BEFORE THE FEDERAL COMMUNICATIONS COMMISSION WASHINGTON D.C. 20554

In the Matter of:)	
)	WC Docket No. 10-90
Connect America Fund)	
)	

REPLY COMMENTS OF THE MICHIGAN PUBLIC SERVICE COMMISSION

The Michigan Public Service Commission (MPSC) submits these Reply Comments in response to the Federal Communications Commission's (Commission or FCC) Further Notice of Proposed Rulemaking in the above-captioned proceeding concerning the Commission's proposed rural broadband experiments.

As noted by the significant response to the FCC's request for expressions of interest, there appears to be a vast need for broadband funding support in rural areas. The MPSC, through its Connect Michigan planning program, is aware of many rural areas in the State of Michigan that lack reliable and high speed broadband access. In fact, the Michigan Farm Bureau has recognized this and one of its key policies for 2014 is promoting rural broadband deployment:

Rural access to broadband internet service is a major factor that impacts the ability of rural Michigan residents to compete and participate in the economy. The failure of public policy to address this critical need must be addressed. Access to internet is an important issue for business, agriculture, and academic purposes for rural students. The State of Michigan should address a comprehensive policy for the provision of universal broadband access statewide that is equitable in cost and quality in both rural and urban settings.

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¹ Connect Michigan partnered with the Michigan Public Service Commission to engage in a comprehensive broadband planning and technology initiative as part of a national effort to expand broadband. See www.connectmi.org.

Broadband is a critical component to overall economic development, as well as healthcare, education, and government services. Additional incentives, such as the rural experiments, may allow for increased investment in rural areas, mitigate the lack of high speed broadband services in some of those regions, and avoid these communities from lagging behind in the digital era.

In furthering the goal of promoting broadband deployment to rural and unserved areas, the MPSC supports the National Association of Regulatory Utility Commissioners' (NARUC) Resolution to Promote Rural Broadband Deployment, sponsored by the Committee on Telecommunications and adopted by the NARUC Board of Directors at its Winter Committee Meeting on February 12, 2014. Specifically, the NARUC resolution supports:

- Policies that allow for experiments by utilities and other entities where the state determines that the entity should be granted eligible telecommunications carrier (ETC) status.
- The FCC's allowance of a variety of providers to submit
 expressions of interest and apply for rural broadband
 experiments prior to obtaining ETC designation so long as the
 providers obtain ETC designation after being selected for the
 funding award.
- That the FCC ensure that disbursement of any funds be aimed at not only ensuring rural areas become served with broadband,

but that the broadband networks deployed in rural areas remain sustainable over time.

- The FCC direct funds held in reserve under the rural experiments to ensure that disbursement and use of such support are directed to unserved and underserved areas where the ILEC declines federal support.
- That the FCC ensures rural broadband experiments are designed and implemented to strategically test the viability of using a variety of service providers to deploy broadband in hard-to-reach areas and to limit the size and scope given potential risks involved with experiments and the overall pressures on the Universal Service Fund (USF).
- Rural broadband experiments should recognize applicable state laws, processes, and procedures, including but not necessarily limited to, state ETC approval, permitting, and certificate of need approvals.

Additionally, the MPSC concurs with the comments of the California Public Utilities Commission, which suggest that the FCC should consider additional criterion when selecting specific experiments to receive funding. In particular, the MPSC agrees with the notion of awarding amounts to each state that are proportionate to the states' contribution to the USF. As with California, Michigan is a net contributor to the USF and funding for rural experiments should take into

account the proportion of a state's contributions to the USF when disbursing

funding for the experiments.

The MPSC thanks the Commission for the opportunity to comment in this

proceeding and looks forward to the Commission's continued leadership in the

development of broadband and broadband deployment policies in rural areas.

Respectfully submitted,

MICHIGAN PUBLIC SERVICE COMMISSION

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