

**STATE OF ILLINOIS**

**ILLINOIS COMMERCE COMMISSION**

**Illinois Commerce Commission** :  
**On Its Own Motion** :  
**-vs-** :  
**Midwestern Telecommunications,** :  
**Incorporated d/b/a M.T.I.** :  
 : **12-0021**  
**Investigation into compliance with** :  
**requirements for eligible** :  
**telecommunications carriers and into** :  
**continuing eligibility for Link-Up Subsidy** :  
**Reimbursement.** :

**INTERIM ORDER**

By the Commission:

**I. Procedural History; Nature and Purpose of Filings**

On January 10, 2012, the Illinois Commerce Commission (“Commission”) issued an Order (“Commission Order”) initiating a proceeding pursuant to Section 10-101 of the Public Utilities Act (220 ILCS 5/10-101) (“the Act”) to determine whether Midwestern Telecommunications, Incorporated d/b/a M.T.I. (“Respondent”) has failed to comply with requirements for Eligible Telecommunications Carriers (“ETC”) and whether its ETC designation should be rescinded. The Commission further ordered that if Respondent’s ETC designation is not rescinded, the Commission shall determine whether it should rescind the Link-Up subsidy currently distributed to Respondent.

The Commission Order incorporated a Telecommunications Division Staff Report dated December 29, 2011 (“Staff Report”), that detailed (1) alleged noncompliance by Respondent with the state and federal requirements of a designated ETC receiving Lifeline and Link-Up support; (2) the impact of the Federal Communications Commission’s (“FCC”) November 18, 2011 Order (the “USF/ICC Order”)(WC Docket 10-90, GN Docket 09-51, WC Docket 07-135, WC Docket 05-337, CC Docket 01-92, CC Docket 96-45, WC Docket 03-109, WT Docket 10-208, Report and Order and Further Notice of Proposed Rulemaking) on Respondent’s ETC designations, in light of that Order’s redefinition of USF eligible supported service; and (3) whether Respondent’s eligibility to receive Link-Up subsidies should be rescinded as a matter of law and/or policy.

Pursuant to notice as required by the rules and regulations of the Commission, a prehearing conference was held in this matter before a duly authorized Administrative Law Judge ("ALJ") of the Commission at its offices in Chicago, Illinois on February 1, 2012. Respondent and Staff appeared by counsel and agreed to the joint preparation of an interim order and to the joint preparation of a final order at such time as Respondent is able to cease its operations as a wireline service provider, as explained below. At the conclusion of the February 1 status, this matter was continued to March 20, 2012 for status.

Respondent is a telecommunications carrier as defined in Section 13-202 of the Act. It received the following certificates to provide telecommunications services in Illinois:

Certificate of Service Authority to provide resold local telecommunications service in Illinois, Docket 97-0132, July 9, 1997;

Certificate of Exchange Service Authority to provide facilities-based local telecommunications service in Illinois, Docket 01-0830, May 2, 2002;

Certificate of Service Authority to provide facilities-based interexchange telecommunications and resold interexchange telecommunications service in Illinois, Docket 02-0691, April 9, 2003;

Certificate of Service Authority to provide resold commercial mobile radio service in Illinois in Docket 10-0229, September 9, 2010;

Certificate of Prepaid Calling Service Provider Authority to provide prepaid calling card service in Illinois, Docket 10-0230, August 18, 2010;

Designation as an ETC for purposes of receiving federal low-income Lifeline and Link-Up Universal Service support from the Federal Universal Service Fund for its wireline operations in service areas consisting of non-rural AT&T wire centers in Illinois, Docket 06-0038, August 26, 2006;

Designation as an ETC for purposes of receiving federal low-income Lifeline and Link-Up Universal Service support from the Federal Universal Service Fund for its pre-paid wireless operations in service areas consisting of non-rural AT&T wire centers in Illinois, Docket 10-0524, March 9, 2011.

## **II. Respondent Position**

Respondent received and reviewed the Commission Order and the Staff Report. While acknowledging the various allegations of noncompliance outlined by the Commission and Staff, but without admitting noncompliance or other wrongdoing, Respondent has decided to terminate its provision of telecommunications service in Illinois entirely. This was a business decision based upon many factors including, but not limited to, an analysis of the potential impact that the federal USF/FCC Order might have on Respondent's current business model. Respondent provided written notice to its wireline customers, as required by federal and state law, indicating its intent to exit the telecommunications business. It informed its customers that they were required to transfer to another carrier to continue receiving Lifeline service. The notice period for all of Respondent's wireline customers has not yet expired and Respondent currently provides wireline service to approximately 120 subscribers.

As a result of its decision to cease providing telecommunications services in Illinois, Respondent has agreed to the immediate withdrawal of its ETC designations for both wireless and wireline service and its wireless certificates of service authority. It has agreed to the withdrawal of its wireline certificates of service authority at such time as all of its wireline customers have been transferred and Respondent has received permission from the FCC to discontinue these services. It is Respondent's position that cessation of its Illinois operations, letters to customers informing them of this cessation, as well as the need to transfer services to another carrier and withdrawal and termination of its certificates of service authority and ETC designations, will result in complete resolution of this Docket.

## **III. Staff Position**

Staff agrees that Respondent's cessation of operations in Illinois, letter to customers informing them of this cessation as well as the need to transfer services to another carrier, and withdrawal of its certificates of service authority and ETC designations will resolve this proceeding in its entirety. Staff believes that, to satisfy the concerns raised in the Commission Order and the Staff Report regarding alleged noncompliance with ETC designation requirements and potential abuse, Respondent's ETC designations for wireless and wireline service and its wireless certificates of service authority should be withdrawn and terminated as agreed to by Respondent upon entry of this Interim Order. Staff also agrees that a final order should be entered regarding Respondent's wireline certificates of service authority, when those operations have been concluded pursuant to FCC requirements.

