

S T A T E O F M I C H I G A N
B E F O R E T H E M I C H I G A N P U B L I C S E R V I C E C O M M I S S I O N

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In the matter of the application of _____)
AMERITECH MICHIGAN for designation as an)
eligible telecommunications carrier for purposes Case No. U-11547
of receiving high cost, low income, and rural)
healthcare funding assistance.)
_____)

At the November 25, 1997 meeting of the Michigan Public Service
Commission in Lansing, Michigan.

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

OPINION AND ORDER

On October 1, 1997, Ameritech Michigan filed an application for designation as an eligible telecommunications carrier for purposes of receiving universal service support for high cost, low income, and rural healthcare funding assistance. Ameritech Michigan's application was filed pursuant to Sections 214(e) and 254 of the Telecommunications Act of 1996 (the federal Act), 47 U.S.C. 214(e) and 254, the Federal Communications Commission's (FCC) May 7, 1997 Report and Order in CC Docket No. 96-45, In the Matter of Federal-State Joint Board on Universal Service, and Sections 203(1) and 203(5) of the Michigan Telecommunications Act, MCL 484.2203; MSA 22.1469(203).

Telecommunications carriers are eligible to receive universal service support under the federal Act if (1) they offer the services that are supported by federal universal service support mechanisms under Section 254(c), either through the use of their own facilities or a combination of their own facilities and the resale of another carrier's services (including

the services offered by another eligible telecommunications carrier), and (2) they advertise the availability of such services and the charges for those services using one or more media of general distribution. 47 USC 214(e)(1).

The services or functionalities that are supported by federal universal service support mechanisms, as described in 47 CFR § 54.101, include: (1) voice grade access to the public switched network, (2) local usage, (3) dual tone multifrequency signaling or its functional equivalent, (4) single party service or its functional equivalent, (5) access to emergency services, (6) access to operator services, (7) access to interexchange service, (8) access to directory assistance, and (9) toll limitation for qualifying low income customers. Ameritech Michigan also requests that the Commission establish a “service area” for purposes of determining universal service support. The federal Act defines the term “service area” to be a “geographic area established by a State commission for the purpose of determining universal service obligations and support mechanisms.” 47 USC 214(e)(5). Ameritech Michigan requests that its service area be an exchange. Ameritech Michigan therefore seeks to be designated as an eligible telecommunications carrier in each of those service areas in which it provides service, i.e., in each of its own exchanges.

After reviewing Ameritech Michigan’s application, the Commission finds that Ameritech Michigan has met the requirements necessary to be designated as an eligible telecommunications carrier for purposes of receiving universal service support in accordance with Section 254 of the federal Act. Except as noted below, Ameritech Michigan offers the services required for the federal universal service support mechanisms under Section 254(c) in each of its proposed service areas and it advertises the

availability of those services and the charges for those services using one or more media of general distribution.

Toll limitation, which is one of the services an eligible telecommunications carrier must provide, includes both toll blocking and toll control. 47 CFR § 54.400(b), (c), and (d). Toll blocking is a service that permits customers to elect not to allow the completion of out-going toll calls from their telephone. Ameritech Michigan stated in its application that it will provide this service without charge to lifeline customers consistent with the FCC's rules. Toll control is a service that permits customers to specify a certain amount of toll usage that may be incurred on their telephone line per month or billing cycle. Ameritech Michigan is not able to provide toll control at this time. Neither the hardware nor software central office equipment necessary to provide toll control is available. Ameritech Michigan also noted that the issue is currently pending reconsideration before the FCC.

The FCC's rules permit state commissions to grant waivers of the requirement to offer toll control for carriers that cannot technically provide certain toll limitation services. 47 CFR § 54.101(c). Ameritech Michigan requests that this waiver be granted for a two-year period, beginning January 1, 1998. The Commission grants Ameritech Michigan's request for a two-year waiver, unless the capability to offer toll control becomes available earlier.

The federal Act allows the state commission to designate service areas for purposes of determining universal service support obligations and support mechanisms. 47 USC 214(e)(2). The Commission finds that Ameritech Michigan's request that each of its exchanges be designated as

service areas for purposes of determining universal service support obligations and support mechanisms is in the public interest.

