

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of the)
TELECOMMUNICATIONS ASSOCIATION OF)
MICHIGAN for the initiation of a proceeding to) Case No. U-11899
address the need for a Michigan universal service)
mechanism and related matters.)
_____)

At the February 26, 1999 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. John G. Strand, Chairman
Hon. David A. Svanda, Commissioner

ORDER

On February 5, 1999, the Telecommunications Association of Michigan (TAM) filed an application on behalf of its members other than Ameritech Michigan and GTE North Incorporated. TAM requests that the Commission initiate a proceeding to investigate and determine the need for Michigan to establish a state universal service mechanism, to address the Commission's statutory authority to preserve universal service in Michigan, to prescribe the scope of a state universal service plan, to determine an equitable and nondiscriminatory basis for funding such a plan, and to address necessary related matters. TAM suggests that the Commission begin by soliciting comments on its authority to establish such a program and the monthly benchmark rate (the rate at which it could be said that service in high cost and rural areas is being provided at a rate reasonably comparable to the rate in urban areas). It also suggests that, following conclusion of this comment

proceeding, the Commission should consider the details of a state universal service mechanism. On February 12, 1999, TAM filed a memorandum of law in support of its application.

The Commission agrees that it is appropriate to solicit comments and briefs on the Commission's statutory authority to establish a state universal service mechanism and to direct how those funds are spent to maintain universal service, including the use of new and innovative technologies. The Commission does not agree that it should establish a benchmark rate based on comments at this time. That issue would be better addressed in a subsequent proceeding.

The Commission FINDS that:

a. Jurisdiction is pursuant to 1991 PA 179, as amended, MCL 484.2101 et seq.; MSA 22.1469(101) et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; MSA 3.560(101) et seq.; and the Commission's Rules of Practice and Procedure, as amended, 1992 AACCS, R 460.17101 et seq.

b. Interested parties are invited to file comments and briefs on the Commission's statutory authority to establish a state universal service mechanism and to direct how those funds are spent to maintain universal service.

THEREFORE, IT IS ORDERED that:

A. The Telephone Association of Michigan shall mail a notice of opportunity to comment consistent with this order.

B. All briefs and comments shall be filed within 14 days of the mailing of the notice of opportunity to comment.

The Commission reserves jurisdiction and may issue further orders as necessary.

MICHIGAN PUBLIC SERVICE COMMISSION

/s/ John G. Strand
Chairman

(S E A L)

/s/ David A. Svanda
Commissioner

By its action of February 26, 1999.

/s/ Dorothy Wideman
Its Executive Secretary

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MICHIGAN PUBLIC SERVICE COMMISSION

Chairman

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By its action of February 26, 1999.

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Suggested Minute:

“Adopt and issue order dated February 26, 1999 providing an opportunity for interested parties to file comments and briefs on the Commission’s statutory authority to establish a state universal service mechanism, as set forth in the order.”