

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of)	
CMC TELECOM, INC. , for a license to provide)	
basic local exchange service in Ameritech Michigan)	Case No. U-11425
exchanges.)	
_____)	

In the matter of the application of)	
1-800-RECONEX, INC. , f/k/a STERLING INTER-)	
NATIONAL FUNDING, INC. , for the issuance of a)	Case No. U-11700
license to provide local exchange telecommunications)	
service on a resold basis in the current exchanges of)	
Ameritech Michigan and GTE North Incorporated.)	
_____)	

In the matter of the application of)	
ZENK GROUP, LTD. , d/b/a PLANET ACCESS ,)	
for the issuance of a license to provide local exchange)	Case No. U-12057
services in the LATA exchanges currently served by)	
Ameritech Michigan.)	
_____)	

In the matter of the application of)	
AMERICAN FIBER NETWORK, INC. , for a)	
license to provide basic local exchange service in)	
all exchanges and zones currently served by)	Case No. U-12469
Ameritech Michigan, GTE North Incorporated, and)	
Contel of the South, Inc., d/b/a GTE Systems of)	
Michigan.)	
_____)	

In the matter of the application of)	
CALL GIANT INC. , f/k/a BELL CONNECT, INC. ,)	Case No. U-12742
for a license to provide basic local exchange service.)	
_____)	

In the matter of the application of)
UNIVERSAL TELECOM, INC., for a license to)
provide basic local exchange service as a competitive)
local exchange carrier in the zone and exchange areas)
throughout the state of Michigan presently served by)
Verizon North Inc., Contel of the South, Inc., d/b/a)
Verizon North Systems, Michigan Bell Telephone)
Company, d/b/a Ameritech Michigan, CenturyTel)
of Michigan, Inc., CenturyTel Midwest – Michigan,)
Inc., CenturyTel of Upper Michigan, Inc., CenturyTel)
of Northern Michigan, Inc., TDS Telecom/Island)
Telephone Company, TDS Telecom/Shiawassee)
Telephone Company, TDS Telecom/Chatham)
Telephone Company, TDS Telecom/Wolverine)
Telephone Company, TDS Telecom/Communication)
Corporation of Michigan, and Frontier Communica-)
tions of Michigan, Inc.)
_____)

Case No. U-13468

In the matter of the application of)
TROPHY TECHNOLOGIES, INC., for a license to)
provide basic local exchange service in all Michigan)
exchanges served by the incumbent local exchange)
carriers Ameritech Michigan, an affiliate of SBC)
Communications, Verizon North Inc., formerly)
GTE North, and Verizon North Systems, formerly)
GTE Systems of Michigan.)
_____)

Case No. U-13538

In the matter of the application of)
PHONECO, L.P., for a license to provide resold and)
facilities-based switched and dedicated local exchange)
telecommunications services throughout)
the state of Michigan in the exchange areas of)
Ameritech Michigan, and Verizon North Inc., and)
Verizon North Systems.)
_____)

Case No. U-13669

In the matter of the application of)
SPECIALIZED SERVICES, INC., d/b/a SSI)
AFFINITY, for a license to provide basic local)
exchange service in all the zone and exchange areas)
in Michigan presently served by SBC Ameritech)
Michigan and Verizon North Inc. and Contel of the)
South, Inc., d/b/a Verizon North Systems.)
_____)

Case No. U-13757

In the matter of the application of)
GVC NETWORKS, LLC, for a license to provide)
basic local exchange service throughout the state of)
Michigan in the zone and exchange areas served by)
Verizon North Inc. and Contel of the South, Inc.,)
d/b/a Verizon North Systems, and SBC Michigan.)

In the matter of the application of)
GLOBAL TELDATA II, LLC, for a license to)
provide basic local exchange service in the areas)
currently served by SBC Michigan and)
Verizon North Inc. and Contel of the)
South, Inc., d/b/a Verizon North Systems.)

In the matter of the application of
CMC TELECOM, INC. for a license to provide
 basic local exchange service in Ameritech Michigan
 exchanges.

In the matter of the application of)
EMPIRE ONE TELECOMMUNICATIONS, INC.,)
for a license to provide basic local exchange service)
in the areas currently served by SBC Michigan.)

In the matter of the application of)
AIRDIS, LLC, d/b/a AIRDIS TELECOM, for a license)
to provide basic local exchange service in the zones)
and exchanges currently served by Verizon North Inc.)
and Contel of the South, Inc., d/b/a Verizon North)
Systems, CenturyTel of Michigan, Inc., CenturyTel)
Midwest—Michigan, Inc., CenturyTel of Northern)
Michigan, Inc., CenturyTel of Upper Michigan, Inc.,)
and AT&T Michigan, f/k/a SBC Michigan.)

In the matter of the application of
CLOSECALL AMERICA, INC., for a license to
provide resold and facilities-based local exchange
services in the state of Michigan.

