




# State of Wisconsin

LEGISLATIVE REFERENCE BUREAU


## Appendix A ... segment X

### LRB BILL HISTORY RESEARCH APPENDIX

 The drafting file for 2011 LRB-1625 (For: Rep. Honadel)

has been transferred to the drafting file for


**2011 LRB-1901** (For: Rep. Honadel)

 Are These “Companion Bills” ?? ... No



**RESEARCH APPENDIX -**  
**PLEASE KEEP WITH THE DRAFTING FILE**

Date Transfer Requested: 04/12/2011 (Per: MDK)

 The attached 2009 draft was incorporated into the new 2009 draft listed above. For research purposes, this cover sheet and the attached drafting file were copied, and added, as a appendix, to the new 2009 drafting file. If introduced this section will be scanned and added, as a separate appendix, to the electronic drafting file folder.

**Kunkel, Mark**

**From:** Vick, Jason  
**Sent:** Friday, April 08, 2011 2:11 PM  
**To:** Kunkel, Mark  
**Subject:** RE: LRB-1625/2 (Telcom modernization)  
**Attachments:** 2011 Bill Revsied 4.8 (clean).DOC; 2011 Bill Revsied 4.8.DOC

Mark,

Please see the attached document that better reflect the changes we want to make. You may also contact Dave Chorzempa on this if questions arise (Phone: (312) 727-4585 / Mobile: (312) 513-0661 / email: dchorzempa@att.com).

Just so you know there may be one more minor revision that I will be sending you on Monday, which would only affect a few words in 2 sections. If you have questions on that, Dave may be able to more clearly state what those are.

Thank You,

**Jason Vick**

Office of Rep. Mark Honadel  
 21st Assembly District  
**608-266-0611**

*Superseded by  
4-11 email*

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**From:** Kunkel, Mark  
**Sent:** Wednesday, April 06, 2011 5:03 PM  
**To:** Vick, Jason  
**Subject:** RE: LRB-1625/2 (Telcom modernization)

I have some questions about how item 1 below relates to items 2 and 3.

Under LRB-1625/2, the PSC's authority over the switched access rates of a CLEC is limited as follows:

- 1) Because a CLEC is a nonincumbent, the CLEC must make the reductions under s. 196.212 (2), which result in mirroring interstate rates in 3 years. Based on your items 2 and 3 below, I will revise these requirements so that they apply only to nonincumbents with over 10,000 access lines as of Jan. 1, 2010 and will change the percentages as requested.
- 2) Because CLECs are alternative telecommunications utilities, if a CLEC withdraws its tariff for intrastate switched access rates, then s. 196.191 (1) (b) would prohibit the CLEC from increasing its intrastate switched access rates.
- 3) Under s. 196.191 (5) (b), a CLEC cannot change a tariff to increase intrastate switched access rates unless the PSC approves the increase on the basis that is consistent with public interest factors set forth in s. 196.03 (6) and that it does not violate the reductions required under s. 196.212 (2).
- 4) Under s. 196.219 (2r), if the PSC made an order prior to the effective date of the bill that required a reduction in a CLEC's intrastate switched access rates, then the reduction remains in effect unless it is inconsistent with the reductions required under s. 196.212 (2), or unless the PSC modifies the reduction in a subsequent order.

Although the PSC does have authority over other aspects of a CLEC's provision of switched access service, the PSC's authority over rates for intrastate switched access service is limited to the authority described above. (See s. 196.203 (4m) (b), which allows the PSC to impose 196.03 (1) or (6) or 196.37

4/8/2011

on a CLEC's provision of service, and s. 196.212 (4) (a) which specifies that the PSC's authority over rates (as opposed to other aspects of service) is limited s. 196.212 (2)).

As a result, I'm not sure what your intent is under item 1 below. I assume that you are referring to s. 196.212 (4) (b), which provides that: 1) if a small ILEC does not increase its switched access rates during the 3 years after the bill's effective date, then 2) the PSC may not order a reduction in the small ILEC's intrastate switched access rates. I don't think it makes sense to create a similar provision for CLECs because the bill does not otherwise allow the PSC to order reductions in a CLEC's intrastate switched access rates. Please let me know your thinking on this issue.

-- Mark

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**From:** Vick, Jason  
**Sent:** Tuesday, April 05, 2011 5:27 PM  
**To:** Kunkel, Mark  
**Subject:** RE: LRB-1625/2 (Telcom modernization)

Mark,

The following changes should be made to LRB 1625/2:

1. All CLECs have relief from PSC imposed switch access rate reduction for three years.
2. CLECs under 10,000 lines (as of Jan 1, 2010) are exempt from reductions
3. Retain current language in draft that CLECs (over 10,000 lines) mirror interstate rates after three years, but change reductions to 33%, 66%, and then mirroring at 36 months.
4. This should be changed as follows:

*196.206 of the statutes is created to read:*

*196.206 Internet protocol-enabled service. (1) EXEMPTIONS. An interconnected voice over Internet protocol service is not subject to this chapter, except as provided in this section, and except that interconnected voice over Internet protocol service is subject to ss. 196.01, 196.016, 196.025 (6), 196.199, 196.218 (3), 196.858 and 196.859, to the same extent that a telecommunications service is subject to these provisions of law, and except as required for the commission to administer and enforce this section.*

*(2) UNIVERSAL SERVICE FUND. An entity that provides interconnected voice over Internet protocol service in this state shall make contributions to the universal service fund based on its revenues from providing intrastate interconnected voice over Internet protocol service. The revenues shall be calculated using the entity's actual intrastate revenues, a provider-specific traffic study approved by the commission or federal communications commission, or the inverse of the interstate jurisdictional allocation established by the federal communications commission for the purpose of federal universal service assessments. The calculation of the intrastate revenues of an entity that provides interconnected voice over Internet protocol service shall be based on*

*the primary physical service address identified by the customer.*

*(3) INTRASTATE SWITCHED ACCESS RATES. Unless otherwise provided under federal law, an entity that provides interconnected voice over Internet protocol services shall be subject to intrastate switched access rates with respect to the interconnected voice over internet protocol services that it provides to the same extent that a telecommunications provider is subject to intrastate switched access rates with respect to the telecommunications services it provides.*

Unlike with the previous drafts, please do not consult with anyone else regarding these changes other than our office. If possible, we would appreciate getting the new draft relatively quickly as we plan to introduce and hold a hearing on it sometime soon.

Thank you much.

**Jason Vick**

Office of Rep. Mark Honadel  
21st Assembly District  
**608-266-0611**

1           **Section 1.** 93.01 (1m) of the statutes is amended to read:

2           93.01 (1m) “Business” includes any business, except that of banks, savings  
3 banks, credit unions, savings and loan associations, and insurance companies.

4           “Business” includes public utilities and telecommunications carriers to the extent  
5 that their activities, beyond registration, notice, and reporting activities, are not  
6 regulated by the public service commission and includes public utility and  
7 telecommunications carrier methods of competition or trade and advertising  
8 practices that are exempt from regulation by the public service commission under

9 s. ~~196.195, 196.196, 196.202, 196.203, 196.206, 196.219, or 196.499, 196.50(2)(i),~~  
10 or by other action of the commission.

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11           **Section 2.** 133.07 (2) of the statutes is amended to read:

12           133.07 (2) This chapter does not prohibit activities of any public utility, as  
13 defined in s. 196.01 (5), or telecommunications carrier, as defined in s. 196.01  
14 (8m), which are required by ch. 196 or rules or orders under ch. 196, activities  
15 necessary to comply with that chapter or those rules or orders or activities that are  
16 actively supervised by the public service commission. This subsection does not  
17 apply to activities of a public utility or telecommunications carrier that are exempt

18 from public service commission regulation under s. ~~196.195, 196.196, 196.202,~~  
19 ~~196.203, 196.206, 196.219, or 196.499, 196.50(2)(i)~~ or by other action by the  
20 commission.

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1           **Section 3.** 182.017 (1g) (cq) of the statutes is created to read:

2           182.017 (1g) (cq) “Telecommunications service” means the offering for sale  
3 of the conveyance of voice, data, or other information, including the sale of service  
4 for collection, storage, forwarding, switching, and delivery incidental to such  
5 communication regardless of technology or mode.

**Deleted:** at any frequency over any part of the electromagnetic spectrum

**Deleted:** and including the regulated sale of customer premises equipment

6           **Section 4.** 196.01 (1d) (g) of the statutes is created to read:

7           196.01 (1d) (g) A telecommunications utility that provides notice to the  
8 commission under s. 196.50 (2) (j) 1. a.

9           **Section 5.** 196.01 (2s) of the statutes is created to read:

10          196.01 (2s) “Incumbent local exchange carrier” has the meaning given in 47  
11 USC 251 (h).

12          **Section 6.** 196.01 (3a) of the statutes is created to read:

13          196.01 (3a) “Interconnected voice over Internet protocol service” has the  
14 meaning given in 47 CFR 9.3.

15  
16          ~~196.01 (3f) of the statutes is created to read:~~

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17          ~~196.01 (3f) “Internet protocol enabled service” means any service,~~  
18 ~~capability, functionality, or application provided using Internet protocol, or any~~  
19 ~~successor protocol, that enables an end user to send or receive a voice, data, or~~  
20 ~~video communication in Internet protocol format or any successor format. “Internet~~

1 ~~protocol enabled service” includes interconnected voice over Internet protocol~~  
2 ~~service.~~

3 Section 7. 196.01 (8d) of the statutes is created to read:

4 196.01 (8d) “Switched access rates” means the rates, rate elements, and rate  
5 structure, including all applicable fixed and traffic sensitive charges, that a  
6 telecommunications provider charges for the provision of switched access services.

7 Section 8. 196.01 (8e) of the statutes is created to read:

8 196.01 (8e) “Switched access service” means the offering of switched  
9 access to a local exchange network for the purpose of enabling an entity to  
10 originate or terminate telecommunications service within the local exchange.

11 Section 9. 196.01 (9m) of the statutes is amended to read:

12 196.01 (9m) “Telecommunications service” means the offering for sale of  
13 the conveyance of voice, ~~data or other information~~ communication, including the  
14 sale of service for collection, storage, forwarding, switching and delivery  
15 incidental to such communication regardless of technology or mode ~~and including~~  
16 ~~the regulated sale of customer premises equipment.~~ “Telecommunications service”  
17 does not include cable service or broadcast service. “Telecommunications service”  
18 includes switched access service.

19 Section 10. 196.01 (12w) of the statutes is created to read:

20 196.01 (12w) (a) “Wholesale telecommunications service” means, except as

Deleted: <#> 196.01 (3s) of the statutes is created to read: ¶  
196.01 (3s) “Local exchange carrier” has the meaning given in 47 USC 153 (32). ¶  
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Deleted: ~~any frequency over any part of the electromagnetic spectrum~~

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1 provided in par. (b), a service that satisfies all of the following:

2 1. The service is provided by a telecommunications provider to another  
3 telecommunications provider other than an affiliate, ~~as defined in s. 196.212(1)(a).~~

Deleted: d interest, as defined in s.  
196.52 . (1)

4 2. The service is subject to regulation by the commission under this chapter.

