

MICHIGAN TELECOMMUNICATIONS REPORT™

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FEATURES

MPSC TO CONSIDER REVAMPING RULES GOVERNING QUALITY OF TELECOMMUNICATIONS SERVICES

On July 11, 2001, the Michigan Public Service Commission issued an Order and Notice of Hearing commencing a rulemaking proceeding to adopt new rules governing the quality of telecommunications services. The proposed rules address a variety of issues, including repair and installation, emergency repairs, engineering standards, identity verification, customer billing, and billing accuracy, which have been in the news because of Ameritech's service quality problems. However, some competitive telecommunications carriers have expressed serious concerns with various provisions of the proposed rules, including an undefined applicability of the proposed rules, provisions that require automatic credits when certain performance standards are not met, requirements to use customers' social security numbers for identification, requirements to maintain offices in every county in which a provider offers service, additional requirements for what must appear on a customer's bill, increased directory service requirements, various required installation time frames that do not take into account resale provider's underlying carriers, and vague waiver and exception circumstances. Providers will comment on the proposed rules at a public hearing regarding the proposed rules, scheduled before the Commission on Wednesday, August 8, 2001, at 9:00 a.m. The Commission order was issued in response to a Commission established expiration date of September 1, 2001, for the quality of service standards currently in effect. In addition to the public hearing regarding the proposed rules for Wednesday, August 8, 2001, at 9:00 a.m., interested parties may file written comments regarding the proposed rules no later than August 15, 2001.

MiACT ISSUES REPORT CITING SBC/AMERITECH'S FAILURE TO INVEST IN MICHIGAN OVER LAST DECADE

On July 24, 2001, the Michigan Alliance for Competitive Telecommunications ("MiACT") released a new report showing SBC/Ameritech slashed investment in Michigan during the 1990s. MiACT issued the following press release outlining the report, which is available in its entirety on the Web at <www.miact.com>.

A new report compiled with data filed at the Federal Communications Commission by SBC/Ameritech, Michigan's largest local phone monopoly, shows how the giant megacorporation has betrayed Michigan by failing to invest in the state over the last decade, resulting in poor service and antiquated phone systems that have blocked competition and limited development of broadband internet service in Michigan.

The report, "Promises Made, Promises Broken: How Ameritech Took Advantage Of Deregulation In Michigan During The 1990s," shows that SBC/Ameritech's Michigan operations have consistently ranked at the bottom of the nation in terms of expenditures per access line, a key investment criteria, and that the company laid off nearly a third of its workers during the decade. According to the figures, developed from data provided to the Federal Communications Commission by SBC, Michigan ranked last in investment per line in 1999 and 2000.

Throughout the 1990s, Ameritech officials continually promised Michigan customers, lawmakers and other policymakers that the company was investing in our state. In reality, the local phone monopoly was raising rates and slashing investment in Michigan. The report, prepared for MiACT, shows that in 1995, Michigan was 47th in per-access line investment nationally. In 1996 and 1997, that dropped to 49th. Michigan bounced up to 45th in 1998, but in 1999, the last year included in the report, Michigan ranked dead last in investment by its major local service provider (Ameritech) - 51st of the 50 states and District of Columbia. New data obtained after the report was prepared show in 2000, Michigan ranked 50th (Alaska had not yet reported).

The report also chronicles Ameritech's massive layoffs of workers during the 1990s, from 19,030 in 1988 to 13,136 workers in 1999 - a 31 percent reduction. Meanwhile, SBC/Ameritech reported data, included in the report, shows the monopoly reaped huge profits from Michigan by charging some of the highest rates in the nation. Return on shareholder equity was 40.9 percent for Ameritech Michigan in 1995. It climbed to 48.9 percent in 1999.

"It's no wonder Michigan's telephone service levels have lagged behind the rest of the nation, and that state government leaders at the Michigan Economic Development Corporation are lamenting Michigan's lack of adequate broadband availability in the state," said Greg Boyd, executive director of MiACT. "It is critical that the Michigan Public Service Commission institute independent audits and continue monitoring of SBC/Ameritech's investment in the state until we have sufficient competition and no longer have to rely on the monopoly's network, which was built primarily with ratepayers dollars."

In 1997, then-Ameritech Michigan President Robert Cooper told the Detroit News "We invest \$1.5 million a day in Michigan." But in that year, the company's investment was \$407 million - down \$55 million from the previous year.

