

M ICHIGAN **T** ELECOMMUNICATIONS **R** EPORT™

A CLARK HILL PLC Publication, Roderick S. Coy*, Editor

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In this issue . . .

page no. 2 **Features**

- **FCC releases report on local phone competition**
- 3 Pending Legislation
- 5 Public Acts of 2003
- 7 Orders
- 7 Notices of Hearing
- 8 PSC Hearings Schedule
- 8 Applications and Complaints
- 10 Opportunities for Comment
- 11 PSC Meetings
- 18 MTR Subscription Information

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INDEX OF CASES HIGHLIGHTED

ORDERS:

No new orders have been issued by the MPSC since 12/18/03

APPLICATIONS AND COMPLAINTS:

U-12465 TCG Detroit/SBC: ICA
U-12465 AT&T/SBC: SBC: ICA
U-13984 MCImetro: rate increase
U-13994 ComTech21: license
U-13986 Coast to Coast/SBC: ICA
U-13991 Nexor/SBC: ICA
U-13993 DayStarr: amended license

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FEATURES

FCC RELEASES DATA ON LOCAL TELEPHONE COMPETITION

Note: On December 22, 2003, the Federal Communications Commission (FCC) issued the following:

FOR IMMEDIATE RELEASE
December 22, 2003

NEWS MEDIA CONTACT:
Michael Balmoris at (202) 418-0253
Email: michael.balmoris@fcc.gov

Washington, D.C. – The Federal Communications Commission (FCC) today released summary statistics of its latest data on local telephone service competition in the United States. Telecommunications service providers file data on lines in service to end-user customers and mobile wireless telephone subscribers twice a year in the Commission's local competition and broadband data gathering program (FCC Form 477).

Reporting of state-level data is mandatory for carriers with at least 10,000 switched access lines, or at least 10,000 mobile wireless telephone service subscribers, in a state. Statistics released today summarize FCC Form 477 filings from qualifying providers as of September 1, 2003, and reflect data as of June 30, 2003.

Summary Statistics

- End-user customers obtained local telephone service by means of some 155.9 million incumbent local exchange carrier (ILEC) switched access lines, 26.9 million competitive local exchange carrier (CLEC) switched access lines, and 147.6 million mobile wireless telephone service subscriptions.
- Nationwide, mobile wireless telephone subscribers increased 6% during the first six months of 2003 from 138.9 million to 147.6 million. For the full twelve month period ending June 30, 2003, mobile wireless subscribers increased by 13%.
- Total CLEC end-user switched access lines increased by 9% during the first half of 2003, from 24.8 million to 26.9 million lines. By comparison, total CLEC lines increased by 14% during the preceding six months, from 21.6 to 24.8 million lines. For the full twelve month period ending June 30, 2003, CLEC end-user lines increased by 24%.
- About 14.7% of the 182.8 million total end-user switched access lines were reported by CLECs, compared to 11.4% a year earlier.
- 62% of CLEC end-user switched access lines served residential and small business customers, compared to 78% of ILEC lines. CLECs reported 12% of total residential and small business switched access lines, compared to 8% a year earlier.
- During the first half of 2003, cable-telephony lines increased by 1% to 3.0 million lines. The 3.0 million reported cable-telephony lines constituted about 11% of switched access lines provided by CLECs and about 2% of total switched access lines.
- CLECs reported providing about 18% (a decline from 43% in December 1999) of their switched access lines by reselling the services of other carriers and about 58% (an increase from 24% in December 1999) by means of unbundled network elements (UNEs) leased from other carriers. The remainder of CLEC lines was provided over local-loop facilities owned by the CLECs.

- ILECs reported providing about 27% more unbundled network element (UNE) loops with switching to unaffiliated carriers at the end of June 2003 than they reported six months earlier (13.0 million compared to 10.2 million) and about 1% fewer UNE loops without switching (about 4.2 million compared to 4.3 million).
- At least one CLEC was serving local telephone service end-user customers in 73% of the nation's zip codes at the end of June 2003, up from 67% a year earlier. About 95% of United States households reside in these zip codes. CLECs reported customers in all 50 states, the District of Columbia, and Puerto Rico.

As additional information becomes available, it will be routinely posted on the Commission's Internet site.

