



### FEATURES |

#### MPSC Moves to New Location with New Phone Numbers |

NOTE: The Michigan Public Service Commission issued the following Press Release on December 18, 2014. For additional information contact Judy Palnau at (517) 284-8300.

December 18, 2014 – The Michigan Public Service Commission (“MPSC” or “Commission”) today held its first Commission meeting at its new location – 7109 West Saginaw Highway, Lansing, Mich. Flood damage caused the MPSC to move to temporary locations since July 2011. . . .

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### MPSC Moves to New Location with New Phone Numbers | continued from Page 1

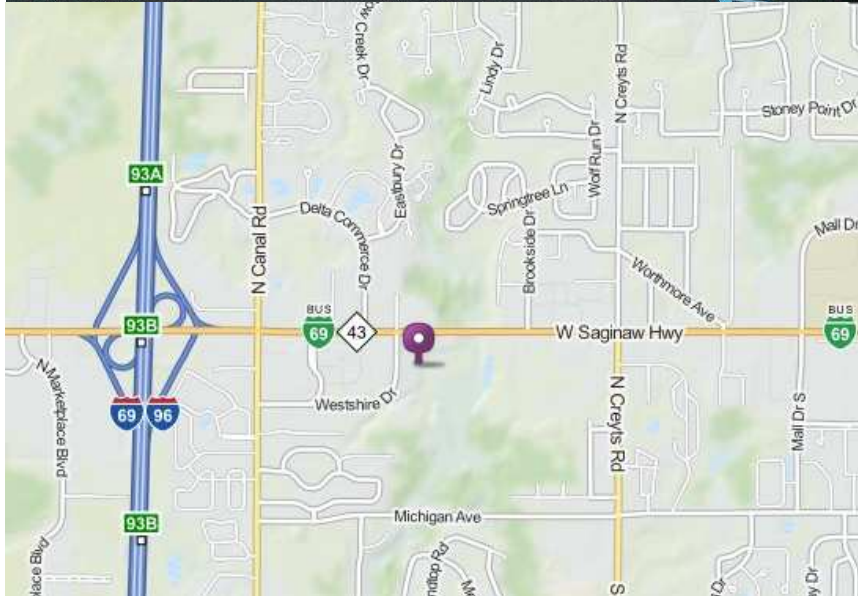
“This move reunites all MPSC-related staff at one location,” said MPSC Chairman John D. Quackenbush. “The Commissioners, MPSC staff from all divisions, administrative law judges and attorney general staff will once again be located at one site, making it easier for the many people who interact with the MPSC.”

A map of the new location is located on the MPSC website, <<http://www.michigan.gov/mpsc>>.

While the physical address has changed, the mailing address remains the same: P.O. Box 30221, Lansing, MI 48909.

The move did require new phone numbers, which are listed at <<http://efile.mpsc.state.mi.us/phpsc/phone/?div=2&ser=2>>. The MPSC’s toll-free number for Michigan customers seeking assistance with electric, natural gas, telecommunications or cable television needs remains the same:

1-800-292-9555. Email addresses remain the same. Parking for visitors, including handicapped parking, is available without cost. The building is handicapped accessible. Persons needing any accommodation should contact the MPSC’s Executive Secretary at (517) 284-8090.



The MPSC’s new location features three hearing rooms and will be undergoing a number of energy efficiency improvements, using innovative Property Assessed Clean Energy (PACE) financing.

The MPSC is an agency within the Department of Licensing and Regulatory Affairs. For more information about LARA, please visit <<http://www.michigan.gov/lara>>. Follow us on Twitter <<http://www.twitter.com/michiganLARA>>, Like <<http://www.facebook.com/pages/Michigan-Licensing-and-Regulatory-Affairs-LARA/174666982582752>> us on Facebook or find us on YouTube <<http://www.youtube.com/michiganLARA>>.

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## 2013 & 2014 LEGISLATION |

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 Website, <<http://www.michiganlegislature.org/>>, or from the Legislative Service Bureau Document Room at (517) 373-0169.

The Michigan Legislature has now adjourned, *sine die*, ending the 2013-14 Legislative session. Any bills listed below that were not enrolled during this session have now expired.

Senate Bill # Primary Sponsor	Date Introduced	Description	Status (revisions in bold)
SB 0033 Schuitmaker	01/16/2013	Campaign finance; campaign practices; automated campaign telephone calls; require to identify who paid for call. Amends 1976 PA 388 (MCL 169.201 - 169.282) by adding sec. 48.	Referred to Senate Committee on Local Government and Elections.
SB 0294 Jones	04/10/2013	Gaming; lottery; sale of lottery tickets; prohibit sale over internet. Amends sec. 9 of 1972 PA 239 (MCL 432.9).	Referred to Senate Committee on Regulatory Reform.
<b>SB 0493</b> Jones	<b>09/17/2013</b>	<b>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.</b>	<b>12/18/2014 Ordered Enrolled and given immediate effect; Passed House; 109 Yeas, 0 Nays; 12/09/2014 Reported by House Committee on Energy and Technology with recommendation without amendment.</b>
SB 0539 Nofs  2013 PA 173	09/24/2013	Torts; governmental immunity; underground facility damage prevention; define as proprietary function. Amends sec. 7 of 1964 PA 170 (MCL 691.1407). Tie Bar with SB 0540.	12/3/2013 Signed by Governor Synder; assigned 2013 PA 173 with immediate effect.