In April 2000, the merged SBC/Ameritech issued a press release saying it would spend \$753 million, and bring DSL service to 65 cities by the end of 2000. Instead, recently filed records at the Federal Communications Commission shows the company spent \$650 million - \$100 million less than promised.

"This report verifies what SBC President Ed Whitacre told stock analysts in December: That a lack of investment was behind the service meltdown." said Rick Gamber, executive director of the

Michigan Consumer Federation. "It's time for the Public Service Commission to step in and demand SBC/Ameritech hire more workers and invest more in our state."

Kevin Schoen of ACD.net, a broadband supplier headquartered in Lansing, said the lack of investment is a major reason why our state is lagging in broadband services. "SBC/Ameritech is not providing customers or competitors with the switches, lines and services needed for Michigan to take on a leadership role in broadband access," he said. "SBC's lack of investment is why the Michigan Economic Development Corp. is so concerned about our future in the broadband world."

A recent report on America's 50 most wired cities by Yahoo Internet Life shows not one Michigan city made the list. Oklahoma City, Nashville and Columbus, Ohio were listed.

Craig Champagne, president of CMC Telecom, a Wixom based competitive carrier, said SBC/Ameritech's declining investment means too few workers and too few modern components to permit development of robust local phone competition. "When we call with a problem, we're often talking to someone in Milwaukee, Wisconsin who doesn't know or understand Michigan customer needs. Outdated equipment makes it harder for all Michigan customers to get quality service."

The report shows that if Ameritech had invested capital to keep up with technology and provide adequate service at the same pace as other phone companies from 1995 to 1999, the company would have invested \$1.5 billion more on our phone system. "These aren't MiACT's numbers. They come right out of the documents SBC/Ameritech is forced by law to reveal to the FCC. Their own numbers show how SBC/Ameritech has taken advantage of Michigan's regulatory system and lack of competition to cut jobs, cut investment, raise rates and make huge profits," said Boyd.

"In Michigan we should take two steps immediately to address these issues. First, reject any effort by SBC/Ameritech to enter the long distance market until the monopoly invests in Michigan more appropriately at the national average. Second, the Legislature should seriously examine all legislation that would encourage SBC/Ameritech to beef up investment in its network - up to and including House Bill 4764, which would require structural separation of SBC/Ameritech's retail and network operations," Boyd said.

MiACT is a coalition whose membership includes the Michigan Consumer Federation, the Small Business Association of Michigan, the Michigan Association of Insurance Agents, other business associations, long distance companies such as AT&T and Sprint, and many small companies seeking to provide local phone competition.

* * *

PENDING LEGISLATION

The following is a list of active telecommunications bills that have been introduced during the current legislative session. Copies of bills and public acts referred to in this column may be obtained by contacting your state senator or representative, on the Michigan Legislature Web site, <<http://www.michiganlegislature.org/>> or from the Legislative Service Bureau Document Room at (517) 373-0169.

Senate Bill # Senator	Date Introduced	Description	Status
SB 280 Dunaskiss	03/07/01	Creates new act; provides for definition of public utilities	To Senate Committee on Technology/Energy
SB 446 Dunaskiss	05/01/01	Provides for the clarification of the definition of public utilities	Passed Senate Committee 24-1; 06/28/2001 placed on third reading in House

House Bill # Representative	Date Introduced	Description	Status
HB 4219 Mortimer	02/13/01	Creates new Cellular Tower Attachment Act to require approval of MPSC regarding construction of cellular communication towers	To House Committee on Energy/Technology
HB 4220 Mortimer	02/13/01	Amends MTA to establish MPSC authority regarding proposed Cellular Tower Attachment Act. Tie Bar with HB 4219	To House Committee on Energy/Technology
HB 4307 Anderson	02/20/01	Amends MTA by adding section 312c to require notification of long-distance charges to a customer using a pay telephone	To House Committee on Energy/Technology
HB 4764 Neumann	05/15/01	Amends MTA to provide for the structural separation of local exchange companies with more than 250,000 users	To House Committee on Energy/Technology

ORDERS

Case No. U-11830
Ameritech Michigan
(performance measures)

