

## **2007-2009 BIENNIAL STATE BUDGET – TELECOM PROVISIONS**

### ***REPEAL OF THE LIMITATION ON COMMISSION-RELATED CONTRIBUTIONS TO THE UNIVERSAL SERVICE FUND:***

Repeal the \$6,000,000 annual limitation on the total amount of contributions to the universal service fund (USF) that the Public Service Commission may require from telecommunications providers to fund the Commission's related appropriation. Modify the current law provision authorizing a USF surcharge to permit all telecommunications providers subject to USF assessments to recover the assessments for all USF programs through a surcharge displayed on their customers' bills. The universal service fund supports 13 programs with annual appropriations totaling over \$30 million in 2005-07. The Commission administers eight of these programs, which have been funded from a single appropriation capped at \$6.0 million annually. While this provision would remove the limitation on contributions from providers, the amendment would continue funding the Commission's appropriation at \$6.0 million in both 2007-08 and 2008-09. Current law provisions permit USF assessments for non-PSC programs to be recovered as a surcharge displayed on customer bills, but this procedure is not extended to the USF assessment for the PSC programs. The amendment would allow assessments for all programs to be recovered through a surcharge on customer bills.

***WSTA Position: Opposed the repeal of the \$6.0 million annual contribution limit, but supported the expanded authorization of a USF surcharge***

### ***REIMBURSEMENT OF OVERPAYMENTS TO THE UNIVERSAL SERVICE FUND:***

Require the Public Service Commission to reimburse a telecommunications provider for any overpayment of contributions to the universal service fund caused by a mistake by the telecommunications provider or the Commission, effective with overpayments made in 2005.

***WSTA Position: Supported***

### ***SUNSET DATE FOR WIRELESS 911 GRANTS:***

Prohibit the Commission from encumbering or expending money for grants or supplemental grants to wireless providers and local governments or for the Commission's administrative costs related to those grants after April 1, 2009. The Commission is authorized to make grants and supplemental grants to wireless providers and local governments for certain costs incurred in establishing wireless 911 systems. These costs are funded from surcharges, deposited in the wireless 911 fund, that are imposed by wireless providers on their customers. The surcharge period is sunset on November 30, 2008, and an administrative rule based on state law sunsets the reimbursement period for grants and supplemental grants on April 1, 2009. This provision would codify the latter date in the Chapter 20 appropriation for grants, supplemental grants, and related Commission expenses.

***WSTA Position: Supported***

**PUBLIC LIBRARY SYSTEM AID:**

Adjust funding by \$9,816,800 SEG and -\$9,200,000 GPR in 2007-08 and \$1,262,300 SEG in 2008-09 from base level funding of \$11,297,400 GPR and \$4,223,800 SEG to increase public library system aid, which would represent increases in total funding of 4% annually. The segregated revenue is from the universal service fund (USF), which receives its funding through assessments on annual gross operating revenues from intrastate telecommunications providers. Direct the Public Service Commission to fund \$9,200,000 of the SEG increase with unencumbered carryover balance funds from the USF. Total public library funding would equal \$2,097,400 GPR and \$14,040,600 SEG in 2007-08 and \$11,297,400 GPR and \$5,486,100 SEG in 2008-09.

**WSTA Position: Opposed**

\*The following item was originally included in the biennial budget as signed into law by Gov. Doyle, but was ultimately vetoed by Gov. Doyle:

**USE OF UNIVERSAL SERVICE FUND MONEYS:**

Authorize the use of moneys from the universal service fund to pay for any telecommunications services across the UW System, rather than only for telecommunications services provided by the Department of Administration to the campuses at River Falls, Stout, Superior, and Whitewater as under current law.

**VETO MESSAGE:**

*This section allows the University of Wisconsin System to use funding from the universal service fund to pay for telecommunications services at any campus and allows the system to use universal service fund revenue to purchase its own telecommunications services apart from those provided by the Department of Administration. Under current law, these funds may only be used by the River Falls, Stout, Superior and Whitewater campuses, and telecommunications services must be purchased from the Department of Administration under the unified state BadgerNet contract. While I support allowing the University of Wisconsin System to spend universal service fund moneys at any campus, I object to creating a possible exemption for the system from the state telecommunications contract. The use of a statewide telecommunications network ensures the coordination and efficient delivery of telecommunications services among all state agencies and institutions.*

**WSTA Position: Opposed the biennial budget language, but supported Gov. Doyle's veto**

Please contact Chris LaRowe at (608) 256-8866 ext 20 with further questions. Thanks!