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Federal Communications Commission
Office of Secretary

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)

Application of Ameritech)
Michigan Pursuant to Section)
271 of the Telecommunications)
Act of 1996 to Provide In-)
Region, InterLATA Services in)
Michigan)

CC Docket No. 97-1

Volume 4.1:
Before the
Michigan Public Service Commission

In the matter, on the Commission's own)
motion, to consider Ameritech)
Michigan's compliance with the)
competitive checklist in Section 271 of)
the Telecommunications Act of 1996)

Case No. U-11104

Complete Docket
Part 3

Ameritech

**MICHIGAN PUBLIC SERVICE
FILED
DEC 16 1996
COMMISSION**

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Craig A. Anderson
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December 16, 1996

**Ms. Dorothy Wideman
Executive Secretary
Michigan Public Service Commission
P.O. Box 30221
Lansing, MI 48909**

Re: MPSC Case No. U-11104.

Dear Ms. Wideman:

Enclosed for filing in the above-referenced case is an original and fifteen copies of the Ameritech Michigan's Submission of Information.

Very truly yours,



Enclosure

cc: All Parties of Record

CAA:jkt

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission's own motion,)
to consider Ameritech Michigan's compliance)
with the competitive checklist in Section 271)
of the Telecommunications Act of 1996.)
_____)

Case No. U-11104

PROOF OF SERVICE

Jacqueline K. Tinney, being first duly sworn, deposes and states that on the 16th day of December 1996, she served a copy of Ameritech Michigan's Submission of Information upon the parties listed on the attached service list via overnight mail.

Further, deponent sayeth not.

Jacqueline K. Tinney

JACQUELINE K. TINNEY

Subscribed and sworn to before me
this 16th day of December, 1996.

Julaynne R. Lukas

JULAYNNE R LUKAS
NOTARY PUBLIC STATE OF MICHIGAN
MACOMB COUNTY
ACTING IN:
WAYNE COUNTY
MY COMMISSION EXP. JULY 12, 2000

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MPSC CASE NO. U-11104

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STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission's own motion,)
to consider Ameritech Michigan's compliance) Case No. U-11104
with the competitive checklist in Section 271)
of the Telecommunications Act of 1996.)

AMERITECH MICHIGAN'S SUBMISSION OF INFORMATION

Pursuant to the Commission's August 28, 1996 Order establishing procedures in this docket, Ameritech Michigan¹ hereby submits information related to compliance with the competitive checklist in Section 271 of the Telecommunications Act of 1996 pursuant to Attachment B to that Order.

On November 12, 1996, Ameritech Michigan filed its submission of information in response to Attachment A of the Commission's August 28, 1996 order. As requested by the Commission, this information was submitted no later than 45 days prior to Ameritech Michigan's planned filing with the FCC.

On November 19, 1996, Ameritech Michigan filed its notice of intent to file information concerning checklist compliance, specifically including information in response to Question 12 of Attachment B relating to dialing parity. That notice of intent was submitted at least 5 days before Ameritech Michigan filed its November 27, 1996 compliance filing concerning dialing parity and request for approval of plan on intraLATA toll dialing parity.

On December 6, 1996, Ameritech Michigan filed a further notice of intent to file information. That notice provided at least 5 days' notice of this filing.

¹Michigan Bell Telephone Company, a Michigan corporation, is a wholly owned subsidiary of Ameritech Corporation, which owns the former Bell operating companies in the states of Michigan, Illinois, Wisconsin, Indiana, and Ohio. Michigan Bell offers telecommunications services and operates under the names "Ameritech" and "Ameritech Michigan" (used interchangeably herein), pursuant to assumed name filings with the state of Michigan.

Ameritech Michigan believes that as of this filing, and as described herein and in prior filings, it is in compliance with all of the requirements of the competitive checklist in Section 271(b) of the Telecommunications Act of 1996.

The attached response by Ameritech Michigan to Attachment B relating to checklist compliance in Michigan reflects the most current information available to Ameritech Michigan. Ameritech Michigan intends to revise and supplement the information submitted to the Commission, as necessary, when additional information becomes available.