On July 25, 2001 the Michigan Public Service Commission issued an order granting in part and denying in part the petitions for rehearing of the Commission's April 17, 2001 order approving a performance remedy plan for Ameritech Michigan. The Commission also denied the petitions to reopen the record, and directed Ameritech Michigan to file within 10 days tariffs incorporating the remedy plan for those providers who interconnect only by tariff, and to enter into conforming interconnection agreements. In its April 17, 2001 order, the Commission incorporated a multiplier on all tier 1 and tier 2 remedies. Ameritech argued that the multiplier is unreasonable and punitive and that no party proposed a multiplier. The Commission concludes it will suspend (for now) the multiplier it imposed in order to test whether the remedies without the multiplier are sufficient to motivate improved compliance with the performance measures and to compensate the CLECs. The Commission states that along with the Staff, it will monitor Ameritech's performance during the next three months and will issue a follow-up order imposing a multiplier "if it finds that necessary to achieve the purposed of the remedy plan." On the issue of affiliate comparisons, the Commission agreed with Ameritech that the potentially small sample sizes may create a problem with implementation, and states that a reasonable solution would be to disregard affiliate transactions unless the number exceeds 30. The Commission also found that although it continues to conclude that acts or omissions of a CLEC are the most likely basis for a proper exclusion of liability, it will permit Ameritech an opportunity to prove otherwise by seeking a waiver of liability under other circumstances. Ameritech, however, must bear the burden of proof and pay the remedies in advance of the hearing, subject to refund if it prevails. Finally, the Commission noted that it does not require the filing of an application for approval of an amendment to the interconnection agreements each time the Commission adjust some aspect of the performance remedy plan, such as imposing or changing a multiplier, but that it expects that the interconnection agreements be amended in time to permit the first performance remedy payments to be paid on the basis of August or September 2001 data." Requests for clarification, rehearing, or reopening were filed by Ameritech Michigan, The Association of Communications Enterprises, AT&T Communications of Michigan, Inc. and TCG Detroit, CoreComm Michigan, Inc., McLeodUSA Telecommunications Services, Inc., Rhythms Links, Inc., MCImetro Access Transmission Services, Inc., MCI WorldCom Communications, Inc. and Brooks Fiber Communications of Michigan, Inc., and Z-Tel.

Case No. U-12540
Ameritech Michigan
(UNE offerings)

On July 25, 2001 the Michigan Public Service Commission issued an order denying the petitions for rehearing of the Commission's March 7, 2001 order establishing terms and conditions for Ameritech Michigan's provision of certain unbundled network elements and line sharing. Petitions were filed by AT&T Communications of Michigan, Inc. and TCG Detroit, MCImetro Access Transmission Services, Inc., MCI WorldCom Communications, Inc. and Brooks Fiber Communications of Michigan, Inc., and Ameritech Michigan.

Case No. U-12548
Winn Telephone Company and Verizon North Inc and
Contel of the South Inc, d/b/a Verizon North Systems
(interconnection agreement)

On July 25, 2001 the Michigan Public Service Commission issued an order approving the Amendment Supplementing Adopted Terms to the Interconnection Agreement between Winn Telephone Company and Verizon North, Inc. and Contel of the South, Inc., d/b/a Verizon North Systems that was approved on August 31, 2000.

Case No. U-12807
Verizon North Inc and Contel of the South Inc, d/b/a Verizon North Systems
(rate restructuring)

On July 25, 2001 the Michigan Public Service Commission ("Commission") issued an order authorizing Verizon North, Inc. and Contel of the South, Inc., d/b/a Verizon North Systems to adjust their rates, "except that they shall not collect their intrastate end-user common line charges ('EUCL') by merging them into their basic local exchange rates." In its application dated February 1, 2001, Verizon proposed new rates that would align with its TSLRICs filed in Case No. 11832, and would create a uniform rate applicable to all of Verizon North's five residential rate groups by realigning the current rates with Verizon's state-wide average TSLRIC of providing basic local exchange service. Second, Verizon requested approval to merge the EUCL into its basic local exchange rates. Third, Verizon proposed to eliminate separate charges for touch calling and rural zone charges for Verizon North's customers, and the revenue associated with those charges would be recovered through increases in basic local exchange rates. Although Section 701 of the Michigan Telecommunications Act ("MTA") does prohibit an increase in Verizon's rates at this time, the company has obtained a preliminary injunction in federal court against that provision. The Commission, however, states that because this matter has not been settled conclusively, it is reluctant to roll Verizon's EUCL into its basic local exchange rate or to take any action that "might appear to affect issues that remain pending in the federal court litigation." Thus, the Commission directs

Verizon to continue to bill the EUCL as a separate line-item charge. Because restructuring of the EUCL would have resulted in rate decreases for the business classes, whose rates already exceed TSLRIC, the Commission suggests that Verizon realign its business rates by filing and implementing notice of a reduction in its business basic local exchange rates pursuant to Section 304(2)(a) of the MTA. Further, the Commission concludes that if Section 310(7) and 701 are later found to be lawful, “Verizon will be required to refund the amount collected under the EUCL with interest.”

