



FEATURES |

MPSC Issues Request for Annual ETC Reports

The Michigan Public Service Commission (“Commission”) has notified all Eligible Telecommunications Carriers (“ETCs”) of the need to file Annual ETC Reports by June 1, 2010.

By October 1st of each year, the Commission is required to submit a list of ETCs to the Federal Communications Commission (“FCC”) to assure that all ETCs approved by the Commission meet the criteria as set forth in 47 CFR 54.202, 54.209, 54.313 and 54.314 for receipt of Universal Service . . .

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. . . Funds. ETCs who fail to file certification Annual ETC Reports with the Commission will be unable to receive Universal Service Fund support for either some portion of or the entire 2011 funding year.

According to the Commission, existing ETCs do not have to submit a new application, but must comply with the reporting requirements contained in Commission Order in MPSC Case No. U-14530. Carriers seeking USF support in either the Lifeline/Linkup or High Cost categories must submit their Annual ETC reports to the MPSC by June 1, 2010. The Commission has opened a new docket, MPSC Case No. U-16252 for receipt of these Annual ETC Reports.

The Commission also requests that ETCs verify that all appropriate documents, such as Interconnection Agreements and Tariffs are current and on file with the Commission.

Questions regarding the certification process should be directed to Jennifer Boyd in the Commission's Telecommunications Division at 517-241-9795 or by email at boydj3@michigan.gov.

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2009 & 2010 LEGISLATION |

The following list of telecommunications bills have been introduced during the current legislative session (2009-2010). Copies of bills and public acts referred to in this column may be obtained by contacting your state Senator or Representative, on the Michigan Legislature Web site, <<http://www.michiganlegislature.org/>>, or from the Legislative Service Bureau Document Room at (517) 373-0169.

Senate Bill # Primary Sponsor	Date Introduced	Description	Status (revisions in bold)
SB 012 Hardiman	01/14/2009	Campaign finance; public disclosure; disclosure of committees that employ and registration of persons who make “robocalls” in campaigns.	Referred to Senate Committee on Campaign and Election Oversight.
SB 013 Hardiman	01/14/2009	Administrative procedure; rules; state office of administrative hearings and rules; require policy posting of revisions and assessment of impact on the rules in the private sector.	06/16/2009 Substitute S-1 Passed Senate, 20 Yeas, 16 Nays, 1 Excused; 06/17/2009 referred to House Committee on Great Lakes and Environment.
SB 036 Pappageorge	01/27/2009	Education; curricula; internet safety instruction in schools; require. Amends 1976 PA 451 (MCL 380.1 - 380.1852) by adding sec. 1163.	Referred to Senate Committee on Education.
SB 149 Patterson	01/29/2009	Communications; internet; obtaining personal information by false pretenses; prohibit. Amends secs. 3, 7 & 9 of 2004 PA 452 (MCL 445.63 <i>et seq.</i>) & adds sec. 7a.	08/19/09 Reported by House Committee on Judiciary with recommendation and amendment; referred to second reading.
SB 190 2009 PA 4 Thomas	02/04/2009	Communications; video services; dispute resolution process; provide for. Amends sec. 10 of 2006 PA 480 (MCL 484.3310).	04/02/2009 Signed by Governor Granholm; assigned 2009 PA 4 with immediate effect.
SB 371 Garcia	03/12/2009	Communications; cellular telephone; active duty military personnel; allow to cancel cellular telephone contract without penalties. Creates new act.	11/10/2009 Reported with recommendation and without amendment by the House Committee on Military and Veterans Affairs and Homeland Security; Referred to Second Reading
SB 397 Thomas	03/19/2009	Communications; video services; video service provider; clarify public, education, and government access fee. Amends sec. 6 of 2006 PA 480 (MCL 484.3306).	Referred to Senate Committee on Energy Policy and Public Utilities.
SB 402 Thomas	03/24/2009	Traffic control; violations; operation of a vehicle while using certain electronic devices; prohibit. Amends sec. 320a of 1949 PA 300 (MCL 257.320a). Tie-Bar to SB 468.	01/26/2010 Substitute S-3 passed Senate, 31 Yeas, 6 Nays, 1 Excused; Referred to House Committee on Transportation.
SB 417 Basham	03/31/2009	Traffic control; violations; use of hand-free wireless telephones while operating a motor vehicle; allow. Amends sec. 320a of 1949 PA 300 (MCL 257.320a) & adds sec. 602b.	Referred to Senate Committee on Transportation.

