

M ICHIGAN T ELECOMMUNICATIONS R EPORT™

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In this issue . . .

page no.

- 2 Features
 - **MiACT says SBC's wholesale business rate hikes are intended to "kill phone competition"**
 - **MPSC Schedules Consumer Forums Around the State in September**
- 4 Pending Legislation
- 9 Public Acts of 2004
- 9 Orders
- 8 Notices of Hearing
- 13 PSC Hearings Schedule
- 13 Applications and Complaints
- 16 Opportunities for Comment
- 16 PSC Meetings
- 17 MTR Subscription Information

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INDEX OF CASES HIGHLIGHTED

ORDERS:

issued August 31, 2004

- U-12995 - 1-800-Reconex/Verizon
- U-13124 - SBC Michigan/McLeodUSA Telecommunications Services
- U-13140 - T-Mobile USA/Verizon
- U-13354 - United Telecom/Verizon
- U-13689 - SBC Michigan and ICG Telecom Group,
- U-14061 - PNG Telecommunications, Inc., d/b/a PowerNet Global/Verizon
- U-14222 - SBC Michigan and The Winn Telco **(interconnection agreements and amendments)**
- U-11168 - MCI Telecommunications Corporation v Ameritech Michigan: (arbitration)
- U-12320 - Commission's Own Motion (SBC competitive checklist)
- U-13304 - Volunteer Center of Battle Creek (2-1-1)
- U-14108 - Xue Jin Jiang v Bullseye Telcom
- U-14149 - Bruce J. Williams v AT&T
- U-14155 - Albert Pomerico v LDMI
- U-14161 - First Call for Help of Jackson Co. (2-1-1)
- U-14172 - Cliff Hart & Assoc v Alliance Group/NALD
- U-14173 - Attorney General Michael A. Cox v Alliance Group/NALD
- 1-14200 - Allband Communications Coop (license)

issued September 7, 2004

- U-14157 - CenturyTel of Upper Michigan
- U-14158 - CenturyTel of Northern Michigan
- U-14160 - CenturyTel of Michigan
- U-14160 - CenturyTel Midwest-Michigan **(expanded local calling area)**

continued on page 2

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FEATURES

Note: The following press release was issued by MiACT on September 7, 2004:

SBC HIKES MICHIGAN BUSINESS RATES IN WAKE OF

FCC Decision to Kill Phone Competition

Consumer Rate Hikes Could Come Next, if PSC Favors SBC in Local Rate Case

“Lansing, Mich. – Just days after the Federal Communications Commission decided it would allow the Bell monopolies to impose wholesale rate hikes on their competitors at the end of this year, allowing them to increase their already massive profit margins; SBC has started raising local Michigan phone rates for business customers.

Without notice to the public, SBC on Sept. 1 filed six different rate-hikes that will negatively impact business customers in every area of their telecommunications needs, including broadband service, services provided by other companies through resale operations and short-haul long distance rates to its own customers. SBC’s biggest rate hike was a \$5.00 per month increase on its local service package, *CustomBizSaver*.

“Without the threat of competition, SBC is doing what any deregulated monopoly would do – significantly raise rates on its customers. The Michigan Alliance for Competitive Telecommunications and consumer groups across the country have long warned that this day would come if federal and state policymakers prematurely abdicated their responsibility to oversee the nation’s telecom infrastructure built on the backs of ratepayers. That day has arrived,” said Greg Boyd, executive director of MiACT, a coalition of business and residential customer organizations and local phone competitors.

INDEX OF CASES HIGHLIGHTED

APPLICATIONS AND COMPLAINTS (cont’d)

U-11165 – AT&T/Verizon: ICA
U-12465 – TCG Detroit/SBC: ICA
U-13175 – XO Michigan/SBC: ICA
U-14239 – Baker v SBC: unauthorized charges
U-14256 – Wineland v AT&T: slamming
U-14279 – KMC Telecom v/SBC: ICA
U-14280 – KMC Data/SBC: ICA
U-14281 – Verizon: rate alteration, basic local exchange services

The FCC has announced plans to raise wholesale rates by at least 15 percent above whatever state rate is in effect on December 31, 2004. Because that higher wholesale rate will make it impossible for SBC’s competitors to offer their customers any real savings, many competitors have already exited the residential market, which, in turn, reduced competitive market pressure and empowered SBC to raise retail phone rates. SBC competitors that remain in the residential market will be forced to raise retail rates for their own business and residential customers.

