



State of Michigan  
John Engler, Governor

Department of Consumer & Industry Services  
Kathleen M. Wilbur, Director

EX PARTE OR LATE FILED

Public Service Commission

6545 Mercantile Way  
P.O. Box 30221  
Lansing, MI 48909-7721  
517-334-6445

Commissioners

John G. Strand  
John C. Shea  
David A. Svanda

August 13, 1997

Office of the Secretary  
Federal Communications Commission  
1919 M Street, NW  
Room 222  
Washington, DC 20554

RECEIVED  
AUG 15 1997  
FCC MAIL ROOM

Subject: CC Dockets 96-<sup>45</sup> and 97-160

To Whom It May Concern:

DOCKET FILE COPY ORIGINAL

This is to advise the Federal Communications Commission of the Michigan Public Service Commission's intent regarding the calculation of forward-looking economic costs to be used in considering universal service costs. On May 8, 1997 the FCC released its Report and Order on Universal Service in CC Dockets 96-45 and 97-160. The Order directed state commissions to indicate by August 15, 1997 whether they would defer to the FCC regarding forward-looking economic cost studies or conduct their own studies.

The Michigan Public Service Commission today, by minute action, determined universal service costs will be determined in accordance with the Michigan Telecommunications Act of 1991 as amended by Act 216 of 1995 (MTA). The statute requires costs of regulated services be determined using a total service long run incremental cost standard.

The FCC also directed that state commissions electing to conduct these cost studies should file them with the FCC on or before February 6, 1998. The Commission will direct eligible carriers accordingly.

Questions regarding this topic should be directed to Mr. William J. Celio, Director of the Communications Division at the Michigan Public Service Commission.

Sincerely,

Dorothy Wideman  
Executive Secretary

No. of Copies rec'd 8  
List ABCDE