

**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.** :

**AGREED PROPOSED FINAL ORDER**

By the Commission:

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

Respondent is a telecommunications carrier as defined in Section 13-202 of the Act. It had 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.

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to comply with requirements for Eligible Telecommunications Carriers (“ETC”) and whether its ETC designation should be rescinded.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. At the conclusion of the February 1 status, this matter was continued to March 20, 2012 for status.

On March 21, 2012, the Commission issued an Interim Order cancelling the Respondent’s Certificates of Service Authority for Wireless Services granted in Docket 10-0229 and Docket 10-0230, and cancelling the Respondent’s designation as an Eligible Telecommunications Carrier in Docket 06-0038 and Docket 10-0524.

The matter was continued generally until such time as the FCC approved the Respondent's cessation of operations as a wireline service provider. On [REDACTED], 2012, Respondent and Staff appeared by counsel and presented a jointly prepared proposed final order for the cancellation of Respondent's certificates of service authority for wireline services in Docket 97-0132, Docket 01-0830 and Docket 02-0691.

## **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 expired, and all of Respondent's customers have transferred to another wireline carrier. Respondent currently does not provide any wireline service in Illinois. Respondent has received approval from the FCC to cease operations as a wireline carrier.

Respondent now requests the withdrawal and cancellation of its wireline certificates of service authority. It is Respondent's position that in conjunction with the Commission's rulings in the Interim Order, the cessation of its Illinois operations, letters to customers informing them of this cessation and the need to transfer to another carrier, the transfer of all customers to other carriers, and the withdrawal and termination of its certificates of service authority as a wireline carrier, will result in complete resolution of this Docket.

## **III. Staff Position**

Staff agrees that in conjunction with the Commission's rulings in the Interim Order, the 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, the actual transfer of all customers to other carriers, and withdrawal of its certificates of service authority as a wireline carrier will resolve this proceeding in its entirety. Staff agrees that a final order should be entered regarding Respondent's wireline certificates of service authority now that those operations have been concluded pursuant to FCC requirements.

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

The Commission finds that, in conjunction with its rulings in the Interim Order, 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; the actual transfer of customers to other carriers; and by the surrender of Respondent's certificates of service authority to operate as a wireline carrier.

Accordingly, the Commission finds at this time that it is appropriate to cancel Respondent's certificates of service to provide telecommunications service to wireline customers under Docket 97-0132, Docket 01-0830, and Docket 02-0691.

## **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 97-0132, Respondent was granted a Certificate of Service Authority to provide resold local telecommunications service in Illinois;
- (5) in Docket 01-0830, Respondent was granted a Certificate of Exchange Service Authority to provide facilities-based local telecommunications service in Illinois;
- (6) in Docket 02-0691, Respondent was granted a Certificate of Service Authority to provide facilities-based interexchange telecommunications and resold interexchange telecommunications service in Illinois;
- (7) Respondent no longer provides wireline 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 granted in Docket 97-0132, Docket 01-0830 and Docket 02-0691 should be withdrawn and terminated.

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 local telecommunications service in Illinois is granted, and the Certificate of Service Authority issued in Docket 97-0132, is canceled.

IT IS FURTHER ORDERED that the request of Midwestern Telecommunications, Incorporated d/b/a M.T.I to withdraw its Certificate of Exchange Service Authority to

provide facilities-based local telecommunications service in Illinois is granted, and the Certificate of Exchange Service Authority issued in Docket 01-0830, is canceled.

IT IS FURTHER ORDERED that the request of Midwestern Telecommunications, Incorporated d/b/a M.T.I to withdraw its Certificate of Service Authority to provide facilities-based interexchange telecommunications and resold interexchange telecommunications service in Illinois is granted, and the Certificate of Service Authority issued in Docket 02-0691, is canceled.

IT IS FURTHER ORDERED that any motions, petitions, objections, and other matters in this proceeding which remain unresolved are disposed of consistent with the conclusions herein.

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 Order is final; it is not subject to the Administrative Review Law.

By order of the Commission this \_\_\_\_ day of \_\_\_\_\_, 2012.

(SIGNED) DOUGLAS P. SCOTT

Chairman