5 3. The service is subsequently used in the provision of a  
6 telecommunications service to retail end users.

7 (b) "Wholesale telecommunications service" does not include switched  
8 access service.

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9 **Section 11.** 196.016 of the statutes is created to read:

10 **196.016 Relationship to certain federal telecommunications law.** Except  
11 as provided in s. 196.50 (2) (j) 2. and 3., nothing in this chapter is intended to  
12 either reduce or expand the scope and application of the federal  
13 Telecommunications Act of 1996, P.L. 104-104, including the jurisdiction and  
14 authority granted to the commission thereunder, and the commission may take any  
15 action that the commission is authorized to take under that federal act.

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16 **Section 12.** 196.02 (2) of the statutes is amended to read:

17 196.02 (2) DEFINITION; CLASSIFICATION. ~~In this subsection, "public utility"~~  
18 ~~does not include a telecommunications cooperative, an unincorporated~~  
19 ~~telecommunications cooperative association, or a small telecommunications utility~~  
20 ~~except as provided under s. 196.205 or 196.215 (2) and does not include an~~



1 ~~alternative telecommunications utility.~~ The commission shall provide for a  
2 comprehensive classification of service for each public utility. The classification  
3 may take into account the quantity used, the time when used, the purpose for which  
4 used, and any other reasonable consideration. Each public utility shall conform its  
5 schedules of rates, tolls and charges to such classification.

6 **Section 13. [NOTE TO LRB: IS THIS NUMBERING RIGHT?]**

7 196.04 (1) (a) 1. of the statutes is renumbered 196.04 (1) (a) 4. and  
8 amended to read:

9 196.04 (1) (a) 4. "Transmission equipment and property" means any  
10 conduit, subway, pole, tower, transmission wire, cable, or other equipment on, over  
11 or under any right-of-way owned or controlled by a political subdivision, street, or  
12 highway.

13 **Section 14.** 196.04 (1) (a) 3. of the statutes is created to read:

14 196.04 (1) (a) 3. "Political subdivision" means any county, city, village, or  
15 town or public utility owned or operated by any county, city, village, or town.

16 **Section 15.** 196.04 (1) (b) 1. of the statutes is amended to read:

17 196.04 (1) (b) 1. Any person who owns transmission equipment and  
18 property shall permit, for reasonable compensation, the use of the transmission  
19 equipment and property, including an attachment to a pole, by any public utility,  
20 video service provider, or telecommunications provider if public convenience and

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1 necessity require such use and if the use will not result in irreparable injury to any  
2 owner or user of the transmission equipment and property or in any substantial  
3 detriment to the service to be rendered by the owner or user.

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4 **Section 16.** 196.04 (2) of the statutes is amended to read:

5 196.04 (2) If there is a failure to agree upon the use of transmission  
6 equipment and property under sub. (1) or the conditions or compensation for the  
7 use, or if there is a failure to agree upon the physical connections or the terms and  
8 conditions upon which the physical connections shall be made, any public utility,  
9 ~~any~~ video service provider telecommunications provider, or ~~any~~ other interested  
10 person ~~interested~~ may apply to the commission. If, after investigation, the  
11 commission determines that public convenience and necessity require the use of  
12 the transmission equipment and property or the physical connections and that the  
13 use or physical connections will not result in irreparable injury to the owner or  
14 other users of the transmission equipment and property or of the facilities of the  
15 public utility, video service provider, or telecommunications provider or in any  
16 substantial detriment to the service to be rendered by the owner or the public  
17 utility, video service provider, telecommunications provider, or other users of the  
18 transmission equipment and property or facilities, the commission, by order, shall  
19 direct that the use of the transmission equipment and property be permitted and  
20 that the physical connections be made. The commission shall prescribe reasonable

1 conditions and compensation for the use of the transmission equipment and  
2 property and shall determine how and within what time the physical connections  
3 shall be made and by whom the expense of making and maintaining the physical  
4 connections shall be paid. An order under this subsection may be revised by the  
5 commission[NOTE TO LRB: MAKE SURE PRECEDING TWO SENTENCES  
6 NOT STRUCK TROUGH IN FINAL, FORMATTING GLITCH]

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7 **Section 17.** 196.09 (1) of the statutes is amended to read:

8 196.09 (1) ~~In this section, "public utility" does not include a~~  
9 ~~telecommunications cooperative or an unincorporated telecommunications~~  
10 ~~cooperative association except as provided under s.196.205. In subs. (2) to (7),~~  
11 ~~"public utility" does not include a telecommunications utility. Subsection (9) only~~  
12 ~~applies to a telecommunications utility.~~ Every public utility shall file with the  
13 commission, within such time as may be required by the commission, its estimate  
14 of the annual rate of depreciation required for each of its classes of fixed capital  
15 used for public utility purposes, and of the composite annual rate of depreciation  
16 required for such fixed capital as an aggregate, which shall constitute the public  
17 utility's estimates of the amount which should be returned to it out of its rates for  
18 service, to meet the depreciation of its property.

19 **Section 18.** 196.09 (9) of the statutes is repealed.

20 **Section 19.** 196.13 (2) of the statutes is amended to read:

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1 196.13 (2) The commission shall publish in its reports the value of all the  
2 property actually used and useful for the convenience of the public of a public  
3 utility, ~~other than a telecommunications utility~~, if the commission has held a  
4 hearing on the public utility's rates, charges, service or regulations or if the  
5 commission has otherwise determined the value of the public utility's property.

6 **Section 20.** 196.19 (1m) of the statutes is repealed.

7 **Section 21.** 196.19 (5) of the statutes is repealed.

8 **Section 22.** 196.191 of the statutes is created to read:

9 **196.191 Telecommunications utility and alternative telecommunications**  
10 **utility tariffs.**

11 (1) Any telecommunications utility or alternative telecommunications utility  
12 that provides intrastate switched access service within this state shall at all times  
13 have on file with the commission a tariff showing all rates, tolls and charges which  
14 it has established and which are in force at the time for such intrastate switched  
15 access service. A telecommunications utility or alternative telecommunications  
16 utility may not withdraw a tariff for switched access service once in effect.  
17 Except if permitted in this section or to comply with the requirements of s.  
18 196.219(2r) and 196.212, the telecommunications utility or alternative  
19 telecommunications carrier may not file to change the rates, tolls and charges  
20 shown in such a tariff. (2) Notwithstanding anything to the contrary, any

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**Deleted:** (1) Notwithstanding anything in this chapter to the contrary, any telecommunications utility or alternative telecommunications utility may do any of the following:¶

(a) Retain on file with the commission tariffs already on file with the commission as of the effective date of this paragraph .... [LRB inserts date], showing the rates, tolls, and charges that the telecommunications utility or alternative telecommunications utility has established as of the effective date of this paragraph .... [LRB inserts date], for some or all of the services performed by the telecommunications utility or alternative telecommunications utility within the state or for any service in connection therewith or performed by any telecommunications utility or alternative telecommunications utility controlled or operated by the telecommunications utility or alternative telecommunications utility.¶

(b) Withdraw or change the rates, terms, or conditions of a tariff on file with the commission, except that the telecommunications utility or alternative telecommunications utility may not increase its intrastate switched access rates if it chooses to withdraw its tariff for intrastate switched access services.¶

(c) File with the commission new tariffs showing the rates, tolls, and charges that the telecommunications utility or alternative telecommunications utility has established, as provided in the tariff filings, for some or all of the services performed by the telecommunications utility or alternative telecommunications utility within the state or for any service in connection therewith or performed by any telecommunications utility or alternative telecommunications utility controlled or operated by the telecommunications utility or alternative telecommunications utility. If a telecommunications utility or alternative telecommunications utility files a new tariff under this paragraph, all of the following apply:¶

1. The new tariff shall become effective on the date specified in the tariff, unless the commission suspends the operation of the new tariff upon serving a written notice of the suspension on the ... [1]

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**Deleted:** (1) Notwithstanding anything in this chapter to the contrary, this section shall apply only to the following:¶

(a) To a telecommunications utility.¶  
(b) To an alternative telecommunications utility that provides notice to the commission under s. 196.203 (1g) electing to be subject to this section.

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1 telecommunications utility or alternative telecommunications utility may do any  
2 of the following:

3 (a) Retain on file with the commission tariffs already on file with the  
4 commission as of the effective date of this paragraph .... [LRB inserts date],  
5 showing the rates, tolls, and charges which the telecommunications utility or  
6 alternative telecommunications utility has established as of the effective date of this  
7 paragraph .... [LRB inserts date], for some or all of the services performed by the  
8 telecommunications utility or alternative telecommunications utility within the  
9 state or for any service in connection therewith or performed by any  
10 telecommunications utility or an alternative telecommunications utility controlled  
11 or operated by the telecommunications utility or alternative telecommunications  
12 utility.

*Same as  
(a)*

13 (b) File with the commission new tariffs showing the rates, tolls, and  
14 charges which the telecommunications utility or alternative telecommunications  
15 utility has established, as provided in the tariff filings, for some or all of the  
16 services performed by the telecommunications utility or alternative  
17 telecommunications utility within the state or for any service in connection  
18 therewith or performed by any telecommunications utility or alternative  
19 telecommunications utility controlled or operated by the telecommunications utility  
20 or alternative telecommunications utility.

*Same to  
(c)*

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1 (c) Except as provided in sub. (1), a telecommunications utility or  
2 alternative telecommunications utility may withdraw a tariff for any service by  
3 providing notice to the commission.

4 (d) 1. Except as provided in subd. 2., a telecommunications utility or  
5 alternative telecommunications utility may change the rates, tolls and charges and  
6 the terms and conditions of a tariff on file with the commission by filing a revised  
7 tariff with the commission. Except as provided in subd. 2., a proposed change in a  
8 tariff shall be effective at the time specified in the revised tariff as filed with the  
9 commission.

10 2. No change in a tariff which constitutes an increase in intrastate switched  
11 access rates may be made unless the change is consistent with the public interest  
12 factors set forth in s. 196.03 (6) and does not violate s. 196.212 and 196.219(2r)  
13 and the commission by order, after investigation and opportunity for a hearing,  
14 approves the change, except that an increase in intrastate switched access rates  
15 shall be effective at the time specified in the revised tariff as filed with the  
16 commission, if either of the following conditions is met:

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17 a. The increase results in the intrastate switched access rates mirroring  
18 the interstate switched access rates for the telecommunications utility or alternative  
19 telecommunications utility.

20 b. For a small telecommunications utility only, the increase does not

1 violate s. 196.212 or 196.219(2r) and does not exceed, in any 12-month period,  
2 the percentage increase in the U.S. consumer price index for all urban consumers,  
3 U.S. city average, for the previous year and is not greater than the corresponding  
4 increase in interstate switched access rates for a small telecommunications utility.

5 (3) (a) Except as provided in para. (b), if a telecommunications utility or  
6 alternative telecommunications utility files a new tariff under section 2(b), all of  
7 the following apply:

8 1. The new tariff shall become effective on the date specified in the tariff,  
9 unless the commission suspends the operation of the new tariff upon serving a  
10 written notice of the suspension on the telecommunications utility or alternative  
11 telecommunications utility within 10 days after the date of filing. The notice shall  
12 include a statement of the reason under par. (b), upon which the commission  
13 believes the tariff may be modified.