Senate Bill # Primary Sponsor	Date Introduced	Description	Status (revisions in bold)
SB 467 Kahn	04/23/2009	Transportation; school vehicles; use of cellular telephone while operating a school bus; prohibit, and provide penalties. Amends 1990 PA 187 (MCL 257.1801 - 257.1877) by adding sec. 58.	Referred to Senate Committee on Education.
SB 468 Kahn	04/24/2009	Traffic control; violations; use of handheld wireless telephone while operating a motor vehicle; prohibit under certain circumstances and permit use of hands-free wireless telephone. Amends sec. 320a of 1949 PA 300 (MCL 257.320a) by adding sec. 602b. Tie-Bar to SB 402.	03/18/2010 Substitute H-1 Reported with recommendation by House Committee on Transportation; referred to second reading in House.
SB 611 Thomas	05/27/2009	Communications; telecommunications; provision relating to toll access service rates; modify. Amends sec. 310 of 1991 PA 179 (MCL 484.2310).	Referred to Senate Committee on Energy Policy and Public Utilities.
SB 770 Patterson	08/26/2009	Criminal procedure; sex offender registration; use of commercial social networking websites by sex offenders; prohibit. Amends 1994 PA 295 (MCL 28.721 - 28.736) by adding sec. 37.	Referred to Senate Committee on Judiciary.
SB 883 Deborah Cherry	09/17/2009	Use tax; collections; definition of interstate telecommunications services; expand to include international services.	Referred to Senate Committee on Finance.
SB 989 Switalski	12/09/2009	Traffic control; violations; use of handheld cellular telephone device while operating a motor vehicle; prohibit, and provide penalties. Amends sec. 320a of 1949 PA 300 (MCL 257.320a) & adds sec. 602b.	Referred to Senate Committee on Transportation.
SB 1068 Basham	01/20/2010	Communications; broadcasting; employment contracts for broadcasters; prohibit certain provisions.	Referred to Senate Committee on Commerce and Tourism.
SB 1133 Garcia	02/10/2010	Communications; telecommunications; distribution of emergency 9-1-1 service enabling funds; modify. Amends sec. 408 of 1986 PA 32 (MCL 484.1408).	Referred to Senate Committee on Appropriations.

House Bill # Primary Sponsor	Date Introduced	Description	Status (revisions in bold)
HB 4232 Horn	02/10/2009	Communications; telecommunications; disclosure of person paying for automated telephone communication; require. Amends 1976 PA 388 (MCL 169.201 - 169.282) by adding sec. 48.	Referred to House Committee on Ethics and Elections.
HB 4247 Mayes	02/11/2009	Communications; video services; dispute resolution process; provide for. Amends sec. 10 of 2006 PA 480 (MCL 484.3310).	03/04/2009 Passed House with amendment, 108 Yeas, 0 Nays, given immediate effect; transmitted to Senate; 03/05/2009 Referred to Senate Committee on Energy Policy and Public Utilities.
HB 4257 Melton 2009 PA 182	02/11/2009	Communications; telecommunications; provision relating to toll access service rates; modify. Amends sec. 310 of 1991 PA 179 (MCL 484.2310).	12/17/2009 Signed by Governor Granholm; assigned 2009 PA 182 with immediate effect.
HB 4362 Rocca	02/19/2009	Transportation; school vehicles; use of cellular telephone while operating a school bus; prohibit.	Referred to House Committee on Transportation.
HB 4369 Polidori	02/19/2009	Traffic control; violations; use of mobile phones while operating a motor vehicle; prohibit, and provide penalties.	Referred to House Committee on Transportation.
HB 4370 Polidori	02/19/2009	Traffic control; violations; entry of points for operating a motor vehicle while sending or receiving a message on an electronic wireless device; prohibit.	03/25/2010 returned from Senate with Substitute S-2 with immediate effect and full title; laid over one day under House rules.
HB 4394 Gonzales	02/24/209	Traffic control; violations; penalties for operating a motor vehicle while reading, writing, or sending a message on an electronic wireless device; provide for. Amends sec. 320a of 1949 PA 300 (MCL 257.320a) & adds sec. 602b.	03/25/2010 returned from Senate with Substitute S-5 with immediate effect and full title; laid over one day under House rules.
HB 4451 Smith	02/24/2009	Crimes; other; knowing an individual needs emergency help; require to call 9-1-1. Amends 1931 PA 328 (MCL 750.1 - 750.568) by adding sec. 499.	Referred to House Committee on Judiciary.

House Bill # Primary Sponsor	Date Introduced	Description	Status (revisions in bold)
HB 4576 Barnett	03/12/2009	Communications; other; video service provider; clarify public, education, and government access fee. Amends sec. 6 of 2006 PA 480 (MCL 484.3306).	Referred to House Committee on Energy and Technology.
HB 4833 McMillin	04/29/2009	Libraries; policies and practices; installation of internet filter software on computers; require. Amends sec. 6 of 1982 PA 455 (MCL 397.606).	Referred to House Committee on Judiciary.
HB 4999 Mayes 2009 PA 146	05/26/2009	Traffic control; violations; weight restrictions during frost restriction periods; provide exemption for public utility subcontractors. Amends sec. 722 of 1949 PA 300 (MCL 257.722).	11/19/2009 Enrolled bill approved by Governor Granholm; assigned 2009 PA 146 with immediate effect.
HB 5079 Warren	06/11/2009	Crimes; computer; unauthorized use of internet; remove prohibition and penalty. Amends sec. 540 of 1931 PA 328 (MCL 750.540).	Referred to House Committee on Judiciary.
HB 5102 LeBlanc	06/16/2009	Communications; cellular telephone; termination of cellular telephone contracts by certain active military personnel; allow. Creates new act.	09/10/2009 Passed House, given immediate effect, 104 Yeas, 1 Nay; transmitted to Senate. 9/15/2009 Referred to Senate Committee on Senior Citizens and Veterans Affairs.
HB 5282 Haveman	08/26/2009	Criminal procedure; sex offender registration; use of commercial social networking websites by sex offenders; prohibit. Amends 1994 PA 295 (MCL 28.721 - 28.736) by adding sec. 37.	Referred to House Committee on Judiciary.
HB 5378 DeShazor	09/17/2009	Campaign finance; campaign practices; telephonic communications; require disclosure stating who is paying for call.	Referred to House Committee on Ethics and Elections.
HB 5390 Cushingberry	09/17/2009	Property tax; utility property; broadband investment credit; increase and sunset. Amends sec. 13b of 1905 PA 282 (MCL 207.13b) & repeals sec. 13b of 1905 PA 282 (MCL 207.13b).	Referred to House Committee on Tax Policy.
HB 5419 Meadows	09/17/2009	Use tax; collections; definition of interstate telecommunications services; expand to include international services. Amends sec. 3a of 1937 PA 94 (MCL 205.93a).	Referred to House Committee on Tax Policy.

