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May 2, 2018

Ms. Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street, S.W., Room TW-A325
Washington, D.C. 20554

Request for Additional Lifeline Waiver Extension for Michigan

RE: Lifeline and Link Up Reform and Modernization, WC Docket No. 11-42,
Telecommunications Carriers Eligible for Universal Service Support, WC Docket No. 09-197,
Connect America Fund, WC Docket No. 10-90

Dear Ms. Dortch:

The Michigan Public Service Commission (MPSC) respectfully requests that the Federal Communications Commission (FCC) grant an additional extension to Michigan's current Lifeline waiver for another 6 months until December 31, 2018. As you may recall, on November 30, 2017 the MPSC requested a Lifeline waiver extension.¹ The MPSC provided supplemental information in support of this extension request on December 11, 2017.² On December 18, 2017, the FCC granted the Lifeline waiver extension for Michigan, but only until June 30, 2018.³ The MPSC appreciates the FCC's understanding of the MPSC's concerns and its willingness to grant the current waiver extension.

As an update, there still has been no legislative movement to change the current law in Michigan regarding the Michigan Lifeline eligibility criteria. As such, the Michigan Lifeline Eligibility Database (MLED) will not be aligned with the new federal eligibility criteria by June 30, 2018. After June 30, 2018, ETCs operating in Michigan will be required to essentially use two different methods to check the consumer eligibility. First, for all residential basic local exchange providers in Michigan, they will continue to use the MLED to ensure that those

¹ MPSC November 30, 2017 Lifeline waiver extension request - https://www.michigan.gov/documents/mpsc/Michigan_Lifeline_Waiver_Ext_Request_to_FCC_Nov_2017_607406_7.pdf

² MPSC December 11, 2017 supplemental information - https://www.michigan.gov/documents/mpsc/Michigan_Lifeline_Waiver_Ext_Request_Supplement_to_FCC_Dec_2017_608535_7.pdf

³ FCC's December 18, 2017 Order - http://transition.fcc.gov/Daily_Releases/Daily_Business/2017/db1218/DA-17-1211A1.pdf

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customers are eligible for Lifeline service per the requirements set forth in Section 316 of the Michigan Telecommunications Act (MTA). Second, for all ETCs (wireline and wireless) that are seeking federal support for Lifeline service, those ETCs will be responsible for ensuring that subscribers enrolled or recertified under the FCC's revised eligibility criteria and they may choose to rely on the Universal Service Administrative Company (USAC) to conduct the eligibility recertification process. The FCC's December 18, 2017 order also directed USAC to conduct outreach to ETCs operating in Michigan so that they may be prepared to conduct eligibility determinations without relying on Michigan's eligibility database if that database is not updated by the expiration of this waiver period.

In preparation for this, on April 26, 2018, MPSC Staff provided notice to the USAC, informing them that the MLED database will not be aligned with the new federal eligibility criteria, and that USAC can begin engaging ETCs operating in Michigan so that they are prepared to conduct the eligibility determinations without relying on the MLED to obtain federal support. As mentioned in our previous request, the MTA includes qualifying federal assistance programs that have been eliminated by the revised Lifeline rules and does not include the addition of the new qualifying program for veterans and their survivors. Also, the current MTA sets an annual income standard for a qualifying individual that differs from the FCC's 135% of the federal poverty level standard.

However, there has been good progress made in the discussions with the MPSC, the Michigan Department of Health and Human Services (DHHS) and the Michigan Department of Technology, Management, and Budget (DTMB) and USAC regarding access to an existing Michigan DHHS database to be used by USAC to verify federal eligibility of consumers. Michigan is now working with USAC on the technical parameters, financial costs, time required for construction and testing and contractual issues. Due to the continued work by the Michigan departments and USAC, it appears that this project could possibly have a project completion date by the end of this year and be included in the second wave of the National Verifier.

Michigan has been making progress, but we are not quite there yet. As such, the MPSC is requesting an additional 6-month extension for its waiver that expires on June 30, 2018. The MTA sets forth a Lifeline program for Michigan that is different than the eligibility requirements of the FCC's order for federal reimbursement. The differences in state and federal eligibility criteria may create confusion for both Lifeline customers, as well as Michigan designated ETCs. If the extension is not granted, it would cause providers in Michigan to have to check two different eligibility systems, one for the state program and one for eligibility for federal reimbursement. Local exchange providers would have to use the current MLED to ensure their compliance with the MTA. However, all Michigan designated ETCs (wireline and wireless) would have to use the federal eligibility database (which is currently in development and does not include Michigan yet) to ensure compliance with the federal eligibility standards and for federal support purposes. Since the program to electronically check federal eligibility does not exist yet for Michigan, the providers would have to resort to a paper process until Michigan is integrated into the National Verifier. An additional 6 months would allow sufficient time for USAC and Michigan to create a workable solution for access to the database for Michigan.

The MPSC respectfully urges the FCC to consider this request to grant an additional extension of Michigan's current waiver until December 31, 2018. This will allow stakeholders in Michigan more time to determine what if any statutory changes need to take place. The 6-month extension of our current waiver extension would also allow more time for the MPSC and USAC to work together towards the integration of Michigan's data sources into a solution that will feed into the National Verifier. An extension of the waiver would also avoid a labor intensive and time consuming dual state and federal verification process for all the providers in Michigan which would add more confusion to consumers of Lifeline telephone service. The MPSC requests that the FCC provide a decision on this request as soon as possible, since ETCs will need to begin customer recertifications very soon for customers whose annual renewal date is July 1st or beyond if this extension is not granted. The MPSC needs to be able to provide clarity to both consumers and ETCs as soon as possible. Thank you for your consideration.

Respectfully submitted,

Sally A. Talberg, Chairman

Norman J. Saari, Commissioner

Rachael A. Eubanks, Commissioner