Respectfully submitted,

AMERITECH MICHIGAN



CRAIG A. ANDERSON (P28968)
444 Michigan Avenue, Room 1750
Detroit, Michigan 48226
(313) 223-8033

DATED: December 16, 1996

**AMERITECH MICHIGAN'S RESPONSES
TO ATTACHMENT B**

**MPSC Case No. U-11104
December 16, 1996**

INTRODUCTION

The Commission has requested responses to specific inquiries listed in Attachment B of the August 28, 1996 order relating to Ameritech Michigan's compliance with the competitive checklist in Section 271 of the Telecommunications Act of 1996 (the Act). In addition to its specific responses, Ameritech Michigan submits the following information.

As this filing demonstrates, Ameritech Michigan is actually furnishing every competitive checklist item that any facilities-based carrier has requested to purchase. In addition, all 14 competitive checklist items are available to such carriers and offered to all others. Prices, or the methodology for establishing prices, for all checklist items have been established by Commission order, in contracts or in tariffs. Ameritech Michigan has the operational readiness to furnish all checklist items. Ameritech Michigan has developed performance commitments and reporting mechanisms which will demonstrate that it is in compliance with the parity and nondiscrimination requirements of the federal Act and the FCC's order in Docket 96-98.

Attached to this introduction is a matrix summary for each checklist item which includes the following information: (1) whether the item is currently being furnished to competitive LECs (CLECs) today and, if not, whether it is available; (2) whether the checklist item is subject to the Section 252(d) pricing requirements or the methodology by which those prices have been developed; and

(3) the implementation status of the electronic interfaces for accessing all required operational support systems (OSS).

Because of Michigan's proactive approach to local competition, in particular the City Signal interconnection order (Case No. U-10647, February 23, 1995), the generic local competition docket (Case No. U-10860), and the Michigan Telecommunications Act (MTA), Ameritech Michigan has actually been implementing the checklist over a period of years – unlike most of the other companies in the country. For example, interconnection arrangements, reciprocal compensation, and unbundled loops have been available since March of 1995, when the City Signal order was implemented. Ameritech has been in the national forefront of implementing both interim and long term number portability. Ameritech Michigan has been providing operator and directory assistance services, 911 capabilities, directory listings, access to signaling and call related databases, and other services to facilities-based carriers like Brooks Fiber under contract for a considerable period of time. Local dialing parity and nondiscriminatory number administration have been in place since at least early 1995. Wholesale/resale offerings have been available since early this year, pursuant to tariffs filed pursuant to MTA requirements and agreements with US Network and MFS.

Ameritech Michigan is well aware that electronic interfaces for pre-ordering, ordering, provisioning, maintenance, repair, and billing must be implemented and operational before the FCC will grant a Section 271 application. The FCC established a deadline of December 31, 1996 to implement these systems. Ameritech Michigan has met this deadline.

Ameritech Michigan has also submitted with its responses three affidavits describing in greater detail its compliance with the Section 271 competitive checklist. The affidavit of Gregory Dunny describes the products and services which Ameritech Michigan offers which meet the requirements of the

competitive checklist and how those products and services are offered. John Mayer's affidavit describes, from a network services perspective, the operational support for the products and services offered to competing providers. Warren Mickens addresses parity, performance benchmarks, reporting, and operational support systems from the perspective of Ameritech Information Industry Services (AIIS), the business unit through which Ameritech Michigan provides services to competing carriers.

