

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2016-00228

November 3, 2016

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

ORDER CHANGING
AMOUNT OF PREPAID
WIRELESS FEE

VANNOY, Chairman; McLEAN and WILLIAMSON, Commissioners

I. SUMMARY

By this Order, the Commission changes, effective January 1, 2017, the per-transaction amount of the Prepaid Wireless Fee (PWF), as established pursuant to 35-A M.R.S. § 7104-C and Chapter 284 of the Commission's Rules, to reflect the current contribution rate that is in effect for the Maine Universal Service Fund (MUSF). The total amount of the PWF will increase from \$1.01 per transaction to \$1.16 per transaction, effective January 1, 2017.

II. BACKGROUND

On September 4, 2012, the Commission issued an Order Adopting Rule and Statement of Factual and Policy Basis in Docket No. 2012-00277, adopting the PWF Rule, Chapter 284. The rule determined the initial PWF total per-transaction amount to be \$0.98, consisting of \$0.38 for the MUSF, \$0.15 for the Maine Telecommunications Education Access Fund (MTEAF) and the statutorily established amount of \$0.45 for the E-911 fee. The PWF is collected on transactions involving the sale of prepaid wireless service by wireless carriers or other retailers. The collection of the PWF by carriers and retailers began on January 1, 2013.

On October 28, 2014, the Commission issued an Order Changing Prepaid Wireless Fee amount in Docket No. 2014-00297. In that Order, the Commission increased the total PWF per-transaction amount from \$0.98 to \$1.01 to reflect an increase in the MTEAF amount included in the PWF from \$0.15 to \$0.18. That change was effective on January 1, 2015, and it was caused by an increase in the MTEAF contribution rate from 0.6% (the rate when the PWF amount was initially set) of assumed transaction amount of \$25 to 0.7%, the MTEAF rate in effect at the time the change was ordered. The October 2014 Order did not change the amounts that were included in the total PWF fee for the MUSF or the E-911 fee.

On September 27, 2016, the Commission issued in this Docket a Notice of Intent to Change Prepaid Wireless Fee Amount. The Notice stated that the current amount of \$0.38 for the MUSF that is included in the total PWF amount was calculated using the MUSF rate of 1.51%, which was in effect when the PWF total amount was initially set, and that the MUSF amount in the PWF has not been changed since the implementation of the PWF. Since the initial implementation of the PWF, due to decreasing reported

intrastate revenue in the face of static MUSF obligations, the Commission has incrementally raised the MUSF rate to its present level of 2.1%. Pursuant to the calculation methodology established in Chapter 284 of the Commission's Rules, use of the current MUSF rate results in an MUSF per-transaction amount of \$0.53 that should be included the PWF.

The Commission sent its September 27, 2016, Notice to the State Tax Assessor with a request to post the Notice on the Tax Assessor's web site, as required by statute, and the Commission posted the Notice on its web site and sent it to a distribution list established for such a purpose, in accordance with past practice. The only comment received by the Commission with regard to the Notice was from the Office of the Public Advocate (OPA), expressing the OPA's support for the proposed increase.

III. DISCUSSION AND DECISION

Based on the increase of \$0.15 in the MUSF amount collected in the PWF, the Commission will increase the per- transaction PWF amount from \$1.01 to \$1.16, effective January 1, 2017.¹ By increasing the total amount of the PWF to reflect the increased MUSF amount, the Commission will put prepaid wireless customers on an equal footing with all other consumers of intrastate telecommunications services who currently pay into the MUSF. Further, the increased revenue generated by the PWF increase will provide additional financial stability to the MUSF.

Pursuant to Chapter 284 § 4(B) of the Commission's Rules, implementing 35-A M.R.S. § 7104-C (2)(E), a copy of this Order shall be posted on the Commission's publicly accessible web site as soon as possible. The Order will also be posted on the web site of the Commission's third-party MUSF/MTEAF Joint Administrator, Rolka Loube. Finally, as required by the above-referenced statute and implementing Commission Rule, a copy of this Order shall be sent to the State Tax Assessor with a request that the State Tax Assessor provide on its website immediate notice to sellers of prepaid wireless service that the PWF will increase to \$1.16 per transaction, effective January 1, 2017. The Commission will request that the State Tax Assessor disseminate notice of the PWF increase by any other means that it generally uses for such purpose.

IV. ORDERING PARAGRAPHS

In light of the foregoing, the Commission

O R D E R S

1. That, pursuant to 35-A M.R.S. § 7104 (3-A), the amount for the Maine Universal Service Fund included in the Prepaid Wireless Fee, as established pursuant to

¹ The amounts included in the PWF for the MTEAF and the E-911 fee will not change on January 1, 2017.

35-A M.R.S. § 7104-C, is increased from \$0.38 per transaction to \$0.53 per transaction, effective January 1, 2017;

2. That, because of the increase set forth in Ordering Paragraph 1, above, the total amount of the Prepaid Wireless Fee established pursuant to 35-A M.R.S. § 7104-C is increased from \$1.01 per transaction to \$1.16 per transaction, effective January 1, 2017; and
3. That copies of this Order be posted or distributed as described in the body of this Order.

Dated at Hallowell, Maine, this Third day of November, 2016

BY ORDER OF THE COMMISSION

/s/ Harry Lanphear

Administrative Director

COMMISSIONERS VOTING FOR: McLean
Williamson

COMMISSIONERS ABSENT: Vannoy

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. 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.