Case No. U-12886

**1-800-Reconex Inc and Ameritech Michigan
(interconnection agreement)**

On July 25, 2001 the Michigan Public Service Commission issued an order approving the First Amendment to the multi-state Interconnection Agreement between 1-800-Reconex, Inc. and Ameritech Michigan that was approved on June 5, 2001. The Amendment removes Appendix Directory Assistance and Appendix Operator Services and replaces them with Appendix Directory Assistance W/O Branding and Appendix Operator Services W/O Branding, respectively.

Case No. U-12964

**Snappy Phone of Texas Inc and Verizon North Inc and
Contel of the South Inc, d/b/a Verizon North Systems
(interconnection agreement)**

On July 25, 2001 the Michigan Public Service Commission issued an order approving the Resale Agreement between Snappy Phone of Texas, Inc. and Verizon North, Inc. and Contel of the South, Inc., d/b/a Verizon North Systems.

Case No. U-12982

**Talk America Inc and Ameritech Michigan
(interconnection agreement)**

On July 25, 2001 the Michigan Public Service Commission issued an order approving the multi-state Interconnection Agreement, including an amendment governing unbundled network element combinations, between Talk America, Inc. and Ameritech Michigan.

Case No. U-12995

**1-800-Reconex Inc and Verizon North Inc and
Contel of the South Inc, d/b/a Verizon North Systems
(interconnection agreement)**

On July 25, 2001 the Michigan Public Service Commission issued an order approving the Interconnection Agreement between 1-800-Reconex, Inc. and Verizon North, Inc. and Contel of the

South, Inc., d/b/a Verizon North Systems.

* * *

NOTICES OF HEARING

Case No. U-12969
KMC Data LLC
(license)

The June 5, 2001 application of KMC Data, LLC for a license to provide local exchange services in the exchanges currently served by Ameritech Michigan, Verizon North, Inc., and Verizon North Systems is set for an evidentiary hearing at 9:00 a.m. on August 20, 2001. Interventions are due on or before August 16, 2001.

Case No. U-12993
Ernest Communications Inc
(license)

The June 26, 2001 application of Ernest Communications, Inc. for a license to provide telecommunication services in the exchange areas presently served by Ameritech Michigan, Verizon North, Inc., Verizon North Systems, CenturyTel of Michigan, Inc., CenturyTel of Northern Michigan, Inc., CenturyTel Midwest, Inc. and CenturyTel of the Upper Peninsula, Inc. is set for an evidentiary hearing at 9:00 a.m. on September 11, 2001. Interventions are due on or before September 7, 2001.

Case No. U-13007
Ameritech Michigan
(directory assistance services)

The July 6, 2001 application of Ameritech Michigan for a determination that directory assistance services provided to end-users are competitive services is set for a prehearing conference at 9:00 a.m. on August 22, 2001. Interventions are due on or before August 15, 2001.

Case No. U-13008
TruComm Corporation
(license)

The July 9, 2001 application of TruComm Corporation for a license to provide telecommunications services in the exchange areas presently served by Ameritech Michigan is set

for a evidentiary hearing at 9:00 a.m. on September 12, 2001. Interventions are due on or before September 10, 2001.

Case No. U-13021
Dominion Telecom Inc
(license)

The July 16, 2001 application of Dominion Telecom, Inc. for a license to provide local exchanges services in the exchanges currently served by Ameritech Michigan, Verizon North, Inc. and Verizon North Systems is set for an evidentiary hearing at 9:00 a.m. on October 9, 2001. Interventions are due on or before October 5, 2001.

* * *

PSC HEARINGS

Note: Unless indicated otherwise, hearings are held in the offices of the Commission, 6545 Mercantile Way, Suite 7, Lansing.

Hearings Scheduled for Last Week (ending July 27, 2001)

July 23, 2001, 9:00a.m.
Case No. U-12965/evidentiary hearing
Coldwell Banker-Blakely Realty v American Phone
Service (slamming)

July 26, 2001, 9:00 a.m.
Case No. U-12853/evidentiary hearing
Ware v McLeodUSA (disconnection of service)

July 24, 2001 9:00 a.m.
Case No. U-12957
Marchewka v AT-N Corporation (slamming)

Hearings Scheduled for This Week (ending August 3, 2001)

None scheduled

Future Hearings Scheduled

The Michigan Public Service Commission hearings listed below are subject to cancellation. Interested persons should confirm with the Commission all hearing information on the day before the hearing. Additional hearings not listed here may also be scheduled.