House Bill # Primary Sponsor	Date Introduced	Description	Status (revisions in bold)
HB 5459 Geiss	09/23/2009	Communications; video services; assessment of public service commission's costs against competitive video service providers; extend sunset. Amends sec. 6 of 2006 PA 480 (MCL 484.3306).	Referred to House Committee on Energy and Technology.
HB 5468 Haveman	09/25/2009	Communications; technology; validity of judgment or order created with an electronic record or signature; clarify. Amends sec. 7 of 2000 PA 305 (MCL 450.837).	Referred to House Committee on Judiciary.
HB 5556 Lindberg	10/28/2009	Communications; broadcasting; local zoning restrictions for amateur radio; require to conform to federal regulations. Amends 2006 PA 110 (MCL 125.3101 - 125.3702) by adding sec. 205a.	Referred to House Committee on Intergovernmental and Regional Affairs.
HB 5574 Geiss 2009 PA 191	11/05/2009	Communications; video services; assessment against video service providers for public service commission costs; modify. Amends 2006 PA 480 (MCL 484.3301 - 484.3314) by adding sec. 15.	12/21/2009 Signed by Governor Granholm; Assigned 2009 PA 191, with immediate effect.
HB 5599 Cushingberry	11/12/2009	Communications; telecommunications; distribution of emergency 9-1-1 service enabling funds; modify. Amends sec. 408 of 1986 PA 32 (MCL 484.1408).	Referred to House Committee on Appropriations.
HB 5622 Schuitmaker	12/1/2009	Communications; telecommunications; funding for implementation of an integrated IP-based 9-1-1 mapping system; provide for. Amends sec. 408 of 1986 PA 32 (MCL 484.1408).	2/23/2010 House Committee on Energy and Technology reported substitute H-1 with recommendation; referred to second reading.
HB 5750 Miller	01/19/2010	Communications; broadcasting; employment contracts for broadcasters; prohibit certain provisions. Amends sec. 4a of 1984 PA 274 (MCL 445.774a).	Referred to House Committee on Judiciary.
HB 5927 Neumann	03/09/2010	Communications; telecommunications; 9-1-1 call centers; require consolidation plans. Amends 1986 PA 32 (MCL 484.1101 - 484.1717) by adding sec. 322.	Referred to House Committee on Appropriations.

PUBLIC ACTS OF 2009 & 2010

Listed below are Public Acts related to telecommunications that were passed during the current legislative session (2009-2010). Copies of Public Acts may be obtained by contacting your state Senator or Representative, on the Michigan Legislature Web site, <<http://www.michiganlegislature.org/>>, or from the Legislative Service Bureau Document Room at (517) 373-0169. Acts passed since the previous edition of the *Michigan Telecommunications Report* are in bold.

Public Act #	Effective Date	Description	Enrolled Bill # and Sponsor
2009 PA 4	04/02/2009	Communications; video services; dispute resolution process; provide for. Amends sec. 10 of 2006 PA 480 (MCL 484.3310).	SB 190 Thomas
2009 PA 146	11/19/2009	Traffic control; violations; weight restrictions during frost restriction periods; provide exemption for public utility subcontractors. Amends sec. 722 of 1949 PA 300 (MCL 257.722).	HB 4999 Mayes
2009 PA 182	12/17/2009	Communications; telecommunications; provision relating to toll access service rates; modify. Amends sec. 310 of 1991 PA 179 (MCL 484.2310).	HB 4257 Melton
2009 PA 191	12/21/2009	Communications; video services; assessment against video service providers for public service commission costs; modify. Amends 2006 PA 480 (MCL 484.3301 – 484.3314) by adding sec. 15.	HB 5574 Geiss

ORDERS ISSUED BY MPSC |

The Michigan Public Service Commission (“Commission”) issued the following Orders at its regularly scheduled meeting held on April 13, 2010 at 1:30 p.m.:

Case No. U-11596

Interconnection Agreement

AT&T Michigan and Qwest Communications Company, LLC

<http://efile.mpsc.cis.state.mi.us/efile/viewcase.php?casenum=11596>

Application filed on March 16, 2010 for approval of a Fourth Amendment to an Interconnection Agreement (adds Cageless Collocation Terms and Conditions).