“The only chance of preserving local phone competition and consumer savings in 2005 is if our Michigan Public Service Commission (MPSC) does the right thing and maintains wholesale rates at current levels or lowers rates, as several other states have done in recent years,” said Boyd. “This would offset the FCC imposed 15% rate-hike and make it possible for local phone competitors to provide the lower rates and improved service that Michigan customers have enjoyed for the last two or three years.”

Michigan consumers face even higher retail rates if the MPSC grants SBC a wholesale rate hike. Consumer phone bills are guaranteed to increase as a result, just as they have in

neighboring Illinois, Ohio and Indiana. On the very same day the Ohio Public Utilities Commission granted SBC a massive wholesale rate hike, SBC raised retail rates for 26 services it sells in that state, including *The Basics* and *The Works* calling packages. In Indiana, SBC raised retail rates on more than a half-dozen local services shortly after the Indiana Utility Regulatory Commission gave SBC a 30 percent wholesale rate increase.

“The MPSC would be wise to take note of anti-consumer actions in neighboring states – local consumer and business phone rates have skyrocketed, competitors have left the local market, and consumers are slowly being forced back to the bad old days of an SBC monopoly,” said Boyd. “It’s in Michigan’s best interest to preserve wholesale rates at their current level.”

Among the rate hikes SBC is imposing in Michigan:

1. \$5.00 rate hike for SBC’s local service package, *CustomBizSaver*
2. Price hike for both SBC business customers and resellers purchasing Integrated Services Digital Networks
3. Price hike for SBC business customers High Capacity Digital Service
4. Price hike for SBC business customers Centrex service
5. Price hike for SBC business customers purchasing Analog Private Line services
6. Price hike in SBC business local toll rates”

MIACT is a coalition whose membership includes customer groups such as the Michigan Consumer Federation, the Small Business Association of Michigan and other business associations; long distance companies such as AT&T and alternative competitive carriers. For more information, visit www.miact.org.

* * *

MPSC SCHEDULES CONSUMER FORUMS **AROUND THE STATE IN SEPTEMBER**

The Michigan Public Service Commission (MPSC) announced on August 3, 2004 that it will host a series of consumer forums around Michigan in September. The forums are designed to inform consumers about changes in the electric, natural gas and telephone industries.

MPSC Chair J. Peter Lark said a major focus of this year's forums will be the increase of wholesale natural gas prices and how the increase will affect monthly bills. "My fellow Commissioners and I are concerned about the impact of energy price increases on Michigan's citizens this coming winter," he said. "We believe it is important for utility customers to have time to prepare for winter energy bills and make informed decisions about available options. We welcome the opportunity to meet utility customers and hear their comments and concerns on these and other important utility issues."

Each consumer forum will include the latest information on electric and natural gas rates for the winter, opportunities to select an alternative electric or natural gas provider, and the status of local and long distance telephone service.

A Commissioner from the MPSC will be available at each forum to discuss these changes, explain how the Commission makes decisions and listen to questions and comments regarding utility service.

Following is information on each upcoming consumer forum, all of which begin at 6 p.m.:

Flint

Tuesday, Sept. 14
 Flint Municipal Center/City Hall
 Dome Auditorium (southern end of complex)
 1101 South Saginaw St.

Hancock

Thursday, Sept. 16
 Lakeview Manor Community Room
 1401 W. Quincy St.

Monroe

Tuesday, Sept. 21
 City Hall - Council Chambers
 120 East First St.

Muskegon

Thursday, Sept. 23
 Grand Valley State University
 Michigan Alternative and Renewable Energy
 Center (multi-purpose room)
 200 Viridian Dr.

Benton Harbor

Tuesday, Sept. 28
 City Hall - Commission Chambers
 200 East Wall Street

Cheboygan

Thursday, Sept. 30
 City Hall- Council Chambers
 403 North Huron St.