Senate Bill # Primary Sponsor	Date Introduced	Description	Status (revisions in bold)
SB 0540 Nofs  2013 PA 174	09/24/2013	Public utilities; consumer services; MISS DIG underground facility damage prevention and safety act; create. Creates new act & repeals 1974 PA 53 (MCL 460.701 - 460.718). Tie Bar with SB 0539.	12/3/2013 Signed by Governor Snyder; assigned 2013 PA 174 with immediate effect.
SB 0599 Hansen	10/03/2013	Crimes; criminal sexual conduct; use of internet or computer system to solicit prostitute less than 21 years of age; prohibit. Amends sec. 145d of 1931 PA 328 (MCL 750.145d).	Referred to Senate Committee on Families, Seniors, and Human Services.
SB 0636 Nofs  2014 PA 52	10/22/2013	Communications; telecommunications; general amendments; provide for. Amends secs. 304, 310, 313, 315, 317, 320 & 502 of 1991 PA 179 (MCL 484.2304 et seq.).	03/27/2014 Signed by Governor Snyder; assigned 2014 PA 52, with immediate effect.
SB 0734 Caswell	01/08/2014	Holidays; other; "Utility Workers Safety Awareness Day"; designate as December 6. Creates new act.	Referred to Senate Committee on Government Operations.
SB 0824 Pappageorge  2014 PA 88	02/25/2014	State financing and management; authorities; process for transferring METRO Act authority powers; revise, and provide other general amendments. Amends secs. 2 & 3 of 2002 PA 48 (MCL 484.3102 & 484.3103). Tie Bar with SB 822.	04/01/2014 Signed by Governor Snyder; assigned 2014 PA 88, with immediate effect.
SB 0924 Bieda	05/01/2014	Crimes; other; posting of sexually explicit image of another person on internet with intent to frighten, intimidate, or harass; prohibit, and require removal of sexually explicit images under certain circumstances. Amends 1931 PA 328 (MCL 750.1 - 750.568) by adding sec. 145e. Tie Bar with SB 0925.	06/04/2014 Referred to House Committee on Criminal Justice. 06/03/2014 Substitute S-1 passed Senate, 37 Yeas, 0 Nays, 1 Excused.
SB 0925 Jones	05/01/2014	Crimes; penalties; penalties for posting sexually explicit image on internet or failing to remove posted sexually explicit image from internet under certain circumstances; provide for. Amends 1931 PA 328 (MCL 750.1 - 750.568) by adding sec. 145f. Tie Bar with SB 0924.	06/04/2014 Referred to House Committee on Criminal Justice. 06/03/2014 Substitute S-1 passed Senate, 37 Yeas, 0 Nays, 1 Excused.

Senate Bill # Primary Sponsor	Date Introduced	Description	Status (revisions in bold)
SB 1060 Bieda	09/16/2014	Trade; consumer goods and services; requirement for smartphones to be equipped with antitheft functionality; provide for. Amends sec. 3 of 1976 PA 331 (MCL 445.903) & adds sec. 3j.	Referred to Senate Committee on Regulatory Reform
<b>SB 1089</b> <b>Jones</b>	<b>09/24/2014</b>	<b>Law enforcement; investigations; disclosure of call location information by wireless providers to requesting law enforcement agency; require. Creates new act.</b>	<b>12/10/2014 Referred to Committee of the Whole with Substitute S-1.</b>

House Bill # Primary Sponsor	Date Introduced	Description	Status (revisions in bold)
HB 4011 Heise	01/22/2013	Communications; emergency 9-1-1; recordings from 9-1-1 calls; prohibit disclosure under certain circumstances. Amends sec. 13 of 1976 PA 442 (MCL 15.243)	Referred to House Committee on Oversight.
HB 4032 Geiss	01/22/2013	Education; public school academies; cyber schools; require posting educational materials on website and submission to department. Amends 1976 PA 451 (MCL 380.1 - 380.1852) by adding sec. 553b.	Referred to House Committee on Education.
<b>HB 4237</b> <b>Haines</b>	<b>02/12/2013</b>	<b>Communications; other; authorized use of Michigan public safety communications system; expand. Amends title &amp; secs. 1, 2 &amp; 3 of 1929 PA 152 (MCL 28.281 et seq.).</b>	<b>12/18/2014 Bill Ordered Enrolled, with immediate effect, Substitute S-1 passed House 108 Yeas, 2 Nays; 12/17/2014 Substitute S-1 Passed the Senate, 36 Yeas, 0 Nays, 1 Excused, 1 Not Voting; Returned to House.</b>
HB 4531 Cotter	04/11/2013	Gaming; lottery; sale of lottery tickets; prohibit sale over internet. Amends sec. 9 of 1972 PA 239 (MCL 432.9).	Referred to House Committee on Government Operations.
HB 4671 Poleski 2013 PA 113	05/02/2013	Communications; emergency 9-1-1; distribution of service charge fees for 9-1-1; revise. Amends sec. 408 of 1986 PA 32 (MCL 484.1408).	09/24/2013 Signed by Gov. Synder; assigned 2013 PA 113; with immediate effect.