The report is available for reference in the FCC's Reference Information Center, Courtyard Level, 445 12th Street, SW, Washington, DC. Copies may be purchased by calling Qualex International at (202) 863-2893. The report can also be downloaded from the **FCC-State Link** Internet site at <www.fcc.gov/wcb/stats>.

Wireline Competition Bureau contacts: Industry Analysis and Technology Division at (202) 418-0940, TTY (202) 418-0484.

* * *

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 1 VanWoerkom	1/08/03	Communications; telecommunications; end-user line charge; clarify. Amends sec. 310 of 1991 PA 179 (MCL 484.2310).	Passed by Senate; 28-9; goes to House Committee on Energy and Technology
SB 11 Johnson	1/8/03	State; authorities; issuance of bonds for equipment associated with telecommunications on the campuses of Michigan institutions of higher education with lease options back to the institutions and the state; provide for. Amends sec. 7 of 1964 PA 183 (MCL 830.417).	Senate Committee on Technology and Energy reported favorably; 3/21/03 referred to Senate Committee on Appropriations
SB 204 Allen	2/20/03	Communications; telecommunications; requirement for companies under 250,000 customers to make adjacent calling areas a local call; provide for. Amends sec. 304 of 1991 PA 179 (MCL 484.2304)	To Senate Committee on Technology and Energy

Senate Bill # Senator	Date Introduced	Description	Status
SB 294 Cherry	3/13/03	Education; school districts; student use of cellular phones and pagers in schools; provide authority to local school boards. Amends sec. 1303 of 1976 PA 451 (MCL 380.1303).	Sub S-3 passed by Senate 38-0; 3/28/03 referred to House Committee on Education
SB 357 Bishop	4/1/03	Communications; computers; regulation of electronic mail advertisements; provide for. Creates new act.	6/24/03 passed Senate 37-0; referred to House Committee on Energy and Technology
SB 675 Brater	9/16/03	Labor; fair employment practices; employer monitoring of employee communications; prohibit unless the employer establishes an employee monitoring policy and discloses that policy to employees. Creates new act.	To Senate Committee on Commerce and Labor
SB 760 Stamas	10/7/03	Communications; telecommunications; cramming provisions; expand to include "internet service providers". Amends sec. 507 of 1991 PA 179 (MCL 484.2507)	To Senate Committee on Technology and Energy

House Bill # Representative	Date Introduced	Description	Status
HB 4030 Shulman	1/28/03	Communications; telecommunications; end-user line charge; clarify. Amends sec. 310 of 1991 PA 179 (MCL 484.2310).	To House Committee on Energy and Technology
HB 4044 Bradstreet	1/28/03	Communications; telecommunications; structural separation of local exchange companies with more than 250,000 users; provide for. Amends sec. 101 of 1991 PA 179 (MCL 484.2101) by adding sec. 305a.	To House Committee on Energy and Technology
HB 4080 Woronchak	1/29/03	Communications; telecommunications; fees for unlisted telephone number for persons 65 years of age and over; eliminate.	To House Committee on Energy and Technology
HB 4187 Anderson	2/11/03	Communications; telecommunications; notification of long-distance charges to customer using a pay telephone; require. Amends 1991 PA 179 (MCL 484.2101 – 484.2701) by adding sec. 312c.	To House Committee on Energy and Technology
HB 4188 Shulman	2/11/03	Consumer protection; unfair trade practices; deceptive unsolicited commercial e-mail; regulate. Amends sec. 3 of 1976 PA 331 (MCL 445.903) & adds sec. 3e.	To House Committee on Energy and Technology