* * *

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
SB 1096 Jacobs	3/16/04	Communications; cellular telephone; early termination fee; establish maximum amount that consumer can be charged. Amends sec. 305 of 1991 PA 179 (MCL 484.2305).	To Senate Committee on Technology and Energy
SB 1253 Stamas	5/25/04	Public utilities; public service commission; defining scope of broadband service; require. Amends sec. 7 of 2002 PA 49 (MCL 484.3207)	To Senate Committee on Technology and Energy
SB 1258 Emerson	5/25/04	Communications; telecommunications; fee allocation under the metropolitan extension telecommunications rights-of-way oversight act; modify. Amends sec. 11 of 2002 PA 48 (MCL 484.3111)	To Senate Committee on Technology and Energy
SB 1273 Patterson	6/1/04	Communications; internet; Michigan broadband development authority; eliminate.	To Senate Committee on Technology and Energy
SB 1339 Cherry	7/6/04	Communications; telecommunications; 9-1-1 system to pinpoint caller location; provide for. Amends 1986 PA 32 (MCL 484.1101 – 484.1717) by adding sec. 408a.	To Senate Committee on Technology and Energy
SB 1342 Schauer	8/4/04	Public utilities; other; metropolitan extension telecommunications rights-of-way oversight act; revise. Amends sec. 3 of PA 48 (MCL 4843103).	To Senate Committee on Technology and Energy

Senate Bill # Senator	Date Introduced	Description	Status
SB 1343 Schauer	8/4/04	Public utilities; other; technical amendments in the metropolitan extension telecommunications rights-of-way oversight act; provide for. Amends sec. 2 of 2002 PA 48 (MCL 484.3102).	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.	3/18/04 passed 106-0; given immediate effect; referred to Senate Committee on Technology and Energy; 5/19/04 reported favorably without amendment and referred to Committee of the Whole; 6/1/04 referred to Senate Committee on Technology and Energy
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
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

House Bill # Representative	Date Introduced	Description	Status
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). TIE BAR WITH: HB 6050'04	4/29/03 to House Committee on Energy and Technology; and to Anti-Trust Subcommittee
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).	3/10/04 referred to second reading
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
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

House Bill # Representative	Date Introduced	Description	Status
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
HB 5779 Whitmer	4/21/04	Law enforcement; communications; distribution of CMRS emergency telephone fund; revise. Amends sec. 408 of 1986 PA 32 (MCL 484.1408).	To House Committee on Appropriations
HB 5835 Spade	4/29/04	Consumer protection; unfair trade practices; report to legislature by attorney general of do-not-call list violation complaint; require. Amends sec. 9a of 1976 PA 331 (MCL 445.909a)	To House Committee on Energy and Technology
HB 5836 Spade	4/29/04	Consumer protection; home solicitation sales; amount recovered for damages for do-not-call violation; increase. Amends sec. 1c of 1971 PA 227 (MCL 445.111c)	To House Committee on Energy and Technology
HB 5837 Spade	4/29/04	Consumer protection; home solicitation sales; penalties associated with the do-not-call provisions; increase. Amends sec. 1c of 1971 PA 227 (MCL 445.11c)	To House Committee on Energy and Technology
HB 6050 Rivet	6/24/04	Communications; telecommunications; Michigan telecommunications act; eliminate antitrust exemption for certain telecommunication services. Amends 1991 PA 179 (MCL 484.2101 - 484.2701) by adding sec. 508. TIE BAR WITH: HB 4595'03	To House Energy and Technology Committee, and Anti-Trust Subcommittee
HB 6119 Kolb	8/4/04	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 Committee on Employment Relations, Training and Safety

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PUBLIC ACTS OF 2004

Public Act #	Effective Date	Description	Bill Number and Sponsor
PA 89	4/27/04	Law enforcement; communications; 9-1-1 funding for state police towers; provide for. Amends sec. 408 of 1986 PA 32 (MCL 484.1408).	Enrolled SB 1015 Cherry D - District 26

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ORDERS

Orders issued August 31, 2004

**Case No. U-12995
1-800-Reconex, Inc., and Verizon North Inc. and
Contel of the South, Inc., d/b/a Verizon North Systems**

**Case No. U-13124 - SBC Michigan and
McLeodUSA Telecommunications Services, Inc.**

**Case No. U-13140 - T-Mobile USA, Inc., and
Verizon North Inc. and Contel of the South, Inc.,
d/b/a Verizon North Systems**

**Case No. U-13354 - United Telecom, Inc., and Verizon North Inc.
and Contel of the South, Inc., d/b/a Verizon North Systems**

Case No. U-13689 - SBC Michigan and ICG Telecom Group, Inc.

