

Public Service Commission of Wisconsin
Assessment of Telecommunications Providers

General and specific revenue types are subject to the remainder, telephone relay, telecommunications trade practices, and Universal Service Fund (USF) assessments?

The following table identifies general categories of revenues subject to the various Assessments:

Revenue Type	Assessable for USF? ¹	Assessable for Remainder, Relay, and Trade Practices
Intrastate Retail Voice Service Originating and Terminating in Wisconsin	Yes	Yes
Intrastate Wholesale Voice Service Originating and Terminating in Wisconsin	No	Yes
Interstate and International Voice Service Originating in Wisconsin	No	Yes
Data, Information, and Miscellaneous Services Attributable to Wisconsin	No	Yes
Is a Deduction for Uncollectible Net Write-off Activity (Current Year Write-offs Less Collections) Allowed?	No	Yes

¹ Including assessments associated with funding of the Commission USF programs, the Educational Telecommunications Access Program of the Technology for Educational Achievement in Wisconsin (TEACH) initiative, telecommunications services provided under Wis. Stat. § 16.972(1) to the University of Wisconsin System (UW-System), and the Department of Public Instruction (DPI) BadgerLink program, the DPI program for information and library services to the blind and visually impaired and state aid to public libraries (as specified in Wis. Stat. § 196.218(5)(a)).

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Assessability of Specific Voice, non-Voice, and Mixed Services

The following table shows whether specific types of revenues are subject to assessment. This listing is based on interpretations by the Commission staff, made in consultation with industry experts and concerned parties. The table reflects the effect of 2011 Wisconsin Act 22 and the Commission's October 19, 2011, determination in docket 5-GF-104, the Commission's November 18, 2011, determination in dockets 5-GF-104 and 5-GF-209, and the Commission's February 10, 2012 determination in docket 5-GF-104.

Revenue Type	Assessable for USF? ¹	Assessable for Remainder, Relay, and Trade Practices (TRP)? ²
900 number services, regardless of the technology over which the service is delivered.	No	Yes
Application downloads	No	No
Billing and collection	No	Yes
Cable television service (per Wis. Stat. § 196.01(9m))	No	No
Caller ID	Yes	Yes
Call forwarding	Yes	Yes
Call waiting	Yes	Yes
Centrex	Yes	Yes
Channel services:		
• Types 2001 through 2006 and 2010	Yes	Yes
• Types 2007 and 2008	Yes	Yes
• Types 3002 & 3003	No	Yes
• Other types	Partial ⁴	Yes
Conference bridging	Yes	Yes

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Customer premises equipment, handset, and other equipment (sale, lease, or maintenance)	No	No
Customer premises wiring, including inside wire maintenance	No	No
Dark fiber service	No	Yes
Detailed billing services	No	Yes
Digital link / digital channel	No	Yes
Digital Subscriber Line (DSL)-based and other broadband Internet access service revenues ³	No	No
Directory advertising	No	Yes
Directory assistance	No	Yes
Directory listing options (e.g., Non-published / Non-listed / Additional)	No	Yes
Downloaded music and media	No	No
Digital Transport Service – Enhanced (DTS-E) - Modules 1 and 2	Yes	Yes
Early termination or disconnection fees:		
• related to retail voice services	Yes	Yes
• related to wholesale, ⁵ data or information services	No	Yes
Eligible Telecommunications Carrier (ETC) cost recovery (receipts from all Federal USF funds)	No	Yes
Ethernet	No	Yes
Federal subscriber line charge	No	Yes
Finance charges	No	Yes
Fixed and nomadic interconnected Voice over Internet Protocol (VoIP) service	Yes	Assessable for Relay and TTP assessments, but not Remainder assessment
Foreign exchange	Yes	Yes

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Frame relay	No	Yes
High capacity circuits (T-1, DS-1, DS-3, etc.) primarily used to provision:		
<ul style="list-style-type: none"> • retail intrastate telecommunications voice service (e.g., Digital Trunk Service using a DS-1 to provision service to a PBX) • wholesale⁵, interstate, or data service (e.g., Dedicated Digital Service (DS-1, DS-3, etc.) used for point to point transport of data) 	Yes	Yes
	No	Yes
Inbound interstate and international 800 and collect calls billed to customers in Wisconsin	No	Yes
Installation, service order, activation, and service connection charges related to:		
<ul style="list-style-type: none"> • Retail voice service • Wholesale⁵, data, or information service 	Yes	Yes
	No	Yes
Insurance	No	No
Integrated Services Digital Network (ISDN) - Primary Rate Interface (PRI) and Basic Rate Interface (BRI)	Partial ⁴	Yes
Late payment fee	No	Yes
Lifeline and Link-Up revenues for reimbursements received from the state USF	No	Yes
Long distance revenue	Yes	Yes
Mobile web	No	No
Non-sufficient funds (NSF) charge	No	Yes
Other mixed voice/data/information service offerings	Partial ⁴	Yes
Paging fees	No	Yes