August 8, 2001, 9:00 a.m.
Case No. U-13013/public hearing
Commission's Own Motion (quality of service rules)

September 11, 2001, 9:00 a.m.
Case No. U-12993/evidentiary hearing
Ernest Communications (license)

August 9, 2001, 9:00 a.m.
Case No. U-12981/motion hearing
East Lansing Orthopedic Assn v MCI WorldCom
(quality of service)

September 12, 2001, 9:00 a.m.
Case No. U-13008/evidentiary hearing
TruComm Corporation (license)

August 20, 2001, 9:00 a.m.
Case No. U-12969/evidentiary hearing
KMC Data LLC (license)

October 9, 2001, 9:00 a.m.
Case No. U-13021/evidentiary hearing
Dominion Telecom (license)

August 22, 2001, 9:00 a.m.
Case No. U-13007/prehearing conference
Ameritech Michigan (directory assistance services)

APPLICATIONS AND COMPLAINTS

Note: on July 19, 2001 Ameritech Michigan filed with the Michigan Public Service Commission revised pricing schedules to interconnection agreements in the following dockets:

Case No. U-11203 Sprint Communications Company LP

Case No. U-11340 Climax Telephone Co

Case No. U-11596 LCI International Telecom Corporation

Case No. U-11675 GTE Communications Corporation

Case No. U-11718 Teligent Inc

Case No. U-11768 US West Interprise America Inc

Case No. U-11839 NEXTLINK Michigan Inc

Case No. U-11841 Rhythms Links Inc, f/k/a Accelerated Connections Inc

Case No. U-11902 Norlight Telecommunications Inc

Case No. U-11962 Frontier Telemanagement Inc

Case No. U-11974 Lucre Inc

Case No. U-11997 CALLUP Inc

Case No. U-12004 TelNet Worldwide Inc

Case No. U-12044 Mutual Information Exchange Inc

Case No. U-12053 Allegiance Telecom of Michigan Inc

Case No. U-12070 DSLnet Communications LLC

Case No. U-12226 Jato Operating Two Corporation

Case No. U-12238 Baraga Telephone Company

Case No. U-12273 Long Distance of Michigan Inc, d/b/a LDMI

Case No. U-12382 Coast to Coast Telecommunications Inc

Case No. U-12414 Computer Business Sciences Inc

Case No. U-12454 CoreComm Inc

Case No. U-12479 2nd Century Communications Inc

Case No. U-12574 MVX.com Communications Inc

Case No. U-12620 Bilan Communications Inc

Case No. U-12624 Ntegrity Telecontent Services Inc

Case No. U-12633 Buckeye TeleSystem Inc

Case No. U-12668 CCCMI, d/b/a CONNECT!

- Case No. U-12686 Urban Media of Michigan Inc**
- Case No. U-12710 Broadband office Communications Inc**
- Case No. U-12769 TDS Metrocom Inc**
- Case No. U-12927 Covad Communications Company**
- Case No. U-12954 Buckeye TeleSystem Inc**
- Case No. U-12962 Adelphia Business Solutions**

Case No. U-12382
Coast to Coast Telecommunications and Ameritech Michigan
(interconnection agreement)

On July 25, 2001 Coast to Coast Telecommunications and Ameritech Michigan jointly applied to the Michigan Public Service Commission (“Commission”) for approval of the Mi2A Amendment to their Interconnection Agreement approved by the Commission on October 25, 2000.

Case No. U-12778
Best Computer Consulting Inc v Sprint Communications Company LP
(consumer complaint: billing dispute)

On July 19, 2001 Best Computer Consulting, Inc. (“Best”) and Sprint Communications Company L.P. (“Sprint”) jointly moved that the Michigan Public Service Commission enter an order dismissing with prejudice Best’s complaint alleging that Sprint misrepresented the rates, terms and conditions of the contract under which Best purchased intraLATA and intrastate telecommunications services. The parties indicate that they have resolved this proceeding by settlement.

Case No. U-12930
Taylor Door & Builders Inc v Ameritech Michigan
(consumer complaint: disconnection of service)

On July 25, 2001 Taylor Door & Builders, Inc. notified the Michigan Public Service Commission that it wishes to withdraw its complaint, with prejudice and without costs to any party, against Ameritech Michigan alleging improper disconnection of service.