**U-14061 - PNG Telecommunications, Inc., d/b/a PowerNet Global Communications,
and Verizon North Inc. and Contel of the South, Inc., d/b/a Verizon North Systems**

U-14222 - SBC Michigan and The Winn Telephone Company, d/b/a Winn Telecom

On August 31, 2004 the Michigan Public Service Commission issued an order approving the interconnection agreements and amendments listed above.

**Case No. U-11168
MCI Telecommunications Corp
(arbitration to establish interconnection agreement with SBC Michigan)**

On August 31, 2004 the Michigan Public Service Commission (“Commission) issued an order denying the petition for rehearing or clarification of the Commission’s June 3, 2004 order filed by MCI Telecommunications Corporation. The Commission states that MCI’s request does not meet the standard for granting rehearing. “MCI does not request that any result be changed in the order. Rather, it desires the order be amended to reflect its own preferred reasoning and deletion of a description of general practice to enhance its position in a separate case.” However, the Commission states that its

June 3, 2004 order “does not prejudice the merits of Case No. U-14004” and that the Commission “remains free to address all of the issues in Case No. U-14004.”

Case No. U-12320
Commission’s Own Motion
(SBC Michigan: compliance with competitive checklist)

On August 31, 2004 the Michigan Public Service Commission issued an order vacating the provisions in the December 20, 2001 and March 29 and October 3, 2002 orders in this proceeding that address the migration from line sharing to line splitting and SBC Michigan’s responsibility to provision line splitting through use of unbundled network element-platform (UNE-P), in light of the USTA I, TRO, and USTA II decisions. The Commission, however, “reserves the right to revisit this issue (1) in the event that the United States Supreme Court grants certiorari and the USTA II decision is reversed in a manner favorable to the Commission on line sharing and line splitting issues, or (2) if the FCC takes action to breathe new life into line sharing and line splitting in a new proceeding.”

Case No. U-13304
Volunteer Center of Battle Creek Inc
(2-1-1 call center designation)

On August 31, 2004 the Michigan Public Service Commission issued an order amending its May 16, 2002 order, which approved the application of the Volunteer Center of Battle Creek, Inc. (“Volunteer Center”) and designated Volunteer Center as the 2-1-1 community resource information and referral answering point for Calhoun County, to remove the Springport and Concord exchanges from the list of exchanges to be served by the Volunteer Center. The Springport and Concord exchanges will be included within the calling area of the 2-1-1 community resource information and referral answering point for Jackson County.

Case No. U-14108
Xue Jin Jiang v BullsEye Telecom Inc
(consumer complaint: slamming))

On August 31, 2004 the Michigan Public Service Commission issued an order dismissing with prejudice the complaint of Xue Jin Jiang against BullsEye Telecom, Inc., alleging a violation of Section 505 of the Michigan Telecommunications Act. On July 23, 2004 the complainant filed a request to withdraw the complaint.

Case No. U-14149
Bruce J. Williams v AT&T Communications of Michigan Inc
(consumer complaint: slamming)

On August 31, 2004 the Michigan Public Service Commission issued an order dismissing with prejudice the complaint of Bruce J. Williams against AT&T Communications of Michigan, Inc., alleging violation of the Michigan Telecommunications Act.. On August 9, 2004, the complainant filed a request to withdraw the complaint.

Case No. U-14155
Albert Pomerico v LDMI Telecommunications Inc
(consumer complaint: slamming)

On August 31, 2004 the Michigan Public Service Commission issued an order dismissing the complaint of Albert Pomerico against LDMI Telecommunications, Inc., d/b/a LDMI, alleging a violation of Section 505 of the Michigan Telecommunications Act. On August 3, 2004 the complaint filed a request to withdraw the complaint.