House Bill # Primary Sponsor	Date Introduced	Description	Status (revisions in bold)
HB 4702 Franz	05/07/2013	Communications; telecommunications; public service commission report regarding pole attachment rates; require. Amends sec. 6g of 1939 PA 3 (MCL 460.6g).	Referred to House Committee on Energy and Technology.
HB 4843 Forlini	06/13/2013	Campaign finance; other; automated campaign telephone calls; require to identify entity making or paying for call. Amends 1976 PA 388 (MCL 169.201 - 169.282) by adding sec. 48.	Referred to House Committee on Elections and Ethics.
HB 4853 Walsh	06/20/2013	Communications; emergency 9-1-1; additional PSAPs or secondary PSAPs within a 9-1-1 service district; allow county to designate by resolution. Amend sec. 312 of 1986 PA 32 (MCL 484.1312).	Referred to House Committee on Energy and Technology.
HB 4984 Lori	09/17/2013	Communications; emergency 9-1-1; procedure to determine which public safety service unit is closest to a request for public safety service; modify. Amends secs. 102 & 204 of 1986 PA 32 (MCL 484.1102 & 484.1204).	Referred to House Committee on Local Government.
HB 5042 McMillin	10/02/2013	Law enforcement; state police; posting of information concerning speed limit engineering and traffic investigation requests on website; require of state police. Amends sec. 628 of 1949 PA 300 (MCL 257.628).	Referred to House Committee on Transportation and Infrastructure.
HB 5110 Heise	10/29/2013	Law enforcement; investigations; disclosure of call location information by wireless providers to requesting law enforcement agency; require. Creates new act.	02/26/2014 Reported by House Committee on Criminal Justice with recommendation with substitute H-2; referred to second reading.
HB 5246 Rogers	01/28/2014	Criminal procedure; warrants; use of electronic video equipment for issuance of warrants; allow for law enforcement officials. Amends sec. 1, ch. IV of 1927 PA 175 (MCL 764.1).	09/18/2014 Substitute H-2 Reported favorably by Senate Committee on Judiciary; referred to Committee of the Whole.
HB 5260 Shirkey	01/29/2014	Public utilities; other; telephone solicitations regarding electric or natural gas service; require certain disclosures. Amends secs. 9 & 10a of 1939 PA 3 (MCL 460.9 & 460.10a).	Referred to House Committee on Energy and Technology.

House Bill # Primary Sponsor	Date Introduced	Description	Status (revisions in bold)
HB 5431 Hobbs	03/26/2014	Education; curriculum; internet safety instruction; require. Amends 1976 PA 451 (MCL 380.1 - 380.1852) by adding sec. 1162.	Referred to House Committee on Education.
HB 5499 Oakes	04/30/2014	Communications; telecommunications; changes made by 2014 PA 52; eliminate. Amends secs. 103, 304, 310, 313, 317, 320 & 502 of 1991 PA 179 (MCL 484.2103 et seq.).	Referred to House Committee on Energy and Technology.
HB 5710 McMillin	07/16/2014	Law enforcement; investigations; search warrant to be obtained before use of surveillance devices to intercept mobile device information; require. Amends 1966 PA 189 (MCL 780.651 - 780.659) by adding sec. 2b.	Referred to House Committee on Criminal Justice.
HB 5712 McMillin	07/16/2014	Law enforcement; other; surveillance device act; create and regulate the use of surveillance devices by police agencies and police officers under certain circumstances. Creates new act.	Referred to House Committee on Criminal Justice.
HB 5735 Shirkey	08/27/2014	Traffic control; traffic regulation; use of a hand-held cellular telephone while operating a vehicle in a posted construction zone; prohibit when workers are present. Amends sec. 602b of 1949 PA 300 (MCL 257.602b).	Referred to House Committee on Transportation and Infrastructure.
HB 5845 Irwin	09/23/2014	School aid; foundation allowance; per pupil allocation for cyber schools; reduce by 2/3 beginning in 2014-2015. Amends sec. 20 of 1979 PA 94 (MCL 388.1620).	Referred to House Committee on Appropriations.
HB 5896 Talib	11/06/2014	Communications; video services; alternative cable providers; ensure access to excess cable equipment capacity in multiple dwellings. Creates new act.	Referred to House Committee on Energy and Technology.
HB 5897 Talib	11/06/2014	Property; condemnation; relocation assistance; clarify inapplicability to persons affected by multiple-dwelling cable communications access act. Amends sec. 11 of 1972 PA 227 (MCL 213.331). Tie Bar with HB 5896.	Referred to House Committee on Energy and Technology.

House Bill # Primary Sponsor	Date Introduced	Description	Status (revisions in bold)
HB 6071 Kosowski	12/03/2014	<b>Communications; telecommunications; public notice; revise to make reference to the local government public notice act. Amends secs. 308 &amp; 505 of 1986 PA 32 (MCL 484.1308 &amp; 484.1505). Tie Bar with HB 5560.</b>	<b>Referred to House Committee on Local Government.</b>