14 2. The commission may modify the new tariff after an opportunity for a  
15 hearing, only to the extent that the tariff violates ss. 196.209, 196.212 and 196.219  
16 to the extent such sections are applicable to the telecommunications utility or  
17 alternative telecommunications utility filing the new tariff.

18 3. If the commission does not conduct a hearing under par. (b), the  
19 commission shall issue its final order within 60 days after issuing the notice of  
20 suspension under par. (a). If the commission conducts a hearing, the commission

1 shall issue its final order within 120 days after issuing the notice of suspension  
2 under par. (a). If a final order is not issued within the time limits specified in this  
3 subdivision, the new tariff becomes effective as filed.

4 (b) If a telecommunications utility or alternative telecommunications utility  
5 files a new tariff under section (2) (b) for intrastate switched access service which  
6 constitutes an increase in intrastate switched access rates, the tariff shall not be  
7 effective unless the new intrastate switched access service tariff is consistent with  
8 the public interest factors set forth in s. 196.03 (6) and does not violate s. 196.212  
9 or 196.219(2r) and the commission by order, after investigation and opportunity  
10 for a hearing, approves the new tariff and rates, except that an increase in  
11 intrastate switched access rates shall be effective at the time specified in the new  
12 tariff as filed with the commission, if either of the conditions set forth in section  
13 (2) (d) 2. a. or b. is met.

14 (4) Nothing in this section shall give the commission jurisdiction over the  
15 rates, tolls and charges or the terms and conditions of any service that is not subject  
16 to a tariff under this section.

17 (5) Every telecommunications utility or alternative telecommunications  
18 utility that files a tariff with the commission under this section shall include all  
19 rates, tolls and charges and all terms and conditions that apply to the services  
20 specified in the tariff.

Strike  
(2)

Strike  
(7)



1        (6) Nothing in this chapter prohibits a tariff for a service which permits a  
2 telecommunications utility or alternative telecommunications utility to enter into a  
3 contract with a customer for that tariffed service that includes rates, tolls and  
4 charges and terms and conditions that are different from those in the tariff.

5        (7) Except as provided in sub. (6), no telecommunications utility or  
6 alternative telecommunications utility may charge, demand, collect, or receive  
7 more or less compensation for any service for which a tariff is filed under this  
8 section than is specified in the tariff, as may at the time be in force, or demand,  
9 collect, or receive any rate, toll, or charge for such service not specified in the  
10 tariff.

11        (8) A copy of the tariffs filed under this section shall be made available to  
12 consumers in a form and place readily accessible to the public.

13                **Section 23.** 196.194 (title) of the statutes is repealed.

14                **Section 24.** 196.194 (1) of the statutes is repealed.

15                **Section 25.** 196.194 (2) of the statutes is renumbered 196.194 and

16                amended to read:

17                **196.194 Gas utilities utility individual contracts.** Nothing in ss. 196.03,  
18 196.19, 196.20, 196.21, 196.22, 196.37, 196.60, 196.604 and 196.625 prohibits the  
19 commission from approving the filing of a tariff which permits a gas utility to enter  
20 into an individual contract with an individual customer if the term of the contract is

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1 no more than 5 years, or a longer period approved by the commission, and if the  
2 commission determines that substitute gas services are available to customers or  
3 potential customers of the gas utility and the absence of such a tariff will cause the  
4 gas utility to be disadvantaged in competing for business. A tariff filed under this  
5 ~~subsection~~ section shall include the condition that any such contract shall be  
6 compensatory. The tariff shall include any other condition and procedure required  
7 by the commission in the public interest. Within 20 days after a contract authorized  
8 under this ~~subsection~~ section or an amendment to such a contract has been  
9 executed, the gas utility shall submit the contract to the commission. The  
10 commission shall give notice to any person, upon request, that a contract  
11 authorized under this ~~subsection~~ section has been received by the commission. The  
12 notice shall identify the gas utility that has entered into the contract. Within 6  
13 months after receiving substantial evidence that a contract may be  
14 noncompensatory, or upon its own motion, the commission shall investigate and  
15 determine whether the contract is compensatory. If the commission determines that  
16 the contract is noncompensatory, the commission may make appropriate  
17 adjustments in the rates or tariffs of the gas utility that has entered into the  
18 contract, in addition to other remedies under this chapter. The dollar amount of the  
19 adjustment may not be less than the amount by which the contract was found to be  
20 noncompensatory.

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**Section 26.** 196.195 of the statutes is repealed and recreated to read:

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196.195 Alternative Regulation. Any telecommunications provider that as of the effective date of this section [LRB insert date] is subject to an alternative regulation plan approved by the commission shall be permitted to remain regulated pursuant to such alternative regulation plan to the extent that the alternative regulation plan is not inconsistent with ss. 196.191 and 196.212, for the term of the alternative regulation plan. If such an inconsistency exists, the requirements of ss. 196.191 and 196.212 shall control the intrastate switched access rates and intrastate switched access service tariff filings of such a telecommunications provider.

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**Section 27.** 196.196 of the statutes is repealed.

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**Section 28.** 196.198 (2) (a) of the statutes is renumbered 196.198

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(2) and amended to read:

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196.198 (2) Except as provided in sub. (3), a telecommunications utility that has more than 150,000 access lines in use in this state or a telecommunications provider that has more than 150,000 access lines in use in this state may not charge a residential customer for basic local exchange service based on the duration of a call or on the time of day that a call is made. This ~~paragraph~~ subsection does not apply to an extended community telephone service.

**Section 29.** 196.198 (2) (b) of the statutes is repealed.

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1 | **Section 30.** 196.198 (3) (intro.) of the statutes is amended to read:

2 | 196.198 (3) (intro.) The commission may suspend the application of sub. (2)  
3 | ~~(a)~~ in a particular geographical area for a telecommunications utility or a  
4 | telecommunications provider if, after a contested case hearing, the commission  
5 | determines that all of the following apply:

6 | **Section 31.** 196.198 (3) (a) of the statutes is amended to read:

7 | 196.198 (3) (a) Failure to suspend the application of sub. (2) ~~(a)~~ makes  
8 | competition in that geographical area impractical.

9 | **Section 32.** 196.198 (3) (b) (intro.) of the statutes is amended to

10 | read:

11 | 196.198 (3) (b) (intro.) Suspending the application of sub. (2) ~~(a)~~ is  
12 | beneficial to all of the following groups:

13 | **Section 33.** 196.20 (1) of the statutes is amended to read:

14 | 196.20 (1) The rate schedules of any public utility shall include all rules  
15 | applicable to the rendition or discontinuance of the service to which the rates  
16 | specified in the schedules are applicable. No change may be made by any public  
17 | utility in its schedules except by filing the change as proposed with the commission.  
18 | ~~Except for a telecommunications utility, no~~ No change in any public utility rule  
19 | which purports to curtail the obligation or undertaking of service of the public  
20 | utility shall be effective without the written approval of the commission after

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1 hearing, except that the commission, by emergency order, may make the rule, as  
2 filed, effective from the date of the order, pending final approval of the rule after  
3 hearing.

4 **Section 34.** 196.20 (1m) of the statutes is repealed.

5 **Section 35.** 196.20 (2) (a) (intro.) of the statutes is amended to

6 read:

7 196.20 (2) (a) (intro.) ~~Except for a telecommunications utility, a~~ A proposed  
8 change which constitutes a decrease in rates shall be effective at the time specified  
9 in the change as filed but not earlier than 10 days after the date of filing the change  
10 with the commission, unless any of the following occurs:

11 **Section 36.** 196.20 (2) (am) of the statutes is repealed.

12 **Section 37.** 196.20 (2m) of the statutes is amended to read:

13 196.20 (2m) Except as provided under ~~sub. (5) and ss. s. 196.193, 196.195~~  
14 ~~(12) and 196.196~~, no change in schedules which constitutes an increase in rates to  
15 consumers may be made except by order of the commission, after an investigation  
16 and opportunity for hearing. ~~The commission may waive a hearing under this~~  
17 ~~subsection for a proposed change in a telecommunications utility schedule. By~~  
18 ~~rule or order, the commission shall specify the notice and procedural requirements~~  
19 ~~applicable to a telecommunications utility proposal for which a hearing is waived.~~

20 **Section 38.** 196.20 (2r) of the statutes is repealed.

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1            **Section 39.** 196.20 (3) of the statutes is repealed.

2            **Section 40.** 196.20 (5) of the statutes is repealed.

3            **Section 41.** 196.20 (6) of the statutes is repealed.

4            **Section 42.** 196.202 (2) of the statutes is amended to read:

5            196.202 (2) SCOPE OF REGULATION. A commercial mobile radio service  
6 provider is not subject to ~~ch. 201~~ of this chapter, except as provided in sub. (5), and  
7 except that a commercial mobile radio service provider is subject to ss. 196.025 (6),  
8 196.218 (3), and 196.859, and shall respond, subject to the protection of the  
9 commercial mobile radio service provider's competitive information, to all  
10 reasonable requests for information about its operations in this state from the  
11 commission necessary to administer ss. 196.025 (6), 196.218 (3), and 196.859.

12            **Section 43.** 196.203 (1) of the statutes is renumbered 196.203 (1g)

13            and amended to read:

14            196.203 (1g) Alternative telecommunications utilities are exempt from all  
15 provisions of ~~ch. 201~~ and this chapter, except as provided in this section, and  
16 except that an alternative telecommunications utility is subject to ~~s-~~ <sup>(a)</sup> ss. 196.01,  
17 196.016, 196.025 (6), 196.191, 196.206, and 196.212, and <sup>(b)</sup> except that an  
18 alternative telecommunications utility certified pursuant to s. 196.50(2)(j)1.a. is  
19 subject to s. 196.219(2r), 196.503 and, with respect only to wholesale  
20 telecommunications services, to ss. 196.03 (1) and (6), 196.219(4), 196.28, and

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1 196.37; and except that if such an alternative telecommunications utility was  
2 regulated as a price regulated utility prior to the effective date of this section . . .  
3 [LRB to insert date] then its intrastate dedicated access rates shall mirror its  
4 interstate dedicated access rates; and <sup>(c)</sup> except that an alternative  
5 telecommunications utility that is a local government telecommunications utility,  
6 as defined in s. 196.204 (5) (a) 1., is subject to s. 196.204 (5).

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7 **Section 44.** 196.203 (1d) of the statutes is created to read:

8 196.203 (1d) In this section, “local government telecommunications utility”  
9 has the meaning given in s. 196.204 (1m) (a).

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10 **Section 45.** 196.203 (2) of the statutes is renumbered 196.203 (2)

11 (a) and amended to read:

12 196.203 (2) (a) No person may commence providing service as an  
13 alternative telecommunications utility unless the person petitions for and the  
14 commission issues a ~~determination~~ certification that the person is an alternative  
15 telecommunications utility or unless the person is a telecommunications utility for  
16 which the commission issues an order under s. 196.50 (2) (j) 1. a.

17 (6) The commission shall maintain information on ~~authorized~~ certified  
18 alternative telecommunications utilities and on applicants for alternative  
19 telecommunications utility ~~status~~ certification and make that information available  
20 to any person, upon request.

