

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
exchanges.

Case No. U-11425

In the matter of the application of
1-800-RECONEX, INC., f/k/a **STERLING INTER-
NATIONAL FUNDING, INC.**, for the issuance of a
license to provide local exchange telecommunications
service on a resold basis in the current exchanges of
Ameritech Michigan and GTE North Incorporated.

Case No. U-11700

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
services in the LATA exchanges currently served by
Ameritech Michigan.

Case No. U-12057

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
Ameritech Michigan, GTE North Incorporated, and
Contel of the South, Inc., d/b/a GTE Systems of
Michigan.

Case No. U-12469

In the matter of the application of
CALL GIANT INC., f/k/a **BELL CONNECT, INC.**,
for a license to provide basic local exchange service.

Case No. U-12742

26
SEP

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.

Case No. U-13828

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.

Case No. U-13957

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

Case No. U-14113

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.

Case No. U-14364

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.

Case No. U-14639

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.

Case No. U-14937

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
by AT&T Michigan and Verizon North Inc. and
Contel of the South, Inc., d/b/a Verizon North
Systems.

Case No. U-14967

In the matter of the application of
ZENK GROUP, LTD., d/b/a PLANET ACCESS
to amend its license to include all zones and
exchanges served by Verizon North Inc. and Contel
of the South, Inc., d/b/a Verizon North Systems.

Case No. U-15023

In the matter of the application of
TELE-RECONNECT, INC., for a license to provide
basic local exchange service throughout the state of
Michigan.

Case No. U-15116

In the matter of the application of
NATIONAL GRID COMMUNICATIONS, INC.,
for a temporary and permanent license to provide
basic local exchange service throughout the state of
Michigan.

Case No. U-15137

In the matter of the application of
COMMUNICATION LINES INC., 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., Contel of the
South, Inc., d/b/a Verizon North Systems, and
AT&T Michigan.

Case No. U-15189

In the matter of the application of
**TROPHY TECHNOLOGIES, INC., d/b/a RURAL
COMMUNICATIONS**, for a license to provide basic
local exchange service throughout the state of
Michigan in the zones and exchanges currently
served by AT&T MICHIGAN.

Case No. U-15337

In the matter of the application of
SOLARITY COMMUNICATIONS LLC for a license
to provide basic local exchange service.

Case No. U-15739

In the matter of the application of
NSW TELECOM, INC. for a license to provide basic
local exchange service.

Case No. U-15916

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
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.

Case No. U-16895

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.

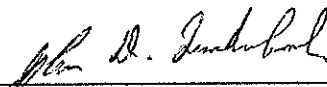
¹The license expansion granted to 1-800-Reconex, Inc., in Case No. U-12214 is included in the revocation proceeding, along with revocation of the original license. *See*, 1 Tr 18.

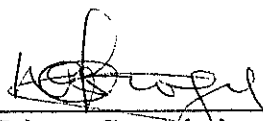
C. The Commission Staff will work with the North American Numbering Plan Administrator to ensure that numbers currently assigned to the providers listed in paragraph A, if any, are properly reclaimed.

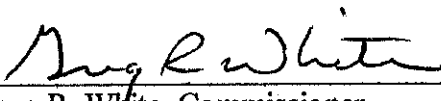
The Commission reserves jurisdiction and may issue further orders as necessary.

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).

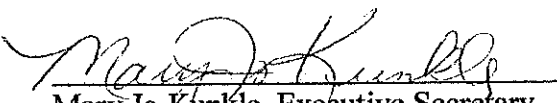
MICHIGAN PUBLIC SERVICE COMMISSION


John D. Quackenbush, Chairman


Orjiakor N. Isiogu, Commissioner


Greg R. White, Commissioner

By its action of February 23, 2012.


Mary Jo Kunkle, Executive Secretary

PROOF OF SERVICE

STATE OF MICHIGAN)

Case No. U-11425

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

Digitally signed by Mignon
Middlebrook
DN: cn=Mignon Middlebrook, c=US,
email=middlebrookm@michigan.gov
Date: 2012.02.23 16:07:44 -05'00'

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-11425

CMC Telecom, Inc.
Craig Champagne
51151 Pontiac Trail
Wixcom MI 48393