House Bill # Representative	Date Introduced	Description	Status
HB 4306 Kolb	2/27/03	Trade; consumer goods and services; sale of disposable cell phones; prohibit. Amends 1976 PA 331 (MCL 445.901 – 445.922) by adding sec. 903e.	To House Committee on Commerce
HB 4320 Johnson	3/11/03	Communications; telecommunications; disclosure of address to an unlisted telephone number or contract holder of a cellular telephone; allow state police access. Amends 1991 PA 179 (MCL 484.2101 – 484.2701) by adding sec. 255.	To House Committee on Energy and Technology
HB 4595 Bradstreet	4/29/03	Communications; telecommunications; Michigan antitrust act; eliminate exemption for telecommunication providers. Amends sec. 4 of 1984 PA 274 (MCL 445.774).	4/29/03 to House Committee on Energy and Technology
HB 4709 Bisbee	5/20/03	Communications; telecommunications; requirement for timely transfer of customers from 1 provider to another; provide for. Amends 1991 PA 179 (MCL 484.2101 - 484.2701) by adding sec. 364.	To House Committee on Energy and Technology
HB 4731 Shulman	5/22/03	Communications; telecommunications; rate filing; revise. Amends sec. 304 of 1991 PA 179 (MCL 484.2304).	To House Committee on Energy and Technology
HB 4802 Koetje	6/3/03	Communications; telecommunications; prohibited conduct with regard to telecommunications access; clarify a potential unintended consequence. Amends sec. 540c of 1931 PA 328 (MCL 750.540c).	7/1/03 passed; given immediate effect 104-0; 7/2/03 to Senate Committee on Judiciary
HB 4917 Rivet	7/2/03	Communications; telecommunications; unbundled network elements platform prices by incumbent local exchange carriers; allow public service commission to increase annually. Amends sec. 352 of 1991 PA 179 (MCL 484.2352).	To House Committee on Energy and Technology
HB 4936 Woodward	7/2/03	Communications; telecommunications; commission review of rate differentials; provide for. Amends sec. 304 of 1991 PA 179 (MCL 484.2304).	To House Committee on Energy and Technology
HB 5070 Daniels	9/25/03	Corrections; state facilities; telephone system for state correctional facilities; impose requirements. Amends 1953 PA 232 (MCL 791.201 – 791.283) by adding sec. 69b.	To House Committee on Criminal Justice

House Bill # Representative	Date Introduced	Description	Status
HB 5073 Spade	9/25/03	Public utilities; consumer services; disruption of service to radio stations, television stations, and cable providers; require public utilities to give priority to restore service. Amends 1939 PA 3 (MCL 460.1-460.10cc) by adding sec. 6q.	To House Committee on Energy and Technology
HB 5084 Accavitti	9/25/03	Traffic control; violations; an individual less than 18 years of age driving on a permit or graduated licensing status and using a handheld cellular telephone while operating a vehicle; prohibit. Amends 1949 PA 300 (MCL 257.1 – 257.923) by adding sec. 602b.	To House Committee on Transportation
HB 5085 Minore	9/25/03	Traffic control; violations; use of cellular telephone by individuals operating a vehicle with a driver permit; prohibit. Amends secs. 306 & 310e of 1949 PA 300 (MCL 257.306 & 257.310e).	To House Committee on Transportation

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PUBLIC ACTS OF 2003

Public Act #	Effective Date	Description	Bill Number and Sponsor
PA 12	6/3/03	Prohibits state agencies from using a 900-telephone number or other telephone system that charges the caller for access to public information held or maintained by a state agency. Amends 1984 PA 431 (MCL 18.1101 - 18.1594) by adding sec. 224.	Enrolled SB 180 Stamas R – District 36
PA 42	7/15/03	Communications; computers; regulation of the transmission of electronic mail advertisements; provide for. Creates new act.	Enrolled HB 4519 Huizenga R – District 90
PA 132	8/13/03	Education; school districts; student use of cellular phones and pagers in schools; provide authority to local school boards and public school academies to regulate or allow. Amends sec. 1303 of 1976 PA 451 (MCL 380.1303).	Enrolled HB 4218 Middaugh R – District 80

Public Act #	Effective Date	Description	Bill Number and Sponsor
PA 206	11/26/03	Public utilities; other; disconnection of telephone service for certain military individuals; prohibit. Amends 1991 PA 179 (MCL 484.2101 - 484.2701) by adding sec. 314a.	Enrolled HB 4283 Pappageorge R – District 41
PA 244		Law enforcement; communications; wireless 9-1-1 fee; extend sunset. Amends secs. 408 & 717 of 1986 PA 32 (MCL 484.1408 & 484.1717) & repeals enacting section 1 of 1999 PA 78.	Enrolled HB 4439 Bradstreet R – District 105

ORDERS

No new telecommunication orders have been issued by the MPSC since December 18, 2003.

* * *

NOTICES OF HEARING

Unless otherwise noted, all hearings are held at the offices of the Michigan Public Service Commission, 6545 Mercantile Way, Suite 7, Lansing, Michigan.