Case No. U-16228

Interconnection Agreement

AT&T Michigan and IBFA Acquisition Company, LLC

<http://efile.mpsc.cis.state.mi.us/efile/viewcase.php?casenum=16228>

Application filed on March 24, 2010 for approval of an Interconnection Agreement.

Case No. U-16238

Interconnection Agreement

Verizon North Inc. and Contel of the South, Inc., d/b/a Verizon North Systems, and Cynergycomm.Net, Inc.

<http://efile.mpsc.cis.state.mi.us/efile/viewcase.php?casenum=16238>

Amended application filed on April 12, 2010 for approval of an Interconnection Agreement (adoption of the Interconnection Agreement between Verizon and Telnet Worldwide, Inc., approved in MPSC Case No. U-16027).

Case No. U-16239

Interconnection Agreement

Verizon North Inc. and Contel of the South, Inc., d/b/a Verizon North Systems, and JAS Networks, Inc.

<http://efile.mpsc.cis.state.mi.us/efile/viewcase.php?casenum=16239>

Application filed on March 11, 2010 for approval of an Interconnection Agreement (adoption of the Interconnection Agreement between Verizon and TC3 Telecom, Inc., approved in MPSC Case No. U-16021).

Case No. U-16241

Interconnection Agreement

Michigan Central Broadband Company, LLC, and Sprint Spectrum, L.P., and Nextel West Corp.

<http://efile.mpsc.cis.state.mi.us/efile/viewcase.php?casenum=16241>

Application filed on March 16, 2010 for approval of an Interconnection Agreement.

Case No. U-16248

Interconnection Agreement

CenturyTel of Michigan, Inc., d/b/a CenturyLink and Clear Rate Communications, Inc.

<http://efile.mpsc.cis.state.mi.us/efile/viewcase.php?casenum=16248>

Application filed on March 30, 2010 for approval of a Traffic Exchange agreement (adoption of the Interconnection Agreement between CenturyLink and Castle Wire, Inc., approved in MPSC Case No. U-15757).

Case No. U-16253

Interconnection Agreement

CenturyTel of Upper Michigan, Inc., d/b/a CenturyLink and Clear Rate Communications, Inc.

<http://efile.mpsc.cis.state.mi.us/efile/viewcase.php?casenum=15976>

Application filed on March 30, 2010 for approval of a Traffic Exchange agreement (adoption of the Interconnection Agreement between CenturyLink and Castle Wire, Inc., approved in MPSC Case No. U-15759).

Case No. U-16254

Interconnection Agreement

CenturyTel of Northern Michigan, Inc., d/b/a CenturyLink and Clear Rate Communications, Inc.

<http://efile.mpsc.cis.state.mi.us/efile/viewcase.php?casenum=16254>

Application filed on March 30, 2010 for approval of a Traffic Exchange agreement (adoption of the Interconnection Agreement between CenturyLink and Castle Wire, Inc., approved in MPSC Case No. U-15758).

Case No. U-16255

Interconnection Agreement

CenturyTel Midwest-Michigan, Inc., d/b/a CenturyLink and Clear Rate Communications, Inc.

<http://efile.mpsc.cis.state.mi.us/efile/viewcase.php?casenum=16255>

Application filed on March 30, 2010 for approval of a Traffic Exchange agreement (adoption of the Interconnection Agreement between CenturyLink and Castle Wire, Inc., approved in MPSC Case No. U-15756).

On April 13, 2009, the Michigan Public Service Commission (“Commission”) issued an Order approving the above-listed Interconnection Agreements.

Commission's Own Motion

<http://efile.mpsc.cis.state.mi.us/efile/viewcase.php?casenum=16183>

On April 13, 2010 the Michigan Public Service Commission ("Commission") issued an Opinion and Order regarding implementation of 2009 PA 182 ("Act 182"). Act 182 amends section 210 of the Michigan Telecommunications Act, MCL 484.2310, and was signed into law on December 17, 2009 by Governor Jennifer M. Granholm in an effort to reform toll access service rates in Michigan.

Under Act 182 the Commission is to administer a fund known as the intrastate switched toll access rate mechanism fund ("the fund"), funded by a "mandatory monthly contribution of all providers of retail intrastate telecommunications services and all providers of commercial mobile services". The fund will be used to subsidize eligible incumbent local exchange carriers for the reduction in their annual intrastate switched toll access revenues that will result from required reductions in intrastate toll access rates required by Act 182. The instant Order establishes the total size of the fund and notifies eligible providers of the disbursements from fund for which they are eligible.

In establishing the disbursements listed below, the Commission included Allband Communications Cooperative which had not previously been identified by the Commission as an eligible carrier. Because "the Federal Communications Commission ("FCC") has granted Allband certain waivers that will permit Allband to be treated as an incumbent local exchange carrier for the purpose of receiving universal service support and for submitting a National Exchange Carrier Association ("NECA") tariffs and pools," the Commission found Allband to be an eligible provider under Act 182.

