

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter, on the Commission’s own motion,)	
to implement the provisions of Section 304 of)	Case No. U-14731
2005 PA 235.)	
_____)	

In the matter, on the Commission’s own motion,)	
to implement the provisions of Section 301a of)	Case No. U-14899
2005 PA 235.)	
_____)	

At the August 22, 2006 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. J. Peter Lark, Chairman
Hon. Laura Chappelle, Commissioner
Hon. Monica Martinez, Commissioner

ORDER

On November 21, 2005, Governor Jennifer M. Granholm signed into law 2005 PA 235, amending the Michigan Telecommunications Act, MCL 484.2101 *et seq.* (Act 235). Among other things, Act 235 amended Section 304(1) of the Act to require the provision of primary basic local exchange service to all residential customers within the provider’s service area where it offers residential basic local exchange service by April 1, 2006. MCL 484.2304.

Primary basic local exchange service is defined in MCL 484.2102(y) as:

“...the provision of 1 primary line to a residential customer for voice communication and shall include all of the following:

- (i) Not fewer than 100 outgoing calls per month.
- (ii) Not less than 12,000 outgoing minutes per month.
- (iii) Unlimited incoming calls.

In its December 20, 2005 order in Case No. U-14731, the Commission directed that all providers of basic local exchange service file the tariff upon which it would rely to comply with MCL 484.2304, as amended, no later than January 19, 2006. By order dated January 10, 2006, the Commission granted the Telecommunications Association of Michigan's request for a time extension until February 1, 2006 to file the complying tariff.

As of the date of this order, the Commission's records reflect that the following licensed basic local exchange service providers have not responded to the Commission's directive in its December 20, 2005 order in Case No. U-14731:

- Access One, Inc.
- Alticom, Inc.
- American Fiber Network, Inc.
- Borderland Communications, LLC
- Building Communications, Inc.
- Call Giant, Inc.
- Campus Communications Group, Inc.
- CAT Communications International, Inc.
- Ciera Network Systems, Inc.
- Cleartel Telecommunications, Inc.
- dPi Teleconnect, L.L.C.
- EZPhone, Inc.
- Global Crossing Telemangement Inc.
- ICG Telecom Group, Inc.
- IG2, Inc.
- JATO Operating Two Corp.
- Joy Lines, Inc.
- Lucre, Inc.
- Max-Tel Communications, Inc.
- MichTel, Inc.
- Midwestern Telecommunications, Incorporated
- Omniplex Communications Group, LLC
- Pathnet Operating, Inc.
- Preferred Carrier Services, Inc.
- Premiere Network Services, Inc.
- QuantumShift Communications, Inc.
- ServiSense.com, Inc.
- Specialized Services, Inc., d/b/a SSI Affinity
- Suretel, Inc.

TelCove Operations, Inc., d/b/a TeleCove f/k/a Adelphia
The Free Network, L.L.C.
Trophy Technologies, Inc., d/b/a Rural Communications
Truly Clear Inc., d/b/a Truly Clear Communications
United Communications Systems, Inc., d/b/a Call One
United States Telecommunications, Inc., d/b/a Tel Com Plus
Zenk Group, Ltd., d/b/a Planet Access

On May 25, 2006, the Commission issued an order initiating Case No. U-14899 to implement the provisions of Section 301a of 205 PA 235. In that order, the Commission acknowledged that providers had, in large part, complied with the December 20, 2005 order in Case No. U-14731. However, the Commission expressed its concern that providers had failed to adequately prepare for customers to subscribe to primary basic local exchange. In the Commission's view, such a failure constituted a failure to offer that service as required by statute.

Therefore, the Commission required each provider of basic local exchange service in Michigan to demonstrate that it had adequately trained its personnel and made necessary technical adjustments to offer primary basic local exchange service to customers. The Commission directed each provider of basic local exchange service to submit, within 10 business days of the date of the order, evidence of all steps taken to make primary basic local exchange service available to the public, including programming changes, training of personnel, and any customer notices or advertisements for this service. The Commission further directed the companies to provide detailed evidence of the number of requests for primary basic local exchange service since the passage of Act 235 and documentation as to how many customers were receiving primary basic local exchange service on May 1, 2006.

The Commission's records reflect that, of the carriers who submitted filings in response to the December 20, 2005 order in Case No. U-14731, the carriers listed below have not yet filed in compliance with the May 25, 2006 order in Case No. U-14899:

1-800-Reconex, Inc.
1-800-Reconex, Inc., d/b/a USTel
Affinity Telecom, Inc.
American Broadband and Telecommunications Co
B&S Telecom, Inc.
Budget Phone, Inc.
Cinergy Communications Company
Clear Rate Communications, Inc.
CMC Telecom, Inc.
Coast to Coast Telecommunications, Inc.
DayStarr LLC d/b/a DayStarr Communications
First Communications, LLC
IBFA Acquisition Company, LLC, dba The Farm Bureau Connection
LDMI Telecommunications, Inc., d/b/a LDMI
Metropolitan Telecommunications of Michigan, Inc., d/b/a MetTel
New Access Communications LLC
PhoneCo, L.P.
Quick Communications, Inc.
Superior Technologies, Inc.
TC3 Telecom, Inc.
TDS Metrocom, LLC
Telnet Worldwide, Inc.
TruComm Corporation
Vertex Broadband, Corp.
VotaTel Telephone LLC d/b/a VotaTel