1 | **Section 46.** 196.203 (2) (b) of the statutes is created to read:

2 | 196.203 (2) (b) Except for an alternative telecommunications utility that is a  
3 | local government telecommunications utility, certification as an alternative  
4 | telecommunications utility shall be on a statewide basis and any certification  
5 | issued by the commission before the effective date of this paragraph .... [LRB  
6 | inserts date], to an alternative telecommunications utility that is not a local  
7 | government telecommunications utility is considered amended to be a statewide  
8 | certification.

9 | **Section 47.** 196.203 (2) (c) of the statutes is created to read:

10 | 196.203 (2) (c) An alternative telecommunications utility may provide  
11 | notice to the commission to maintain certification as an alternative  
12 | telecommunications utility but to recertify the alternative telecommunications  
13 | utility and impose on the alternative telecommunications utility only those  
14 | provisions of this chapter specified in this paragraph. No later than 30 days after  
15 | receiving notice under this paragraph, the commission shall issue an order  
16 | granting recertification and imposing on the alternative telecommunications utility  
17 | those provisions of this chapter specified in sub. (4m) (a) that are imposed on all  
18 | alternative telecommunications utilities under sub. (3). The commission may  
19 | impose a provision of this chapter specified in sub. (4m) (b) or (c) if in the public  
20 | interest. An alternative telecommunications utility for which an order of



1 | recertification is issued is subject to sub. (1g). The granting of the recertification  
2 | shall operate to terminate the alternative telecommunications utility's prior  
3 | certification. All regulatory requirements in or related to the prior certification  
4 | that are inconsistent with the requirements of or level of regulation allowed by  
5 | this section, including all such requirements imposed by the certification and all  
6 | such requirements imposed by the commission, whether by statute or commission  
7 | rule or order, on the alternative telecommunications utility are terminated on the  
8 | effective date of the order, unless the alternative telecommunications utility  
9 | seeking recertification under this section requests to remain subject to one or  
10 | more requirements of its prior certification, provided that those requirements do  
11 | no violate the alternative telecommunications utility's requirements or obligations  
12 | under this Chapter and the commission approves the request. ✓

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13 | **Section 48.** 196.203 (2) (d) of the statutes is created to read:

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14 | 196.203 (2) (d) The commission may deny a petition for certification as an  
15 | alternative telecommunications utility described in s. 196.01 (1d) (f) only if the ✓  
16 | commission finds that the petitioner does not have the financial, managerial, or  
17 | technical capabilities to provide its proposed services or to comply with conditions  
18 | that the commission is authorized to impose under sub. (3).

19 | **Section 49.** 196.203 (3) (a) of the statutes is renumbered 196.203

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20 | (3) and amended to read:

1           196.203 (3) In response to a petition from any interested person, or upon its  
2 own motion, the commission shall determine whether the public interest requires  
3 that any a provision of ~~ch. 201~~ or this chapter specified in sub. (4m) be imposed on  
4 a person providing or proposing to provide service as an alternative  
5 telecommunications utility ~~in a relevant market. In making this determination, the~~  
6 ~~commission may consider factors including the quality of service, customer~~  
7 ~~complaints, concerns about the effect on customers of local exchange~~  
8 ~~telecommunications utilities and the extent to which similar services are available~~  
9 ~~from alternative sources. If the commission imposes a provision of this chapter~~  
10 specified in sub. (4m) (a) on an alternative telecommunications utility under this  
11 subsection, the commission shall impose the same provision at the same level of  
12 regulation on all other alternative telecommunications utilities.

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13           Section 50. 196.203 (3) (b) of the statutes is repealed.

14           Section 51. 196.203 (3) (c) of the statutes is repealed.

15           Section 52. 196.203 (3) (d) of the statutes is repealed.

16           Section 53. 196.203 (3) (dm) of the statutes is repealed.

17           Section 54. 196.203 (3) (e) of the statutes is repealed.

18           Section 55. 196.203 (4) of the statutes is repealed.

19           Section 56. 196.203 (4m) of the statutes is created to read:

20           196.203 (4m) (a) The commission may impose s. ~~196.02~~ (1), (4), or (5),

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1 196.04, 196.135, 196.14, 196.197, 196.199, 196.207, 196.208, 196.209, 196.218,  
2 196.219 (1), (2) (b), (c), or (d), (2r), (3) (a),(d), (j), (m), (n), or (o), 196.25, 196.26,  
3 196.39, 196.40, 196.41, 196.43, 196.44, 196.65, 196.66, 196.81, 196.85, 196.858, or  
4 196.859 on an alternative telecommunications utility.

5 (b) In addition to the requirements under s. 196.212, the commission may,  
6 with respect only to ~~intrastate switched~~ access services, impose s. 196.03 (1) or (6)  
7 or 196.37 on an alternative telecommunications utility, except that the commission  
8 may not review or set the rates for intrastate switched access services of alternative  
9 telecommunications utilities subject to 196.212 (2) or (3) except as required to  
10 enforce those sections. (c) The commission may, with respect only to wholesale  
11 telecommunications service, impose s. 196.03 (1) or (6), 196.219 (4), 196.28, or  
12 196.37 on an alternative telecommunications utility certified under sub. (2) (a) or

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13 (c). \_

14 **Section 57.** 196.203 (5) of the statutes is amended to read:

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15 196.203 (5) The commission may establish a reasonable fee schedule and  
16 may assess an alternative telecommunications utility to cover the cost of ~~making a~~  
17 certification, recertification or other determinations made under this section.

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18 **Section 58.** 196.204 (title) of the statutes is repealed and recreated

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19 to read:

20 **196.204 (title) Local government telecommunications utilities.**

1            **Section 59.** 196.204 (1) of the statutes is repealed.

2            **Section 60.** 196.204 (2) of the statutes is repealed.

3            **Section 61.** 196.204 (3) of the statutes is repealed.

4            **Section 62.** 196.204 (4) of the statutes is repealed.

5            **Section 63.** 196.204 (5) (ag) of the statutes is renumbered 196.204

6            (1m), and 196.204 (1m) (intro.), as renumbered, is amended to read:

7            196.204 (1m) (intro.) In this ~~subsection~~ section:

8            **Section 64.** 196.204 (5) (ar) of the statutes is renumbered 196.204

9            (2m), and 196.204 (2m) (a), (b) (intro.) and (c) (intro.), as renumbered,

10           are amended to read:

11           196.204 (2m) (a) ~~In addition to the other requirements of this section, each~~

12           Each telecommunications service, relevant group of services, and basic network

13           function offered or used by a local government telecommunications utility shall be

14           priced to exceed its total service long-run incremental cost. ~~The commission may~~

15           ~~waive the applicability of this subdivision to a nongovernmental~~

16           ~~telecommunications utility's basic local exchange service if the commission~~

17           ~~determines that a waiver is consistent with the factors under s. 196.03 (6).~~

18           (b) (intro.) For purposes of ~~subd. 1. par. (a)~~, the total service long-run

19           incremental cost of a local government telecommunications utility shall take into

20           account, by imputation or allocation, equivalent charges for all taxes, pole rentals,

1 rights-of-way, licenses, and similar costs that are incurred by nongovernmental  
2 telecommunications utilities. This ~~subdivision~~ paragraph does not apply to a local  
3 government telecommunications utility that is subject to the exemption under s.  
4 66.0422 (3n). This ~~subdivision~~ paragraph also does not apply to a  
5 telecommunications service, relevant group of services, or basic network function  
6 if all of the following conditions apply:

7 (c) (intro.) ~~Subdivision 2. Paragraph (b)~~ does not apply to a  
8 telecommunications service, relevant group of services, or basic network function;  
9 that is used to provide broadband service and that is offered by a municipal  
10 telecommunications utility, if all of the following apply:

11 Section 65. 196.204 (5) (b) of the statutes is repealed.

12 Section 66. 196.204 (6) of the statutes is repealed.

13 Section 67. 196.205 of the statutes is repealed.

14 Section 68. 196.206 of the statutes is created to read:

15 **196.206 Interconnected voice over Internet protocol service. (1)**

16 EXEMPTIONS, an interconnected voice over Internet protocol service is not subject  
17 to this chapter, except as provided in this section, and except that an interconnected  
18 voice over Internet protocol service is subject to ss. 196.01, 196.016, 196.025 (6),  
19 196.199, 196.218 (3), 196.858 and 196.859, to the same extent that any  
20 telecommunications service is subject to these provisions of law, and except as

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1 required for the commission to administer and enforce this section.

2 (2) UNIVERSAL SERVICE FUND. An entity that provides interconnected voice  
3 over Internet protocol service in this state shall make contributions to the  
4 universal service fund based on its revenues from providing intrastate  
5 interconnected voice over Internet protocol service. The revenues shall be  
6 calculated using the entity's actual intrastate revenues, a provider-specific traffic  
7 study approved by the commission or federal communications commission, or the  
8 inverse of the interstate jurisdictional allocation established by the federal  
9 communications commission for the purpose of federal universal service  
10 assessments. To the extent applicable, the calculation of the intrastate revenues of  
11 an entity that provides interconnected voice over Internet protocol service, shall be  
12 based on the primary physical service address identified by the customer.

13 (3) Intrastate Switched Access Rates.

14 (a) Unless otherwise provided under federal law, an entity that provides an  
15 interconnected voice over Internet protocol service shall pay intrastate switched  
16 access rates with respect to the interconnected voice over internet protocol services  
17 that it provides to the same extent that any telecommunications provider is  
18 obligated to pay intrastate switched access rates with respect to the  
19 telecommunications services it provides.

20 (b) Unless otherwise provided under federal law, an entity that provides an

**Deleted:** . Nothing in this section shall be construed to require or prohibit the payment of switched access rates or other intercarrier compensation.¶  
(b) Except as provided in this section, and notwithstanding any other provision of law, the commission may not enact, adopt, or enforce, either directly or indirectly, any order, rule, standard, or other provision having the force or effect of law that regulates, or has the effect of regulating, the entry of, or rates, terms or conditions for, Internet protocol-enabled service.¶

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**Deleted:** Direct assignment or traffic studies

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1 interconnected voice over Internet protocol service may charge intrastate switched  
2 access rates with respect to an intrastate switched access service that it provides to  
3 the same extent that any telecommunications provider may charge intrastate  
4 switched access rates with respect to the intrastate switched access service that it  
5 provides.

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7 Section 69. 196.212 of the statutes is created to read:

8 **196.212 Switched access rates. (1) DEFINITIONS. In this section:**

9 (a) "Affiliate" means any person, corporation, company, cooperative, unincorporated  
10 cooperative association, partnership, association, or other entity that is controlled by, or is under  
11 common control with, a telecommunications provider or telecommunications utility.

12 (b) "Large incumbent local exchange carrier" means an incumbent local exchange carrier  
13 that, with any affiliates that are incumbent local exchange carriers operating in the state, in total  
14 had 150,000 or more access lines in use in this state as of January 1, 2010.

15 (c) "Nonincumbent" means a telecommunications provider that is not an incumbent local  
16 exchange carrier, except that a telecommunications provider that operated in this state and which  
17 had fewer than 10,000 access lines in use in this state as of January 1, 2010 and is an affiliate of  
18 an incumbent local exchange carrier in this state shall not be considered a nonincumbent.