## **PUBLIC ACTS OF 2013 & 2014 |**

Listed below are Public Acts related to telecommunications that were passed during the current legislative session (2013-2014). Copies of Public Acts may be obtained by contacting your state Senator or Representative, on the Michigan Legislature Website, <<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
2013 PA 113	09/24/2013	Communications; emergency 9-1-1; distribution of service charge fees for 9-1-1; revise. Amends sec. 408 of 1986 PA 32 (MCL 484.1408).	HB 4671 Poleski.
2013 PA 173	12/3/2013	Torts; governmental immunity; underground facility damage prevention; define as proprietary function. Amends sec. 7 of 1964 PA 170 (MCL 691.1407).	SB 0539 Nofs
2013 PA 174	12/3/2013	Public utilities; consumer services; MISS DIG underground facility damage prevention and safety act; create. Creates new act & repeals 1974 PA 53 (MCL 460.701 - 460.718).	SB 0540 Nofs
2014 PA 52	03/27/2014	Communications; telecommunications; general amendments; provide for. Amends secs. 304, 310, 313, 315, 317, 320 & 502 of 1991 PA 179 (MCL 484.2304 et seq.).	SB 636 Nofs
2014 PA 88	04/01/2014	State financing and management; authorities; process for transferring METRO Act authority powers; revise, and provide other general amendments. Amends secs. 2 & 3 of 2002 PA 48 (MCL 484.3102 & 484.3103). Tie Bar with SB 822 (2014 PA 80).	SB 824 Pappageorge



## **ORDERS ISSUED BY THE COMMISSION |**

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The Michigan Public Service Commission (“Commission”) issued the following Orders at its regularly scheduled meeting held on Thursday, December 18, 2014, at 1:30 p.m. at the Commission’s new offices located at 7109 West Saginaw, Lansing, Michigan.

**Case No. U-13508**

**License**

**Cypress Communications Operating Company, Inc.**

**<http://efile.mpsc.state.mi.us/efile/viewcase.php?casenum=13508>**

On December 18, 2014, the Michigan Public Service Commission (“Commission”) issued an Order rescinding the license of Cypress Communications Operating Company, Inc. to provide basic local exchange service in all exchanges served by Verizon North Inc., Contel of the South, Inc., d/b/a Verizon North Systems, and Ameritech Michigan. On December 1, 2014, Cypress Communications Operating Company, Inc. informed the Commission of its intent to surrender the license and stated that it has no customers and has ceased operations in Michigan.

**Case No. U-15911**

**License**

**ACD Telecom of the North, LLC**

**<http://efile.mpsc.state.mi.us/efile/viewcase.php?casenum=15911>**

On December 18, 2014, the Michigan Public Service Commission (“Commission”) issued an Order rescinding the license of ACD Telecom of the North, LLC to provide basic local exchange service in the eight unassigned territories in the Upper Peninsula of Michigan. On November 21, 2014, ACD Telecom of the North, LLC informed the Commission of its intent to surrender the license and stated that it never became an active provider and thus has no customers in Michigan.

**Case No. U-16942**

**Eligible Telecommunications Carrier**

**T-Mobile Central, LLC**

**<http://efile.mpsc.state.mi.us/efile/viewcase.php?casenum=16942>**

On December 18, 2014, the Michigan Public Service Commission (“Commission”) issued an Order rescinding the Eligible Telecommunications Carrier (“ETC”) designation of T-Mobile Central, LLC. On October 7, 2014, T-Mobile Central, LLC filed an application requesting to relinquish its ETC status effective December 31, 2014. The application states that the company has approximately 60 current Lifeline subscribers. The relinquishment will have no impact on T-Mobile Central LLC’s wireless network coverage in Michigan. The Commission further Ordered T-Mobile Central LLC to provide written notice to current Lifeline customers within five days of the date of this order consistent with the draft notice filed in this docket. The Commission further directed T-Mobile to file in this docket, within five days of the expiration of a 45-day period, information on how many subscribers remained with T-Mobile Central LLC and how many switched to other ETCs.

**Case No. U-17683**

**License**

**Vitcom LLC**

**<http://efile.mpsc.state.mi.us/efile/viewcase.php?casenum=17683>**

On December 18, 2014, the Michigan Public Service Commission (“Commission”) issued an Order granting Vitcom, LLC a license to provide basic local exchange service throughout the state of

Michigan in the zones and exchange areas in which incumbent local exchange carriers presently provide service. This license replaces the temporary license granted by the Commission on October 7, 2014.

**Case No. U-17745**

**License**

**AirNorth Communications, Inc.**

**<http://efile.mpsc.state.mi.us/efile/viewcase.php?casenum=17745>**

On December 18, 2014, the Michigan Public Service Commission (“Commission”) issued an Order granting a temporary license to AirNorth Communications, Inc. to provide basic local exchange service throughout the state of Michigan in the zones and exchange areas in which AT&T Michigan, Frontier North, Inc., Frontier Midstates Inc., CenturyTel of Michigan, Inc., CenturyTel Midwest-Michigan, Inc., CenturyTel of Northern Michigan, Inc., and CenturyTel of Upper Michigan, Inc., are the incumbent local exchange carriers. This temporary license will expire upon the Commission’s grant or denial of AirNorth Communications, Inc.’s November 12, 2014 Application for a permanent license.

