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DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
PUBLIC SERVICE COMMISSION

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COMMISSIONER

February 21, 2019

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Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Mr. Victor Gaither
Vice President, High Cost and Low Income
Universal Service Administration Company
700 12th St. NW, Suite 900
Washington, DC 20005

Re: Crystal Automation Systems, Inc. d/b/a Casair, Inc. Certification of Wire Centers and census blocks for Universal Service Support, Pursuant to Section 214(e)(2) of the Federal Communications Act of 1996, Federal Communications Commission CC Docket No. 96-45, CC Docket No. 09-197, WC Docket No. 10-90

Dear Ms. Dortch and Mr. Gaither:

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Pursuant to the requirements of 47 C.F.R. § 54.201, the Michigan Public Service Commission (MPSC) hereby certifies to the Federal Communications Commission (FCC) and the Universal Administrative Company (USAC) that Crystal Automation Systems, Inc. (Casair) has met the current standards for state Eligible Telecommunications Carrier (ETC) designation, for the purposes of receiving universal service fund support for both High-Cost and Lifeline in the census blocks listed in Exhibit B and the service area exchanges listed in Exhibit F of the application.

Attached is the MPSC Order approving the application of Casair in case U-20329, as well as the service area exhibit pages.

Sincerely,

Robin P. Ancona, Director
Telecommunications Division

Attachments

- Casair ETC Order (U-20329)
- Service Area – Page

Cc: Jessica Zufolo, USAC

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STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of)
CRYSTAL AUTOMATION SYSTEMS, INC., d/b/a)
CASAIR, INC., for designation as an eligible)
telecommunications carrier pursuant to)
Section 214(e)(2) of the Communications Act of)
1934, as amended.)
_____)

Case No. U-20329

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At the February 21, 2019 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Sally A. Talberg, Chairman
Hon. Norman J. Saari, Commissioner

ORDER

On September 27, 2018, Crystal Automation Systems, Inc., d/b/a Casair, Inc. (Casair) filed an application pursuant to Section 214(e)(2) of the federal Communications Act of 1934, 47 USC 214(e)(2), for designation as an eligible telecommunications carrier (ETC) for access to universal service fund (USF) support for the purpose of expanding and enhancing its broadband network and providing Lifeline services to customers in Michigan. Casair filed amended applications on January 9, 2019, and January 10, 2019 (January 10 application). Casair requests that the Commission enter an order designating it as a High-Cost and Lifeline ETC throughout the census blocks listed in Exhibit B of the January 10 application. These census blocks represent the areas for which Casair was assigned the winning bid from the Connect America Fund Phase II (CAF II)

Auction. Casair also requests to be designated as a Lifeline ETC throughout its entire service area in the exchanges listed in Exhibit F of the January 10 application.¹

On July 10, 2018, the Federal Communications Commission's (FCC) Wireline Competition Bureau released Public Notice DA 18-714,² in which it outlines various key service requirements of obtaining and maintaining an ETC designation, specifically for all CAF II Auction applicants. Among these requirements are: (1) ETCs must offer voice telephony as a stand-alone service; (2) ETCs must offer qualifying voice service using, at least in part, their own facilities; and (3) ETCs must satisfy the obligation to offer qualifying services by being legally responsible for dealing with customer problems, providing quality of service guarantees, and meeting USF-related requirements.

On August 28, 2018, the FCC announced the winning bidders of the CAF II Auction. Casair was awarded several census blocks in the state of Michigan. The auction winners are required to use money awarded in the auction to expand broadband and meet various broadband goals throughout the census blocks; and the award is contingent upon Casair's designation as an ETC in the census blocks it received, as well as meeting and adhering to all ETC requirements.³

Casair states that it will be offering voice telephony as a stand-alone service by offering stand-alone Voice-over-Internet Protocol (VoIP) services. In the October 4, 2011 order in Case No. U-16812, Casair was granted a permanent license to provide basic local exchange service throughout its service area in the state of Michigan. Casair states that it offers services through its own

¹ Casair does not indicate that there are any Tribal lands in the areas listed in Exhibits B and F.

² FCC Public Notice DA 18-714, <https://docs.fcc.gov/public/attachments/DA-18-714A1.pdf> (accessed February 11, 2019).

³ *Id.*

facilities, the lease of unbundled network elements (UNEs), or a combination of both. Casair owns all fibers in use with the exception of backhaul. In addition, Casair leases switching equipment from DayStarr Communications, LLC, and does not resell other carriers' services.

Casair affirms its commitment to satisfy consumer protection and service quality standards obligations. Casair states that it will be responsible, managerially and legally, for handling and responding to customer issues. Casair also indicates that it has the ability to remain functional in emergency situations and states that its network has sufficient redundancies and all sites have adequate backup power generation to provide functionality without an external power source. Casair certifies that its network is designed to handle the full traffic load for either a cut or a large traffic spike, and that it will add capacity whenever its network is near 80% of peak use. Additionally, it will also be providing quality of service guarantees for customers.

