

STATE OF MICHIGAN  
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of	)	
AT&T MICHIGAN for an order confirming	)	
relinquishment of eligible telecommunications	)	Case No. U-20064
carrier designation in specified areas.	)	
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At the April 18, 2018 meeting of the Michigan Public Service Commission in Lansing,  
Michigan.

PRESENT: Hon. Sally A. Talberg, Chairman  
          Hon. Norman J. Saari, Commissioner  
          Hon. Rachael A. Eubanks, Commissioner

**ORDER**

On January 26, 2018, AT&T Michigan (AT&T) filed an application, pursuant to Section 214(e)(4) of the federal Communications Act of 1934, 47 USC 214(e)(4), to relinquish its designation as an eligible telecommunications carrier (ETC) for purposes of universal service fund support for the majority of its service area in Michigan.<sup>1</sup> AT&T indicates that it seeks to accomplish this relinquishment by August 14, 2018.

AT&T explains that it is participating in the Federal Communications Commission’s (FCC) Connect America Fund Phase II (CAF II) program, and that, as a condition of participation, AT&T must retain its ETC designation in the census blocks for which it is eligible to receive CAF II funding (the retained area). However, AT&T seeks to relinquish its designation for all remaining

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<sup>1</sup> AT&T was first granted ETC designation in the November 25, 1997 order in Case No. U-11547. *See also*, September 12, 2006 order in Case No. U-14900.

areas in which it is currently designated as an ETC in Michigan (the relinquishment area), which is the vast majority of its service area. AT&T explains that it is not seeking to discontinue any voice service. However, according to AT&T, once the application is approved, customers in the relinquishment area will no longer receive the federal Lifeline discount on voice service from AT&T. AT&T states that the discount could be retained by the customer if the customer switches to another ETC designated in the customer's service area. The federal Lifeline discount for a residential basic local exchange service customer is \$9.25 per month.

47 USC 214(e)(4) provides as follows:

A State commission . . . shall permit an eligible telecommunications carrier to relinquish its designation as such a carrier in any area served by more than one eligible telecommunications carrier. . . . Prior to permitting a telecommunications carrier designated as an eligible telecommunications carrier to cease providing universal service in an area served by more than one eligible telecommunications carrier, the State commission . . . shall require the remaining eligible telecommunications carrier or carriers to ensure that all customers served by the relinquishing carrier will continue to be served, and shall require sufficient notice to permit the purchase or construction of adequate facilities by any remaining eligible telecommunications carrier. The State commission . . . shall establish a time, not to exceed one year after [approval of] such relinquishment under this paragraph, within which such purchase or construction shall be completed.

*See also*, 47 CFR 54.205. Thus, relinquishment shall be granted to a carrier for any area that is served by more than one ETC. AT&T states that "every wire center in the relinquishment area is served by at least 11 other ETCs, and in some instances as many as 14 other ETCs." Application, p. 2. Exhibit C to the application, p. 11, is a list of the 14 carriers. Of the 14 backup carriers, one is a wireline carrier, one is a facilities-based wireless carrier, and the remaining 12 are non-

facilities based wireless carriers.<sup>2</sup>

AT&T asserts that its Michigan Lifeline wireline subscribership decreased by 94% between 2008 and June 2017, and that its residential retail wireline customers in Michigan decreased by 87% between 2005 and June 2017. AT&T states that other AT&T ILECs have successfully relinquished their ETC designations in 14 states.

AT&T explains that CAF II funding is made available by census block, whereas ETC designations have been awarded on the basis of wire centers or service areas. AT&T seeks to define the retained and relinquishment areas by census block. Census block boundaries and wire center boundaries do not coincide; thus, some wire centers may be only partially relinquished or retained. *See*, Application, Exhibits A and B. AT&T states that as of June 2017 there were 267 AT&T customers receiving the Lifeline discount in the retained area, and 4,837 AT&T customers receiving the Lifeline discount in the relinquishment area. *See*, Application, Exhibit C. According to AT&T, customers in the latter group will need to switch to another ETC in order to continue to receive the federal discount if AT&T's relinquishment is approved.