In its Order the Commission also instructed Staff to continue its investigation of providers that should have contributed to the fund and have not yet complied with the Commission's January 11, 2010 Order requiring all providers to submit certain data necessary for the implementation of Act 182. The Commission's Order also notes that a group of competitive local exchange carriers have filed pleadings with the FCC requesting preemption of Act 182. The Commission finds that it is "duty bound to carry out the mandates of the legislation" "unless and until the FCC takes any action to preempt Act 182."

**Eligible Provider Annual Disbursement Monthly Disbursement
Established in MPSC Case No. U-16183 on April 13, 2010**

ELIGIBLE PROVIDER	ANNUAL DISBURSEMENT	MONTHLY DISBURSEMENT
Ace Telephone Company	\$418,134.08	\$34,844.51
Allband Communications Cooperative	\$6,061.27	\$505.11
Allendale Telephone Company	\$465,345.88	\$38,778.82
Baraga Telephone Company	\$188,856.72	\$15,738.06
Barry County Telephone Company	\$479,832.98	\$39,986.08
Blanchard Telephone Company	\$49,658.85	\$4,138.24
Bloomington Telephone Company	\$644,407.35	\$53,700.61
Carr Telephone Company	\$101,258.64	\$8,438.22
CenturyTel Midwest-MI, Inc.	\$2,264,069.14	\$188,672.43
CenturyTel of Michigan	\$4,879,597.76	\$406,633.15
CenturyTel of Northern Michigan	\$206,222.02	\$17,185.17
CenturyTel of Upper Michigan	\$1,116,972.46	\$93,081.04

ELIGIBLE PROVIDER	ANNUAL DISBURSEMENT	MONTHLY DISBURSEMENT
Chapin Telephone Company	\$41,052.03	\$3,421.00
Chatham Telephone Company (TDS Telecom)	\$282,647.89	\$23,553.99
Chippewa County Telephone Company	\$78,420.06	\$6,535.00
Climax Telephone Company	\$24,221.61	\$2,018.47
Communications Corporation of Michigan (TDS Telecom)	\$225,189.18	\$18,765.76
Deerfield Farmers' Telephone Company	\$139,826.74	\$11,652.23
Drenthe Telephone Company	\$33,256.40	\$2,771.37
Frontier Telephone Company	\$1,315,368.25	\$109,614.02
Hiawatha Telephone Company	\$360,280.57	\$30,023.38
Island Telephone Company (TDS Telecom)	\$43,005.19	\$3,583.77
Kaleva Telephone Company	\$151,810.41	\$12,650.87
Lennon Telephone Company	\$121,206.95	\$10,100.58
Michigan Central Broadband Company	\$123,378.86	\$10,281.57
Midway Telephone Company	\$48,648.54	\$4,054.04
Ogden Telephone Company	\$29,216.81	\$2,434.73
Ontonagon Telephone Company	\$196,242.17	\$16,353.51
Peninsula Telephone Company	\$49,897.60	\$4,158.13
Pigeon Telephone Company	\$160,513.87	\$13,376.16
Sand Creek Telephone Company	\$70,235.02	\$5,852.92
Shiawassee Telephone Company (TDS Telecom)	\$361,532.60	\$30,127.72
Springport Telephone Company	\$173,014.08	\$14,417.84
Upper Peninsula Telephone Company	\$189,324.92	\$15,777.08
Waldron Telephone Company	\$25,563.13	\$2,130.26
Westphalia Telephone Company	\$282,194.96	\$23,516.25
Winn Telephone Company	\$36,151.75	\$3,012.65
Wolverine Telephone Company (TDS Telecom)	\$879,261.61	\$73,271.80
SUM OF DISBURSEMENTS:	\$16,261,878.33	\$1,355,156.53

Total Fund Size:	
Annual Disbursements	\$16,261,878.33
Estimated Administrative Costs	\$440,000.00
Reserve = One Month of Disbursements	\$1,355,156.53
TOTAL SIZE:	\$18,057,034.86

Case No. U-16192

TSLRIC

Climax Telephone Company

<http://efile.mpsc.cis.state.mi.us/efile/viewcase.php?casenum=16192>

On April 13, 2010, the Michigan Public Service Commission (“Commission”) issued an order approving the January 20, 2010 Application of Climax Telephone Company (“Climax”) seeking approval of its total service long run incremental cost (“TSLRIC”) study. The Commission approved the cost study with modifications.

AT&T Michigan; Sprint Communications Company L.P., Sprint Spectrum L.P., and Nextel West Corporation L.P. (collectively, “Sprint”); Verizon North Inc., Contel of the South, Inc., d/b/a Verizon North Systems, Cellco Partnership, d/b/a Verizon Wireless, and Muskegon Cellular Partnership, d/b/a Verizon Wireless (collectively, “Verizon”); Telnet Worldwide, Inc., ACD Telecom, Inc., Clear Rate Communications, Inc., and TC3 Telecom, Inc., (collectively, “TelNet”); T-Mobile Central LLC; and TDS Metrocom LLC participated in this proceeding. On March 1, 2010 the Commission received comments from AT&T Michigan and the Commission Staff. These two parties raised concerns that Climax had failed to include sufficient information and justification required to obtain Commission approval of the Cost Study. AT&T Michigan also argued that Climax should not

be permitted to charge recoverable compensation that far exceeds that charged by AT&T Michigan for the same service in the same territory. On March 22, 2010 Reply Comments were filed by Climax, AT&T Michigan, Staff, Verizon, T-Mobile and Sprint. The Commission found that the Reply Comments essentially agreed with the initial Comments filed by the Staff and AT&T.