The Commission concludes that further steps are necessary to ensure that the statutory requirements are being met. To that end, within 10 business days of the date of this order, the companies listed in Attachment A to this order shall file documentation demonstrating compliance with the Commission's orders in Case No. U-14731 and Case No. U-14899 or show cause why they should not be found in violation of the Michigan Telecommunication Act, MCL 484.2101 *et seq.* and thus, subject to fines and penalties as outlined in MCL 484.2601. In the alternative, a provider may submit notice of desire to surrender its license.

The Commission FINDS that:

a. Jurisdiction is pursuant to 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. Within 10 business days of the date of this order, each company listed on Attachment A to this order shall file documentation demonstrating compliance with the Commission's orders in Case No. U-14731 and Case No. U-14899, show cause why it should not be found in violation of the Michigan Telecommunication Act, MCL 484.2101 *et seq.*, or file a notice of its desire to surrender its license.

THEREFORE, IT IS ORDERED that within 10 business days of the date of this order, each provider listed on Attachment A to this order shall file documentation demonstrating compliance with the Commission's orders in Case No. U-14731 and Case No. U-14899, show cause why it should not be found in violation of the Michigan Telecommunication Act, MCL 484.2101 *et seq.* and thus, subject to fines and penalties as outlined in MCL 484.2601, or submit notice of its desire to surrender its license.

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

Any party desiring to appeal this order must do so by the filing of a claim of appeal in the Michigan Court of Appeals within 30 days of the issuance of this order, pursuant to MCL 484.2203(12).

MICHIGAN PUBLIC SERVICE COMMISSION

/s/ J. Peter Lark

Chairman

(S E A L)

/s/ Laura Chappelle

Commissioner

/s/ Monica Martinez

Commissioner

By its action of August 22, 2006.

/s/ Mary Jo Kunkle

Its Executive Secretary

Any party desiring to appeal this order must do so by the filing of a claim of appeal in the Michigan Court of Appeals within 30 days of the issuance of this order, pursuant to MCL 484.2203(12).

MICHIGAN PUBLIC SERVICE COMMISSION

Chairman

Commissioner

Commissioner

By its action of August 22, 2006.

Its Executive Secretary

Attachment A

Companies failing to comply with the December 20, 2005 order in Case No. U-14731 and the May 25, 2006 order in Case No. U-14899:

Access One, Inc.
Alticom, Inc.
American Fiber Network, Inc.
Borderland Communications, LLC
Building Communications, Inc.
Call Giant, Inc.
Campus Communications Group, Inc.
CAT Communications International, Inc.
Ciera Network Systems, Inc.
Cleartel Telecommunications, Inc.
dPi Teleconnect, L.L.C.
EZPhone, Inc.
Global Crossing Telemanagement Inc.
ICG Telecom Group, Inc.
IG2, Inc.
JATO Operating Two Corp.
Joy Lines, Inc.
Lucre, Inc.
Max-Tel Communications, Inc.
MichTel, Inc.
Midwestern Telecommunications, Incorporated
Omniplex Communications Group, LLC
Pathnet Operating, Inc.
Preferred Carrier Services, Inc.
Premiere Network Services, Inc.
QuantumShift Communications, Inc.
ServiSense.com, Inc.
Specialized Services, Inc., d/b/a SSI Affinity
Suretel, Inc.
TelCove Operations, Inc., d/b/a TeleCove f/k/a Adelphia
The Free Network, L.L.C.
Trophy Technologies, Inc., d/b/a Rural Communications
Truly Clear Inc., d/b/a Truly Clear Communications
United Communications Systems, Inc., d/b/a Call One
United States Telecommunications, Inc., d/b/a Tel Com Plus
Zenk Group, Ltd., d/b/a Planet Access

Companies failing to comply with the May 25, 2006 order in Case No. U-14899:

1-800-Reconex, Inc.
1-800-Reconex, Inc., d/b/a USTel
Affinity Telecom, Inc.
American Broadband and Telecommunications Co
B&S Telecom, Inc.
Budget Phone, Inc.
Cinergy Communications Company
Clear Rate Communications, Inc.
CMC Telecom, Inc.
Coast to Coast Telecommunications, Inc.
DayStarr LLC d/b/a DayStarr Communications
First Communications, LLC
IBFA Acquisition Company, LLC, dba The Farm Bureau Connection
LDMI Telecommunications, Inc., d/b/a LDMI
Metropolitan Telecommunications of Michigan, Inc., d/b/a MetTel
New Access Communications LLC
PhoneCo, L.P.
Quick Communications, Inc.
Superior Technologies, Inc.
TC3 Telecom, Inc.
TDS Metrocom, LLC
Telnet Worldwide, Inc.
TruComm Corporation
Vertex Broadband, Corp.
VotaTel Telephone LLC d/b/a VotaTel