Casair states that it will provide broadband service that meets or exceeds the FCC's minimum broadband speed requirements. Additionally, Casair states that it will offer statutorily-defined supported services including stand-alone voice and broadband service throughout its designated service area at rates that are reasonably comparable to urban rates. Casair will continue providing access to emergency services via 911 or E911.

The Commission notes that the FCC has held that an ETC may satisfy voice obligations through VoIP technology if it meets the functional requirements specified in the rules and the service is provided on a common carrier basis.⁴ The FCC has stated that "We recognize that we have not generally classified VoIP as a telecommunications service or information service, but we nonetheless have recognized that providers might elect to offer interconnected VoIP as a

⁴ *Connect America Fund et al.*, WC Docket No. 10-90 *et al.*, Report and Order and Further Notice of Proposed Rulemaking, Order No. FCC 11-161, ¶¶ 62-71, *rel'd* November 18, 2011 (*USF/ICC Transformation Order*).

telecommunications service.”⁵ The FCC has also recognized that an interconnected VoIP provider can obtain access to the rights available to a telecommunications carrier if it “holds itself out as a telecommunications carrier and complies with appropriate federal and state requirements.”⁶

Casair does not have the facilities or network infrastructure typical of most providers of basic local exchange service. Due to the unique situation, the Commission’s Telecommunications Division Staff (Staff) found it necessary to submit additional inquiries to Casair regarding details of the application, service, and facilities. These inquiries resulted in the filing of amended applications. The Staff also consulted with FCC staff regarding this type of ETC application. The FCC staff confirmed that a broadband provider may satisfy its voice obligation by offering voice service through an affiliate or by offering a managed voice solution (including VoIP) through a third-party vendor. The Staff recommends that the January 10 application be granted.

After reviewing Casair’s January 10 application, the Commission finds that the ETC designation, limited to High-Cost and Lifeline voice support, throughout the census block areas listed in Exhibit B, as well as Lifeline designation in all exchanges listed in Exhibit F, should be conditionally granted. The Commission is persuaded that ETC designation for Casair promotes the availability of universal service and is in the public interest. The Commission finds that the January 10 application demonstrates that Casair meets the requirements for designation as an ETC. *See*, 47 USC 214(e)(1). The January 10 application for ETC designation is granted on condition that Casair: (1) comply with the service requirements contained in the *USF/ICC Transformation*

⁵ *Lifeline & Link Up Reform & Modernization et al.*, WC Docket No. 11-42 *et al.*, Third Report and Order, Order No. FCC 16-38, note 709, *rel’d* April 27, 2016.

⁶ *IP-Enabled Services; E911 Requirements For IP-Enabled Service Providers et al.*, WC Docket No. 04-36 *et al.*, First Report and Order and Notice of Proposed Rulemaking, Order No. FCC 05-116, note 128, *rel’d* June 3, 2005.

Order and subsequent related federal and state rulings, the *Lifeline Reform Order*,⁷ and the December 20, 2012 and January 17, 2013 orders in Case Nos. U-14535 and U-16959; (2) advertise its Lifeline product in media of general distribution including newspaper, radio, its own website, and other direct advertising methods; and (3) include the Commission's customer complaint telephone number on its public web page.

THEREFORE, IT IS ORDERED that the January 10, 2019 application filed by Crystal Automation Systems, Inc., d/b/a Casair, Inc., for designation as an eligible telecommunications carrier for purposes of Lifeline universal service support for both High-Cost and Lifeline in the areas listed in Exhibit B of the application, as well as Lifeline designation in the exchanges listed in Exhibit F of the application, is approved provided that the conditions listed herein are met.

⁷ *In the Matter of Lifeline and Link Up Reform and Modernization et al.*, WC Docket No. 11-42 *et al.*, Report and Order and Further Notice of Proposed Rulemaking, Order No. FCC 12-11, *rel'd* February 6, 2012 (*Lifeline Reform Order*).

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party aggrieved by this order may file an action in the appropriate federal District Court pursuant to 28 USC 1331. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel. Electronic notifications should be sent to the Executive Secretary at mpscedockets@michigan.gov and to the Michigan Department of the Attorney General - Public Service Division at pungpl@michigan.gov. In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General - Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION



Sally A. Talberg, Chairman



Norman J. Saari, Commissioner

By its action of February 21, 2019.



Kavita Kale, Executive Secretary

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

Application of Crystal Automation Systems, Inc.)
d/b/a Casair, Inc. for designation as a high-cost)
eligible telecommunications carrier pursuant to)
Section 214(e)(2) of the Communications Act of)
1934, as amended)

Case No. U-20329

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Exhibit B