Case No. U-14161
First Call for Help of Jackson County
(2-1-1 call center designation)

On August 31, 2004 the Michigan Public Service Commission issued an order designating First Call for Help of Jackson County as the 2-1-1 community resource information referral answering point for Jackson County, which will provide sufficient resources to operate the 2-1-1 telephone number 24 hours per day, 7 days per week. Further, the Commission directs that all providers of basic local exchange service within the 16 exchanges, identified in the application as clarified and including the Clark Lake exchange, that are wholly or partially within Jackson County, will take the necessary steps to allow their customers to access First Call for Help of Jackson County through the use of the 2-1-1 telephone number.

Case No. U-14172
Cliff Hart & Associates Inc v Alliance Group/National Access Long Distance
(consumer complaint:)

Case No. U-14173
Attorney General Michael A. Cox v Alliance Group/National Access Long Distance
(violations of MTA)

On August 31, 2004 the Michigan Public Service Commission issued an order dismissing with prejudice the complaints of Cliff Hart & Associates, Inc. and Attorney General Michael A. Cox against Alliance Group/National Access Long Distance, alleging violations of the Michigan Telecommunications Act. On August 11, 2004 the complainants filed requests to dismiss the complaints.

Case No. U-14200
Allband Communications Cooperative
(temporary license)

On August 31, 2004 the Michigan Public Service Commission (“Commission”) issued an order granting to Allband Communications Cooperative a temporary license to provide basic local exchange service in the proposed new exchange service territory covering portions of Alcona, Alpena, Montmorency, and Oscoda counties. The Commission notes that the temporary license will expire upon issuance of the final order granting or denying its application for a permanent license.

Orders issued September 7, 2004

Case No. U-14157
CenturyTel of Upper Michigan Inc
(expanded local calling and rate adjustment)

On September 7, 2004 the Michigan Public Service Commission issued an order approving the application of CenturyTel of Upper Michigan, Inc. for authority to offer expanded local calling from its Cedarville, DeTour, Garden, Gulliver, Kinross, Manistique, Pickford, and Rudyard exchanges. The proposed rate increases of \$2.67 per month to CenturyTel of Upper Michigan, Inc.'s lines and its excess usage rate of \$0.03 per minute of use are also approved.

Case No. U-14158
CenturyTel of Northern Michigan Inc
(expanded local calling and rate adjustment)

On September 7, 2004 the Michigan Public Service Commission issued an order approving the application of CenturyTel of Northern Michigan, Inc. for authority to offer expanded local calling from its Falmouth and Kingsley exchanges is approved. The proposed rate increase of \$1.91 per month to CenturyTel of Northern Michigan, Inc.'s lines and its excess usage rate of \$0.03 per minute of use are also approved.

Case No. U-14159
CenturyTel of Michigan Inc
(expanded local calling and rate adjustment)

On September 7, 2004 the Michigan Public Service Commission issued an order approving the application of CenturyTel of Michigan, Inc. for authority to offer expanded local calling from its Alanson, Bear Lake, Boyne Falls, Brutus, Caro, Crystal, Elmira, Glen Lake, Glennie, Hale, Hope, Honor, Kinde, Lake Ann, Lake City, Levering, Marlette, Merritt, Moorestown, Newport, Pinconning, Port Austin, Port Hope, Sand Lake Heights, Six Lakes, Suttons Bay, Vickeryville, and Whitmore exchanges. The proposed rate increase of \$4.06 per month to CenturyTel of Michigan, Inc.'s lines and its excess usage rate of \$0.03 per minute of use are also approved.

Case No. U-14160
CenturyTel Midwest-Michigan Inc
(expanded local calling and rate adjustment)

On September 7, 2004 the Michigan Public Service Commission issued an order approving the application of CenturyTel Midwest-Michigan, Inc. for authority to offer expanded local calling from its Au Gres, Borculo, Brant, Chesaning, Chippewa Lake, Goodrich, Hadley, Litchfield, Mecosta, Montrose, Mosherville, New Lothrop, Omer, Orleans, and Sunfield exchanges. The proposed rate increase of \$4.95 per month to the CenturyTel Midwest-Michigan, Inc.'s lines and its excess usage rate of \$0.03 per minute are also approved.

