



Jennifer M. Granholm
GOVERNOR

STATE OF MICHIGAN
PUBLIC SERVICE COMMISSION
DEPARTMENT OF LABOR & ECONOMIC GROWTH
KEITH W. COOLEY
DIRECTOR

Orjiakor N. Isiogu
CHAIRMAN

Monica Martinez
COMMISSIONER

Steven A. Transeth
COMMISSIONER

October 28, 2008

NOTICE OF WRITTEN EX PARTE PRESENTATION (47 C.F.R. § 1.1204(10))

The Honorable Kevin Martin, Chairman
The Honorable Deborah Taylor Tate, Commissioner
The Honorable Michael Copps, Commissioner
The Honorable Jonathan Adelstein, Commissioner
The Honorable Robert McDowell, Commissioner

Federal Communications Commission
445 Twelfth Street, S.W.
Washington D.C. 20554

Re: CONCURRENCE WITH NARUC'S MOTION/REQUEST FOR COMMENT ON RECENTLY CIRCULATED "REPORT AND ORDER, ORDER ON REMAND, AND FURTHER NOTICE OF PROPOSED RULEMAKING" ON UNIVERSAL SERVICE AND INTERCARRIER COMPENSATION REFORM.

In the Matter of Developing a Unified Intercarrier Compensation Regime, CC Docket No. 01-92, In the Matter of Petition of AT&T Inc. for Interim Declaratory Ruling and Limited Waivers Regarding Access Charges and the ESP Exemption, CC Docket No. 08-152, In the Matter of IP-Enabled Services, WC Docket No. 04-36, In the Matter of Universal Service Contribution Methodology, WC Docket No. 06-122, In the Matter of Petition for Declaratory Ruling Filed by CTIA, WT Docket No. 05-194, In the Matter of Jurisdictional Separations & Referral to the Federal-State Joint Board, CC Docket No. 80-286, Federal-State Joint Board on Universal Service, CC Docket No. 96-45

Commissioners:

In response to the recent number of ex parte comments filed over the past few months with the Federal Communications Commission (FCC) regarding intercarrier compensation reform, as well as industry reports that the FCC intends to approve a comprehensive intercarrier compensation and universal service reform plan by November 5, 2008, the Michigan Public Service Commission (MPSC) respectfully submits this ex parte communication. The MPSC is supportive of efforts to comprehensively reform intercarrier compensation. In fact, the MPSC was actively involved in reviewing the Missoula Plan. However, the MPSC concurs with the arguments presented in the October 21, 2008 ex parte presentation of the National Association of

Regulatory Utility Commissioners¹ (NARUC) which lead NARUC to the conclusion that “suggesting the current proposal is a logical outgrowth of the Missoula plan is not tenable.”² Furthermore, as pointed out by several parties, the timing of recent proposals submitted to the FCC does not provide the opportunity for thorough review and comment that the MPSC believes is warranted for this important issue.

The volume of ex parte communications on this issue testifies to the numerous concerns of parties affected by intercarrier compensation reform, including state regulatory agencies. Specifically, the MPSC is aware that in at least one of the proposed reform plans there is the suggestion set forth that the FCC should preempt state commissions on intercarrier compensation issues.³ The MPSC shares in the concerns expressed in the ex parte filings of other state regulatory agencies regarding any preemption of state regulatory authority.⁴

The MPSC is cognizant of the impending deadline mandated by the Court of Appeals but urges the Federal Communications Commission (FCC) to be mindful of the consequences the pending order may cause. The MPSC urges the FCC not to base its decision on ex parte presentations and proposals, but instead to adopt the proposal⁵ set forth in NARUC’s Motion/Request for Public Comment including issuing a Further Notice of Proposed Rulemaking summarizing the Commission’s tentative conclusions on the many issues raised in the record, together with supporting legal theories and factual determinations on each such issue, thereby providing all parties with the opportunity to offer more narrowly tailored comments/suggestions before adopting any intercarrier compensation reform plan.

Respectfully submitted,

Orjiakor N. Isiogu
Chairman

Monica Martinez
Commissioner

Steven A. Transeth
Commissioner

¹ Ex Parte Presentation filed by the National Association of Regulatory Utility Commissioners Re: NARUC Motion/Request for Public Comment on Recently Circulated “Report and Order, Order on Remand, and Further Notice of Proposed Rulemaking” on Universal Service and Intercarrier Compensation Reform (NARUC’s Motion/Request for Public Comment), filed October 21, 2008.

² NARUC Motion/Request for Public Comment, page 4.

³ Verizon Letter filed in the proceedings: *In the Matters of Developing a Unified Intercarrier Compensation Regime*, CC Docket No. 01-92, and *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, (filed September 12, 2008); Verizon Ex Parte with attached Memorandum captioned: “*The Commission has Legal Authority to Adopt a Single, Default Rate for All Traffic Routed on the PSTN*” filed in the proceedings: *In the Matters of Developing a Unified Intercarrier Compensation Regime*, CC Docket No. 01-92, and *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, (filed September 19, 2008).

⁴ General concerns are expressed by the Missouri Public Service Commission in an ex parte letter filed October 9, 2008, page 2. A more detailed examination of this issue is presented by the New England Conference of Public Utilities Commissioners in an ex parte letter filed October 17, 2008, pages 5-14.

⁵ NARUC Motion/Request for Public Comment, pages 4-5.