In its order, the Commission addressed the sufficiency of documentation provided by Climax with its Initial Cost Study. The Commission stated that it “is persuaded that it can not approve the cost study as filed. Climax has failed to meet the requirements imposed by the Commission, as clarified and explained in the Commission’s July 5, 2007 Order in Case U-14781.” However, the Commission approved the Cost Study conditioned on certain modifications.

Among the issues addressed by the Commission was Staff’s concern regarding Climax’s modeling of a fiber to the premises (“FTTP”) network. While the Commission agreed that “questions remain concerning whether the modeled network is the least cost, most efficient way of providing basic local exchange service, or whether the expense is even economically rational,” the Commission agreed to approve such network design based upon Climax’s stipulation to a 20% reduction in expenses associated with this network design, as stated in Climax’s Reply Comments.

Climax had sought a 90% allocation of costs to traffic-sensitive costs. AT&T objected to this allocation relying on various Federal Communications Commission (“FCC”) decisions. In its Reply Comments Climax stated “that in the interest of resolving this issue, it is willing to revise its allocation to a 70% allocation of traffic-sensitive costs.” The Commission found that the percentage of costs allocated to traffic-sensitive costs should not exceed 50%, as recommended by Staff.

AT&T Michigan also raised concerns with the allocation of central office costs to other services and asked the Commission to limit the allocation of the costs to 33% each to voice data and video services. The Commission found that consistent with its other findings, “adopting the 50% allocation to traffic-sensitive costs will be sufficient to address concerns about these costs, based on the lack of support for the allocation choices.”

Staff and AT&T Michigan raised concerns stating that Climax’s operating expense factor for switching is too high based on the documentary support that Climax had provided with the Cost Study. The Commission ordered Climax to reduced its switching expenses as recommended by Staff, and agreed that various costs should be removed from the cost study in addition to a 20% reduction offered by Climax in its Reply Comments.

The Commission also found that Climax’s network model using a softswitch did not have proper cost allocation. With a soft switch, “the great advantage is a reduction in costs, in both investment and expense. And yet, Climax calculates the expense to be higher, with no adequate explanation.” The Commission found the appropriate adjustment was to reduce the per line investment by 25%, “the half way point in the range of average reductions set out in [and] exhibit submitted by AT&T Michigan.”

In calculating projected switch use, AT&T Michigan contended “that the switch usage per line is understated in the costs study, which drives up the reciprocal compensation rate.” AT&T argued that Climax should not have deducted dial-up Internet Service Provider’s (“ISP”) minutes of use (“MOU”) from its total switch usage. The Commission agreed and ordered Climax to use its actual monthly average MOU without subtraction of ISP MOU.

In its initial filing, Climax included its legal, accounting, and regulatory costs for obtaining, enforcing, and defending its Interconnection Agreements. AT&T Michigan argued that these are common costs and not direct costs allocable to transport and termination of traffic. The Commission agreed noting that Interconnection Agreements also relate to other services, regardless of whether those services could be provided without an Interconnection Agreement. The Commission found it more appropriate to treat legal and accounting costs as the common costs that they are.

The Commission found that following the adjustments required by this Order, and those agreed to by Climax in its Reply Comments, the cost study can be approved. Climax was ordered to file a compliant cost study within 30 days of the issues of this order, or no later than Monday, May 17th, 2010. Any objections to the compliance cost study filing may be made within 10 business days following the filing of the compliance cost study.

Case No. U-16236

License

Drenthe Telecom LLC

<http://efile.mpsc.cis.state.mi.us/efile/viewcase.php?casenum=16236>

On April 13, 2010, the Michigan Public Service Commission (“Commission”) issued an Order granting a temporary license to provide basic local exchange service throughout the State of Michigan in the Drenthe exchange served by Drenthe Telephone Company, the Holland, Zeeland, Hudsonville, and Jamestown exchanges served by AT&T Michigan, the Hamilton exchange served by Verizon North Inc., and the Borculo exchange served by CenturyTel Midwest-Michigan, Inc., d/b/a CenturyLink, to Drenthe Telecom LLC. The temporary license will expire upon the Commission’s issuance of a final order granting or denying Drenthe Telecom LLC March 8, 2010 Application and April 9, 2010 Second Amended Application for a permanent license.

