

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission's own motion,)	
to implement the Federal Communications)	
Commission Order 11-161 with regard to eligible)	Case No. U-16959
telecommunications carriers for universal service)	
fund support.)	
_____)	

At the January 26, 2012 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. John D. Quackenbush, Chairman
Hon. Orjiakor N. Isiogu, Commissioner
Hon. Greg R. White, Commissioner

ORDER

For many years, the Commission has reviewed applications filed by telecommunications carriers for designation as an eligible telecommunications carrier (ETC) under the federal universal service fund provisions. If the carrier meets the criteria set out in the federal rules, the Commission grants the application.

On October 27, 2011, the Federal Communications Commission (FCC) issued an order (FCC Order 11-161) in which, among other things, it reformed processes related to ETC designations. As a part of that order, the FCC amended certain rules regarding obtaining and maintaining ETC status. Given these changes, the Commission finds that it should permit interested parties to comment upon the changes created by the FCC order. In particular, the Commission is interested in comments on the following issues:

1) 47 CFR 54.202 (a)(1)(i) states that a common carrier must “Certify that it will comply with the service requirements applicable to the support that it receives.” How should this provision be implemented? What should be required in the carrier’s certification?

2) 47 CFR 54.313 mandates an annual reporting requirement to high-cost support recipients. This report must be filed with the FCC as well as the state commissions as stated in Paragraph 581 of FCC Order 11-161:

All ETCs that receive high-cost support will file the information required by new section 54.313 with the Commission, USAC, and the relevant state commission, relevant authority in a U.S. Territory, or Tribal government, as appropriate. Section 54.313 reports will be due annually by April 1, beginning on April 1, 2012. We will also require that an officer of the company certify to the accuracy of the information provided and make the certifications required by new section 54.313, with all certifications subject to the penalties for false statements imposed under 18 U.S.C. § 1001 [footnotes omitted].

How should this requirement be implemented? Where and how should these reports be filed with this Commission?

3) 47 CFR 54.314 alters the annual ETC certification process with respect to the high-cost support program. What changes, if any, should be made to the Commission’s current process in order to comply with the new rules?

4) 47 USC 214(e)(1)(A) requires that an ETC designate must “offer the services that are supported by Federal universal service support mechanisms under section 254(c), either using its own facilities or a combination of its own facilities and resale of another carrier's services . . .” The FCC no longer requires providers to offer operator services or directory assistance as noted in footnote 114 of FCC Order 11-161, which states:

In particular, we find that changes in technology and the marketplace allow for elimination of the requirements to provide single-party service. In its comments, CWA stated that the Commission should continue to require recipients of USF or CAF support to provide operator services and directory assistance to customers. See CWA Comments at 2. However, while we encourage carriers to continue to offer operator services and directory assistance, we do not mandate that ETCs provide operator services or directory assistance; we find the importance of these services to telecommunications consumers has declined with changes in the marketplace.

Under 47 USC 214(e)(1)(A) of the Telecommunications Act, it appears that the facilities-based requirement is not met when a carrier offers solely operator services and/or directory assistance to customers. Thus, the carrier seeking an ETC designation under these

circumstances would have to seek forbearance from the FCC in order to be designated as an ETC by the Commission. Please comment on this issue.

5) Regarding prepaid wireless carriers seeking ETC designation, does FCC Order 11-161 create other implications for Commission review of applications seeking to provide service to Lifeline/Link Up-eligible customers? Should the Commission, in the public interest, set a minimum service level (the number of free minutes and text messages or a combination thereof) that prepaid wireless carriers must offer to Lifeline/Link Up-eligible customers in order to receive ETC designation? If so, what is the appropriate level? Should the Commission require any other service features in the public interest of all prepaid wireless Lifeline/Link Up ETC designates?

6) Comment on any other relevant issue with respect to ETC designation arising out of FCC Order 11-161.

Interested parties may file comments on the issues listed above no later than February 27, 2012.

All documents filed in this case shall be submitted electronically through the Commission's E-Dockets Website at: michigan.gov/mpscedockets. Requirements and instructions for filing can be found in the User Manual on the E-Dockets help page. Documents may also be submitted, in Word or PDF format, as an attachment to an e-mail sent to mpscedockets@michigan.gov. If you require assistance prior to e-filing, contact the Commission Staff at (517) 241-6170 or by e-mail at mpscedockets@michigan.gov. All information received by the Commission will become public information, posted on the Commission's website, and subject to disclosure.

Any person may submit written comments regarding these issues. Written comments should be sent to: Executive Secretary, Michigan Public Service Commission, P.O. Box 30221, Lansing, Michigan 48909. Electronic comments should be e-mailed to: mpscedockets@michigan.gov. All comments should reference Case No. U-16959 and be received no later than February 27, 2012.

All comments received by the Commission will become public information, posted on the Commission's website, and subject to disclosure.

THEREFORE, IT IS ORDERED that interested parties should be permitted to comment on the issues listed above by the deadlines established in this order.

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, under MCL 484.2203(12).

MICHIGAN PUBLIC SERVICE COMMISSION

John D. Quackenbush, Chairman

Orjiakor N. Isiogu, Commissioner

Greg R. White, Commissioner

By its action of January 26, 2012.

Mary Jo Kunkle, Executive Secretary