

**Michigan Office of Administrative Hearings and Rules**

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**AGENCY REPORT TO THE  
JOINT COMMITTEE ON ADMINISTRATIVE RULES (JCAR)**

**1. Agency Information**

**Agency name:**

Licensing and Regulatory Affairs

**Division/Bureau/Office:**

Public Service Commission

**Name of person completing this form:**

Leah Arendt

**Phone number of person completing this form:**

517-284-8093

**E-mail of person completing this form:**

ArendtL@michigan.gov

**Name of Department Regulatory Affairs Officer reviewing this form:**

Elizabeth Arasim

**2. Rule Set Information**

**MOAHR assigned rule set number:**

2021-41 LR

**Title of proposed rule set:**

Unbundled Network Element and Local Interconnection Services

**3. Purpose for the proposed rules and background:**

## Agency Report to JCAR-Page 2

These rules specify the minimum quality standards for provision of unbundled network elements (UNEs) and local interconnection services applicable to incumbent local exchange carriers (ILECs) interconnecting with competitive local exchange carriers (CLECs), to enable efficient competition in the marketplace in the provision of basic local exchange service. R 484.74 requires that the minimum quality standards for the provision of UNEs and local interconnection by an ILEC be either the standards set out in the final order in an industrywide proceeding before the Commission, or, where there is no such order, the standards adopted by the interconnecting parties pursuant to their interconnection agreement (ICA) approved by the Commission. The only current, final order in an industry-wide proceeding—the September 24, 2020 order in Case No. U-11830—applies to AT&T Michigan (the ILEC) and all CLECs interconnecting with AT&T Michigan. Thus, all other ILECs are subject to the alternative standard; that is, those standards adopted by the ILEC and CLEC in their ICA approved by the Commission.

The rules apply to large ILECs in their offering of wholesale UNEs and interconnection. Small ILECs typically do not offer UNEs on a wholesale basis. The few CLECs engaged in offering wholesale services are excluded from these rules due to the small amount of activity that they generate and the costs that would be incurred to implement processes to address and monitor such rules. The rules are based upon existing negotiation processes between ILECs and CLECs, as provided for by 47 USC 251 and 252, and standards established through industry-wide proceedings that occur between the individual ILECs and participating CLECs before the Commission.

Creating an intricate set of rules for the provision of unbundled network elements and local interconnection services is unnecessary due to market forces and the effective negotiation processes between providers already in existence. When such processes already exist and allow for certainty, there is no need for additional regulatory intervention. There is presently no known reason to believe there will be any negative effects from adopting these rules. The Commission proposes to repromulgate the rules with no changes. There were already repromulgated and put into effect in 2013, 2016, and 2019.

#### **4. Summary of proposed rules:**

## Agency Report to JCAR-Page 3

The Michigan Public Service Commission is considering the re-adoption of rules governing unbundled network elements and local interconnection services, located at Mich Admin Code, R 484.71 to 484.75. The Commission will hold a public hearing to solicit comments from anyone who wishes to comment on the proposed re-adoption.

These rules, previously re-promulgated and put into effect in 2013, 2016, and 2019, specify the minimum quality standards for provision of unbundled network elements (UNEs) and local interconnection services applicable to incumbent local exchange carriers (ILECs) interconnecting with competitive local exchange carriers (CLECs), to enable efficient competition in the marketplace in the provision of basic local exchange service. R 484.74 requires that the minimum quality standards for the provision of UNEs and local interconnection by an ILEC be either the standards set out in the final order in an industrywide proceeding before the Commission, or, where there is no such order, the standards adopted by the interconnecting parties pursuant to their interconnection agreement (ICA) approved by the Commission. The only current, final order in an industry-wide proceeding—the September 24, 2020 order in Case No. U-11830—applies to AT&T Michigan (the ILEC) and all CLECs interconnecting with AT&T Michigan. Thus, all other ILECs are subject to the alternative standard; that is, those standards adopted by the ILEC and CLEC in their ICA approved by the Commission.

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### **5. List names of newspapers in which the notice of public hearing was published and publication dates:**

The Grand Rapids Press (Daily Edition) – 9/23/21; The Mining Journal – 9/23/21; and Oakland Press – 9/23/21.

### **6. Date of publication of rules and notice of public hearing in Michigan Register:**

9/15/2021

### **7. Date, time, and location of public hearing:**

10/5/2021 09:00 AM at The public hearing will be held virtually via Microsoft Teams. Any person may attend and participate in this hearing via the following web link or by dialing the number below at the time of the hearing. , Join on your computer or mobile app: <https://bit.ly/U-21078> Or call in (audio only): 248-509-0316 Phone Conference ID: 409 788 013#

**8. Provide the link the agency used to post the regulatory impact statement and cost-benefit analysis on its website:**

<https://ARS.apps.lara.state.mi.us/Transaction/RFRTransaction?TransactionID=1299>

**9. List of the name and title of agency representative(s) attending public hearing:**

Commission Staff Wendy Thelen (Manager of Licensing & Competitive Issues Section within the Commission) and Joshua McConkie (Departmental Analyst within Licensing & Competitive Issues) attended the public hearing, with Assistant Attorney General Benjamin J. Holwerda appearing on Commission Staff's behalf.

**10. Persons submitting comments of support:**

No comments in support were submitted during the formal comment period. (Informal comments in support, however, were received by Commission Staff prior to seeking renewal of the Unbundled Network Element and Local Interconnection Services rules – specifically from the Michigan Internet and Telecommunications Alliance.)

**11. Persons submitting comments of opposition:**

Michigan Bell Telephone Company d/b/a AT&T Michigan

**12. Identify any changes made to the proposed rules based on comments received during the public comment period:**

	<b>Name &amp; Organization</b>	<b>Comments made at public hearing</b>	<b>Written Comments</b>	<b>Agency Rationale for change</b>	<b>Rule number &amp; citation changed</b>
1	None.	None.		None.	None.

**13. Date report completed:**

12/8/2021