



TELECOMMUNICATIONS  
ASSOCIATION OF MICHIGAN

December 11, 2018

Ms. Marlene H. Dortch  
Office of the Secretary  
Federal Communications Commission  
445 12<sup>th</sup> 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 December 6, 2018 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 6 months until June 28, 2019. Like the MPSC, TAM appreciates the FCC’s understanding of the concerns of the MPSC and the willingness to grant the prior waiver request and extension thereof 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.<sup>1</sup> 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;

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<sup>1</sup> Exhibit A is a list of TAM Member Companies.

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

(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 additional state discounts to Lifeline customers, and for Lifeline customers age 65 or over, even greater discounts.

MTA Section 316 has both program and income Lifeline eligibility criteria; however as a result of the recent FCC Lifeline Orders, 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 FCC Lifeline Orders have created inconsistencies between the federal and Michigan Lifeline Eligibility Criteria. Like many of the states requesting a waiver listed on Attachment A to the original USTA Petition For Waiver, the Lifeline Orders have created the following anomalies for Michigan:

(1) Persons whose household income is between 135% and 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 (“LIHEAP”), National School Lunch Program (“NSLP”), or Temporary Assistance for Needy Families (“TANF”), are eligible 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.<sup>2</sup>

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 need to have providers check two different eligibility systems, one for the State program, and one for eligibility for federal reimbursement is a significant additional administrative burden.

The severity of these problems can be ameliorated by granting the MPSC's request for a 6 month extension of the temporary waiver until June 28, 2019. 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 FCC's Lifeline Orders and revised FCC Rules, and (4) to finalize USAC access to the MLED data base to verify federal eligibility of consumers.

For the reasons set forth above, the FCC should grant the MPSC's request for an additional extension of the waiver until June 28, 2019.

Respectfully submitted,

TELECOMMUNICATIONS ASSOCIATION OF  
MICHIGAN

Date: December 11, 2018

By: \_\_\_\_\_  
Michael A. Holmes (P24071)  
Its: General Counsel  
600 W. Shiawassee Street  
Lansing, MI 48933  
517-482-1148

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<sup>2</sup> 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.

**Exhibit A**



**TELECOMMUNICATIONS**  
ASSOCIATION OF MICHIGAN

**Members of the Telecommunications Association  
of Michigan**

**ILECs**

AcenTek  
Allband Multimedia  
Baraga Telephone Company  
Barry County Telephone Company  
Blanchard Telephone Association  
Bloomingdale 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

TDS Telecom/Millington  
TDS Telecom/Perry  
TDS Telecom/Sanford  
Upper Peninsula Telephone Company  
Waldron Communications  
Westphalia Telephone Company  
Winn Communications

**CLECs**

ACD  
DayStarr  
Grid4 Communications  
Lynx Network Group  
TelNet Worldwide  
Winn Teleco

## **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.