19 (d) "Small incumbent local exchange carrier" means an incumbent local exchange carrier  
20 that, with any affiliates that are incumbent local exchange carriers operating in the state, in total  
21 had fewer than 150,000 access lines in use in this state as of January 1, 2010.

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1 (2) REDUCTIONS FOR NONINCUMBENTS. A nonincumbent shall reduce its  
2 intrastate switched access rates to no higher than the nonincumbent's rates for interstate switched  
3 access services as follows:

4 (a) A nonincumbent may not increase its intrastate switched access rates or charge  
5 intrastate switched access rates higher than the amount the nonincumbent charged for intrastate  
6 switched access services on January 1, 2011, provided that within 30 days of the effective date of  
7 this section . . . [LRB to insert date], a nonincumbent certificated by the commission after  
8 January 1, 2011 shall mirror its interstate switched access rates and may not charge intrastate  
9 switched access rates that are higher than its interstate switched access rates. Nonincumbents  
10 certificated prior to January 1, 2011 shall reduce their intrastate switched access rates as  
11 provided in paras. (b)-(d).

12 (b) No later than four years after the effective date of this paragraph .... [LRB inserts  
13 date], the nonincumbent shall reduce its intrastate switched access rates by an amount equal to 33  
14 percent of the difference between its intrastate switched access rates in effect prior to the  
15 reduction and its interstate switched access rates in effect prior to the reduction.

16 (c) No later than five years after the effective date of this paragraph .... [LRB inserts  
17 date], the nonincumbent shall further reduce its intrastate switched access rates by an amount  
18 equal to 50 percent of the difference between its intrastate switched access rates in effect prior to  
19 the reduction and its interstate switched access rates in effect prior to the reduction.

20 (d) No later than six years after the effective date of this paragraph .... [LRB inserts  
21 date], the nonincumbent shall reduce its intrastate switched access rates to mirror its interstate  
22 switched access rates in effect prior to the reduction and, beginning no later than that date, may  
23 not charge intrastate switched access rates that are higher than its interstate switched access rates.

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1 (3) REDUCTIONS FOR LARGE INCUMBENT LOCAL EXCHANGE CARRIERS. A

2 large incumbent local exchange carrier shall reduce its intrastate switched access rates to no  
3 higher than the large incumbent local exchange carrier's rates for interstate switched access  
4 services as follows:

5 (a) Beginning on the effective date of this paragraph .... [LRB inserts date], the large  
6 incumbent local exchange carrier may not increase its intrastate switched access rates or charge  
7 intrastate switched access rates higher than the amount it charged for intrastate switched access  
8 services on January 1, 2011.

9 (b) No later than one year after the effective date of this paragraph .... [LRB inserts date],  
10 the large incumbent local exchange carrier shall reduce its intrastate switched access rates by an  
11 amount equal to 25 percent of the difference between its intrastate switched access rates in effect  
12 prior to the reduction and its interstate switched access rates in effect prior to the reduction.

13 (c) No later than 2 years after the effective date of this paragraph .... [LRB inserts date],  
14 the large incumbent local exchange carrier shall further reduce its intrastate switched access rates  
15 by an amount equal to 33 percent of the difference between its intrastate switched access rates in  
16 effect prior to the reduction and its interstate switched access rates in effect prior to the  
17 reduction.

18 (d) No later than 3 years after the effective date of this paragraph .... [LRB  
19 inserts date], the large incumbent local exchange carrier shall further reduce its intrastate  
20 switched access rates by an amount equal to 50 percent of the difference between its intrastate  
21 switched access rates in effect prior to the reduction and its interstate switched access rates in  
22 effect prior to the reduction.

1 (e) No later than 4 years after the effective date of this paragraph .... [LRB inserts date].  
2 the large incumbent local exchange carrier shall reduce its intrastate switched access rates to  
3 mirror its interstate switched access rates in effect prior to the reduction and, beginning no later  
4 than that date, may not charge intrastate switched access rates that are higher than its interstate  
5 switched access rates.

6 (4) COMMISSION REVIEW LIMITED. (a) Notwithstanding any other provision of this  
7 chapter, subs. (2) and (3) govern the rates that nonincumbents and large incumbent local  
8 exchange carriers may charge for intrastate switched access services. Except as required to  
9 enforce this section, the commission may not review or set the rates for intrastate switched  
10 access services of nonincumbents and large incumbent local exchange carriers.

11 (b) Notwithstanding any other provision of this chapter except to enforce 196191(2)(d)  
12 and 196.219(2r), during the 4-year period beginning on the effective date of this paragraph  
13 .... [LRB inserts date], the commission may not review or set the rates for intrastate switched  
14 access services of small incumbent local exchange carriers.

15  
16 (5) Enforcement. Notwithstanding any other provision of this chapter, the commission  
17 shall have jurisdiction to enforce payment of intrastate switched access rates set forth in a tariff  
18 required pursuant to s. 196.191(1) or a contract for intrastate switched access service allowed by  
19 196.191(6).

21 Section 70. 196.213 of the statutes is repealed.

22 Section 71. 196.215 of the statutes is repealed.

23 Section 72. 196.218 (1) (a) of the statutes is created to read:

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(a) "Affiliate" means any person, corporation, company, cooperative, unincorporated cooperative association, partnership, association, or other entity that is controlled by, or is under common control with, a telecommunications provider or telecommunications utility.¶

(b) "Large incumbent local exchange carrier" means an incumbent local exchange carrier that, with any affiliates that are incumbent local exchange carriers operating in the state, in total had 150,000 or more access lines in use in this state as of January 1, 2010.¶

(c) "Nonincumbent" means a telecommunications provider that is not an incumbent local exchange carrier.¶

(d) "Small incumbent local exchange carrier" means an incumbent local exchange carrier that, with any affiliates that are incumbent local exchange carriers operating in the state, in total had fewer than 150,000 access lines in use in this state as of January 1, 2010.¶

(2) REDUCTIONS FOR NONINCUMBENTS. A nonincumbent shall reduce its intrastate switched access rates to no higher than the nonincumbent's rates for interstate switched access services as follows:¶

(a) Beginning on the effective date of this paragraph .... [LRB inserts date], the nonincumbent may not increase its intrastate switched access rates or charge intrastate switched access rates higher than the amount the nonincumbent charged for intrastate switched access services on January 1, 2011.¶

(b) No later than one year after the effective date of this paragraph .... [LRB inserts date], the nonincumbent shall reduce its intrastate switched access rates by an amount equal to 50 percent of the difference between its intrastate switched access rates in effect prior to the reduction and its interstate switched access rates in effect prior to the ... [2]

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1 196.218 (1) (a) "Essential telecommunications services" means the services  
2 or functionalities\_ listed in 47 CFR 54.101 (a) as of January 1, 2010.

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3 **Section 73.** 196.218 (3) (a) 3m. of the statutes is amended to read:

4 196.218 (3) (a) 3m. Contributions under this paragraph may be based only  
5 on the gross operating revenues from the provision of broadcast services identified  
6 by the commission under subd. 2. and on intrastate telecommunications services  
7 in this state of the telecommunications providers subject to the contribution.

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8 Contributions based on revenues from interconnected voice over Internet protocol  
9 service shall be calculated as provided under s. 196.206 (2).

Deleted: Wholesale services of any type, including wholesale telecommunications service, provided by any telecommunications provider are not intrastate telecommunications services for purposes of this subdivision.

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10 **Section 74.** 196.218 (3) (f) of the statutes is amended to read:

11 196.218 (3) (f) ~~Notwithstanding ss. 196.196 (1) and (5) (d) 2., 196.20 (2m),~~  
12 ~~(5) and (6), 196.213 and 196.215, a~~ A telecommunications utility that provides  
13 local exchange service may make adjustments to local exchange service rates for  
14 the purpose of recovering its contributions to the universal service fund required  
15 under this subsection. A telecommunications utility that adjusts local exchange  
16 service rates for the purpose of recovering such contributions shall identify on  
17 customer bills a single amount that is the total amount of the adjustment. The  
18 public service commission shall provide telecommunications utilities the  
19 information necessary to identify such amounts on customer bills.

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20 **Section 75.** 196.218 (4) of the statutes is repealed and recreated to

1 read:

2 196.218 (4) ESSENTIAL TELECOMMUNICATION SERVICES. (a) Each  
3 telecommunications provider that is designated as an eligible telecommunications  
4 carrier pursuant to 47 USC 214 (e) (2) shall make available to its customers all  
5 essential telecommunications services. A telecommunications provider may satisfy  
6 this paragraph by providing essential telecommunications services itself or through  
7 an affiliate and in either case may provide essential telecommunications services  
8 through the use of any available technology or mode.

9 (b) Notwithstanding par. (a), if a commercial mobile radio service provider  
10 is designated or seeks designation as an eligible telecommunications carrier  
11 pursuant to 47 USC 214 (e) for the purpose of federal universal service funding and  
12 not for the purpose of state universal service funding, the commercial mobile radio  
13 service provider is not subject to any eligible telecommunications carrier  
14 requirements imposed by the commission and shall be subject only to the eligible  
15 telecommunications carrier requirements imposed by 47 USC 214 (e) (1) and  
16 regulations and orders of the federal communications commission implementing  
17 47 USC 214 (e) (1).

18 **Section 76.** 196.218 (5r) (a) 4. of the statutes is amended to read:

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19 196.218 (5r) (a) 4. An assessment of how ~~successful investments identified~~  
20 ~~in s. 196.196 (5) (f), assistance provided by the universal service fund, and price~~

1 ~~regulation~~ and other alternative incentive regulations of telecommunications  
2 utilities designed to promote competition have been in advancing the public  
3 interest goals identified under s. 196.03 (6), and recommendations for further  
4 advancing those goals.

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5 |           **Section 77.** 196.219 (1) (b) of the statutes is amended to read:

6           196.219 (1) (b) “Local exchange service” ~~has the meaning given in s.~~  
7 ~~196.50 (1) (b) 1.~~ includes access service, basic local exchange service, and  
8 business access line and usage service within a local calling area.

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9 |           **Section 78.** 196.219 (2) (a) of the statutes is amended to read:

10           196.219 (2) (a) Notwithstanding any exemptions identified in this chapter  
11 except ~~s.~~ ss. 196.202, 196.203, 196.206, and 196.50, a telecommunications utility  
12 or provider shall provide protection to its consumers under this section unless  
13 exempted in whole or in part by rule or order of the commission under this section.  
14 The commission shall promulgate rules that identify the conditions under which  
15 provisions of this section may be suspended.

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16 |           **Section 79.** 196.219 (2m) of the statutes is repealed.

17 |           **Section 80.** 196.219 (2r) of the statutes is created to read:

18           196.219 (2r) SWITCHED ACCESS RATES. Any reduction in intrastate switched  
19 access rates ordered by the commission prior to the effective date of this subsection  
20 | .... [LRB inserts date], including any reduction ordered pursuant to\_ s. 196.195,

1 [NOTE TO LRB: WE'RE REFERENCING 196.195 PRIOR TO ENACTMENT,  
2 HOW DO WE APPROPRIATELY DO THAT?] shall remain effective unless  
3 modified by the commission in a subsequent order, or unless the ordered reduction  
4 is inconsistent with the requirements of s. 196.212.

