



THE STATE

OF WYOMING

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September 29, 2011

Wyoming Universal Service Fund Activity Report July 1, 2010 through June 30, 2011 (2010 - 2011 Fiscal Year)

Wyoming Statute (W.S.) § 37-15-501, *et seq.*, created the Wyoming Universal Service Fund (Fund) and provides for its purpose, administration, distributions and contributions. Based on the language of W.S. § 37-15-501, the Fund was created to ". . . assist only those customers of telecommunications companies located in areas of this state with relatively high rates [prices] for essential services." W.S. § 37-15-501(d) designates prices which exceed one hundred thirty percent (130%) of the weighted statewide average local exchange price, after consideration of any contributions from the federal Universal Service Fund, as high prices for essential services. Section 500 of the Procedural Rules and Special Regulations of the Wyoming Public Service Commission (Commission) provides the guidelines, requirements and procedures for the overall operation and function of the Fund. This is the Fund Activity Report for the fiscal year ended June 30, 2011, required under Section 500(e) of the Procedural Rules and Special Regulations of the Commission. Rule Section 500(e) states as follows:

- (e) No later than October 1st of each year, the fund manager shall submit a report to the Commission and to each telecommunications company that contributes to the Universal Service Fund. This report shall summarize the preceding year's activity and shall contain the following:
 - (i) a statement of collections and distributions from the Universal Service Fund;
 - (ii) a record of total cost of Universal Service Fund administration; and
 - (iii) audit reports and recommendations provided by the independent accountant.

Fiscal Year Beginning Fund Balance (July 1, 2010)		\$1,086,264
Fund Disbursements:		
Support Payments to Carriers	\$ (3,251,929)	
Fund Administrative Costs	\$ (68,506)	
Office Expenses, Fund Audit, Misc.	\$ (158,749)	
Total Fund Disbursements		(\$3,479,184)
Fund Receipts:		
New Assessments	\$3,152,887	
Qwest Section 271 QPAP Payments	\$667	
Investment Income	\$27,581	
Total Fund Receipts		\$3,181,135
Fiscal Year Ending Fund Balance (June 30, 2011)		\$788,215

The assessment level for the Fiscal Year ended June 30, 2011, was set by formal action of the Commission as of July 1, 2010, at 1.20 percent (0.0120) of gross intrastate retail revenues. Please continue to complete the Revenue and Assessment Report forms as completely and accurately as possible, especially utilizing the separate line items we have provided you. All forms and other important information and instructions pertaining to the Wyoming Universal Service Fund can be found at the Fund's homepage - http://psc.state.wy.us/htdocs/wy_usf_new.htm. The homepage is regularly updated and we would welcome any comments or suggestions on how we can make it an even better resource for information on the Fund.

For the 2010-2011 Fiscal Year, support payments to eligible local exchange carriers were based on a weighted statewide average local exchange service price of \$24.60 and an associated 130% support benchmark price of \$31.98 and a total of fourteen (14) local exchange carriers were eligible to receive support payments during the fiscal year. An audit of the Fund by McBride, Lock & Associates was completed during the fiscal year and is available on our website at: <http://psc.state.wy.us/htdocs/telco/Audit2008.pdf>.

The Fund administrative cost disbursements were for the portion of the Fund Manager's and Administrator's salary, for the 2010-2011 Fiscal Year, applicable to the operation, oversight and maintenance of all activities associated with the Fund. Office expense and miscellaneous expense disbursements were for the Fund audit, general office expense and also for the publishing and printing of legal notices associated with the Fund activity during the Fiscal Year. Investment Income is the interest earned by the state of Wyoming on the Fund Balance during the 2010-2011 Fiscal Year for investments managed by the Treasurer for the State of Wyoming. Receipts into the Fund for Qwest Performance Assurance Plan (QPAP) Payments pursuant to Section 271 of the Federal Telecommunications Act of 1996 are for the portions of the QPAP payments due to the state of Wyoming for Qwest's provisioning of certain unbundled network elements, interconnection, collocation and other wholesale telecommunications products and services to competitive local exchange carriers (CLECs) in Wyoming. Qwest's QPAP is Exhibit K to its Wyoming Statement of Generally Available

Terms (SGAT) and it provides the details and conditions under which QPAP payments are made to the Fund.

We are available to answer and respond to any inquiry you might have on the operations and functions of the Fund. We look forward to another successful year implementing, managing and recognizing the statutory requirements and statutory intent of the Fund. We are here to answer your questions and assist in participating in the Fund program. We can provide any rule reference or statutory cite you might require to fully and effectively participate in the Fund program as provided for by Wyoming Statutes and the Wyoming Commission's Procedural Rules and Special Regulations. Please contact us at the phone number and email address shown below.

Respectfully submitted for your review and comment,



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