Finally, Ameritech Michigan has attached for the Commission's reference copies of testimony which has been submitted by Ameritech in other jurisdictions in connection with state regulatory proceedings addressing checklist compliance. Specifically, Ameritech Michigan has attached and incorporates by reference the prefiled rebuttal testimony which has been submitted on behalf of Ameritech Illinois to the parties in Illinois Commerce Commission Docket 96-0404 on November 22, 1996 and the surrebuttal testimony submitted on behalf of Ameritech Illinois therein on December 13, 1996. This testimony responds to assertions made by other parties in those proceedings raising concerns about whether and how the products and services offered by Ameritech entities comply with the competitive checklist. Since this Commission has developed an expeditious schedule in this docket which does not contemplate multiple rounds of rebuttal and responses, this additional information may be useful in evaluating the comments which Ameritech Michigan anticipates may be filed by some of the same parties in this docket in their continuing efforts to delay the ability of Ameritech Michigan to offer competing interLATA service.

Michigan Checklist Compliance Summary

Checklist Item		Current Availability	Pricing Standard	OSS Implementation	Checklist Compliance
i	Interconnection	Yes - 7426 interconnected trunks as of 10/96.	252(d)(1), see also MTA Section 352	Complete	✓
ii	Access to Network Elements	Yes - Article IX AT&T Agreement, see also Brooks and TCG Agreements, and current tariff unbundled loops and ports.	252(d)(1)	Complete (See Individual Elements)	✓
iii	Poles, Ducts, Conduits and Rights-of-Way	Yes - To Cable Companies, DXCs, CAPs, CLECs.	Section 224, MTA Section 361	Complete	✓
iv	Local Loops	Yes - 11,774 unbundled loops in-service as of 9/96.	252(d)(1), see also Order in U-11156	Complete	✓
v	Local Switching	Yes - Article IX AT&T Agreement, see also Brooks and TCG Agreements, and current tariff.	252(d)(1)	Complete	✓
vi	Local Transport	Yes - via Dedicated Access Services.	252(d)(1)	Complete	✓
vii	911, DA & Operator Services	Yes 911 - MFS, MCI Metro, TCG, Brooks Yes DA - Brooks, MFS, MCI Metro Yes OS - Brooks, TCG, MFS	252(d)(1)	Complete	✓
viii	White Page Listing	Yes - With no charge to CLECs for basic listings.	Article XV AT&T Agreement, Just and Reasonable Rates	Complete	✓
ix	Number Administration	Yes - 112 CLEC NNXs	N/A	Complete	✓
x	Signaling & Call Related Databases	Yes - Over 150 M queries were billed to other carriers in Sept. '96.	252(d)(1)	Complete	✓
xi	Number Portability	Yes - 15,571 Numbers Ported have been ported as of 9/96.	Interim rate competitively neutral cost recovery per Order in U-11155	Complete	✓
xii	Local Dialing Parity	Yes	N/A	Complete	✓
xiii	Reciprocal Compensation	Yes - 27.2 million completed in July, 1996.	252(d)(2), see also Order in U-11156	Complete	✓
xiv	Resale	Yes - Article X of AT&T agreement.	252(d)(3), see also MTA Section 357	Complete	✓

1. Interconnection

- a. At what Ameritech Michigan switching equipment (central offices, end offices, tandems, etc.) is there interconnection via the following means:

- (1) physical collocation
- (2) virtual collocation
- (3) other, e.g., meet point

RESPONSE

Ameritech Michigan provides interconnection for carriers' facilities and equipment for the transmission and routing of exchange traffic and exchange access traffic, or both, by any method to which the parties may agree, at any technically feasible point on Ameritech Michigan's network. This includes the line-side and trunk-side of the local switch, the trunk interconnection points for tandem switches, central office cross-connect points, out-of-band signaling transfer points necessary to exchange traffic and access to call-related databases, and points of access to unbundled network elements. (See generally 47 CFR §51.305)

Ameritech Michigan provides for physical collocation in its central offices and on other company property where access is required in which requesting carriers will be able to place their equipment used for interconnection or access to unbundled elements, including transmission equipment, such as optional terminating equipment and multiplexers and equipment for the termination of basic transmission facilities as provided in 47 CFR §51.323(b)(2), except where physical collocation is not practical for technical reasons or because of space limitations.

Where technically feasible and if space is available, Ameritech Michigan will provide for virtual collocation of such equipment designated by requesting carriers. For either collocation option, requesting carriers may connect collocated equipment to transmission facilities provided by the requesting carrier itself, a third party, or Ameritech Michigan.