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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-14203
James Edward Schmidt v SBC Michigan
(consumer complaint: unauthorized charges)

The Michigan Public Service Commission will consider the complaint of James Edward Schmidt (“Complainant”), against SBC Michigan at a public hearing on September 14, 2004 at 9:00 a.m. for violations of Section 502 of the Michigan Telecommunication Act. Complainant alleges unauthorized charges billed, which, as a result, caused his services to be disconnected, and seeks \$3,435,973,836,800 for total damages encountered.

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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 (August 30-September 3, 2004)

None scheduled

Hearings Scheduled for This Week (September 6 - 10, 2004)
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None scheduled

Future Hearings Scheduled

September 14, 2004, 9:00 a.m.
Case No. U-14203/public hearing
James E. Schmidt v SBC (unauthorized charges)

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APPLICATIONS AND COMPLAINTS

Case No. U-11165
AT&T Communications of Michigan Inc and Verizon North Inc and
Contel of the South Inc, d/b/a Verizon North Systems
(interconnection agreement)

On September 9, 2004 AT&T Communications of Michigan, Inc. (“AT&T”) and Verizon North Inc. and Contel of the South, Inc., d/b/a Verizon North Systems, (collectively “Verizon”), jointly submitted to the Michigan Public Service Commission for approval the First Amendment to their

Interconnection Agreement, previously approved by the Commission on August 2, 1999. The parties state that the voluntarily negotiated First Amendment, among other things, amends the terms and conditions between Verizon and AT&T with respect to Platform Combinations and UNE-P.

On September 9, 2004 AT&T Communications of Michigan, Inc. (“AT&T”) and Verizon North Inc. and Contel of the South, Inc., d/b/a Verizon North Systems, (collectively “Verizon”), jointly submitted to the Michigan Public Service Commission for approval the Second Amendment to their Interconnection Agreement, previously approved by the Commission on August 2, 1999. The parties state that the voluntarily negotiated Second Amendment, among other things, amends the terms and conditions between Verizon and AT&T with respect to Line Splitting

Case No. U-12465
TCG Detroit and SBC Michigan
(interconnection agreement)

On August 23, 2004 TCG Detroit and SBC Michigan jointly applied to the Michigan Public Service Commission for approval of the Eighth Amendment to their Interconnection Agreement between the parties and previously approved by the Commission on March 21, 2002 (“Agreement”). The parties state that the Eighth Amendment, fully executed as of August 3, 2004, amends the Agreement to revise the methodology for charging for collocation DC Power.

Case No. U-13175
XO Michigan Inc and SBC Ameritech Michigan
(interconnection agreement)

On September 8, 2004 XO Michigan, Inc. and SBC Ameritech Michigan jointly applied to the Michigan Public Service Commission for approval of the Sixth Amendment to their Interconnection Agreement, approved by the Commission on January 8, 2002 (“Agreement”). The parties state that the Sixth Amendment, executed as of August 25, 2004, is the result of voluntary negotiations .

Case No. U-14239
Leroy Baker v SBC and Cingular
(consumer complaint: unauthorized charges)

On August 23, 2004 Leroy Baker (“Complainant”), of Lapeer, filed a formal complaint with the Michigan Public Service Commission against SBC Michigan and Cingular alleging they companies assessed his telephone services the amount of \$602.74 for unauthorized charges.

Case No. U-14256
Larry A. Wineland v AT&T
(consumer complaint: slamming)

On August 27, 2004 Larry A. Wineland, (“Complainant”), of Dewitt, filed a formal complaint with the Michigan Public Service Commission against AT&T, alleging that his long distance telephone service was switched without his authorization.