Case No. U-13940
ACCXX Communications LLC
(license)

The November 6, 2003 application of ACCXX Communications, LLC, for a license to provide basic local exchange service 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 is set for an evidentiary hearing at **9:00 a.m. on January 13, 2004**. Interventions are due on or before **January 9, 2004**.

Case No. U-13977
AT&T Communications of Michigan Inc
(switched access rates)

A public hearing in the matter of the December 9, 2003 application of AT&T Communications of Michigan, Inc. for Michigan Public Service Commission determination of switched access rates that SBC may assess to AT&T when it purchases SBC intrastate toll access services, pursuant to Section 310(2) of the Michigan Telecommunications Act, has been scheduled for **9:00 a.m. on January 15, 2004**. Interventions are due on or before **January 8, 2004**.

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PSC HEARINGS SCHEDULE

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

Hearings Scheduled for Last Week (December 22-26, 2003)

none scheduled

Hearings Scheduled for This Week (December 29, 2003-January 2, 2004)

none scheduled

Future Hearings Scheduled

January 6, 2004, 9:00 a.m.

Case No. U-13937/evidentiary hearing
Pacific Centrex Services (license)

January 7, 2004, 9:00 a.m.

Case No. U-13938/prehearing
Walsh v AT&T (slamming)

January 7, 2004, 9:00 a.m.

Case No. U-13950/evidentiary hearing
Cecconie v ACN (slamming)

January 13, 2004, 9:00 a.m.

Case No. U-13940/evidentiary hearing
ACCXX Communications (license)

January 15, 2003, 9:00 a.m.

Case No. U-13977/prehearing conference
AT&T (switched access rates)

January 22, 2004, 9:00 a.m.

Case No. U-13971/evidentiary hearing
Mason Insurance Agcy v National Access Long Distance
(slamming)

February 4, 2004, 9:00 a.m.

Case No. U-13981/prehearing
McLeodUSA Telecom v City of Saginaw (R-O-W dispute)

APPLICATIONS AND COMPLAINTS

Case No. U-12465

TCG Detroit and SBC Michigan (interconnection agreement)

On December 22, 2003 TCG Detroit and SBC Michigan filed a joint application with the Michigan Public Service Commission ("Commission") requesting approval of the voluntarily negotiated Fourth Amendment to their Interconnection Agreement previously approved by the Commission on March 21, 2002 ("Agreement"). The parties state that the Fourth Amendment, fully executed as of October 17, 2003, sets forth the terms, conditions and rates for invoking the FCC interim terminating compensation plan on and after July 6, 2003.

Case No. U-12465
AT&T Communications of Michigan Inc and SBC Michigan
(interconnection agreement)

On December 22, 2003 TCG Detroit and SBC Michigan filed a joint application with the Michigan Public Service Commission (“Commission”) requesting approval of the voluntarily negotiated Fifth Amendment to their Interconnection Agreement previously approved by the Commission on March 21, 2002 (“Agreement”). The parties state that the Fifth Amendment, fully executed as of October 21, 2003, sets forth the terms, conditions and rates for invoking the FCC interim terminating compensation plan on and after July 6, 2003.

Case No. U-13984
MCImetro Access Transmission Services LLC
(rate increase: basic local exchange service)

On December 19, 2003 MCImetro Access Transmission Services, LLC (“MCImetro”) applied to the Michigan Public Service Commission for approval to increase certain rates pertaining to basic local exchange service for residential plans RA, RB, RC, RD, , R1, R4-Offering A, R4-Offering B, R6-Offering A, R6-Offering B, R6-Offering D, R6-Offering E, and RLD. MCImetro proposes to raise the monthly rate for each plan by \$1.00, except for plan RLD, for which it proposes a \$2.00 monthly increase.

Case No. U-13994
ComTech21 LLC
(license)

On December 30, 2003 ComTech21, LLC (“ComTech21”) applied to the Michigan Public Service Commission for a license to provide basic local exchange service, on both a reseller and a facilities-based basis, in the zone and exchange areas in which Verizon North Inc. and Contel of the South, Inc., d/b/a Verizon North Systems, and SBC Michigan are the incumbent local exchange carriers. ComTech21 states that it is a Delaware limited liability company and a wholly-owned operating subsidiary of Prescient, LLC, also a Delaware limited liability company.