**Case No. U-17749**

**License**

**Peninsula Fiber Network, LLC**

**<http://efile.mpsc.state.mi.us/efile/viewcase.php?casenum=17749>**

On December 18, 2014, the Michigan Public Service Commission (“Commission”) issued an Order granting temporary authorization to Peninsula Fiber Network, LLC to expand the geographical scope of its current license to provide basic local exchange service in all zones and exchange areas throughout the state of Michigan. This temporary authorization will expire upon the Commission’s grant or denial of Peninsula Fiber Network, LLC’s November 18, 2014 Application for a permanent license expansion

## **MPSC MINUTE ACTIONS |**

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The Michigan Public Service Commission (“Commission”) issued the following Minute Actions at its regularly scheduled meeting held on Thursday, December 18, 2014, at 1:30 p.m. at the Commission’s new offices located at 7109 West Saginaw, Lansing, Michigan.

**Case No. U-14000**

**Wireless Emergency Service Costs**

**Commission’s Own Motion (AT&T Michigan)**

**<http://efile.mpsc.state.mi.us/efile/viewcase.php?casenum=14000>**

On December 18, 2014, the Michigan Public Service Commission issued a Minute Action approving AT&T Michigan’s invoice No. 517 R41-0001 067 9 for the period of September 1, 2014, to November 30, 2014, for wireless emergency service costs in the amount of \$128,788.08 recoverable under 2007 PA 165, MCL 484.1408(4)(b), and authorized reimbursement by the Michigan Department of Treasury.

**Case No. U-14000**

**Wireless Emergency Service Costs**

**Commission’s Own Motion (Frontier North Inc. and Frontier Midstates Inc.)**

**<http://efile.mpsc.state.mi.us/efile/viewcase.php?casenum=14000>**

On December 18, 2014, the Michigan Public Service Commission issued a Minute Action approving Frontier North Inc. and Frontier Midstates Inc.’s invoice Nos. MI9NGMTS9111214 and

MI9NZMTS9111214 for the period of September 1, 2014, to November 30, 2014, for wireless emergency service costs in the amount of \$168,485.61 recoverable under 2007 PA 165, MCL 484.1408(4)(b), and authorized reimbursement by the Michigan Department of Treasury.

## **PROPOSAL FOR DECISION |**

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**Case No. U-17619**

**Intercarrier Compensation**

**Westphalia Telephone Company and Great Lakes Comnet, Inc. v AT&T Corp**  
**<http://efile.mpsc.state.mi.us/efile/viewcase.php?casenum=17619>**

On December 11, 2014, Michigan Administrative Hearing System Administrative Law Judge Suzanne D. Sonneborn (“ALJ”) acting for the Michigan Public Service Commission (“Commission”), issued her Proposal for Decision (“PFD”) in the matter of the May 13, 2014, Formal Complaint of Westphalia Telephone Company (“WTC”) and Great Lakes Comnet, Inc. (“GLC”) against AT&T Michigan. WTC and GLC alleged that AT&T “has recently refused to pay the tariffed switching access charges for intrastate calls routed by a third party carrier to GLC’s tandem switch located in Westphalia, Michigan.” WTC and GLC sought an Order by the Commission allowing them to recover tariffed intrastate switched access charges, including late payment charges, as well as costs allowed by law, and other relief as this Commission deems appropriate.

On July 23, 2014, AT&T filed an Answer and Counterclaims. In its Counterclaims, AT&T asserted that that Complainants overcharged AT&T for switched access services by charging excessive switched access rates that violate Michigan law, artificially stimulating traffic by aggregating it with toll-free or “8YY” traffic from wireless carriers, and artificially inflating their mileage charges for carrying such traffic by inefficiently routing the traffic over 80 miles to Westphalia, Michigan. As a result, AT&T alleges that, between February 2010 and February 2013, AT&T has overpaid Complainants by \$3,685,025.00 and, since February 2013, AT&T has only paid Westphalia that which Westphalia should have lawfully charged. While asserting that the majority of Westphalia’s overcharges are for interstate traffic, AT&T requested that the Commission issue an order finding that Complainants’ charges for intrastate switched access services violate Michigan law and requiring that Complainants repay AT&T for the excessive charges collected from AT&T and cease and desist from assessing and attempting to collect excessive charges for intrastate access.

In their answer to AT&T’s Counterclaims, the Complainants rejected the allegations that they assessed excessive, unlawful intrastate access charges or artificially inflated traffic or transport miles. In doing so, Complainants asserted that the FCC’s access stimulation rules do not apply to GLC or to the traffic at issue because (a) GLC is a Competitive Access Provider (“CAP”), not a Competitive Local Exchange Carrier (“CLEC”), and the access stimulation rules only apply to CLECs; and (b) the FCC has rules that its access stimulation rules do not apply to 8YY traffic. The Complainants further asserted that AT&T had direct or indirect control over the routing of the disputed traffic at issue because AT&T requested the routing via Access Service Requests (“ASRs”) and could have: (i) changed how 8YY traffic was routed; (ii) established direct end office trunks to Local Exchange Carriers of Michigan, Inc. (“LECOMI”), the end office switch from which calls were routed over GLC’s network or (iii) coordinated with its incumbent local exchange carrier (“ILEC”) affiliate, AT&T Michigan, to require that LECMI utilize AT&T Michigan as the access tandem provider.

An evidentiary hearing was held before the ALJ on September 22 and 23, 2014.