Ameritech Michigan should file any tariffs or revisions needed to comply with this order within 14 days.

The Commission FINDS that:

a. Jurisdiction is pursuant to 1991 PA 179, as amended by 1995 PA 216, MCL 484.2101 et seq.; MSA 22.1469(101) et seq.; the Communications Act of 1934, as amended by the federal Telecommunications Act of 1996, 47 USC 151 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 AAC S, R 460.17101 et seq.

b. Ameritech Michigan should be designated as an eligible telecommunications carrier for purposes of receiving universal support for high cost, low income, and rural healthcare funding assistance.

c. Ameritech Michigan should be granted a two-year waiver of the requirement to provide toll control service.

d. Each of Ameritech Michigan's individual exchanges should be designated as a service area for purposes of determining universal service obligations and support mechanisms.

e. Ameritech Michigan should file any necessary tariffs or revisions within 14 days.

THEREFORE, IT IS ORDERED that:

A. Ameritech Michigan is designated as an eligible telecommunications carrier for purposes of receiving universal service support for high cost, low income, and rural healthcare funding assistance.

B. Ameritech Michigan is granted a two-year waiver of the requirement to provide toll control service.

C. Each of Ameritech Michigan's individual exchanges is designated as a service area for purposes of determining universal service obligations and support mechanisms.

D. Ameritech Michigan shall file any necessary tariffs or revisions within 14 days.

E. The Executive Secretary shall send appropriate notice of this order to the Federal Communications Commission.

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

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(S E A L)

/s/ John G. Strand

Chairman

/s/ John C. Shea

By its action of November 25, 1997. Commissioner, dissenting in a separate opinion.

/s/ Dorothy Wideman
Its Executive Secretary

/s/ David A. Svanda
Commissioner

THEREFORE, IT IS ORDERED that:

A. Ameritech Michigan is designated as an eligible telecommunications carrier for purposes of receiving universal service support for high cost, low income, and rural healthcare funding assistance.

B. Ameritech Michigan is granted a two-year waiver of the requirement to provide toll control service.

C. Each of Ameritech Michigan's individual exchanges is designated as a service area for purposes of determining universal service obligations and support mechanisms.

D. Ameritech Michigan shall file any necessary tariffs or revisions within 14 days.

E. The Executive Secretary shall send appropriate notice of this order to the Federal Communications Commission.

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

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Chairman

____By its action of November 25, 1997 Commissioner, dissenting in a separate opinion.

____Its Executive Secretary

Commissioner

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Case No. U-11547

Suggested Minute:

“Adopt and issue order dated November 25, 1997 designating Ameritech Michigan as an eligible telecommunications carrier for purposes of receiving universal service support, as set forth in the order.”

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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DISSENTING OPINION OF COMMISSIONER JOHN C. SHEA

(Submitted on November 25, 1997 concerning order issued on same date.)

While the federal universal service program is no doubt a worthy program, the majority, I believe, has erred in issuing the accompanying order for the reason that the Michigan Legislature has seen fit to deny to this Commission the power to implement any universal service program.

By enacting the Michigan Telecommunications Act (“MTA”), the Michigan Legislature expressly limited the Commission in the exercise of its authority. See, MCL 484.2201(2); MSA 22.1469(201) (2) [“In administering this act, the Commission shall be limited to the powers and duties prescribed by this act”]. Elsewhere, the MTA provides that the Commission shall create a task force “to study changes occurring in the federal universal service fund and the need for the establishment of a state universal service fund,” MCL 484.2202 (e); MSA 22.1469(202) (e) [emphasis added], and to “issue a report to the legislature and governor on or before December 31, 1996 containing . . . findings and recommendations.” Id. The state universal service report was completed and sent to the Michigan Legislature but, as of this date, no legislative action has been completed that would implement a universal service fund program. Without such statutory

authority, this Commission can not act. See, Union Carbide Corp v PSC, 428 NW2d 322, 431 Mich 135 (1988).

Accordingly, I dissent.

MICHIGAN PUBLIC SERVICE COMMISSION

John C. Shea, Commissioner