In the matter of the application of	)	
VOIP TELECOM, LLC , for a temporary and	)	
permanent license to provide basic local exchange	)	
service in the zones and exchanges currently served	)	Case No. U-14967
by AT&T Michigan and Verizon North Inc. and	)	
Contel of the South, Inc., d/b/a Verizon North	)	
Systems.	)	
	)	
In the matter of the application of	)	
ZENK GROUP, LTD., d/b/a PLANET ACCESS	)	
to amend its license to include all zones and	)	Case No. U-15023
exchanges served by Verizon North Inc. and Contel	)	
of the South, Inc., d/b/a Verizon North Systems.	)	
	)	
In the matter of the application of	)	
TELE-RECONNECT, INC. , for a license to provide	)	Case No. U-15116
basic local exchange service throughout the state of	)	
Michigan.	)	
	)	
In the matter of the application of	)	
NATIONAL GRID COMMUNICATIONS, INC. ,	)	
for a temporary and permanent license to provide	)	Case No. U-15137
basic local exchange service throughout the state of	)	
Michigan.	)	
	)	
In the matter of the application of	)	
COMMUNICATION LINES INC. , for a license to	)	
provide basic local exchange service throughout	)	Case No. U-15189
the state of Michigan in the zone and exchange	)	
areas served by Verizon North Inc., Contel of the	)	
South, Inc., d/b/a Verizon North Systems, and	)	
AT&T Michigan.	)	
	)	
In the matter of the application of	)	
TROPHY TECHNOLOGIES, INC., d/b/a RURAL	)	
COMMUNICATIONS , for a license to provide basic	)	Case No. U-15337
local exchange service throughout the state of	)	
Michigan in the zones and exchanges currently	)	
served by AT&T MICHIGAN.	)	
	)	

In the matter of the application of)	
SOLARITY COMMUNICATIONS LLC for a license)	Case No. U-15739
to provide basic local exchange service.)	
_____)	
)	
In the matter of the application of)	
NSW TELECOM, INC. for a license to provide basic)	Case No. U-15916
local exchange service.)	
_____)	
)	
In the matter, on the Commission's own motion, to)	
commence formal basic local exchange service license)	
revocation proceedings against)	
1-800-RECONEX, INC., f/k/a STERLING)	
INTERNATIONAL FUNDING, INC., AIRDIS, LLC,)	
d/b/a AIRDIS TELECOM, AMERICAN FIBER)	
NETWORK, INC., CALL GIANT, INC., f/k/a BELL)	
CONNECT, INC., CLOSECALL AMERICA, INC.,)	
CMC TELECOM, INC., COMMUNICATION LINES)	Case No. U-16895
INC., EMPIRE ONE TELECOMMUNICATIONS,)	
INC., GLOBAL TELDATA II, LLC, GVC)	
NETWORKS, LLC, NATIONAL GRID)	
COMMUNICATIONS INC., NSW TELECOM, INC.,)	
PHONECO, L.P., SOLARITY COMMUNICA-)	
TIONS LLC, SPECIALIZED SERVICES, INC.,)	
d/b/a SSI AFFINITY, TELE-RECONNECT INC.,)	
TROPHY TECHNOLOGIES, INC., d/b/a RURAL)	
COMMUNICATIONS, UNIVERSAL)	
TELECOM, INC., VOIP TELECOM, LLC, AND)	
ZENK GROUP, LTD., d/b/a PLANET ACCESS.)	
_____)	

At the February 23, 2012 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. John D. Quackenbush, Chairman
Hon. Orjiakor N. Isiogu, Commissioner
Hon. Greg R. White, Commissioner

ORDER

In each of the above separately captioned proceedings, the Commission granted the named
applicant a license to provide basic local exchange service in Michigan pursuant to the licensing

provisions set forth in the Michigan Telecommunications Act, 1991 PA 179, MCL 484.2101 *et seq.* Acquisition of a license to provide basic local exchange service carries with it certain responsibilities, including, but not limited to, the duty to “comply with all federal and state requirements regarding truth in billing, E 9-1-1 services, and primary basic local exchange service.” MCL 484.2305b(c). Moreover, providers of basic local exchange service are obligated to obey the lawful orders of the Commission and to respond promptly to reasonable requests from the Commission Staff (Staff).

It has been brought to the Commission’s attention that the providers listed in the case captions of this proceeding have been grossly deficient in attending to the statutory and regulatory responsibilities of licensed basic local exchange service providers. MCL 484.2205(2) authorizes the Commission to revoke a provider’s license to provide basic local exchange service. In Michigan, a formal action to revoke a license must be preceded by an informal notice to the licensee of the intended action and an opportunity for the licensee “to show compliance with all lawful requirements for retention of the license.” MCL 24.292; *Rogers v Cosmetology Board*, 68 Mich App 751; 244 NW2d 20 (1976).

On July 19, 2011, Robin Ancona, Director of the Commission’s Telecommunications Division, sent a letter to each of these 20 licensees. The licensees were advised that the purpose of the July 19, 2011 letter was to ascertain “whether your company wishes to retain [its] license” to provide basic local exchange service in Michigan. In each letter, the licensee was notified of past unsuccessful attempts by the Staff to contact the licensee by regular mail, telephone, and e-mail. The letters informed these providers to “respond to this inquiry no later than 45 days from the date of this letter and indicate if the company intends to retain its license and is providing service, or has ceased operations.” Finally, each letter notified the licensee that “[i]f no response is received,

the Commission will take the necessary steps to commence the process of revoking [its] license.” None of the providers responded to Ms. Ancona’s letter.