Case No. U-16250

Rulemaking

Commission’s Own Motion

<http://efile.mpsc.cis.state.mi.us/efile/viewcase.php?casenum=16236>

On April 13, 2010, the Michigan Public Service Commission (“Commission”) issued an Order and Notice of Hearing commencing a formal rulemaking proceeding to promulgate rules for the Arbitration of Interconnection Agreements and Mediation of Complaints. According to the Order these rules will codify existing Arbitration and Mediation procedures set forth in the Commission’s Orders in MPSC Case Nos. U-11134 and U-13774 and in Federal and State Statutes. Members of the public are invited to comment on the proposed rules at a public hearing which will be held at 9:00 a.m. on Tuesday, May 11, 2010 at the Commission’s Offices at 6545 Mercantile Way in Lansing, Michigan. In addition, any person may submit written or electronic comments regarding the proposed rules. Comments must be filed with the Commission and received not later than 5:00 p.m. on June 1, 2010, and should reference MPSC Case No. U-16250.

MINUTE ACTIONS

The Michigan Public Service Commission (“Commission”) issued the following Minute Action at its regularly scheduled meeting held on March 2, 2010 at 1:30 p.m.:

Case No. U-14000

Wireless Emergency Service Costs

Verizon North, Inc. and Verizon North Systems

On April 13, 2010, the Michigan Public Service Commission (“Commission”) issued a Minute Action approving Verizon North, Inc. and Verizon North Systems invoice Nos. M19NZMTS911 and M19NGMTS911 for the period of September 1, 2009 to November 30, 2009, for wireless emergency service costs of \$168,486.61, recoverable under 2007 PA 165, MCL 484.1408(4)(b) and authorizing reimbursement by the Michigan Department of Treasury.

Case No. U-14000

Wireless Emergency Service Costs

Verizon North, Inc. and Verizon North Systems

On April 13, 2010, the Michigan Public Service Commission (“Commission”) issued a Minute Action approving Verizon North, Inc. and Verizon North Systems invoice Nos. M19NZMTS911 and M19NGMTS911 for the period of December 1, 2009 to February 28, 2010, for wireless emergency service costs of \$168,486.61, recoverable under 2007 PA 165, MCL 484.1408(4)(b) and authorizing reimbursement by the Michigan Department of Treasury.

APPLICATIONS AND COMPLAINTS

Case No. U-16024

Interconnection Agreement

Verizon North Inc. and Contel of the South, Inc. d/b/a Verizon North Systems and Clear Rate Communications, Inc.

<http://efile.mpssc.cis.state.mi.us/efile/viewcase.php?casenum=16256>

On April 14, 2010, Verizon North Inc. and Contel of the South, Inc. d/b/a Verizon North Systems and Clear Rate Communications, Inc. jointly filed an Application with the Michigan Public Service Commission (“Commission”) requesting approval of the Third Amendment to their Interconnection Agreement. According to the Application, the Third Amendment incorporates new rates approved by the Commission in MPSC Case No. U-15210.

Case No. U-16256

Interconnection Agreement

Verizon North Inc. and Contel of the South, Inc. d/b/a Verizon North Systems and Osirus Communications, Inc.

<http://efile.mpssc.cis.state.mi.us/efile/viewcase.php?casenum=16256>

On April 12, 2010, Verizon North Inc. and Contel of the South, Inc. d/b/a Verizon North Systems and Osirus Communications, Inc. jointly filed a Revised Application with the Michigan Public Service Commission (“Commission”) requesting approval of an Interconnection Agreement. According to the Application, the Interconnection Agreement is an adoption, pursuant to 47 USC § 252(i), of the Interconnection Agreement by and between TelNet Worldwide, Inc. and Verizon, previously approved by the Commission in MPSC Case No. U-16027. This Application supersedes and replaces the Application filed on March 26, 2010.

On April 8, 2010, Carol Johnson, of Grand Blanc, Michigan, filed a formal Complaint with the Michigan Public Service Commission (“Commission”) against AT&T Michigan alleging that AT&T Michigan continued to charge her for services for a residential telephone service after she had moved out of the residence and cancelled the service.

NOTICES OF OPPORTUNITIES TO COMMENT |

The following Notices of Opportunity to Comment have been issued by the Michigan Public Service Commission’s Executive Secretary. Any interested person may submit comments on the application by sending written comments to the Commission by mail to: Executive Secretary, Michigan Public Service Commission, P.O. Box 30221, Lansing, Michigan 48909. Electronic comments may be e-mailed to: <mpscfilecases@michigan.gov>. Any comments should reference the applicable docket number.

Case No. U-16250

Rulemaking

Commission’s Own Motion

<http://efile.mpsc.cis.state.mi.us/efile/viewcase.php?casenum=16250>

Comments Due: Tuesday, June 1, 2010

On April 13, 2010, the Michigan Public Service Commission (“Commission”) issued an Order and Notice of Hearing commencing a formal rulemaking proceeding to promulgate rules for the Arbitration of Interconnection Agreements and Mediation of Complaints. According to the Order these rules will codify existing Arbitration and Mediation procedures set forth in the Commission’s Orders in MPSC Case Nos. U-11134 and U-13774 and in Federal and State statutes. Members of the public are invited to comment on the proposed rules at a public hearing which will be held at 9:00 a.m. on Tuesday, May 11, 2010 at the Commission’s Offices at 6545 Mercantile Way in Lansing, Michigan. In addition, any person may submit written or electronic comments regarding the proposed rules. Comments must be filed with the Commission and received not later than 5:00 p.m. on Tuesday, June 1, 2010, and should reference MPSC Case No. U-16250.