Case No. U-14279
KMC Telecom V Inc and SBC Michigan
(interconnection agreement)

On September 7, 2004, KMC Telecom V, Inc. and SBC Michigan jointly applied to the Michigan Public Service Commission for approval their Interconnection Agreement executed as of June 3, 2004 (“Agreement”). The parties state that KMC V, Inc., a Delaware corporation with offices located in Lawrenceville, Georgia, requested the sectional adoption of terms and conditions of the interconnection agreement dated March 21, 2002 between AT&T Communications of Michigan, Inc. and SBC Michigan (Adopted Agreement), that was approved by the Commission in an order issued March 21, 2002 in Case No. U-12465, including the First, Second, Third, Fourth, Fifth, and Seventh adopted amendments. The Agreement also contains several voluntarily negotiated provisions, which are not part of the Adopted Agreement.

Case No. U-14280
KMC Data LLC and SBC Michigan
(interconnection agreement)

On September 7, 2004 KMC Data, LLC and SBC Michigan jointly applied to the Michigan Public Service Commission for approval of their interconnection agreement executed as of June 2, 2004 (“Agreement”). The parties state that KMC Data, LLC, a Delaware corporation with offices located in Lawrenceville, Georgia, requested the sectional adoption of terms and conditions of the interconnection agreement dated March 21, 2002 between AT&T Communications of Michigan, Inc. and SBC Michigan (“Adopted Agreement”), that was approved by the Commission in an order issued March 21, 2002 in Case No. U-12465, including the First, Second, Third, Fourth, Fifth, and Seventh adopted amendments. The Agreement also contains several voluntarily negotiated provisions, which are not part of the Adopted Agreement.

Case No. U-14281
Verizon North Inc and Contel of the South Inc, d/b/a Verizon North Systems
(rate alteration: basic local exchange services)

On September 8, 2004 Verizon North, Inc. and Contel of the South, Inc., d/b/a Verizon North Systems, (collectively “Verizon”) provided notice to the Michigan Public Service Commission of a rate increase in certain Verizon basic local exchange services. Verizon proposes to increase its basic local exchange rates by 0.64%, which alteration does not exceed the Consumer Price Index (“CPI), minus % (CPI-1”), as defined in MTA Section 304(2)(b). The rate increase applies to the following services in all rate areas.

Business:

1. PBX Trunks Month to Month
2. PBX Trunks 36-Month Term over 200 Trunks
3. One-Party Month-To Month
4. One-Party 36-Month Term Over 200 Lines

Residence:

5. Key
6. Key – Dormitory
7. One-Party Unlimited

8. One Party Unlimited Without Touch Call Service
9. One-Party Value Pak-60
10. One-Party Value Pak-60 Without Touch Call Service
11. One-Party Econo Pak-0
12. One Party Econo Pak-0 Without Touch Call Service

Verizon states that notice to the customers will also be issued, included with each bill to each affected customer before the effective date of the rate increase, and that Verizon will implement the rate increases ninety (90) days after notifying its customers.

* * *

PSC NOTICES OF OPPORTUNITY FOR COMMENT

Case No. U-13977

AT&T

(determination of switched access rates)

Case No. U-14175

Commission's Own Motion

(switched access rates)

On June 29, 2004 the Michigan Public Service Commission ("Commission") issued an order 1) dismissing the December 9, 2003 application of AT&T Communications of Michigan, Inc. concerning the rates that SBC Michigan charges interexchange carriers for providing them with intrastate toll access service; 2) dismissing SBC Michigan's application for leave to appeal the denial of its discovery request which is now moot; and, 3) commencing a generic proceeding, Case No. U-14175, to establish a policy on switched access rates. Interested parties are directed to submit comments and reply comments by **September 17, 2004, and October 1, 2004**, respectively, in Case No. U-14175.

* * *

SCHEDULED MPSC MEETINGS

On February 2, 2004, the MPSC announced its schedule of regular meetings for the remainder of 2004. *Note: The MPSC has rescheduled its September 21, 2004 Regular Commission Meeting from 1:30 p.m. to 10:00 a.m. The date and location of the meeting will not change.**

September 21, 2004	regular meeting	10:00 a.m.*
October 12, 2004	regular meeting	1:30 pm
October 28, 2004	regular meeting	1:30 pm
November 9, 2004	regular meeting	1:30 pm
November 23, 2004	regular meeting	1:30 pm
December 2, 2004	regular meeting	1:30 pm
December 21, 2004	regular meeting	10:00 am

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