



TELECOMMUNICATIONS
ASSOCIATION OF MICHIGAN

December 4, 2017

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

**SUPPORT BY THE TELECOMMUNICATIONS ASSOCIATION FOR THE
REQUEST FOR 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 Telecommunications Association of Michigan ("TAM") hereby submits this
statement of its support for the request of the Michigan Public Service Commission ("MPSC")
for a grant by the Federal Communications Commission ("FCC") of the MPSC's request for an
extension of Michigan's current lifeline waiver for an additional 12 months until December 31,
2018.

TAM is a non-profit trade association whose principal members are 33 ILECs serving
primarily rural and small town areas in Michigan. TAM is the Administrator of a Lifeline Pool
in which its member ILECs and certain of their affiliates participate.¹ As the Lifeline
Administrator, some of the services provided by TAM include the following:

- (1) Initial Lifeline eligibility determinations for the customers of TAM's members;
- (2) Annual eligibility recertification for the approximate 1200 Lifeline customers of
its members;
- (3) Assisting members in publicizing the availability and eligibility criteria for
Lifeline discounts;

¹ Exhibit A is a list of companies participating in the TAM Lifeline Pool.

(4) Advising members on the interpretation and implementation of the Lifeline Order and revisions to FCC rules promulgated in the Lifeline Order;

(5) Advising and assisting members on compliance with applicable Michigan laws requiring additional Lifeline discounts for customers meeting Michigan-specific eligibility criteria; and

(6) Assisting members in complying with State and federal reporting requirements pertaining to Lifeline services.

Michigan State Law Lifeline Obligations

The principal statute governing telecommunications providers and their services in Michigan is the Michigan Telecommunications Act, MCL 484.2101 *et seq.* as amended, (“MTA”). MTA Section 316, MCL 484.2316 is set forth in Exhibit B hereto. In general, MTA Section 316 creates a state Lifeline program requiring telecommunication providers to offer state discounts to Lifeline customers of \$2.00/month and a further discount of \$1.10/month for Lifeline customers age 65 or over, in addition to the federal Lifeline discounts.

MTA Section 316 has both program and income Lifeline eligibility criteria; however as a result of the Lifeline Order, the statutory eligibility criteria in Michigan are no longer consistent with the federal eligibility criteria. MTA Section 316 provides that customers (1) whose income does not exceed 150% of the poverty level, or (2) who participate in any one of 6 specific government programs are eligible for Lifeline discounts.

Because the Michigan Lifeline eligibility criteria are statutorily created, nothing short of an amendment to MTA Section 316 can bring Michigan Lifeline eligibility criteria into alignment with the new federal criteria. Neither TAM nor any of the member companies which participate in its Lifeline Administration Service has any control over whether and when the Michigan Legislature may act to bring the Michigan eligibility criteria into conformity with the federal eligibility criteria established by the FCC.

The Lifeline Order has created inconsistencies between the federal and Michigan Lifeline Eligibility Criteria. Like many of the states requiring a waiver listed on Attachment A to the US Telecom Petition For Waiver the Lifeline Order has created the following anomalies for Michigan:

(1) Persons whose household income is at 150% of the federal poverty guidelines are eligible for the state Lifeline discounts but not the federal discounts.

(2) Persons who participate in either the Low-income Home Energy Assistance Program (“LIEHAP”), National School Lunch Program (“NSLP”), or Temporary Assistance for Needy Families (“TANF”), are eligibility for the state Lifeline discounts but not the federal discounts, and

(3) Persons receiving a Veterans Pension or Veterans Survivor's Pension are eligible to receive the federal Lifeline Discount, but not the state discount.²

TAM agrees with the MPSC that these inconsistencies in the eligibility criteria will (1) lead to substantial customer confusion, and (2) increase the administrative burden for Lifeline providers and the state level administrators (like TAM) of Lifeline Programs, and (3) cause the potential for administrative mistakes and delays in providing Lifeline services to customers.