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6 Section 81. 196.219 (3) (h) of the statutes is repealed.

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7 **SECTION 82. 196.25 of the statutes is repealed and recreated to read:**

8 196.25 Questionnaires. (1) If a public utility, other than a  
9 telecommunications provider, receives from the commission any  
10 questionnaire, the public utility shall respond fully, specifically and  
11 correctly to each question. If a public utility is unable to answer any  
12 question, the public utility shall give a good and sufficient reason for its  
13 failure. Every answer by a public utility under this section shall be verified  
14 under oath by a manager of the public utility and returned to the commission  
15 at its office within the period fixed by the commission.

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16 (2) If required by the commission, a public utility, other than a  
17 telecommunications provider, shall deliver to the commission the original or a  
18 copy of any map, profile, contract or engineer's report and any other document,  
19 book, account, paper or record with a complete inventory of all its property, in  
20 such form as the commission directs.

1 (3) If a telecommunications provider receives a questionnaire from the  
2 commission, the telecommunications provider shall respond specifically, correctly  
3 and fully to each question (that relates to a matter over which the commission has  
4 jurisdiction.) If a telecommunications provider is unable to answer any question,  
5 the telecommunications provider shall give a good and sufficient reason for its  
6 failure. Answers shall be verified under oath by a manager of the  
7 telecommunications provider. A completed questionnaire shall be returned to the  
8 commission within the time period specified by the commission.

*see other character*

9 **Section 83.** 196.26 (1) (a) of the statutes is amended to read:

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10 196.26 (1) (a) A complaint filed with the commission that any rate, toll,  
11 charge, or schedule, joint rate, regulation, measurement, act, or practice relating to  
12 the provision of heat, light, water, or power, ~~or telecommunications service~~ is  
13 unreasonable, inadequate, unjustly discriminatory, or cannot be obtained.

14 **Section 84.** 196.26 (4) of the statutes is repealed.

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15 **Section 85.** 196.28 (4) of the statutes is amended to read:

16 196.28 (4) This section does not apply to rates, tolls or charges of a  
17 telecommunications cooperative, an unincorporated telecommunications  
18 cooperative association, or a small telecommunications utility ~~except as provided~~  
19 ~~in s. 196.205 or 196.215 (2).~~

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20 **Section 86.** 196.31 (lm) of the statutes is amended to read:

1           196.31 (1m) The commission shall compensate any consumer group or  
2 consumer representative for all reasonable costs of participating in a hearing under  
3 s. ~~196.196 (1) (g) or~~ 196.198.

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4           Section 87. 196.37 (3) of the statutes is amended to read:

5           196.37 (3) Any public utility to which an order under this section applies  
6 shall make such changes in schedules on file under s. 196.19 to make the schedules  
7 conform to the order. The public utility may not make any subsequent change in  
8 rates, tolls or charges without the approval of the commission, ~~except as provided~~  
9 ~~in s. 196.205 or 196.215 (2).~~

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10          Section 88. 196.37 (4) of the statutes is amended to read:

11          196.37 (4) This section does not apply to rates, tolls or charges of a  
12 telecommunications cooperative, an unincorporated telecommunications  
13 cooperative association, or a small telecommunications utility ~~except as provided~~  
14 ~~in s. 196.205 or 196.215 (2).~~

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15          Section 89. 196.49 (1) (ag) of the statutes is repealed.

16          Section 90. 196.49 (3) (b) (intro.) of the statutes is amended to  
17 read:

18          196.49 (3) (b) (intro.) ~~Except as provided in par. (d), the~~ The commission  
19 may require by rule or special order under par. (a) that no project may proceed  
20 until the commission has certified that public convenience and necessity require



1 the project. The commission may refuse to certify a project if it appears that the  
2 completion of the project will do any of the following:

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3 Section 91. 196.49 (3) (d) of the statutes is repealed.

4 Section 92. 196.50 (title) of the statutes is amended to read:

5 **196.50 (title) Competing public utilities; indeterminate permits;**  
6 **telecommunications utility certification.**

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7 Section 93. 196.50 (1) (b) 1. and 2. of the statutes are repealed.

8 Section 94. 196.50 (1) (b) 3. of the statutes is renumbered 196.50

9 (1) (b).

10 Section 95. 196.50 (2) (b) of the statutes is amended to read:

Deleted: <#>196.50 (2) (a) of the statutes is amended to read:¶  
196.50 (2) (a) Alternative telecommunications utilities shall be certified under s. 196.203. ~~All~~ Except as provided in par. (i) 1. a., all other telecommunications utilities shall be certified under this subsection.¶

11 196.50 (2) (b) A certificate, franchise, license or permit, indeterminate or  
12 otherwise, in effect on September 1, 1994, for a telecommunications utility shall  
13 remain in effect and shall have the effect of a certificate of authority. A  
14 telecommunications utility is not required to apply for a new certificate of  
15 authority to continue offering or providing service to the extent of the prior  
16 authorization. Each telecommunications utility, ~~including telecommunications~~  
17 ~~cooperatives and unincorporated telecommunications cooperative associations,~~  
18 shall have on file with the commission ~~under s. 196.19 a tariff that sets forth the~~  
19 ~~rates, terms and conditions for all services provided and a map that defines the~~  
20 geographical limits of the service territory that the telecommunications utility is

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1 obliged to serve.

2 Section 96. 196.50 (2) (e) 1. of the statutes is amended to read:

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3 196.50 (2) (e) 1. Pending the determination on an application for a certificate  
4 of authority or an amended certificate of authority, the commission may issue,  
5 without notice and hearing, a temporary license for a period not to exceed one year  
6 ~~and may temporarily exempt the applicant from requirements of this chapter~~  
7 ~~identified in s. 196.195 (5) if the exemption is in the public interest.~~ The issuance  
8 of a temporary license does not bind the commission in the final determination on  
9 the application.

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10 Section 97. 196.50 (2) (f) of the statutes is amended to read:

11 196.50 (2) (f) The commission shall issue a certificate of authority or an  
12 amended certificate of authority if it finds, after notice and opportunity for hearing,  
13 that the applicant possesses sufficient technical, financial and managerial resources  
14 to provide telecommunications service to any person within the identified  
15 geographic area. In making this determination, the commission shall consider the  
16 factors identified in s. 196.03 (6). ~~The commission may order the applicant to~~  
17 ~~satisfy any conditions that the commission considers to be necessary to protect the~~  
18 ~~public interest, including structural safeguards.~~

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19 Section 98. 196.50 (2) (g) 3. of the statutes is repealed.

20 Section 99. 196.50 (2) (h) of the statutes is repealed.

**Section 100.** 196.50 (2) (i) of the statutes is created to read:

196.50 (2) (i) A telecommunications utility certified under this subsection is exempt from s. 196.02 (2) and (6); 196.05, 196.06, 196.07, 196.08, 196.09, 196.10, 196.12, 196.13, 196.16, 196.18, 196.19, 196.20, 196.21, 196.219 (3) (c), (e), (g), (L), (4), except with respect to wholesale telecommunications services [NOTE TO LRB: INTENT HERE IS THAT THE PRECEDING "EXCEPT" LIMITATION APPLIES ONLY TO (4)], (4d), (4m), (5), 196.24, 196.395, 196.49, 196.52, 196.58, 196.60, 196.64, 196.78, and 196.79.

**Section 101.** 196.50 (2) (j) of the statutes is created to read:

196.50 (2) (j) 1. A telecommunications utility certified under this subsection may do any of the following:

a. Provide notice to the commission to terminate the certification under this subsection and certify the telecommunications utility as an alternative telecommunications utility under s. 196.203. No later than 30 days after receiving notice under this subd. 1. a., the commission shall issue an order granting a certification under s. 196.203. The granting of such certification shall operate to terminate the certification under this subsection. All regulatory requirements in or related to the certification under this subsection that are inconsistent with the requirements of or level of regulation allowed by s. 196.203, including all such requirements imposed by the certification and all such requirements imposed by

**Deleted:** s. 196.03, except with respect to wholesale telecommunications service; ss.

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**Deleted:** except that, with respect only to its switched access services, a telecommunications utility certified under this subsection with 50,000 or fewer access lines in this state as of the effective date of this paragraph .... [LRB inserts date], is not exempt from s. 196.03; and except that, with respect only to its switched access services, a telecommunications utility certified under this subsection with more than 50,000 and fewer than 150,000 access lines in this state as of the effective date of this paragraph .... [LRB inserts date], is not exempt from ss. 196.03 and 196.37. The intrastate dedicated access service rates of a telecommunications utility with 150,000 or more access lines in this state as of the effective date of this paragraph .... [LRB inserts date], may not exceed the telecommunications utility's interstate access service rates for similar access services, except that such a telecommunications utility shall n (... [3])

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1 the commission, whether by statute or commission rule or order, on the  
2 telecommunications utility are terminated on the effective date of the order,  
3 unless the telecommunications utility seeking recertification under s. 196.203  
4 requests to remain subject to one or more requirements of its prior certification,  
5 provided that those requirements do no violate the telecommunications utility's  
6 requirements or obligations under this Chapter and the commission approves the  
7 request.

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8       **b.** Provide notice to the commission to recertify the telecommunications  
9 utility under this subsection and impose on the telecommunications utility only  
10 those provisions of this chapter specified in this paragraph. No later than 30 days  
11 after receiving notice under this subd. 1. b., the commission shall issue an order  
12 granting recertification under this subsection imposing on the telecommunications  
13 utility only those provisions of this chapter specified in this subd. The  
14 telecommunications utility shall be exempt from all provisions of this chapter,  
15 except ss. 196.01, 196.016, 196.025 (6), 196.191, 196.206, 196.212, 196.219(2r),  
16 and 196.503; and except those provisions in s. 196.203 (4m) (a) that are imposed  
17 on all alternative telecommunications utilities under s. 196.203 (3); and except,  
18 with respect to its wholesale telecommunications services only, to ss. 196.03 (1)  
19 and (6), 196.219(4), 196.28, and 196.37. If required by the public interest, the  
20 commission may, with respect only to intrastate switched access services, impose

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1 on the telecommunications utility s. 196.03 (1) and (6) and 196.37, provided that  
 2 the commission may not impose s. 196.03(1) or (6) without also imposing s.  
 3 196.37 on the telecommunications utility. The granting of the recertification shall  
 4 operate to terminate the telecommunications utility's prior certification. All  
 5 regulatory requirements related to the prior certification that are inconsistent with  
 6 the requirements of or level of regulation allowed by this subd., including all such  
 7 requirements imposed by the certification, and all such requirements imposed by  
 8 the commission, whether by statute or commission rule or order, on the  
 9 telecommunications utility are terminated on the effective date of the order,  
 10 unless the telecommunications utility seeking recertification under this section  
 11 requests to remain subject to one or more requirements of its prior certification,  
 12 provided that those requirements do no violate the telecommunications utility's  
 13 requirements or obligations under this Chapter and the commission approves the  
 14 request. 2. Issuance of a commission order under subd. 1. shall operate as a  
 15 limited waiver of the telecommunications utility's right to an exemption under 47  
 16 USC 251 (f) (1), which shall apply only to all of the following:  
 17       a. The requirements of 47 USC 251 (c) (1) and (2).  
 18       b. The requirements of 47 USC 251 (c) (5), but only with respect to the  
 19 requirements of 47 CFR 51.325 (a) (1) and (2).  
 20       3. Issuance of a commission order under subd. 1. shall operate as a limited