Further, carriers with proper collocation arrangements may cross-connect their collocated equipment.

As set forth in 47 CFR §51.305(a)(3), the quality of the interconnection that Ameritech Michigan provides to carriers is equal to that which Ameritech Michigan provides to itself or to any other affiliated or unaffiliated entity.

In establishing interconnection arrangements with other carriers, parameters for trunk groups to be established for the transmission and

routing of local and intraLATA toll traffic, exchange access traffic, 800/888 traffic, and information service traffic between Ameritech Michigan's network and those of requesting carriers have been developed.

Mr. Dunny describes interconnection as provided by Ameritech Michigan more completely in his attached affidavit (Paragraphs 12-34, 46-50), and the affidavits of Messrs. Mayer (Paragraphs 14-29, 136-151) and Mickens (Paragraphs 13-14, 17) describe how interconnection will be made available operationally.

In its February 23, 1995 Opinion and Order in the City Signal interconnection case, U-10647 (the U-10647 order), the Commission established the basic requirement for interconnection:

"City Signal, as a licensed LEC, is entitled to physical interconnection arrangements on the same terms and conditions afforded adjacent LECs. Specifically, interconnection for the exchange of local traffic between Ameritech Michigan and City Signal should be available either at the end office, the tandem, or at a mutually agreed upon meet-point."

The November 1995 amendments to the Michigan Telecommunications Act (MTA) added Section 356, which provides:

"A provider of local exchange service shall allow and provide for virtual colocation with other providers at or near the central office of the provider of local exchange service of transmission equipment that the provider has exclusive physical control over and is necessary for efficient interconnection of the unbundled services. Providers may enter into an agreement that allows for interconnection on other terms and conditions than provided under this subsection."

In its June 5, 1996 Opinion and Order in the generic local competition docket, U-10860 (the U-10860 order), the Commission recognized that Section 356 provides the standard for physical interconnection (p. 17). The Commission also noted (p. 18) that the interconnection arrangements approved in Case No. U-10647 should continue to be made available by Ameritech Michigan.

As required by the Commission's orders, interconnection is available via Ameritech Michigan's End Office Integration Service (AEOIS), offered via tariff (MPSC No. 20R, Part 23, Section 2), which provides for four methods of interconnection. Alternative methods of interconnection are also made available in MPSC No. 20R, Part 21, Section 2. Currently, Brooks Fiber, MFS, MCI Metro, and TCG Detroit subscribe to AEOIS in Michigan.

The arbitrated agreement between Ameritech Michigan and AT&T Communications of Michigan, Inc. (the AT&T Agreement), as established pursuant to the October 28, 1996 decision of the arbitration panel and the Commission's order of November 26, 1996 in Case Nos. U-11151 and U-11152, addresses interconnection in Article III, transmission and routing of telephone exchange service traffic in Article IV, transmission and routing of exchange access traffic in Article V, meet-point billing arrangements in Article VI, transport and termination of other types of traffic in Article VII, and colocation in Article XII.

Ameritech Michigan's arbitrated agreement with TCG Detroit (TCG), as approved by the Commission's November 1, 1996 order in Case No. U-11138, also addresses interconnection (Section 4.0), transmission and routing of traffic (Sections 5.0, 6.0, and 7.0), and colocation (Section 12.0).

Ameritech Michigan's agreement with Brooks Fiber Communications of Michigan, Inc. (Brooks Fiber), as approved in the Commission's November 26, 1996 order in Case No. U-11178, provides for interconnection at designated wire centers through either collocation (physical or virtual) arrangements or fiber meets and the transmission and routing of telephone exchange service traffic, exchange access traffic, and other types of traffic. The agreement between Ameritech Michigan and MFS Intelenet of Michigan, Inc. (MFS) (addressed in the Commission's August 22, 1996 order in Case No. U-11098, with revisions currently pending before the Commission) contains similar provisions addressing interconnection.