Case No. U-12987
Allegiance Telecom of Michigan Inc and Ameritech Michigan
(interconnection agreement)

On July 23, 2001 Ameritech Michigan filed with the Michigan Public Service Commission the revised pricing schedules to the underlying (Coast to Coast) agreement which were missing from the Interconnection Agreement between Allegiance Telecom of Michigan, Inc. and Ameritech Michigan, which was jointly filed on June 21, 2001.

Case No. U-13020
Winn Telephone Company
(amended license)

On July 25, 2001 Winn Telephone Company (“Winn”) applied to the Michigan Public Service Commission for approval to amend its license so as to provide and resell basic local exchange service to additional geographic areas. Winn is currently licensed to provide service in the Alma, Ithaca, Mt. Pleasant, Shepherd, St. Louis, Vestaburg, Weidman and Winn Exchanges. Winn proposes to provided and resell service to the Alger, Alpena, Ashley, Atlanta, Bancroft, Barryton, Breckenridge, Carson City, Caseville, Cass City, Clifford, Durand, Edmore, Elkton, Elsie, Fairview, Fenwick, Fowler-Pewamo Gaylord, Grayling, Harbor Beach, Harrisville, Hemlock, Higgins Lake, Hillman, Houghton Lake, Hubbard Lake, Hubbardston, Kingston, Lachine, Lakeview, Lewiston, Lincoln, Long Lake, Lupton, Maple Rapids, McBride, Merrill, Middleton, Minden City, Mio, Muir, Onaway, Ossineke, Ovid, Owosso, Palo, Pompeii, Posen, Prescott, Remus, Riverdale, Rogers City, Roscommon, Rose City, Sheridan, Sidney, Six Lakes, St. Johns, Stanton, Sterling and Vanderbilt Exchanges served by Verizon North, Inc., and in the Akron, Auburn, Bad Axe, Bay City, Bayport, Beaverton, Birch Run, Clare, Coleman, East Tawas, Fairgrove, Farwell, Frankenmuth, Freeland, Gagetown, Gladwin, Harrison, Linwood, Mayville, Midland, Oscoda, Owendale, Reese, Rosebush, Saginaw, Sebewaing, St. Helen, St. Charles, Standish, Ubyly, Unionville, Vassar and West Branch Exchanges served by Ameritech Michigan. Winn asserts that these exchanges are within the general vicinity of Winn’s existing licensed areas, and that they are similar to the existing licensed areas currently served by Winn. Winn also states that it will resell basic local exchange services, but that it plans to eventually purchase and install state-of-the-art facilities and offer facility-based basic local exchange services in the exchanges. Winn has been an incumbent provider of local services since 1908. Winn requests that the Commission issue an order, without a hearing, granting the proposed license expansion.

Case No. U-13022
United Telecom Inc and Ameritech Michigan
(interconnection agreement)

On July 17, 2001 United Telecom, Inc. (“United”) and Ameritech Michigan jointly applied

to the Michigan Public Service Commission for approval of their multi-state Resale Agreement (“Agreement”) executed as of April 18, 2001. The parties state that United’s application for a license to provide basic local exchange service as a reseller and facilities-based carrier is presently awaiting Commission approval in Case No. U-12928. The Agreement has an initial term that expires on June 24, 2002.

Case No. U-13025

**Barry N. Tilds v AT&T Communications of Michigan Inc
(consumer complaint: billing dispute)**

On July 18, 2001 Barry N. Tilds (“Complainant”), of Bloomfield Hills, filed a formal complaint with the Michigan Public Service Commission alleging that AT&T Communications of Michigan, Inc. (“AT&T”) had offered him a specific calling plan, which he accepted, and then billed him rates that were higher than quoted. He further states that when he inquired about the invoice, and explained the rates he was quoted, AT&T representatives denied the existence of such a calling plan and refused to adjust his bill. Complainant states that AT&T use an “unlawful bait and switch” sales tactic. He requests that the Commission order AT&T to credit his account and to provide assurance that no adverse credit reporting information will result from his refusal to pay the AT&T bills in full. He also seeks “damages as a result of fraud.”