Case No. U-13986
Coast to Coast Telecommunications Inc and SBC Michigan
(interconnection agreement)

On December 18, 2003 Coast to Coast Telecommunications, Inc. (“Coast to Coast”) and SBC Michigan jointly applied to the Michigan Public Service Commission (“Commission”) for approval of their Interconnection Agreement executed as of December 9, 2003. The parties state that Coast to Coast requested the sectional adoption of terms and conditions of the interconnection agreement dated September 25, 2002 between Sprint Communications Company LP and SBC Michigan, which was approved by the Commission in an order issued on November 7, 2002 in Case No. U-13580, and includes the First, Second, Third, Fourth, Fifth, Sixth and Seventh Amendments.

Case No. U-13991
Nexor Communications Inc, d/b/a NCI and SBC Michigan
(interconnection agreement)

On December 19, 2003 Nexor Communications Inc. and SBC Michigan jointly applied to the Michigan Public Service Commission for approval of their multi-state Resale Agreement executed as of December 1, 2003.

Case No. U-13993
DayStarr LLC, d/b/a DayStarr Communications
(amended license)

On December 29, 2003 DayStarr, LLC, d/b/a DayStarr Communications filed an application with the Michigan Public Service Commission to amend its license to provide basic local exchange service so as to include all the zone and exchange areas in the state. DayStarr requests approval without a hearing.

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PSC NOTICES OF OPPORTUNITY FOR COMMENT

Case No. U-11830
MCImetro Access Transmission Services, LLC, Brooks Fiber
Communications of Michigan Inc and MCI WorldCom Communications Inc
(performance standards and remedy plan)

On November 7, 2003, MCImetro Access Transmission Services, LLC, Brooks Fiber Communications of Michigan, Inc. and MCI WorldCom Communications, Inc. filed a motion with the Michigan Public Service Commission (“Commission”) to establish performance standards and an appropriate performance remedy plan for Verizon North Inc. and Contel of the South, Inc., d/b/a Verizon North Systems (Verizon). The Commission directs MCI to issue a notice of opportunity to comment in accordance with the Michigan Telecommunications Act, 1991 PA 179, as amended. In addition, Verizon and all other parties to Case No. U-11830 must be noticed. Comments may be filed with the Commission and must be received no later than **5:00 p.m. on January 7, 2004**. Reply comments may be filed with the Commission and must be received no later than **5:00 p.m. on January 21, 2004**. Comments received in this matter will become public information.

Case No. U-13625
Sand Creek Telephone Company
(expanded local calling and rate adjustment)

On November 14, 2003, Sand Creek Telephone Company filed an application with the Michigan Public Service Commission (“Commission”) for authority to: 1) offer expanded local calling from the Sand Creek exchange to the exchanges defined as the Hudson and Blissfield exchanges in the filed tariffs of Verizon North, Inc. and the Morenci exchange of Verizon North Systems, 2) implement a rate adjustment in its basic exchange rates related to the provision of such expanded local calling and, 3) block 1+ originating toll calling from the Sand Creek exchange to the expanded local calling area. The Michigan Public Service Commission directs Sand Creek Telephone Company to issue a notice in

accordance with the Michigan Telecommunications Act, 1991 PA 179, as amended. In addition, Verizon North, Inc., Verizon North Systems, and all 1+ toll providers in the Sand Creek exchange must be noticed. Written and electronic comments may be filed with the Commission and must be received no later than **5:00 p.m. on January 9, 2004**. Comments received in this matter will become public information.

**Case No. U-13955,
MCI metro Access Transmission Services LLC
(amended license)**

On November 21, 2003, MCI metro Access Transmission Services, LLC (MCI m) filed an application with the Michigan Public Service Commission (“Commission”) for approval of an alteration in the geographic area of its license to provide basic local exchange service. The Commission directs MCI m to issue a notice of opportunity to comment in accordance with the Michigan Telecommunications Act, 1991 PA 179, as amended. Written and electronic comments may be filed with the Commission and must be received no later than **5:00 p.m. on January 6, 2004**. Comments received in this matter will become public information.

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SCHEDULED MPSC MEETINGS

January 22, 2004	regular meeting	1:30 pm
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SUBSCRIPTION INFORMATION

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