Finally, as was the case with AT&T, TCG, MFS, and Brooks Fiber, Ameritech Michigan will negotiate individual interconnection arrangements with telecommunications carriers as required by Section 252. This contemplates that telecommunications carriers may submit special requests for arrangements other than those referred to above. All such negotiated arrangements, and arbitrated agreements as well, will be made available to other qualifying telecommunications carriers on the same terms and conditions.

- b. What is the pricing methodology used for such interconnection?

RESPONSE

The methodology used for pricing interconnection services in the AT&T Agreement, on an interim basis, was described in the October 28, 1996 decision of the arbitration panel and approved in the Commission's November 26, 1996 order in Case Nos. U-11151 and U-11152.

The rates that Ameritech Michigan has established for interconnection in its current tariffs were developed in accordance with the methodology required by the MTA, prior Commission orders, and Michigan requirements for total service long run incremental cost (TSLRIC). As this Commission has recognized, the Michigan TSLRIC standard is substantially consistent with the pricing standards in the federal Act. In its November 26, 1996 order approving the AT&T arbitration agreement, the Commission recognized that the only significant difference between the federal and state standards is that the FCC's pricing approach includes common cost, which would not be included in a TSLRIC approach (although common costs may be included in post-January 1, 1997 just and reasonable rates, as permitted by Section 352 of the MTA). See November 26, 1996 Opinion and Order in Case Nos. U-11151 and U-11152, pp. 7-9. Thus, to the extent rates meet the established Michigan TSLRIC requirements, they are, by definition, below permitted federal pricing standards. Ameritech Michigan's TSLRIC studies are based upon forward-looking economic costs as determined in a manner consistent with the Commission's September 12 order in Case Nos. U-10860, U-11155, and U-11156. The methodology utilized in these cost studies is completely consistent with both the FCC's requirements concerning total element long run incremental cost and the requirements of the Michigan Telecommunications Act (MTA) and this Commission regarding TSLRIC.

Ameritech Michigan calculated its costs so as to fully capture prospective costs, carefully identifying the facilities and functions, including operating expenses and capital, directly attributable or incremental to each unbundled element and to interconnection or collocation services. Ameritech Michigan properly measured these costs based on the most efficient available technology and the lowest cost network configuration, given the location of its existing wire centers. In doing so, Ameritech Michigan applied assumptions with regard to depreciation lives, cost of capital, and network utilization that comply with the FCC's requirements (See 47 CFR §51.505(b); First Report and Order, Paragraphs 682, 686-687, 702-703) and Michigan requirements.

After calculating the reformulated TELRIC, Ameritech Michigan determined a reasonable allocation of forward-looking joint and common costs – incurred costs not directly attributable to individual elements or collocation services – based on current studies. These include costs shared by groups of elements and costs incurred by Ameritech Michigan's operations as a whole, such as the costs of corporate human resources or treasury management services. (47 CFR §51.505(c); First Report and Order, Paragraphs 695; 698) The TELRIC, together with the shared (or joint) costs required by the FCC, are equivalent to the TSLRIC required by the Michigan Commission and Michigan statute. The Michigan

Commission, in Case No. U-10620, recognized that shared costs are to be included in the TSLRIC analysis of a group of services, such as the unbundled network elements impacted by them.

- c. What competitors have interconnected with Ameritech Michigan or any of its affiliates?

RESPONSE

Brooks Fiber Corporation (BFC), MCI Metro, Teleport Communication Group (TCG), and Metropolitan Fiber System (MFS) are the competitors that have interconnected to date with Ameritech Michigan.

- d. At what Ameritech Michigan switching equipment (central office, end office, tandem, etc.) have competitors interconnected and by what means for each office?

RESPONSE

The following list identifies the competitors (referenced without name) and interconnected central offices. All competitors have interconnected using the Ameritech End Office Integration interconnection tariff offering. See also Ameritech Michigan's responses to Attachment A, Questions 5 and 6, and Tables 5.b.1, 5.b.2, 5.c.2, and 6.a.1.