In providing her analysis of the Complaint, the ALJ noted that it was important to consider that the CLEC and rural CLEC exemption provisions referred to by Complainants and AT&T relate to interstate access charges and involve federal telecommunications policy, which is not set by the Commission. However, the ALJ believed that key to resolving the disputes between the parties in this case is was determination of whether Complainant GLC's intrastate switched access rates comply with section 310 of the Act, which provides in relevant part:

(2) A provider of toll access services shall set the rates for intrastate switched toll access services at rates that do not exceed the rates allowed for the same interstate services by the federal government and shall use the access rate elements for intrastate switched toll access services that are in effect for that provider and are allowed for the same interstate services by the federal government. Eligible providers shall comply with this subsection as of the date established for the commencement of the operation of the restructuring mechanism under subsection (9). Providers other than eligible providers shall not charge intrastate toll access service rates in excess of those rates in effect as of July 1, 2009 and shall reduce the differential, if any, between intrastate and interstate switched toll access service rates in effect as of July 1, 2009 in no more than 5 steps of at least 20% each of the differential on the following dates: January 1, 2011; January 1, 2012; January 1, 2013; January 1, 2014; and January 1, 2015. Providers may agree to a rate that is less than the rate allowed by the federal government.

MCL 484.2310(2). (Emphasis added in PDF).

The ALJ found that, at all times relevant to this proceeding, Complainant GLC was a "CLEC" within the meaning of 47 C.F.R. §61.26(a)(1) and that Complainant GLC was not a "rural CLEC" within the meaning of 47 C.F.R. §61.26(a)(6). Accordingly, under 47 C.F.R. §61.26(c), Complainant GLC's tariffed interstate switched access service rates were to be benchmarked to the rate charged for similar services by the competing ILEC, and, likewise, under section 310 of the Act, Complainant GLC's intrastate switched access service rates were required to be set at levels no higher than these benchmarked interstate rates. However, the evidence in this case shows that Complainant GLC's per-minute rates for originating intrastate switched access service are approximately 30 times the per-minute rates that the competing incumbent LEC (Michigan Bell) charges for the same service and that, overall, Complainant GLC is charging more than 4 cents per minute, well over the 2.5 cents per minute that the FCC identified as a "safe harbor" for CLEC tariffed access rates in its CLEC Access Reform Order. The ALJ therefore found that because Complainant GLC's intrastate switched access rates are higher than the interstate switched access rates charged by the competing ILEC, Complainant GLC's rates for intrastate switched access services do not comply with section 310 of the Act.

The ALJ next examined whether the Complainants engaged in access stimulation, which she defined as "when a LEC with high switched access rates enters into an arrangement with a provider of high call volume operations such as chat lines, adult entertainment calls, and "free" conference calls. The arrangement inflates or stimulates the access minutes terminated to the LEC, and the LEC then shares a portion of the increased access revenues resulting from the increased demand with the 'free' service provider, or offers some other benefit to the 'free' service provider." The ALJ found that Complainant GLC did engage in access stimulation. Because Complainant GLC was engaged in access stimulation within the meaning of 47 C.F.R. §61.26(g) throughout the time period of the charges disputed by AT&T, Complainant GLC was required but failed to benchmark its tariffed

interstate switched access rates to the rates of the price cap LEC with the lowest interstate switched access rates in the state, and Complainant GLC was required but failed to accordingly benchmark its tariffed intrastate switched access rates pursuant to section 310 of the Act. As a result, Complainants' intrastate switched access charges assessed against AT&T in excess of the rates of the price cap LEC with the lowest interstate switched access rates in the state do not comply with section 310 of the Act.

The ALJ also examined whether Complainants improperly billed AT&T for intrastate switched access services in violation of Complainants' tariffs. The ALJ found that the evidence in the record establishes that from July 1, 2012, through August 2014, Complainants improperly billed AT&T for intrastate switched access transport charges provided by WTC using GLC's tariff rates rather than WTC's tariffed rates. Complainants acknowledge this and acknowledge that AT&T was/is entitled to be credited for the erroneous billings. She also found that from February 2012 through July 2013, Complainants improperly billed and collected payment from AT&T for intrastate switched access local switching charges on 8YY traffic. In addition, the ALJ found that Complainants improperly billed and collected payment from AT&T from July 1, 2012, through August 2014 for intrastate switched access transport charges provided by WTC using GLC's tariff rates rather than WTC's tariffed rates.

The ALJ made the following findings of fact and conclusions of law:

1. At all times relevant to this proceeding, Complainant GLC was a "CLEC" within the meaning of 47 C.F.R. §61.26(a)(1) and was not a "rural CLEC" within the meaning of 47 C.F.R. §61.26(a)(6).
2. Under section 310 of the Act, Complainant GLC's intrastate switched access service rates are required to be set at levels no higher than the corresponding interstate switched access rates for similar services by the competing ILEC.
3. Complainant GLC's intrastate switched access rates are higher than the interstate switched access rates charged by the competing ILEC.
4. From February 2010 through the present, Complainants improperly billed AT&T for intrastate switched access services using Complainant GLC's intrastate switched access rates that do not comply with section 310 of the Act.
5. From February 2010 through February 2013, Complainants improperly collected payment from AT&T for intrastate switched access services using Complainant GLC's intrastate switched access rates that do not comply with section 310 of the Act.
6. Between January 13, 2010 and December 31, 2013, Complainant GLC engaged in access stimulation because Complainant GLC was a party to two revenue sharing agreements that resulted in a greater than 100 percent increase in access minutes and consequently a significant increase in revenues and profits.
7. From July 1, 2012 through August 2014, Complainants improperly billed and collected payment from AT&T for intrastate switched

access transport charges provided by Complainant WTC using Complainant GLC's tariff rates rather than Complainant WTC's tariffed rates.