AT&T states that it "will continue to offer and provide the state Lifeline discount of \$2 per month (\$3.50 for seniors) to eligible customers."<sup>3</sup> Application, pp. 9-10. This statement appears to refer to the November 10, 1988 order in Case No. U-8816, in which the Commission mandated

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<sup>2</sup> AT&T does not include its own wireless carrier (AT&T Mobility) on the list, even though it operates in the relinquishment area, because it is an affiliate. Application, p. 14, n. 19. Additionally, the Commission notes that the single wireline carrier (Global Connection Inc. of America) is a competitive local exchange carrier (CLEC) that resells service. If the incumbent local exchange carrier (ILEC) from which this CLEC resells service ceases to operate, this could affect the CLEC's ability to provide service.

<sup>3</sup> It is not presently clear how AT&T arrived at the listed amounts. Currently, AT&T provides an \$11.25 monthly discount for low-income customers, and a \$12.75 monthly discount for low-income senior customers. *See*, <http://cpr.att.com/pdf/mi/0004-0004.pdf>.

a low-income Lifeline discount. All basic local exchange service providers in Michigan are obligated to offer a Lifeline credit pursuant to the November 10, 1988 order in Case No. U-8816, p. 41, and the April 17, 2012 order in Case No. U-17019, p. 5.<sup>4</sup> However, in the application, AT&T does not address its obligations pursuant to the statutorily-mandated state Lifeline discount, provided for as follows:

(1) The commission shall require each provider of residential basic local exchange service to offer certain low income customers the availability of basic local exchange service and access service at reduced rates as described in subsections (2) and (3).

(2) Except as provided under subsections (3) and (4), the rate reductions for low income customers shall be at a minimum, 20% of the basic local exchange rate or \$8.25, which shall be, inclusive of any federal contribution, whichever is greater.

(3) Except as provided under subsection (4), if the low income customer is 65 years of age or older, the rate reduction shall be, at a minimum, 25% of the basic local exchange rate or \$12.35, which shall be inclusive of any federal contribution, whichever is greater.

(4) The total reduction under subsection (2) or (3) shall not exceed 100% of all end-user common line charges and the basic local exchange rate. The dollar amounts in subsections (2) and (3) shall be adjusted annually to reflect any increases or decreases in the federal contribution.

MCL 484.2316(1)-(4).

AT&T states that at least 60 days prior to the effective date of relinquishment, it will provide notice via U.S. Mail to each affected Lifeline customer. The notice will explain the impact of the relinquishment on the customer, inform the customer that the discount can continue to be obtained

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<sup>4</sup> Wireless ETCs designated in Michigan are not required to provide a state Lifeline discount pursuant to MCL 484.2316(1) and the April 17, 2012 order in Case No. U-17019. In addition, the Commission notes that, pursuant to recent changes to 47 CFR 54.403(2), the federal support for voice-only service will be decreasing beginning December 1, 2019. This means that if a current AT&T Lifeline customer switches their voice-only Lifeline service to a wireless ETC, the discount will be decreasing within the coming years. December 1, 2019, until November 30, 2020, the support amount will be \$7.25 per month; and December 1, 2020, until November 30, 2021, the support amount will be \$5.25 per month. *Id.* On December 1, 2021, standalone voice service, or voice service not bundled with broadband which meets the minimum standards set forth in 47 CFR 54.408, will not be eligible for any Lifeline support unless the Commission has previously determined otherwise. 47 CFR 54.403(2)(iv).

from the remaining ETCs in the area, and include a list of designated ETCs in the customer's service area. A second notice and a bill message will also be sent. Application, pp. 14-15, and Exhibit F.

Federal law requires the Commission to permit relinquishment in any area that is served by more than one ETC, but it also requires the Commission to "require the remaining eligible telecommunications carrier or carriers to ensure that all customers served by the relinquishing carrier will continue to be served." 47 USC 214(e)(4).