The severity of these problems can be ameliorated by granting the MPSC's request for a 1 year extension of the temporary waiver until December 31, 2018. The extension of the waiver period will enable Michigan (1) to amend MTA Section 316 to align its state specific eligibility criteria with the federal criteria, (2) to provide adequate time to educate customers on the changes in eligibility criteria, and (3) to implement the administrative changes required by the Lifeline Order and revised FCC Rules.

For the reasons set forth above, the FCC should grant the MPSC's request.

Respectfully submitted,

TELECOMMUNICATIONS ASSOCIATION OF
MICHIGAN

By: 

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Its: General Counsel

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Date: December 4, 2017

² This issue was addressed by the MPSC in an Order issued on December 9, 2016 in Case No. U-18213 ordering Michigan ETCs to include membership in the Veterans and Survivor's Pension Benefit Program as an eligible criteria for potential Lifeline customers.



TELECOMMUNICATIONS
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Members of the Telecommunications Association
of Michigan

Exhibit A

ILECS

AcenTek

Allband Multimedia

Baraga Telephone Company

Barry County Telephone Company

Blanchard Telephone Association

Bloomingtondale Communications

Carr Communications

CenturyLink of Michigan

CenturyLink Midwest

CenturyLink North

CenturyLink of Upper Michigan

Chapin Telephone Company

CTS Telecom

D&P Communications

Hiawatha Telephone Company

Kaleva Telephone Company

Lennon Telephone Company

Michigan Central Broadband Company

Midway Telephone Company

Ogden Communications

Ontonagon County Telephone Company

Pigeon Telephone Company

Sand Creek Communications

Springport Telephone Company

TDS Telecom/Augusta

TDS Telecom/Chatham

CLECS

ACD

DayStarr

Grid4 Communications

Lynx Network Group

TelNet Worldwide

Winn Teleco

Winn Communications

Westphalia Telephone Company

Waldron Communications

Upper Peninsula Telephone Company

TDS Telecom/Sanford

TDS Telecom/Perry

TDS Telecom/Millington

Exhibit B

484.2316 Rates for low income residential customers; reduction; notification of lifeline services.

Sec. 316. (1) The commission shall require each provider of residential basic local exchange service to offer certain low income customers the availability of basic local exchange service and access service at reduced rates as described in subsections (2) and (3).

(2) Except as provided under subsections (3) and (4), the rate reductions for low income customers shall be at a minimum, 20% of the basic local exchange rate or \$8.25, which shall be, inclusive of any federal contribution, whichever is greater.

(3) Except as provided under subsection (4), if the low income customer is 65 years of age or older, the rate reduction shall be, at a minimum, 25% of the basic local exchange rate or \$12.35, which shall be inclusive of any federal contribution, whichever is greater.

(4) The total reduction under subsection (2) or (3) shall not exceed 100% of all end-user common line charges and the basic local exchange rate. The dollar amounts in subsections (2) and (3) shall be adjusted annually to reflect any increases or decreases in the federal contribution.

(5) To qualify for the reduced rate under this section, the person's annual income shall not exceed 150% of the federal poverty guidelines published annually in the federal register by the United States department of health and human services and as approved by the state treasurer, or the person must participate in 1 of the following federal assistance programs:

- (a) Medicaid.
- (b) Food stamps.
- (c) Supplemental security income.
- (d) Federal public housing assistance.
- (e) Low-income home energy assistance program.
- (f) National school lunch program's free lunch program.
- (g) Temporary assistance for needy families.

(6) The commission shall establish a rate for each subscriber line of a provider to allow the provider to recover costs incurred under this section. The rate established by the commission under this subsection may be assessed as a line item on an end-user's bill.

(7) The commission shall take necessary action to notify the general public of the availability of lifeline services including, but not limited to, public service announcements, newspaper notices, and any other notice reasonably calculated to reach those who may benefit from the services.