

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2016-00228

September 28, 2016

PUBLIC UTILITIES COMMISSION
Change of Prepaid Wireless Fee Amount,
Pursuant to Chapter 284

NOTICE OF INTENT TO
CHANGE PREPAID WIRELESS
FEE AMOUNT

VANNOY, Chairman; and McLEAN and WILLIAMSON, Commissioners

I. SUMMARY

The Commission hereby provides notice, pursuant to Chapter 284, of its intent to change the per-transaction amount that is included in the Prepaid Wireless Fee for the Maine Universal Service Fund.

II. BACKGROUND

In 2012, the Commission adopted Chapter 284 of the Commission's Rules *Maine Public Utilities Commission, Rulemaking to Establish Wireless Fee (Chapter 284)*, Docket No. 2012-00277, Order Adopting Rule and Statement of Factual and Policy Basis (Sept. 4, 2012). Chapter 284 established the initial per-transaction amounts that were to be collected from prepaid wireless service sales for the Maine Telecommunications Education Access Fund (MTEAF) (\$0.15) and the Maine Universal Service Fund (MUSF) (\$0.38). The Rule also adopted the statutorily established amount for the E-911 fee (\$0.45) which, when added to the MTEAF and MUSF amounts, set initial total PWF amount at \$0.98. The total PWF amount is collected on transactions involving the sale of prepaid wireless telecommunications services by wireless carriers or retailers. The collection of the PWF commenced on January 1, 2013.

On July 1, 2013, the Commission issued an Order, in Docket No. 2013-00116, increasing the MTEAF assessment on voice network service providers from 0.6% of the providers' intrastate retail revenue to 0.7% of that revenue. Consequently, on October 28, 2014, the Commission issued an Order, in Docket No. 2014-00297, to increase the MTEAF portion of the PWF to bring prepaid wireless providers into parity with other voice service providers; the MTEAF portion of the PWF increased from \$0.15 to \$0.18, thus increasing the total PWF from \$0.98 to \$1.01. In subsequent orders approving the annual MTEAF budget, the Commission has approved a continuation of the MTEAF assessment rate of 0.7%, and, correspondingly, has not altered the MTEAF portion of the PWF.

When the PWF was last increased, the MUSF assessment rate was 1.51% of voice service providers' intrastate retail revenues, which was the same rate as was in effect when the Commission initially created the PWF. However, since the date of the last PWF increase, the MUSF assessment rate has increased in several steps to its

present level of 2.1%. The rate increases have mainly been driven by a decreasing amount of intrastate telecommunications revenue reported by the contributing carriers, while the financial obligations of the MUSF have remained relatively fixed.

For the nine months through and including September, 2016, which involve transactions that occurred from November 2015 through July 2016, the PWF has generated \$703,895 for the MUSF, or an average of \$78,211 per month. The Commission is proposing an increase in the per-transaction amount of the PWF from \$1.01 to \$1.16, to be effective January 1, 2017, in order to reflect the current MUSF assessment rate of 2.1% currently paid by other voice service providers.¹

III. REQUEST FOR COMMENTS AND POSTING OF NOTICE

The Commission seeks comment on the proposal to increase the per-transaction amount of the PWF from \$1.01 to \$1.16, effective January 1, 2017, in order to reflect the current MUSF contribution rate of 2.1%. Interested persons may file comments in the above caption Docket by **4:00 p.m., Thursday, October 27, 2016**.

This Notice will be sent to all persons who were on the Notification List for Docket 2014-00297 and also to the Telephone Association of Maine, Time Warner Cable Information Services (Maine), LLC, Time Warner Digital Phone, LLC, CTIA – The Wireless Association[®], Sprint Communications Company L.P. and Sprint Spectrum L.P., and all other wireless carriers not already on the Notification List for whom we have contact information.

Pursuant to 35-A M.R.S. § 7104-C(2)(E) and Chapter 284, §4(B) of the Commission's Rules, a copy of this Notice shall be posted on the Commission's publicly accessible website and shall remain there for at least 30 days, after which the Commission may take further action on this proposed change. The Commission will also post the Notice on the website of the MTEAF/MUSF Joint Administrator, Rolkaloube.com. The Commission will also send a copy of this Notice to the State Tax Assessor, with a request that the State Tax Assessor post the Notice on its publicly accessible website for at least 30 days.

¹ If the increase that the Commission is proposing in this Notice had been implemented for latest nine-month period, the PWF would have generated \$981,748, or \$109,083 per month, for the MUSF. Assuming that the same number of monthly average transactions occurred over a twelve-month period, the proposed increase would have produced additional annual contributions to the MUSF of about \$370,470, which represents an increase of approximately 39.5% in the amount of MUSF contributions collected through the PWF.

Dated at Hallowell, Maine, this 28th day of September, 2016

BY ORDER OF THE COMMISSION

/s/ Harry Lanphear

Administrative Director

COMMISSIONERS VOTING FOR: VANNOY
MCLEAN
WILLIAMSON

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 11(D) of the Commission's Rules of Practice and Procedure (65-407 C.M.R.ch. 110) within **20** days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought. Any petition not granted within **20** days from the date of filing is denied.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within **21** days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.