The Commission finds that interested persons should have the opportunity to comment on AT&T's relinquishment application. Issues that commenters may wish to address include: (1) concerns arising from the fact that 12 of the 14 backup ETCs are non-facilities based wireless providers; (2) potential action by the FCC<sup>5</sup> that may affect the non-facilities based alternative wireless providers' ability to retain their ETC designation; and (3) the duty of wireless carriers to ensure that all customers served by AT&T will continue to be served with the federal Lifeline discount. With respect to the duty to ensure continued service, the Commission directs the 14 carriers identified by AT&T (Air Voice Wireless, LLC, d/b/a FeelSafe Wireless; American Broadband and Telecommunications Company; AmeriMex Communications Corp., d/b/a SafetyNet Wireless; Blue Jay Wireless, LLC; Boomerang Wireless, LLC, d/b/a enTouch Wireless; Global Connection Inc. of America; Global Connection Inc. of America, d/b/a Stand Up Wireless; i-wireless LLC (Access Wireless); Q Link Wireless, LLC; TAG Mobile, LLC; Telrite Corporation, d/b/a Life Wireless; Tempo Telecom, LLC; TracFone Wireless, Inc., d/b/a Safelink Wireless; and Virgin Mobile USA, LP, d/b/a Assurance Wireless) to submit comments indicating

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<sup>5</sup> See, FCC 17-155, WC Docket No. 17-287 *et al.*, rel'd December 1, 2017: [https://apps.fcc.gov/edocs\\_public/attachmatch/FCC-17-155A1.pdf](https://apps.fcc.gov/edocs_public/attachmatch/FCC-17-155A1.pdf)

whether they are willing and able to ensure that all customers served by the relinquishing carrier in their respective service areas will continue to be served with the federal Lifeline discount if the customer is eligible.

Exhibit A to this order is a Notice of Opportunity for Public Comment. The Commission directs AT&T to publish that notice in three newspapers of general circulation in the state, such as the Grand Rapids Press, Oakland Press, and Marquette Mining Journal, no later than May 1, 2018. *See*, 47 USC 214(e)(4); 47 CFR 54.205(a), (b); and MCL 484.2316(7). Comments will be due in this docket no later than 5:00 p.m. on June 1, 2018. All comments should reference Case No. U-20064. Comments may be submitted electronically through the MPSC Electronic Docket Filing System located at: [mpscedockets@michigan.gov](mailto:mpscedockets@michigan.gov). Requirements and instructions for filing electronic documents can be found on the “Help with Electronic Filings” page at: [mpscedockets@michigan.gov](mailto:mpscedockets@michigan.gov). If you require assistance prior to e-filing, please contact Commission staff at 517-284-8090 or by e-mail at: [mpscedockets@michigan.gov](mailto:mpscedockets@michigan.gov). Address mailed comments to: Executive Secretary, Michigan Public Service Commission, P.O. Box 30221, Lansing, MI 48909. All information submitted to the Commission in this matter will become publicly available on the Commission’s website, and will be filed in Case No. U-20064.

THEREFORE, IT IS ORDERED that:

A. Interested persons may file comments in this docket related to AT&T Michigan’s request to relinquish its eligible telecommunications carrier designation. To be considered, comments must be received no later than 5:00 p.m. on June 1, 2018.

B. No later than May 1, 2018, AT&T Michigan shall publish the Notice of Opportunity for Public Comment attached hereto as Exhibit A in three newspapers of general circulation in the state of Michigan.

C. Air Voice Wireless, LLC, d/b/a FeelSafe Wireless; American Broadband and Telecommunications Company; AmeriMex Communications Corp., d/b/a SafetyNet Wireless; Blue Jay Wireless, LLC; Boomerang Wireless, LLC, d/b/a enTouch Wireless; Global Connection Inc. of America; Global Connection Inc. of America, d/b/a Stand Up Wireless; i-wireless LLC (Access Wireless); Q Link Wireless, LLC; TAG Mobile, LLC; Telrite Corporation, d/b/a Life Wireless; Tempo Telecom, LLC; TracFone Wireless, Inc., d/b/a Safelink Wireless; and Virgin Mobile USA, LP, d/b/a Assurance Wireless shall submit comments no later than 5:00 p.m. on June 1, 2018, indicating whether they are willing and able to ensure that all customers currently served by AT&T Michigan in their respective service areas will continue to be served with the federal Lifeline discount if the customer is eligible.