Finding that the preliminary steps for license revocation required by MCL 24.292 and *Rogers v Cosmetology Board, supra*, had been completed, the Commission issued an order on October 4, 2011, commencing formal proceedings to revoke the licenses of the providers listed in the captions of this proceeding. In the October 4 order, the Commission directed each listed provider that wished to retain its license to provide basic local exchange service to file an intervention in Case No. U-16895 by November 4, 2011, and to appear at a November 28, 2011 joint hearing before Administrative Law Judge Thomas E. Maier (ALJ). The Commission further directed that, if a provider did not intervene in the proceeding and/or failed to attend the November 28, 2011 hearing, the ALJ shall, after receipt of testimony and exhibits from the Staff, render a Proposal for Decision (PFD) with regard to the issue of whether that provider’s license to provide basic local exchange service should be revoked immediately by the Commission.

On November 4, 2011, CMC Telecom, Inc., and Call Giant, Inc., f/k/a Bell Connect, Inc. (Call Giant), filed petitions to intervene.

At the November 28 hearing, the Staff’s testimony and exhibits were received into evidence. The Staff requested to withdraw, without prejudice, the complaints against CMC Telecom and Call Giant, because both providers sought to intervene and are working with the Staff to retain their licenses. The Staff also requested to withdraw, without prejudice, the complaint against VOIP Telecom, LLC, because that provider requested to surrender its license. The Staff’s evidence demonstrated that the remaining 17 listed providers are not providing basic local exchange service, and no longer possess sufficient technical, financial, and managerial resources

and abilities to provide basic local exchange service in Michigan. MCL 484.2303(1); 1 Tr 10-18. The Staff filed a brief on December 2, 2011. No reply briefs were filed.

On January 27, 2012, the ALJ issued a PFD in which he recommends that the Commission dismiss the proceedings against CMC Telecom and Call Giant without prejudice, dismiss the proceeding against VOIP Telecom as moot, and revoke the licenses of the remaining 17 captioned providers. Exceptions were due February 10, 2012. No exceptions were filed.

The Commission adopts the PFD¹ and finds that the 17 providers listed in the PFD have failed to meet the statutory and regulatory responsibilities of providers of basic local exchange service, and the license of each listed provider is hereby revoked.

THEREFORE, IT IS ORDERED that:

A. The license to provide basic local exchange service of each of the following providers is revoked: 1-800-Reconex, Inc., f/k/a Sterling International Funding, Inc., Airdis, LLC, d/b/a Airdis Telecom, American Fiber Network, Inc., Closecall America, Inc., Communication Lines Inc., Empire One Telecommunications, Inc., Global Teldata II, LLC, GVC Networks, LLC, National Grid Communications Inc., NSW Telecom, Inc., PhoneCo, L.P., Solarity Communications LLC, Specialized Services, Inc., d/b/a SSI Affinity, Tele-Reconnect Inc., Trophy Technologies, Inc., d/b/a Rural Communications, Universal Telecom, Inc., and Zenk Group, Ltd., d/b/a Planet Access.

B. The proceedings against CMC Telecom, Inc., Call Giant, Inc., f/k/a Bell Connect, Inc., and VOIP Telecom, LLC, are dismissed without prejudice.

¹The license expansion granted to 1-800-Reconnex, Inc., in Case No. U-12214 is included in the revocation proceeding, along with revocation of the original license. See, 1 Tr 18.

C. The Commission Staff will work with the North American Numbering Plan Administrator to ensure that numbers currently assigned to the providers listed in paragraph A, if any, are properly reclaimed.

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

Any party desiring to appeal this order must do so by the filing of a claim of appeal in the Michigan Court of Appeals within 30 days of the issuance of this order, under MCL 484.2203(12).

MICHIGAN PUBLIC SERVICE COMMISSION

John D. Quackenbush, Chairman

Orjiakor N. Isiogu, Commissioner

Greg R. White, Commissioner

By its action of February 23, 2012.

Mary Jo Kunkle, Executive Secretary

P R O O F O F S E R V I C E

STATE OF MICHIGAN)

Case No. U-15116

County of Ingham)

Mignon Middlebrook being duly sworn, deposes and says that on February 23, 2012 A.D. she served a copy of the attached Commission Order by first class mail, postage prepaid, or by inter-departmental mail, to the persons as shown on the attached service list.

Mignon Middlebrook

Subscribed and sworn to before me
This 23rd day of February 2012

Gloria Pearl Jones
Notary Public, Ingham County, MI
My commission expires June 5, 2016
Acting in Eaton County

Service List U-15116

Sharon L. Feldman
Michigan Administrative Hearing System - MPSC
Hearings
6545 Mercantile Way, Suite 14
Lansing MI 48911

Tele-Reconnect Inc.
Eric Johnston
3023 Highway K, Unit 542
St. Charles MO 63304