## **IV. Commission Analysis and Conclusion**

The Commission finds that the concerns raised in the Commission Order and in the Staff Report will be adequately addressed by the cessation of Respondent's

operations in Illinois; by submission of a letter to customers informing them that it is discontinuing its telecommunication operations in Illinois and that customers need to transfer services to another carrier; and by the surrender of Respondent's certificates of service authority and designations as an ETC that have enabled it to receive federal USF support. Entry of this Interim Order cancelling Respondent's wireless certificates of service authority and its ETC designations for wireless and wireline service is appropriate.

Respondent will continue to provide telecommunications service to wireline customers under Docket 97-0132, Docket 01-0830, and Docket 02-0691, until those operations have been concluded in accordance with FCC requirements. Cancellation of those two remaining certificates will be effected by issuance of a final Commission order.

## **V. Findings and Orderings Paragraphs**

The Commission, having considered the entire record herein and being fully advised in the premises, is of the opinion and finds that:

- (1) Midwestern Telecommunications, Incorporated d/b/a M.T.I. is engaged in the business of providing telecommunications services to the public in the State of Illinois and, as such, is a telecommunications carrier within the meaning of Section 13-202 of the Public Utilities Act;
- (2) the Commission has jurisdiction over Respondent and over the subject matter of this proceeding;
- (3) the recitals of fact set forth in the prefatory portion of this Order are supported by the record and are hereby adopted as findings of fact;
- (4) in Docket 10-0229, Respondent was granted a Certificate of Service Authority to provide resold commercial mobile radio (wireless) service in Illinois;
- (5) in Docket 10-0230, Respondent was granted a Certificate of Prepaid Calling Service Provider Authority to provide prepaid wireless calling services in Illinois;
- (6) Respondent no longer provides wireless telecommunications services to customers in Illinois; discontinuance of service by Respondent will not deprive Illinois customers of any necessary services and is not otherwise contrary to the public interest. Accordingly, the Certificates of Service Authority for Wireless Services granted in Docket 10-0229 and Docket 10-0230 should be withdrawn and terminated.
- (7) in Docket 06-0038, Respondent was designated as an Eligible Telecommunications Carrier for purposes of receiving federal low-income Lifeline and Link-Up Universal Service support from the Federal Universal Service Fund for its wireline operations in a service area consisting of non-rural AT&T wire centers in Illinois;

- (8) in Docket No. 10-0524, Respondent was designated as an Eligible Telecommunications Carrier for purposes of receiving federal low-income Lifeline and Link-Up Universal Service support from the Federal Universal Service Fund for its pre-paid wireless operations in a service area consisting of non-rural AT&T wire centers in Illinois;
- (9) Respondent no longer provides federal low-income Lifeline and Link-Up services to customers in Illinois; discontinuance of these services by Respondent will not deprive Illinois customers of any necessary services and is not otherwise contrary to the public interest. Accordingly, Respondent's designation as an Eligible Telecommunications Carrier in Docket 06-0038 and Docket 10-0524 should be withdrawn and terminated;
- (10) upon the cessation of Respondent's wireline operations pursuant to FCC approval, Respondent and Staff shall seek a final order in this matter that will withdraw and cancel Respondent's certificates of service authority for wireline services in Docket 97-0132, Docket 01-0830 and Docket 02-0691.

IT IS THEREFORE ORDERED by the Illinois Commerce Commission that the request of Midwestern Telecommunications, Incorporated d/b/a M.T.I to withdraw its Certificate of Service Authority to provide resold commercial mobile radio (wireless) service is granted, and the Certificate of Service Authority issued in Docket 10-0229, is canceled.

IT IS FURTHER ORDERED that the request of Midwestern Telecommunications, Incorporated d/b/a M.T.I to withdraw its Certificate of Prepaid Calling Service Provider Authority to provide prepaid wireless calling service is granted, and the Certificate of Prepaid Calling Service Provider Authority issued in Docket 10-0230, is canceled.

IT IS FURTHER ORDERED that the request of Midwestern Telecommunications, Incorporated d/b/a M.T.I to withdraw its designation as an Eligible Telecommunications Carrier for purposes of receiving federal low-income Lifeline and Link-Up Universal Service support from the Federal Universal Service Fund for its wireline operations in a service area consisting of non-rural AT&T wire centers is granted, and the Eligible Telecommunications Carrier designation issued in Docket 06-0038, is canceled.

IT IS FURTHER ORDERED that the request of Midwestern Telecommunications, Incorporated d/b/a M.T.I to withdraw its designation as an Eligible Telecommunications Carrier for purposes of receiving federal low-income Lifeline and Link-Up Universal Service support from the Federal Universal Service Fund for its pre-paid wireless operations in a service area consisting of non-rural AT&T wire centers is granted, and the Eligible Telecommunications Carrier designation issued in Docket 10-0524, is canceled.

IT IS FURTHER ORDERED that, upon the cessation of Respondent's wireline operations pursuant to FCC approval, Respondent and Staff shall seek a final order in this matter that will withdraw and cancel Respondent's certificates of service authority for wireline services in Docket 97-0132, Docket 01-0830 and Docket 02-0691.

IT IS FURTHER ORDERED that subject to the provisions of Section 10-113 of the Public Utilities Act and 83 Ill. Adm. Code 200.880, this Interim Order is not final; it is not subject to the Administrative Review Law.

By order of the Commission this 21st day of March, 2012.

(SIGNED) DOUGLAS P. SCOTT

Chairman