Case No. U-13027

**Quick Communications Inc and Ameritech Michigan
(interconnection agreement)**

On July 23, 2001 Quick Communications, Inc. (“Quick”) and Ameritech Michigan jointly applied to the Michigan Public Service Commission (“Commission”) for approval of their Interconnection Agreement (“Agreement”), executed as of July 12, 2001, including the First (Mi2A) Amendment. Quick requested the sectional adoption of terms and conditions of the interconnection agreement dated September 18, 2000 between Coast to Coast Telecommunications, Inc. and Ameritech Michigan, including the Appendix DSL for line sharing or HFPL, that was approved by the Commission in an order issued on October 24, 2000 in Case No. U-12382, and the revised rates approved by the Commission in Cases No. U-11831 and U-12696. Additionally, the applicants state that the Negotiated Reciprocal Compensation Appendix is a negotiated document that replaces the Reciprocal Compensation section included in the Coast Agreement. The Agreement has an initial term that expires on September 18, 2003.

Case No. U-13028

**NOS Communications Inc and Ameritech Michigan
(interconnection agreement)**

On July 23, 2001 NOS Communications, Inc. (“NOS”) and Ameritech Michigan jointly

submitted to the Michigan Public Service Commission (“Commission”) for approval their multi-state Interconnection Agreement executed as of July 11, 2001 (“Agreement”). The Agreement has an initial term that expires on August 12, 2002.

Case No. U-13030

**Mark Lawburgh v MCI WorldCom
(consumer complaint: billing dispute)**

On July 25, 2001 Mark Lawburgh (“Complainant”), of Spring Lake, filed a formal complaint with the Michigan Public Service Commission against alleging that MCI WorldCom failed to provide service at the rates it promised. Complainant states that MCI WorldCom, attempting to sell him basic local exchange service, said its calling plan would match the calling plan Complainant had with Ameritech which allowed him to make unlimited local calls to five (5) adjacent exchanges which would otherwise be classed as local toll calls. After Complainant switched to MCI WorldCom, his first bill included toll calls that he felt should have been billed as local. Next, Complainant, whose Internet Service Provider was located in one of the five adjacent exchanges, was notified by MCI WorldCom of a nearly \$700.00 account balance. When Complainant explained that his calling plan included local calls to the five adjacent exchanges, MCI WorldCom told him that the company does not offer a plan that includes local calls to these exchanges. Complainant requests that the Commission order MCI WorldCom to credit his account for the local toll calls, reimburse him for his economic losses, and provide him with a letter of apology.

Case No. U-13031

**NOS Communications Inc and Verizon North Inc and Contel of the South, d/b/a Verizon North Systems
(interconnection agreement)**

On July 27, 2001 NOS Communications, Inc. (“NOS”) and Verizon North, Inc. and Contel of the South, d/b/a Verizon North Systems (collectively, “Verizon”) jointly applied to the Michigan Public Service Commission for approval of their Interconnection Agreement (“Agreement”). The Agreement remains in effect from the effective date until June 5, 2003, and establishes financial and operational terms for the interconnection and unbundling of services between the companies.

Case No. U-13034

**Lucre Inc v Ameritech Michigan
(reciprocal compensation dispute)**

On July 25, 2001 Lucre, Inc. (“Lucre”) filed a complaint against Ameritech Michigan alleging a dispute over interconnection agreement payments for reciprocal compensation for local traffic. Lucre sets forth that under the terms of its Interconnection Agreement (“Agreement”) with Ameritech, both parties to the Agreement must pay reciprocal compensation to the other on a

minute-of-use basis for calls that are terminated on the billing party's network. Lucre asserts that it has terminated traffic from Ameritech's customers and has accordingly invoiced Ameritech for same. Lucre, however, claims that Ameritech repeatedly refuses to pay portions of the invoices, claiming instead that prices have changed and that Ameritech does not owe reciprocal compensation on calls terminated to Internet Service Providers ("ISPs"). Lucre argues that neither claim "has any merit", because: 1) the Commission has held in numerous instances that traffic to ISPs is local traffic and subject to reciprocal compensation; and, 2) prices can only change under the terms of the specific interconnection agreement involved, which in the case of the instant Agreement, requires Ameritech to provide advance written notice of a proposed change in pricing and an amendment to the Agreement. Lucre states that Ameritech has done neither and is "illegally" attempting to change prices retroactive to its tariff filing dates. Lucre requests that the Commission, among other things, appoint a mediator and schedule a dispute resolution meeting; order Ameritech to pay Lucre the disputed amounts of \$1,948,603.71, and impose fines upon Ameritech for violating provisions of the Michigan Telecommunications Act.