NOTICES OF HEARINGS |

The following Notices of Hearings have been issued by the Michigan Public Service Commission’s Executive Secretary. Unless otherwise noted, all hearings are held at the offices of the Michigan Public Service Commission, 6545 Mercantile Way, Suite 7, Lansing, Michigan.

Case No. U-16250

Rulemaking

Commission’s Own Motion

<http://efile.mpsc.cis.state.mi.us/efile/viewcase.php?casenum=16250>

Hearing: Tuesday, May 11, 2010

On April 13, 2010, the Michigan Public Service Commission (“Commission”) issued an Order and Notice of Hearing commencing a formal rulemaking proceeding to promulgate rules for the Arbitration of Interconnection Agreements and Mediation of Complaints. According to the Order these rules will codify existing Arbitration and Mediation procedures set forth in the Commission’s Orders in MPSC Case Nos. U-11134 and U-13774 and in Federal and State statutes. Members of the

public are invited to comment on the proposed rules at a public hearing which will be held at **9:00 a.m.** on **Tuesday, May 11, 2010** at the Commission's Offices at 6545 Mercantile Way in Lansing, Michigan . In addition, any person may submit written or electronic comments regarding the proposed rules. Comments must be filed with the Commission and received not later than 5:00 p.m. on Tuesday, June 1, 2010, and should reference MPSC Case No. U-16250.

Case No. U-16236

License

Drenthe Telecom LLC

<http://efile.mpsc.cis.state.mi.us/efile/viewcase.php?casenum=16236>

Hearing: May 13, 2010 at 9:00 a.m.

The Michigan Public Service Commission ("Commission") will hold a public hearing to consider the March 8, 2010 Application, March 26, 2010 First Amended Application and April 9, 2010 Second Amended Application of Drenthe Telecom, LLC for a license to provide basic local exchange service throughout the State of Michigan in the Drenthe exchange served by Drenthe Telephone Company, the Holland, Zeeland, Hudsonville, and Jamestown exchanges served by AT&T Michigan, the Hamilton exchange served by Verizon North Inc., and the Borculo exchange served by CenturyTel Midwest-Michigan, Inc., d/b/a CenturyLink. The hearing will be held on **Thursday, May 13, 2010 at 9:00 a.m.**, before Administrative Law Judge Daniel E. Nickerson, Jr. at the offices of the Michigan Public Service Commission, 6545 Mercantile Way, Suite 7, Lansing, Michigan. Parties wishing to intervene in this matter, are asked to do so on or before April 13, 2010.

MPSC HEARINGS SCHEDULE |

Note: Unless indicated otherwise, hearings are held in the offices of the Commission, 6545 Mercantile Way, Suite 7, Lansing, Michigan. Hearing dates and times are subject to change or cancellation. Please check with the Commission's Executive Secretary at (517) 241-6160 to confirm that a hearing will be taking place.

KNOWN TELECOM HEARINGS SCHEDULED FOR THE NEXT FORTNIGHT **(APRIL 19, 2010 THROUGH APRIL 30, 2010)**

April 27, 2010, 9:00 a.m.

Case No. U-16182/Evidentiary Hearing

CableMax Communications (video franchise show cause)

FUTURE TELECOM HEARINGS SCHEDULED

May 11, 2010, 9:00 a.m.

Case No. U-16250/Public Hearing

Commission's Own Motion (rulemaking)

May 17, 2010, 9:00 a.m.

Case No. U-16181/Evidentiary Hearing

Pine River Cable (video franchise show cause)

May 13, 2010, 9:00 a.m.

Case No. U-16236/Public Hearing

Drenthe Telecom, LLC (license)

2010 REGULAR MPSC MEETING DATES* |

<u>Month & Date</u>	<u>Day</u>	<u>Time</u>
April 27, 2010	Tuesday	1:30 p.m.
May 20, 2010	Thursday	1:30 p.m.
June 3, 2010	Thursday	1:30 p.m.
June 24, 2010	Thursday	1:30 p.m.
July 1, 2010	Thursday	1:30 p.m.
July 13, 2010	Tuesday	1:30 p.m.
July 27, 2010	Tuesday	1:30 p.m.
August 10, 2010	Tuesday	1:30 p.m.
August 24, 2010	Tuesday	1:30 p.m.
September 14, 2010	Tuesday	1:30 p.m.
September 28, 2010	Tuesday	1:30 p.m.
October 14, 2010	Thursday	1:30 p.m.
October 26, 2010	Tuesday	1:30 p.m.
November 10, 2010	Wednesday	1:30 p.m.
December 7, 2010	Tuesday	1:30 p.m.
December 21, 2010	Tuesday	1:30 p.m.

* Additional Special Meetings may be scheduled, as needed, on 18-hours notice as permitted by Section 5(4) of the Michigan Open Meetings Act, MCL 15.265(4). Agendas for all Regular and Special Meetings will be posted on 18 hours notice. A posted agenda is subject to Amendment as determined by the Commission. Any person with a question about a Regular or a Special Meeting of the Michigan Public Service Commission may make an inquiry by calling the Commission's Executive Secretary at (517) 241-6160

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