8. From February 2010 through July 2013, Complainants improperly billed and collected payment from AT&T for 100% of the transport having been provided by GLC at GLC's tariff rates, when 44% of the transport should have been attributed to LECMI using LECMI's rates under GLC's tariff.
9. From February 2012 through July 2013, Complainants improperly billed and collected payment from AT&T for local switching charges on 8YY traffic.
10. From February 2010 through January 2014, Complainants improperly billed and collected payment from AT&T for intrastate switched access charges on wireless 8YY traffic, only 1% of which actually originated in Michigan, and the remainder of which originated and terminated in other states.
11. AT&T did not violate the terms of Complainants' tariffs when AT&T withheld partial payment for intrastate switched access charges that Complainants billed to AT&T.
12. AT&T's March 20, 2013 letter included sufficient detail to satisfy the legitimate purpose of the billing dispute requirements of Complainant WTC's tariff.
13. AT&T's counterclaim is limited by Complainants' tariffs to a refund or adjustment for payments made no earlier than March 20, 2011.
14. AT&T's counterclaim is not limited by the two-year limitations period set forth in section 205 of the Act.
15. AT&T's counterclaim is not precluded by the unclean hands and voluntary payment doctrines.

The ALJ recommended that the Commission: 1. Dismiss Complainants' complaint; 2. Direct Complainants to refund AT&T those intrastate switched access payments AT&T made to Complainants from March 2011 through February 2013 in excess of the intrastate switched access rates charged by the competing ILEC; 3. Direct Complainants to file a revised intrastate tariff with rates no greater than the interstate rates for the same elements and which rates will parallel the access rate charged by the competing incumbent LEC; 4. Direct Complainants to refund AT&T payments improperly billed and collected from July 1, 2012, through August 2014 for intrastate switched access transport charges provided by WTC using GLC's tariff rates rather than WTC's tariffed rates, from July 1, 2012, through August 2014; 5. Direct Complainants to refund AT&T payments improperly billed and collected from March 2011 through July 2013 for intrastate switched access transport charges with 100% of the transport having been provided by GLC at GLC's tariff rates, when 44% of the transport should have been attributed to Local Exchange Carriers of Michigan ("LECFMI") using LECMI's rates under GLC's tariff; 6. Direct Complainants to refund AT&T payments improperly

billed and collected from February 2012 through July 2013 for intrastate switched access local end office switching charges on 8YY traffic; and, 7. Directs AT&T to file their calculations of the amount of charges for the traffic at issue in this case and eligible for refund or credit consistent with these recommendations within 30 days of the date of the Commission's Order.

Parties wishing to file Exceptions to the PFD are required to do so by December 19, 2014. Replies to Exceptions, if any, are due on December 29, 2014.

## **APPLICATIONS AND COMPLAINTS |**

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### **Case No. U-14238**

Interconnection Agreement

**AT&T Michigan and Drenthe Telephone Company d/b/a Drenthe Telephone & Communications**

<http://efile.mpsc.state.mi.us/efile/viewcase.php?casenum=14238>

On December 10, 2014, AT&T Michigan and Drenthe Telephone Company d/b/a Drenthe Telephone & Communications jointly filed an Application with the Michigan Public Service Commission ("Commission") seeking approval of the Eighth Amendment to their Interconnection Agreement. According to the Application the Eighth Amendment changes the name of the carrier from Drenthe Telephone Company d/b/a Drenthe Telephone & Communications to Ace Telephone Company of Michigan, Inc., and updates the Notices section of the Agreement.

### **Case No. U-16027**

Interconnection Agreement

**Telnet Worldwide, Inc. and Frontier North Inc. and Frontier Midstates Inc.**

<http://efile.mpsc.state.mi.us/efile/viewcase.php?casenum=16027>

On December 5, 2014, Telnet Worldwide, Inc. and Frontier North Inc. and Frontier Midstates Inc. jointly filed an Application with the Michigan Public Service Commission ("Commission") seeking approval of the Fifth Amendment to their Interconnection Agreement. According to the Application the Fifth Amendment adjusts the reciprocal compensation mechanisms between the Parties.

### **Case No. U-17757**

Interconnection Agreement

**Wolverine Telephone Company and Charter Fiberlink-Michigan, LLC**

<http://efile.mpsc.state.mi.us/efile/viewcase.php?casenum=17757>

On December 17, 2014, Wolverine Telephone Company and Charter Fiberlink-Michigan, LLC. jointly filed an Application with the Michigan Public Service Commission ("Commission") seeking approval of an Interconnection Agreement.

### **Case No. U-17758**

Cable Franchise

**Comcast of the South, Inc. v the Charter Township of Plymouth**

<http://efile.mpsc.state.mi.us/efile/viewcase.php?casenum=17758>

On December 11, 2014, Comcast of the South, Inc. ("Comcast") filed a Formal Complaint with the Michigan Public Service Commission ("Commission") against the Charter Township of Plymouth ("Plymouth. According to the Complaint, the dispute involves Plymouth's demand that Comcast pay an annual fee equal to two-percent (2%) of its gross revenues to Plymouth as support for the cost of public, education, and government access facilities and services (the "PEG fee") pursuant to the provisions of the Uniform Video Service Local Franchise Agreement ("Uniform Franchise Agreement") entered into between Comcast and Plymouth. Comcast denies that a 2% PEG fee is

owed and asserts that Plymouth's demand for a 2% PEG fee violates the Act and the provisions of their Uniform Franchise Agreement.