Case No. U-13035

**Elizabeth M. Simonds v Ameritech Michigan
(consumer complaint: failure or refusal to provide service)**

On July 30, 2001 Elizabeth M. Simonds ("Complainant"), of Lansing, filed a formal complaint with the Michigan Public Service Commission alleging that Ameritech Michigan has failed or refused to provide telephone service. Complainant states that Ameritech required that she provide proof of residency during April and May 2001 as a condition of providing service, and that she has been willing to provide proof of identification. Complainant requests reimbursement for her economic loss, the imposition of fines and the entry of a cease and desist order against Ameritech.

Case No. U-13037

**Alpine-Michigan E Inc and Verizon North Inc and
Contel of the South, d/b/a Verizon North Systems
(interconnection agreement)**

On August 1, 2001 Alpine-Michigan E, Inc. ("Alpine") and Verizon North, Inc. and Contel of the South, d/b/a Verizon North Systems (collectively, "Verizon") jointly applied to the Michigan Public Service Commission ("Commission") for approval of their Interconnection Agreement. The application states that Alpine, a two-way wireless service provider, adopted the terms of the interconnection agreement between AT&T Wireless Services, Inc. and Verizon, approved by the Commission in Case No. U-12178.

Case No. U-13038
McLeodUSA Telecommunications Services Inc
(rate restructuring)

On August 1, 2001 McLeodUSA Telecommunications Services, Inc. (“McLeodUSA”) applied to the Michigan Public Service Commission to restructure certain rates for basic local exchange services. McLeod states that since the time it issued its initial tariffs, Ameritech, the incumbent carrier, has raised its rates for these various services and that Ameritech’s rates are currently higher than the rates charged by McLeodUSA for the same services. Thus, McLeodUSA seeks to increase its rates for Basic Business Line service, Business Line Monthly Recurring Charge Per Line, and Directory Assistance to match those rates charged by Ameritech.

Case No. U-13039
Alpine PCS Inc and Verizon North Inc and Contel of the South, d/b/a Verizon North Systems
(interconnection agreement)

On August 1, 2001 Alpine PCS, Inc. (“Alpine”) and Verizon North, Inc. and Contel of the South, d/b/a Verizon North Systems (collectively, “Verizon”) jointly applied to the Michigan Public Service Commission (“Commission”) for approval of their Interconnection Agreement. The application states that Alpine, a two-way wireless service provider, adopted the terms of the interconnection agreement between AT&T Wireless Services, Inc. and Verizon, approved by the Commission in Case No. U-12178.

Case No. U-13040
RFB Cellular Inc and Verizon North Inc and Contel of the South, d/b/a Verizon North Systems
(interconnection agreement)

On August 1, 2001 RFB Cellular, Inc. (“RFB”) and Verizon North, Inc. and Contel of the South, d/b/a Verizon North Systems (collectively, “Verizon”) jointly applied to the Michigan Public Service Commission (“Commission”) for approval of their Interconnection Agreement. The application states that Alpine, a two-way wireless service provider, adopted the terms of the interconnection agreement between AT&T Wireless Services, Inc. and Verizon, approved by the Commission in Case No. U-12178.

Case No. U-13041
Alpine-Michigan F LLC and Verizon North Inc and
Contel of the South, d/b/a Verizon North Systems
(interconnection agreement)

On August 1, 2001 Alpine-Michigan F, LLC (“Alpine”) and Verizon North, Inc. and Contel of the South, d/b/a Verizon North Systems (collectively, “Verizon”) jointly applied to the Michigan

Public Service Commission (“Commission”) for approval of their Interconnection Agreement. The application states that Alpine, a two-way wireless service provider, adopted the terms of the interconnection agreement between AT&T Wireless Services, Inc. and Verizon, approved by the Commission in Case No. U-12178.

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PSC NOTICES OF OPPORTUNITY FOR COMMENT

Case No. U-13020
Winn Telephone Company
(amended license)

On July 25, 2001 Winn Telephone Company (“Winn”) filed an application with the Michigan Public Service Commission (“Commission”) to amend the geographic service area of its license to provide basic local exchange service to certain Ameritech Michigan and Verizon North Inc. exchanges. On August 2, 2001 the Commission directed Winn to issue a notice of opportunity to comment to cover the proposed service area by August 22, 2001. Written comments are due on or before September 12, 2001.

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SCHEDULED MPSC MEETINGS FOR AUGUST 2001

August 16, 2001	Thursday	10:00 a.m.
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