

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON D.C. 20554**

In the Matter of:)	
)	WC Docket No. 12-61
Petition of US Telecom for Forbearance)	
Under 47 U.S.C. § 160(c) From Enforcement)	
of Certain Legacy Telecommunications)	
Regulations.)	

**COMMENTS OF
THE MICHIGAN PUBLIC SERVICE COMMISSION**

On February 16, 2012, the United States Telecom Association (US Telecom) filed a petition under Section 10 of the Communications Act of 1934, as amended, 47 U.S.C. § 160(c), requesting forbearance from enforcement of certain “legacy telecommunications regulations.” See US Telecom’s Petition, p. 3. On March 8, 2012, the Federal Communications Commission (FCC or Commission) established a pleading cycle for comments on US Telecom’s Petition and set April 9, 2012 as the date for comments to be filed. In accordance with the FCC’s directive, the Michigan Public Service Commission (MPSC) submits the following comments concerning US Telecom’s Petition.

Review of the Petition demonstrates that US Telecom seeks forbearance from a variety of statutory provisions and regulations. The Petition describes its forbearance request as falling into one of the following seventeen (17) categories of regulation:

Category 1: Equal Access Scripting Requirement

Category 2: Open Network Architecture and Comparably Efficient Interconnection Requirements, Enhanced Services Structural Separation Rule (47 C.F.R. § 64.702), and All-Carrier *Computer Inquiry* Rules

Category 3: Cost Assignment Rules

Category 4: Part 32 Uniform System of Accounts (47 U.S.C. § 220(a)(2), 47 C.F.R. §§ 32.1- 2.9000)

Category 5: Property Record Rules (47 C.F.R. §§ 32.2000(e), (f))

Category 6: Part 42 Recordkeeping Requirements (47 C.F.R. §§ 42.4, 42.5, 42.7, 42.10(a))

Category 7: ARMIS Report 43-01

Category 8: Annual Revenue and Total Communications Plant Reporting (47 C.F.R. § 43.21(c))

Category 9: Rules Governing Notices of Network Changes (47 C.F.R. §§ 51.329(a)(2), 51.333(a)-(f), 52.333(b))

Category 10: Service Discontinuance Approval Requirements (47 U.S.C. § 214, 47 C.F.R. §§ 63.30, 63.61, 63.62, 63.63, 63.71(a)(5), 63.71(c), 63.90(a)(8))

Category 11: Traffic Damage Claim Rules (47 C.F.R. § 64.1)

Category 12: Structural Separation Requirements for Independent ILECs (47 C.F.R. § 64.1903)

Category 13: Rules Governing Extension of Unsecured Credit for Interstate and Foreign Communications Services to Candidates for Federal Office (47 C.F.R. §§ 64.801, 64.804)

Category 14: “Cash Working Capital Allowance” Requirement (47 C.F.R. § 65.820(d))

Category 15: Rules Governing Furnishing of Facilities to Foreign Governments for International Communications (47 C.F.R. § 64.301)

Category 16: Rules Governing Recording of Telephone Conversations with Telephone Companies (47 C.F.R. § 64.501)

Category 17: Prepaid Calling Card Reporting Requirements (47 C.F.R. § 64.5001)

It is evident that US Telecom's request is extensive, and the changes being requested are sweeping. In general, the MPSC has concerns regarding US Telecom's Petition. While recognizing the need to eliminate outdated regulations, the MPSC cautions the Commission in removing its regulatory oversight. In the Competitive Analysis provided in Appendix B to the Petition, US Telecom indicates that the number of ILEC switched access lines has decreased by 27 percent from 2007 to 2010. While there has been a customer shift, the data continues to demonstrate that a significant number of customers are still being served by wireline providers. The MPSC takes the position that many of the regulatory requirements that US Telecom seeks forbearance from are still necessary to protect those customers.

Additionally, US Telecom looks to an increase in broadband deployment as a reason for its forbearance request. Broadband is currently not regulated. As such, the regulatory burdens holding back the deployment of broadband are at most minimal, and in fact, the regulations that US Telecom requests forbearance do not specifically apply to broadband service. By continuing to apply these regulations, the Commission may be able to ensure that a telecommunications provider is not able to subsidize a competitive broadband offering with its regulated operations.

Interestingly, US Telecom fails to mention that many of its members provide services through wireless and VOIP subsidiaries of their own companies and many provide broadband services. These services, as US Telecom mentions, are not regulated in the same manner as the traditional legacy services, and this has

provided the providers with a greater opportunity to venture into these services. This part of their business is growing and will continue to grow - regardless of the FCC's action in this proceeding. It is the MPSC's position that the regulatory structure in place for the legacy services has been in place, and should remain in place, to protect those wireline customers from potential abuses even more so today.

The MPSC appreciates the opportunity to provide input on US Telecom's Petition. Due to the extent of the relief requested, the MPSC will continue to evaluate the impact that US Telecom's request will have on Michigan customers and companies. The MPSC looks forward to reviewing the comments of the other parties in this proceeding and will continue to participate by filing reply comments addressing the specific regulations that forbearance is requested.

Respectfully submitted,

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