**Case No. U-17813**

**Eligible Telecommunications Carrier**

**AirNorth Communications, Inc.**

**<http://efile.mpsc.state.mi.us/efile/viewcase.php?casenum=17813>**

On December 17, 2014, AirNorth Communications, Inc. filed an Application with the Michigan Public Service Commission (“Commission”) seeking to be designated an Eligible Telecommunications Carrier (“ETC”) within its respective service areas in Michigan for the purpose of receiving Connect America Funds (formerly known as High-Cost Support) and Lifeline and/or Link UP Federal Universal Service Support.

## **NOTICES OF OPPORTUNITIES TO COMMENT |**

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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: <mpscefilecases@michigan.gov>. Any comments should reference the applicable docket number.

**Case No. U-17749**

**License**

**Peninsula Fiber Network, LLC**

**<http://efile.mpsc.state.mi.us/efile/viewcase.php?casenum=17749>**

**Comments Due: Tuesday, January 20, 2015**

The Michigan Public Service Commission (“Commission”) has invited interested parties to file comments on the November 18, 2014 Application of Peninsula Fiber Network, LLC, as amended on November 20, 2014, seeking to alter the geographic area of its license to provide local exchange service to include service in all current incumbent local exchange areas. Written and electronic comments may be filed with the Commission and must be received no later than 5:00 p.m. on Tuesday, January 20, 2015.

## **NOTICES OF HEARINGS |**

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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 Constitution Hall, 525 W. Allegan, Lansing, Michigan.

**Case No. U-17703**

**License**

**KEPS Technologies, Inc., d/b/a ACD.Net and ACD Telecom, Inc.**

**<http://efile.mpsc.state.mi.us/efile/viewcase.php?casenum=17703>**

**Evidentiary Hearing: Wednesday, January 7, 2015 at 9:00 a.m.**

The Michigan Public Service Commission (“Commission”) will consider the October 6, 2014 Application of KEPS Technologies, Inc., d/b/a ACD.Net and ACD Telecom, Inc., for a temporary and permanent license to provide local exchange service in all zone and exchange areas served by incumbent local exchange carriers in the state of Michigan, at an evidentiary hearing to be held before



Administrative Law Judge Dennis Mack at 9:00 a.m. on Wednesday, January 7, 2015, at the Commission's offices at 7109 West Saginaw Highway, Lansing, Michigan. Interested parties wishing to intervene in this proceeding must do so no later than 5:00 p.m. on Monday, January 5, 2015.

**Case No. U-17745**

License

**AirNorth Communications, LLC**

**<http://efile.mpsc.state.mi.us/efile/viewcase.php?casenum=17745>**

**Evidentiary Hearing: Thursday, January 8, 2015 at 10:00 a.m.**

The Michigan Public Service Commission ("Commission") will consider the November 12, 2014 Application of AirNorth Communications, Inc., for a permanent license to provide basic local exchange service in the incumbent geographic territories of AT&T Michigan, Frontier North, Inc., Frontier Midstates, Inc., CenturyTel of Michigan, Inc., CenturyTel Midwest-Michigan, Inc., CenturyTel of Northern Michigan, Inc., and CenturyTel of Upper Michigan, Inc., in the state of Michigan, at an evidentiary hearing to be held before Administrative Law Judge Suzanne D. Sonneborn at 10:00 a.m. on Thursday, January 8, 2015, at the Commission's offices at 7109 West Saginaw Highway, Lansing, Michigan. Interested parties wishing to intervene in this proceeding must do so no later than 5:00 p.m. on Tuesday, January 6, 2015.

## **MPSC HEARINGS SCHEDULE |**

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Note: Unless indicated otherwise, hearings are held at the Michigan Public Service Commission's new offices at 7109 W. Saginaw, 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 TELECOMMUNICATIONS HEARINGS SCHEDULED FOR THE NEXT FORTNIGHT (DECEMBER 22, 2014 THROUGH JANUARY 2, 2015)**

December 22, 2014, 9:00 a.m.

Case No. U-17660/Motion Hearing

Westphalia Telephone Company and Great Lakes

Comnet, Inc., v Level 3 Communications, LLC,

Global Crossing Local Services, Inc., and Wiltel

Communications, LLC (intercarrier compensation)

## **FUTURE TELECOM HEARINGS SCHEDULED**

January 7, 2015, 9:00 a.m.  
Case No. U-17703/Evidentiary Hearing  
KEPS Technologies, Inc., d/b/a ACD.Net and ACD  
Telecom, Inc. (license)

January 22, 2015, 9:00 a.m.  
Case No. U-17707/Evidentiary Hearing  
Talk America Services, LLC (license)

January 8, 2015, 10:00 a.m.  
Case No. U-17745/Evidentiary Hearing  
AirNorth Communications (license)

## **2015 REGULAR MPSC MEETING DATES |**

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*The Michigan Public Service Commission has yet to announce the dates  
for its 2015 Regularly Scheduled Meetings.*

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