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**Deleted:** ; and except that, if the telecommunications utility has 50,000 or fewer access lines in this state as of the effective date of this subd. 1. b. .... [LRB inserts date], then, only with respect to its switched access services, the telecommunications utility is not exempt from s. 196.03; and except that, if the telecommunications utility has more than 50,000 and fewer than 150,000 access lines in this state as of the effective date of this subd. 1. b. .... [LRB inserts date], then, only with respect to its switched access services, the telecommunications utility is  
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**Deleted:** Except as provided in subds. 4. and 5.,  
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**Deleted:** , including all such requirements imposed by the certification or imposed by rule, order or other determination made by the commission  
**Deleted:** and all requirements imposed by the commission, whether by statute or commission rule or order, on the telecommunications utility are terminated on the effective date of the order  
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1 waiver of the telecommunications utility's right to petition the commission for  
2 suspension or modification under 47 USC 251 (f) (2), which shall apply only to all  
3 of the following:

- 4 a. The requirements of 47 USC 251 (b) and (c) (1) and (2).
- 5 b. The requirements of 47 USC 251 (c) (5), but only with respect to the  
6 requirements of 47 CFR 51.325 (a) (1) and (2).

7 **Section 102.** 196.503 of the statutes is created to read:

8 **196.503 Telecommunications provider of last-resort obligations. (1)**

9 DEFINITIONS. In this section: “basic voice service” means the provision to  
10 residential customers of 2-way voice communication within a local calling area.  
11 “Basic voice service” includes extended community calling and extended area  
12 service. “Basic voice service” does not include the offering of internet access  
13 service or any discretionary or optional services that are provided to a residential  
14 customer, even if provided in a bundle or package with basic voice service.

15 **(2) INCUMBENT LOCAL EXCHANGE CARRIER OBLIGATIONS. (a)**  
16 Notwithstanding any other provision in this chapter, and except as provided in sub.  
17 (3), an incumbent local exchange carrier shall make basic voice service available to  
18 all residential customers within a local exchange area in which it operates as an  
19 incumbent local exchange carrier.

20 **(b)** An incumbent local exchange carrier may satisfy its obligations under

**Deleted:** 4. Regardless of whether a telecommunications utility certified under this subsection takes an action allowed under subd. 1., the telecommunications utility is subject, with respect to its wholesale telecommunications service, to all provisions specified in s. 196.203 (4m) (a) and (c).¶  
5. This paragraph does not terminate any order of the commission regarding interconnection, unbundling, collocation, or any other obligation under 47 USC 251, or regarding wholesale telecommunications service.¶  
<#> 196.50 (2) (k) of the statutes is created to read:¶  
196.50 (2) (k) Notwithstanding pars. (i) and (j) 1. b., s. 196.212 governs the rates that a telecommunications provider subject to s. 196.212 may charge for intrastate switched access services.¶

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1 par. (a) through an affiliate and through the use of any available technology or  
2 mode.

3 (3) WAIVERS. (a) An incumbent local exchange carrier may apply to the  
4 commission for a waiver from compliance with sub. (2) (a) in a local exchange area.

5 (b) The commission shall grant a waiver requested under par. (a) for a local  
6 exchange area if any of the following is satisfied:

7 1. The commission finds that the incumbent local exchange carrier  
8 demonstrates that the waiver is in the public interest or that effective competition  
9 exists for basic voice service in the local exchange.

10 2. The commission has made a previous finding of effective competition  
11 under s. 196.195 (2) for basic local exchange service in the local exchange. The  
12 commission may not grant a waiver under this subdivision until after June 1, 2012,  
13 or the effective date of this subdivision .... [LRB inserts date], whichever is later.

14 (c) The commission's review of a waiver requested under par. (a) shall be  
15 strictly limited to determining whether any of the criteria specified in par. (b) 1. or  
16 2. is satisfied.

17 (d) 1. Within 120 days of the filing of a waiver request based on par. (b) 1.,  
18 the commission shall grant or deny the request and, if denied, the commission shall  
19 issue a written decision identifying the reasons for its denial. If the commission  
20 fails to grant or deny the waiver request within 120 days of its filing, the waiver

**Deleted:** If a waiver is granted, then the requesting incumbent local exchange carrier shall not be eligible to receive moneys from the universal service fund for the purpose of assisting customers of this state that have relatively high costs of telecommunications service in obtaining affordable access to a basic set of essential telecommunications services, as provided in s. 196.218 (5) (a) 1. The requesting carrier may receive moneys from the universal service fund for any other purpose specified in s. 196.218 (5), including any other purpose specified in s. 196.218 (5) (a) 1.

1 request is considered granted by operation of law.

2 2. The commission shall grant a waiver based on par. (b) 2. as soon as the  
3 commission verifies that the commission has previously made the finding specified  
4 in par. (b) 2., but no later than 20 days after the filing of the waiver request. If the  
5 commission fails to grant a waiver request based on par. (b) 2. within 20 days of its  
6 filing, the waiver request is considered granted by operation of law. If the  
7 commission denies a waiver based on par. (b) 2., the commission shall issue a  
8 written decision identifying the reasons for its denial.

9 (4) EFFECT ON OTHER REQUIREMENTS. (a) Notwithstanding any other  
10 provision of this chapter, a commission decision prior to the effective date of this  
11 paragraph .... [LRB inserts date], eliminating an incumbent local exchange carrier's  
12 provider of last-resort obligations, by operation of law or otherwise, remains in  
13 force and in effect as to the elimination of those obligations.

14 (b) Except to enforce this section, nothing in this section provides the  
15 commission with any authority to regulate, or any jurisdiction over, incumbent  
16 local exchange carriers and the rates, terms, and conditions of their services that  
17 the commission does not otherwise have under this chapter.

18 (5) SUNSET. This section does not apply after April 30, 2013.

19 Section 103. 196.52 (3) (b) 1. of the statutes is amended to read:

20 196.52 (3) (b) 1. The requirement for written approval under par. (a) shall

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1 not apply to any contract or arrangement if the amount of consideration involved is  
2 not in excess of \$25,000 or 5% of the equity of the public utility, whichever is  
3 smaller. The requirement under par. (a) also does not apply to ~~a~~  
4 ~~telecommunications utility contract or arrangement~~ or to contracts or arrangements  
5 with joint local water authorities under s. 66.0823. Regularly recurring payments  
6 under a general or continuing arrangement which aggregate a greater annual  
7 amount may not be broken down into a series of transactions to come within the  
8 exemption under this paragraph. Any transaction exempted under this paragraph  
9 shall be valid or effective without commission approval under this section.

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10 |            **Section 104.** 196.52 (3) (c) (intro.) of the statutes is amended to  
11 |            read:

12 |            196.52 (3) (c) (intro.) If the value of a contract or arrangement between an  
13 |            affiliated interest and a public utility, ~~other than a telecommunications utility,~~  
14 |            exceeds \$1,000,000, the commission:

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15 |            **Section 105.** 196.52 (5) (a) of the statutes is renumbered 196.52  
16 |            (5).

17 |            **Section 106.** 196.52 (5) (b) of the statutes is repealed.

18 |            **Section 107.** 196.52 (6) of the statutes is amended to read:

19 |            196.52 (6) If the commission finds upon investigation that a public utility,  
20 |            ~~other than a telecommunications utility,~~ is giving effect to a contract or

1 arrangement without the commission's approval under this section, the commission  
2 shall issue a summary order directing that public utility to cease and desist from  
3 making any payments, receiving compensation, providing any service or otherwise  
4 giving any effect to the contract or arrangement until the contract or arrangement  
5 receives the approval of the commission. The circuit court of Dane County may  
6 enforce the order to cease and desist by appropriate process, including the issuance  
7 of a preliminary injunction, upon the suit of the commission.

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8 **Section 108.** 196.52 (9) (e) of the statutes is amended to read:

9 196.52 (9) (e) Notwithstanding sub. (5)~~(a)~~, the commission may not modify  
10 or terminate a leased generation contract approved under sub. (3) except as  
11 specified in the leased generation contract or the commission's order approving the  
12 leased generation contract.

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13 **Section 109.** 196.60 (1) (a) of the statutes is amended to read:

14 196.60 (1) (a) ~~Except as provided under sub. (2), no~~ No public utility and no  
15 agent, as defined in s. 196.66 (3) (a), or officer of a public utility, directly or  
16 indirectly, may charge, demand, collect or receive from any person more or less  
17 compensation for any service rendered or to be rendered by it in or affecting or  
18 relating to the production, transmission, delivery or furnishing of heat, light, water,  
19 ~~telecommunications service~~ or power or for any service in connection therewith,  
20 than that prescribed in the published schedules or tariffs then in force, or

1 established under this chapter, or than it charges, demands, collects or receives  
2 from any other person for a like contemporaneous service.

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3 Section 110. 196.60 (2) of the statutes is repealed.

4 Section 111. 196.604 of the statutes is amended to read:

5 **196.604 Rebates, concessions and discriminations unlawful.** No person  
6 may knowingly solicit, accept or receive any rebate, concession or discrimination  
7 from a public utility for any service in or affecting or relating to the production,  
8 transmission, delivery or furnishing of heat, light, water or power ~~or the conveying~~  
9 ~~of telecommunications messages~~ within this state or for any connected service  
10 whereby the service is rendered or is to be rendered free or at a rate less than the  
11 rate named in the schedules and tariffs in force, or whereby any other service or  
12 advantage is received. Any person violating this section shall be fined not less than  
13 \$50 nor more than \$5,000 for each offense.

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14 Section 112. 196.77 of the statutes is repealed.

15 Section 113. 196.79 (1) of the statutes is renumbered 196.79 and  
16 amended to read:

17 **196.79 Reorganization subject to commission approval.** ~~Except as~~  
18 ~~provided in sub. (2), the~~ The reorganization of any public utility shall be subject to  
19 the supervision and control of the commission. No reorganization may take effect  
20 without the written approval of the commission. The commission may not approve

1 any plan of reorganization unless the applicant for approval establishes that the  
2 plan of reorganization is consistent with the public interest.

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3 **Section 114.** 196.79 (2) of the statutes is repealed.

4 **Section 115.** 196.805 of the statutes is repealed.

5 **Section 116.** 196.975 (1) of the statutes is renumbered 196.975

6 (1r) and amended to read:

7 196.975 (1r) One hundred fifty or more consumers, ~~as defined in s. 196.213~~  
8 ~~(1) (a) 1,~~ who are residents of the same local exchange area for  
9 telecommunications service may file with the commission a petition requesting  
10 that commission staff, in cooperation with the affected telecommunications utilities  
11 and telecommunications carriers, petition the appropriate federal district court to  
12 include their local exchange area in a different local access and transport area. The  
13 petitioners shall include with the petition information explaining why the current  
14 boundaries of the local access and transport area which includes their local  
15 exchange area does not adequately reflect areas of common social, economic and  
16 other concerns.

