

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission's own motion,)	
to commence an investigation into voice over)	Case No. U-14073
internet protocol issues in Michigan.)	
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At the March 16, 2004 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. J. Peter Lark, Chair
Hon. Robert B. Nelson, Commissioner
Hon. Laura Chappelle, Commissioner

ORDER COMMENCING INVESTIGATION

Voice over internet protocol (VOIP), a developing technology that may be used to transmit voice conversations over the internet,¹ is the focus of ongoing debates among state and federal regulators, legislators, and the telecommunications industry. The Commission is aware of at least two types of VOIP transmission methodologies. One VOIP transmission methodology makes use of the public switched telephone network. In some cases, licensed carriers provide VOIP directly to their customers. In other cases, unlicensed VOIP providers use licensed carriers' facilities and numbering resources to supply VOIP communications.²

¹See, Newton's Telecommunications Dictionary, 19th Edition, CMP Books, 2003.

²An example of this type would be a VOIP service provisioned through use of direct inward dialing.

Another form of VOIP transmission does not involve using the public switched telephone network.³

In order to formulate an informed, consistent regulatory policy, the Commission would like to obtain information about VOIP activity in Michigan. The Commission, therefore, requests comments on VOIP activity in Michigan on the following topics that may be affected by both state and federal law:

a. The number and type of VOIP providers that are providing service in Michigan, including incumbent local exchange carriers, competitive local exchange carriers, and unlicensed VOIP providers.

b. Estimations of the proper degree of regulation, based on transmission method, to ensure Michigan citizens are protected while using VOIP, while allowing VOIP services to avoid unnecessarily burdensome regulations.

c. Information regarding the effect of VOIP on telephone numbering resources, including non-licensed VOIP providers' access to numbering resources through licensed telecommunication carriers and VOIP end users' ability to port their current landline or wireless telephone number to their VOIP equipment.

d. Access to emergency calling, including VOIP end users' unrestricted access to 9-1-1, non-carrier charges for 9-1-1 access, and public safety answering points costs to geographically locate VOIP callers and provide a call back number.

³See, Memorandum Opinion and Order, *In the Matter of the Petition for Declaratory Ruling that pulver.com's Free World Dialup is Neither Telecommunications Nor a Telecommunications Service*, WC Docket No. 03-45, wherein the Federal Communications Commission (FCC) declared that pulver.com's free world dialup offering was "an unregulated information service subject to the Commission's jurisdiction."

e. Whether VOIP providers may participate in, and have access to, the federal Universal Service Fund (USF) to provide service to rural areas, hospitals, and schools; the ability of VOIP carriers to provide low-cost service similar to Lifeline and Link-up for low-income end users; and the need for VOIP end-users to contribute to the federal USF.

f. VOIP services' effect on the current access charge structure.

g. The ability of VOIP services to provide abbreviated dialing (2-1-1, 3-1-1, 4-1-1, 7-1-1) programs and toll-free dialing (1+800) to end users.

h. Other technical issues, such as internet virus potential, power outage risks, consumer protections including privacy, quality of service, and accessibility by local, state and federal law enforcement.

The Commission recognizes that the FCC has commenced a rulemaking proceeding to determine the proper federal regulatory framework for VOIP and that this proceeding may affect the ability of the Commission to formulate a regulatory policy at the state level. However, the FCC's Notice of Proposed Rulemaking has just been released, with comment dates yet to be determined, and the FCC may not promulgate a final rule until the end of this year or later.⁴ The Commission has a responsibility to the citizens of this state to ask VOIP providers for comments on the topics identified above so that we are in a position to protect both users of VOIP and the customers who may be asked to assume the cost of maintaining a network that may not be supported by VOIP providers.

The Commission finds that providers of telecommunications services subject to the Commission's jurisdiction should be required to file comments in regard to these topics. Additional

⁴Notice of Proposed Rulemaking, In the Matter of IP Enabled Services, WC Docket 04-36, adopted February 12, 2004, Released March 10, 2004. "Comment date scheduled 60 days after Federal Register publication of this Notice."

comments from other entities regarding the regulatory treatment of VOIP technology are welcome and will be considered as the Commission begins to study the state and federal regulatory aspects of VOIP technology. Comments are to be filed with the Commission by April 2, 2004 and should reference Case No. U-14073.

The Commission has selected this case for participation in its Electronic Filings Program. The Commission recognizes that some residential customers may not have the computer equipment or access to the internet necessary to submit documents electronically. Therefore, residential customers may submit documents in the traditional paper format and mail them to the: Executive Secretary, Michigan Public Service Commission, 6545 Mercantile Way, P.O. Box 30221, Lansing, Michigan 48909. Otherwise, all documents filed in this case must be submitted in both paper and electronic versions. An original and four paper copies and an electronic copy in the portable document format (PDF) should be filed with the Commission. Requirements and instructions for filing electronic documents can be found in the Electronic Filings Users Manual at: <http://efile.mpsc.cis.state.mi.us/efile/usersmanual.pdf>. The application for an account and letter of assurance are located at <http://efile.mpsc.cis.state.mi.us/efile/help>. You may contact Commission staff at 517.241.6170, or by e-mail at mpscfilecases@michigan.gov, with questions and to obtain access privileges prior to filing.

The Commission FINDS that:

a. Jurisdiction is pursuant to 1986 PA 32, as amended, MCL 484.1101 et seq.; 1991 PA 179, as amended, MCL 484.2101 et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; and the Commission's Rules of Practice and Procedure, as amended, 1999 AC, R 460.17101 et seq.

b. Providers of telecommunications services subject to the Commission's jurisdiction should be required to file comments in regard to the VOIP issues identified in this order by April 2, 2004.

c. Other interested persons should be encouraged to voluntarily file comments in regard to the VOIP issues identified in this order by April 2, 2004.

THEREFORE, IT IS ORDERED that:

A. Providers of telecommunications services subject to the Commission's jurisdiction shall file comments regarding to the voice over internet protocol issues identified in this order by April 2, 2004.

B. Other interested persons are encouraged to voluntarily file comments regarding to the voice over internet protocol issues identified in this order by April 2, 2004.

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

MICHIGAN PUBLIC SERVICE COMMISSION

/s/ J. Peter Lark

Chair

(S E A L)

/s/ Robert B. Nelson

Commissioner

/s/ Laura Chappelle

Commissioner

By its action of March 16, 2004.

/s/ Mary Jo Kunkle

Its Executive Secretary

c. Other interested persons should be encouraged to voluntarily file comments in regard to the VOIP issues identified in this order by April 2, 2004.

THEREFORE, IT IS ORDERED that:

A. Providers of telecommunications services subject to the Commission's jurisdiction shall file comments in regard to the voice over internet protocol issues identified in this order by April 1, 2004.

B. Other interested persons are encouraged to voluntarily file comments in regard to the voice over internet protocol issues identified in this order by April 1, 2004.

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

MICHIGAN PUBLIC SERVICE COMMISSION

Chair

Commissioner

Commissioner

By its action of March 16, 2004.

Its Executive Secretary

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_____)

Case No. U-14073

Suggested Minute:

“Adopt and issue order dated March 16, 2004 commencing an investigation into voice over internet protocol issues, as set forth in the order.”