



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

**January 2011 Special Session
Senate Bill 13**

**Senate
Amendment 1**

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January 2011 Special Session Senate Bill 13 relates to regulation of telecommunications services.

Among other topics, the bill addresses access charges. When the customer of one telecommunications utility places a long-distance call to the customer of another telecommunications utility, the utility that originated the call must use the facilities of the other utility to terminate the call. An access charge is the amount that the terminating utility charges the originating utility for this use of its facilities. Access charges for intrastate calls, calls between two parties within this state, are subject to state jurisdiction; interstate calling and access charges are under the jurisdiction of the Federal Communications Commission (FCC). In general, intrastate access charges are larger than interstate access charges.

Access charges apply to calls initiated by land line telephones, but intercarrier compensation for calls initiated by cell phone are based on a separate federal regulatory scheme. Note that there is disagreement as to the application of access charges to calls placed using voice over Internet protocol (VoIP) and the state's role relative to those charges, and that a docket at the FCC is currently considering these issues.

The *bill* includes a provision that requires certain telecommunications utilities (incumbent providers that serve more than 150,000 access lines, nonincumbent providers that serve more than 10,000 access lines, and providers that are first certified to provide service in Wisconsin on or after January 1, 2011) to reduce their rates for intrastate access charges, over specified schedules, to be no greater than their interstate access charge rates.

The *bill* also provides that, unless otherwise provided under federal law, VoIP service providers must pay access charges to the same extent that any other (i.e., land line) providers are required to pay them.

The *amendment* specifies that the access charge reductions required by the bill apply “to any entity subject to those rates, regardless of the technology or mode used by the entity to provide its telecommunications services.” Thus, without suggesting that calls placed using VoIP are or are not subject to the obligation to pay access charges, the amendment makes clear that, to the extent that they are subject to access charges, and to the extent that calls using any other technology or mode are subject to access charges, the reductions in rates for access charges required by the bill apply to these calls as well as to land line calls.

Legislative History

On May 10, 2011, the Senate Committee on State and Federal Relations and Information Technology voted to:

- Introduce Senate Amendment 1 (Ayes, 5; Noes, 0);
- Recommend adoption of Senate Amendment 1 (Ayes 4; Noes, 1); and
- Recommend passage of January 2011 Special Session Senate Bill 13, as amended (Ayes, 5; Noes, 0).

DLL:jal