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Payphone revenue	Yes	Yes
Phone card (prepaid and debit) sales:		
• where the prepaid phone card company provides the underlying phone number associated with the phone card	Yes	Yes
• where the company not providing the underlying phone number also provides telecommunications service at retail (e.g., a telecommunications reseller)	Yes	Yes
• not otherwise noted above ⁵	Yes	No
Picture messaging	No	Yes
Private branch exchange (PBX)	Yes	Yes
Reseller revenue (revenues from sales to non-affiliated companies that resell service)	No	Yes
Retail voice service sales to affiliated companies	Yes	Yes
Revenue from Internet Service Providers (ISPs) associated with transport of the signal from end users to ISPs via switched or unswitched Internet access ⁶	No	Yes
Ring tones	No	No
Roadside assistance	No	No
Roaming:		
• Outroamer revenue (i.e., wholesale “roaming” wireless revenues derived from customers of another carrier roaming on the reporting company’s network) ⁵	No	Yes
• Voice service roaming charged to end users	Yes	Yes
Switched access charge revenue	No	Yes
Switched data service	No	Yes

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Special access (a/k/a dedicated access) charge revenue	No	Yes
Surcharges to recover costs of state and federal USF assessments	No	Yes
Teleconferencing revenues	Yes	Yes
Text messaging	No	Yes
Voice mail service	No	Yes
Voice private line	Yes	Yes
Unbundled network elements (UNEs), reciprocal compensation and other interconnection revenues	No	Yes
Video distance learning revenues	Partial ⁴	Yes
Voice service sales to:		
• Retail customers	Yes	Yes
• Wholesale customers, including wholesale voice sales to affiliated legal entities ⁵	No	Yes

1. Revenues from data and information services are exempt from USF assessment. The interstate and international portions of telecommunications revenues are also exempt from USF assessment. All revenues listed in this footnote are assessable for Remainder, Telecommunications Relay, and Telecommunications Trade Practices assessments.

2. Assessable revenue for these assessments is based on intrastate, interstate, and international gross operating revenues with a nexus to Wisconsin operations. Wireless revenues are subject to the Telecommunications Trade Practices assessment, but not Remainder or Telecommunications Relay assessments.

3. These are federally regulated information (i.e., Internet Access) services.

4. These services contain a mixture of voice and non-voice. For these services, providers should allocate revenues between USF assessable (voice) and non-assessable (non-voice) in the following manner:

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1. If the service is predominantly (more than 80 percent of communication traffic volume) or solely used for voice, or predominantly or solely used for non-voice, the revenues should be assigned 100 percent to voice or non-voice, as appropriate.
2. If method 1 does not apply and the service is basically a “package” or “bundle” of voice and non-voice services, and there is a separate price for each stated on customer bills, the revenues from the service shall be allocated based on those separately stated prices.
3. If the first two methods do not apply and the service is basically a “package” or “bundle” of voice and non-voice services that are each also offered separately, the revenues from the service shall be allocated so that the entire discount inherent in the package or bundle is allocated entirely to non-voice services (i.e. the USF assessable portion of the revenue is equal to the stand-alone price of the voice service). Alternatively, the discount may be allocated using another method that is allowed by the FCC and used by the reporting provider in its FCC filings. If the alternative method is chosen, the provider is subject to the same conditions noted under method 4.b.
4. If none of the first three methods applies, the provider can either:
 - a. Use a safe harbor allocation percentage of 50 percent of service revenues subject to USF assessment.
 - b. Use any other reasonable allocation method other than 1, 2, 3, or 4.a., subject to the following conditions. Any provider choosing to use method 4.b. should be aware that such other allocation method may not be considered reasonable, and will be evaluated by the Commission on a case-by-case basis in any objection, review or enforcement context. Should an objection, review or enforcement proceeding be initiated, a carrier may be obligated to provide evidence that the amount of reported telecommunication revenues that it reported reflects compliance with the carrier’s obligation to contribute to the USF based on retail intrastate voice telecommunications revenue.
5. Assessable retail revenue shall be imputed in instances where a certificated (federal or state, wireline or wireless) provider obtains 90 percent or more of its gross intrastate Wisconsin operating telecommunications revenues in a calendar year from sales to non-telecommunications provider merchants through which resale to ultimate end-users is intended. In such instances, the USF assessment liability of such a provider shall be based on calculating a statewide average ratio of retail to gross intrastate telecommunications revenues across

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all providers, and then applying that percent to the “wholesale-only” telecommunications service provider’s gross intrastate operating revenues.

6. Includes revenue from dial-up Internet access service and revenues associated with the line between the switch and the modem bank.

Whom should I contact if I have further questions concerning telecommunications assessments or fees levied by the Commission?

General questions concerning telecommunications assessments and fees should be directed to Peter Jahn at: (608) 267-2338 or by e-mail at: Peter.Jahn@wisconsin.gov.

If you have specific questions concerning a direct, remainder or telephone relay bill that you have received, please contact Jenna Schmidt at: Jenna2.Schmidt@wisconsin.gov.

Specific questions concerning a USF assessment bill that you have received should be directed to Michael Tamburino, PMP Manager, Client Relations, of SOMOS at: 973.581.6714 or by e-mail at: Michael.TAMBURINO@solixinc.com.