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17 **Section 117.** 196.975 (1g) of the statutes is created to read:

18 196.975 (1g) In this section, "consumer" means a person billed for one or  
19 more local telecommunications service access lines not to exceed one person per  
20 access line. A person billed for more than one access line may not be considered a

1 consumer for each access line for which he or she is billed.

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2 **Section 118.** 196.975 (2) of the statutes is amended to read:

3 196.975 (2) After receiving a petition under sub. ~~(1)~~ (1r), the commission  
4 shall schedule a public hearing, to be held in the local exchange area of the  
5 petitioners, serving to receive testimony on the contents of the petition and any  
6 other matters deemed relevant by the commission. The commission shall publish a  
7 class 1 notice under ch. 985 in a newspaper serving the local exchange area at least  
8 20 days prior to the hearing.

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9 **Section 119.** 201.15 of the statutes is repealed.

10 **Section 120.** Nonstatutory provisions.

11 (1) In this section:

12 (a) "Commission" means the public service commission.

13 (b) "Price-regulated telecommunications utility" means a  
14 telecommunications utility that elected to become a price-regulated  
15 telecommunications utility under section 196.196 (1) or (4), 2009 stats.

16 (c) "Telecommunications utility" has the meaning given in section 196.01  
17 (10) of the statutes.

18 (2) Except as provided in section 196.219 (2r) and 196.195 of the statutes,  
19 as created by this act, on the effective date of this subsection, any requirement  
20 imposed by the commission under section 196.195 (5), 2009 stats., or section

1 196.196, 2009 stats., whether by statute or commission rule or order, on a price-  
2 regulated telecommunications utility is terminated.

3 (3) Except as provided in section 196.219 (2r) of the statutes, as created by  
4 this act, on the effective date of this subsection, any requirement imposed on a  
5 telecommunications utility or alternative telecommunications utility under section  
6 196.203, 2009 stats., or section 196.50, 2009 stats., whether by statute or  
7 commission rule or order, that is inconsistent with sections 196.203 or 196.50 (2)  
8 of the statutes, as affected by this act, is terminated.

9 (END)

(1) Notwithstanding anything in this chapter to the contrary, any telecommunications utility or alternative telecommunications utility may do any of the following:

(a) Retain on file with the commission tariffs already on file with the commission as of the effective date of this paragraph .... [LRB inserts date], showing the rates, tolls, and charges that the telecommunications utility or alternative telecommunications utility has established as of the effective date of this paragraph .... [LRB inserts date], for some or all of the services performed by the telecommunications utility or alternative telecommunications utility within the state or for any service in connection therewith or performed by any telecommunications utility or alternative telecommunications utility controlled or operated by the telecommunications utility or alternative telecommunications utility.

(b) Withdraw or change the rates, terms, or conditions of a tariff on file with the commission, except that the telecommunications utility or alternative telecommunications utility may not increase its intrastate switched access rates if it chooses to withdraw its tariff for intrastate switched access services.

(c) File with the commission new tariffs showing the rates, tolls, and charges that the telecommunications utility or alternative

telecommunications utility has established, as provided in the tariff filings, for some or all of the services performed by the telecommunications utility or alternative telecommunications utility within the state or for any service in connection therewith or performed by any telecommunications utility or alternative telecommunications utility controlled or operated by the telecommunications utility or alternative telecommunications utility. If a telecommunications utility or alternative telecommunications utility files a new tariff under this paragraph, all of the following apply:

1. The new tariff shall become effective on the date specified in the tariff, unless the commission suspends the operation of the new tariff upon serving a written notice of the suspension on the telecommunications utility or alternative telecommunications utility within 10 days after the date of filing. The notice shall include a statement of the reason upon which the commission believes the tariff may be modified under subd. 2.

2. The commission may modify, only to the extent permitted by ss. 196.203 and 196.50 (2) (i) and (j), the new tariff after an opportunity for a hearing.

3. If the commission does not conduct a hearing under subd. 2., the commission shall issue its final order within 60 days after issuing the notice of suspension under subd. 1. If the commission conducts a hearing, the



commission shall issue its final order within 120 days after issuing the notice of suspension under subd. 1. If a final order is not issued within the time limits specified in this subdivision, the new tariff becomes effective as filed.

(2) Nothing in this section shall give the commission jurisdiction over the rates or terms and conditions of any service that is not subject to a tariff under sub. (1).

(3) Every telecommunications utility or alternative telecommunications utility that files a tariff with the commission under sub. (1) shall include all terms and conditions that apply to the services specified in the tariff and the rates charged or to be charged.

(4) A telecommunications utility or alternative telecommunications utility may withdraw a tariff for any service by providing notice to the commission.

(5) (a) Except as provided in par. (b), a proposed change in a tariff shall be effective at the time specified in the tariff as filed with the commission under sub. (1).

(b) No change in a tariff that constitutes an increase in intrastate switched access rates may be made unless the change is consistent with the public interest factors set forth in s. 196.03 (6) and does not violate s. 196.212 and the commission by order, after investigation and opportunity

for a hearing, approves the change.

(6) Nothing in this chapter prohibits a tariff for a service that permits a telecommunications utility or alternative telecommunications utility to enter into an individual contract with an individual customer for that tariffed service that includes rates, terms, and conditions that are different from those in the tariff.

(7) Except as provided in sub. (6), no telecommunications utility or alternative telecommunications utility may charge, demand, collect, or receive more or less compensation for any service for which a tariff is filed or retained on file under sub. (1) than is specified in the tariff, as may at the time be in force, or demand, collect, or receive any rate, toll, or charge for such service not specified in the tariff.

(8) A copy of the tariffs filed or retained on file under sub. (1) shall be made available to consumers in a form and place readily accessible to the public

(1) DEFINITIONS. In this section:

(a) "Affiliate" means any person, corporation, company, cooperative, unincorporated cooperative association, partnership, association, or other entity that is controlled by, or is under common control with, a

telecommunications provider or telecommunications utility.

(b) "Large incumbent local exchange carrier" means an incumbent local exchange carrier that, with any affiliates that are incumbent local exchange carriers operating in the state, in total had 150,000 or more access lines in use in this state as of January 1, 2010.

(c) "Nonincumbent" means a telecommunications provider that is not an incumbent local exchange carrier.

(d) "Small incumbent local exchange carrier" means an incumbent local exchange carrier that, with any affiliates that are incumbent local exchange carriers operating in the state, in total had fewer than 150,000 access lines in use in this state as of January 1, 2010.

**(2) REDUCTIONS FOR NONINCUMBENTS.** A nonincumbent shall reduce its intrastate switched access rates to no higher than the nonincumbent's rates for interstate switched access services as follows:

(a) Beginning on the effective date of this paragraph .... [LRB inserts date], the nonincumbent may not increase its intrastate switched access rates or charge intrastate switched access rates higher than the amount the nonincumbent charged for intrastate switched access services on January 1, 2011.

(b) No later than one year after the effective date of this paragraph ....

[LRB inserts date], the nonincumbent shall reduce its intrastate switched access rates by an amount equal to 50 percent of the difference between its intrastate switched access rates in effect prior to the reduction and its interstate switched access rates in effect prior to the reduction.

(c) No later than 2 years after the effective date of this paragraph .... [LRB inserts date], the nonincumbent shall further reduce its intrastate switched access rates by an amount equal to 50 percent of the difference between its intrastate switched access rates in effect prior to the reduction and its interstate switched access rates in effect prior to the reduction.

(d) No later than 3 years after the effective date of this paragraph .... [LRB inserts date], the nonincumbent shall reduce its intrastate switched access rates to mirror its interstate switched access rates in effect prior to the reduction and, beginning no later than that date, may not charge intrastate switched access rates that are higher than its interstate switched access rates.

**(3) REDUCTIONS FOR LARGE INCUMBENT LOCAL EXCHANGE CARRIERS.**

A large incumbent local exchange carrier shall reduce its intrastate switched access rates to no higher than the large incumbent local exchange carrier's rates for interstate switched access services as follows:

(a) Beginning on the effective date of this paragraph .... [LRB inserts date], the large incumbent local exchange carrier may not increase its

intrastate switched access rates or charge intrastate switched access rates higher than the amount it charged for intrastate switched access services on January 1, 2011.

(b) No later than one year after the effective date of this paragraph .... [LRB inserts date], the large incumbent local exchange carrier shall reduce its intrastate switched access rates by an amount equal to 25 percent of the difference between its intrastate switched access rates in effect prior to the reduction and its interstate switched access rates in effect prior to the reduction.

(c) No later than 2 years after the effective date of this paragraph .... [LRB inserts date], the large incumbent local exchange carrier shall further reduce its intrastate switched access rates by an amount equal to 33 percent of the difference between its intrastate switched access rates in effect prior to the reduction and its interstate switched access rates in effect prior to the reduction.

(d) No later than 3 years after the effective date of this paragraph .... [LRB inserts date], the large incumbent local exchange carrier shall further reduce its intrastate switched access rates by an amount equal to 50 percent of the difference between its intrastate switched access rates in effect prior to the reduction and its interstate switched access rates in effect prior to the

reduction.

(e) No later than 4 years after the effective date of this paragraph .... [LRB inserts date], the large incumbent local exchange carrier shall reduce its intrastate switched access rates to mirror its interstate switched access rates in effect prior to the reduction and, beginning no later than that date, may not charge intrastate switched access rates that are higher than its interstate switched access rates.

(4) COMMISSION REVIEW LIMITED. (a) Notwithstanding any other provision of this chapter, subs. (2) and (3) govern the rates that nonincumbents and large incumbent local exchange carriers may charge for intrastate switched access services. Except as required to enforce this section, the commission may not review or set the rates for intrastate switched access services of nonincumbents and large incumbent local exchange carriers.

(b) During the 3-year period beginning on the effective date of this paragraph .... [LRB inserts date], if a small incumbent local exchange carrier does not increase its intrastate switched access rates, the commission may not order a reduction in the small incumbent local exchange carrier's intrastate switched access rates.

telecommunications utility certified under this subsection with 50,000 or fewer access lines in this state as of the effective date of this paragraph .... [LRB inserts date], is not exempt from s. 196.03; and except that, with respect only to its switched access services, a telecommunications utility certified under this subsection with more than 50,000 and fewer than 150,000 access lines in this state as of the effective date of this paragraph .... [LRB inserts date], is not exempt from ss. 196.03 and 196.37. The intrastate dedicated access service rates of a telecommunications utility with 150,000 or more access lines in this state as of the effective date of this paragraph .... [LRB inserts date], may not exceed the telecommunications utility's interstate access service rates for similar access services, except that such a telecommunications utility shall not assess an intrastate carrier common line charge or a substitute charge. Except to enforce this paragraph and s. 196.212, the commission may not review or set the access rates for a telecommunications utility with 150,000 or more access lines in this state as of the effective date of this paragraph .... [LRB inserts date].

, including all such requirements imposed by the certification under this subsection or imposed by rule, order or other determination made