be possible. However, collection of the wireless 911 surcharge in the manner of a reduction of value or minutes from the prepaid subscriber's account shall not reduce the sales price for purposes of taxes which are collected at the point of sale.

¹ This language is NOT an endorsement of the imposition of E911 fees on prepaid accounts. It is intended to be used only in situations where the imposition of such fees to prepaid accounts is inevitable. These provisions are intended to minimize as much as possible the administrative burden and costs associated with complying with such a policy.

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Sent: Wednesday, February 26, 2003 3:26 PM
To: Kunkel, Mark; Stolzenberg, John
Subject: FW: "Active prepaid wireless telephone" means a prepaid wireless tele phone that has been used by the customer during the month to



Prepaid Fallback
Language-9-10...

-----Original Message-----

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Subject: "Active prepaid wireless telephone" means a prepaid wireless tele phone that has been used by the customer during the month to

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Thank you,

Terrance Perry
State & Local Tax Manager
T-Mobile USA
4 Sylvan Way,
Parsippany NJ 07054
Desk: 973-292-8931
Fax: 973-898-8597

<<Prepaid Fallback Language-9-10-02 - Clean.doc>>

Kunkel, Mark

From: Lovell, David
Sent: Friday, February 28, 2003 12:16 PM
To: Smyrski, Rose
Cc: Kunkel, Mark; Stolzenberg, John
Subject: RE: fees for prepaid customers

oops--change the word "fee" to "surcharge", to match subd. 1 of the bill (I got it right the first time, not the second!)

David L. Lovell, Senior Analyst
Wisconsin Legislative Council Staff
608/266-1537

-----Original Message-----

From: Lovell, David
Sent: Friday, February 28, 2003 10:57 AM
To: Smyrski, Rose
Cc: Kunkel, Mark; Stolzenberg, John
Subject: fees for prepaid customers

Rose,

Here's a sentence that Mark can work with for fees for prepaid customers:

Page 8, insert after line 22:

1m. The commissions shall, by rule, establish a surcharge in lieu of the fee under subd. 1. that applies to customers who buy wireless telephone service on a pre-paid basis.

Comments:

1. You may want to require that the surcharge for prepaid service be "equitable" relative to the standard surcharge.
2. You will want the other aspects of subd. 1. (i.e., when the surcharge applies), and the rest of par. (f) to apply to the prepaid surcharge, too.

David L. Lovell, Senior Analyst
Wisconsin Legislative Council Staff
608/266-1537

"comparable" ?



State of Wisconsin
2003 - 2004 LEGISLATURE

LRBa0197/1

MDK:.....

ejs

ASSEMBLY AMENDMENT ,
TO ASSEMBLY SUBSTITUTE AMENDMENT (LRBs0019/2),
TO 2003 ASSEMBLY BILL 61

TODAY

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 7, line 9: delete "and pay the surcharge" and substitute ", except that
3 the rules shall adjust the amount of the surcharge that is imposed on customers who
4 prepay for service to ensure that such customers pay an amount that is comparable
5 to the monthly amount paid by other customers."

6 2. Page 7, line 10: delete "to the commission for deposit in the wireless 911
7 fund."

8 3. Page 7, line 14: after "(e)." insert "The rules shall require wireless providers
9 to pay the surcharge to the commission for deposit in the wireless 911 fund."

10

(END)