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

Any party aggrieved by this order may file an action in the appropriate federal District Court pursuant to 28 USC 1331. To notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel. Electronic notifications should be sent to the Executive Secretary at [mpscedockets@michigan.gov](mailto:mpscedockets@michigan.gov) and to the Michigan Department of the Attorney General - Public Service Division at [pungp1@michigan.gov](mailto:pungp1@michigan.gov). In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General - Public Service Division at 7109 West Saginaw Hwy, Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

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Sally A. Talberg, Chairman

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Norman J. Saari, Commissioner

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Rachael A. Eubanks, Commissioner

By its action of April 18, 2018.

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Kavita Kale, Executive Secretary

**STATE OF MICHIGAN  
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION**

**NOTICE OF PUBLIC COMMENT  
REGARDING AT&T MICHIGAN'S REQUEST TO RELINQUISH ELIGIBLE  
TELECOMMUNICATIONS CARRIER DESIGNATION  
CASE NO. U-20064**

The Michigan Public Service Commission is considering AT&T Michigan's application to relinquish its designation as an eligible telecommunications carrier (ETC) pursuant to 47 USC 214(e)(4) for purposes of Lifeline fund support for the majority of its service area in Michigan.

On January 26, 2018, AT&T Michigan filed an application seeking to relinquish ETC designation for all areas in Michigan in which it currently provides residential basic local exchange service and for which it is not receiving Connect America Fund Phase II program funding. This amounts to most of AT&T Michigan's service area and would affect approximately 4,800 wireline customers. The federal Lifeline discount that is offered by an ETC is \$9.25 per month. If AT&T Michigan's relinquishment request is approved, eligible Lifeline customers of AT&T Michigan within the affected service area would no longer receive this discount from AT&T Michigan, although they would still be eligible for the state-mandated Lifeline discount under MCL 484.2316. AT&T Michigan is not seeking to discontinue any voice service. AT&T Michigan states that customers could continue to receive the federal discount if they switch to another ETC in their service area. AT&T Michigan states that every wire center in the relinquishment area is served by at least 11 other ETCs, and, in some areas, 14 other ETCs. AT&T Michigan's application and other documentation may be viewed here: <https://mi-psc.force.com/s/global-search/20064>. Exhibit C, p. 11, to the application shows the 14 alternative ETCs; 12 of them are non-facilities-based wireless carriers.

AT&T Michigan states that it will, at least 60 days prior to the effective date of relinquishment, provide notice via U.S. Mail to each affected Lifeline customer. The notice will explain the impact of the relinquishment on the customer and will inform the customer that the discount can continue to be obtained from the remaining ETCs in the area, and will include a list of designated ETCs in the customer's service area. A second notice and a bill message will also be sent.

The Michigan Public Service Commission finds that interested persons should have the opportunity to comment on the relinquishment application. Written and electronic comments may be filed with the Commission and must be received no later than 5:00 p.m. on June 1, 2018. All comments should reference Case No. U-20064. Comments may be submitted electronically through the MPSC Electronic Docket Filing System located at: <https://mi-psc.force.com/s/>. Requirements and instructions for filing electronic documents can be found on the "Help with Electronic Filings" page at: <https://mi-psc.force.com/s/help>. If you require assistance prior to e-filing, please contact Commission staff at 517-284-8090 or by e-mail at: [mpscdockets@michigan.gov](mailto:mpscdockets@michigan.gov). Address mailed comments to: Executive Secretary, Michigan Public Service Commission, P.O. Box 30221, Lansing, MI 48909. All information submitted to the Commission in this matter will become publicly available on the Commission's website and will be filed in Case No. U-20064.