Competitor

Central Office

Carrier #1

Grand Rapids Tandem
Wyoming Lenox End Office
Grand Rapids East End Office
Grand Rapids South End Office
Grand Rapids Bell Operator Services

Carrier #2

Detroit Bell Tandem
Detroit Bell Operator Services

Carrier #3

Detroit Bell Tandem
Detroit Bell Operator Services
Pontiac Tandem
Wayne Tandem

Carrier #4

**Detroit Bell Tandem
Pontiac Tandem
Wayne Tandem
Southfield Main End Office**

2. **Nondiscriminatory access to network elements (unbundled access).**

- a. **What elements are offered by Ameritech Michigan or any of its affiliates operating in Michigan?**

RESPONSE

Ameritech Michigan provides, as standard offerings, unbundled access to seven types of network elements. Those elements are:

- the local loop
- the Network Interface Device (NID)
- switching capacity – local switching and tandem switching
- interoffice transmission facilities – dedicated and shared transport
- signaling networks and call-related databases, including service management systems (SMS)
- operational support systems functions
- operator services and directory assistance

Access to unbundled network elements is addressed in Article IX of the AT&T Agreement. The AT&T Agreement also specifically addresses particular combinations of network elements as requested by AT&T.

As provided in the AT&T Agreement, the competing carrier is entitled to request the foregoing elements at the same quality Ameritech Michigan provides such elements to itself and affiliated and unaffiliated carriers. In addition, the AT&T Agreement establishes a Bona Fide Request (BFR) Process under which the competing carrier may request: (1) the foregoing network elements at a higher or lower standard of quality than Ameritech Michigan provides such elements to itself; (2) may request further or different unbundling; and (3) combinations of network elements and facilities.

The FCC's rules and First Report and Order identify the seven types of network elements offered by Ameritech Michigan as the core elements that an incumbent local exchange company must provide, upon request, to all requesting carriers. (47 CFR §51.319) The access to unbundled elements offered by Ameritech Michigan is nondiscriminatory, as required by the Act (*Id.*, §§51.311; 51.313) and imposes no limitations, restrictions, or requirements on requests for or the use of such elements that would impair the ability of a carrier to offer a telecommunications service in the manner intended by the carrier. (*Id.*, §51.309(a)) Ameritech Michigan also offers network element combinations in the manner prescribed by the FCC.

The AT&T Agreement provides nondiscriminatory access to a range of unbundled operational support systems (OSS) functions. Ameritech Michigan provides the competing carrier with the same types of access for transferring and receiving of the data that it provides to its own customer contact personnel.

Under the AT&T Agreement, a competing carrier may pre-order, order, and provision network elements through transfer of information via electronic interfaces. The AT&T Agreement also describes the electronic interfaces for transferring and receiving information in connection with maintenance and repair. Ameritech Michigan will provide usage data to facilitate customer billing (including acknowledgments and status reports) and to exchange information to process claims and adjustments. The competing carrier will receive the same services as Ameritech Michigan provides to itself and its customers, including the "real time" exchange of information through electronic gateway systems Ameritech Michigan employs in performing the above functions.

Mr. Dunny's attached affidavit provides a more detailed description of access to unbundled network elements in general, in addition to more specific information relating to each of the unbundled network elements being offered. (See Paragraphs 35-70) Messrs. Mayer and Mickens address operational issues relating to access to unbundled network at Paragraphs 37-47, 128-131, and Paragraphs 18-22 of their respective affidavits.

In addition to the AT&T Agreement, Ameritech Michigan's agreements with Brooks Fiber, TCG, and MFS all provide for access to unbundled network elements.

Certain unbundled network elements are available today in Ameritech Michigan's tariffs; specifically, unbundled loops and ports are available in MPSC No. 20R, Part 21, Section 2. In addition, the Commission has recently approved, on an interim basis, proposed revisions to Ameritech Michigan's unbundled loop and port offerings in its December 12, 1996 order in Case No. U-11156.

- b. What elements have been requested by entities seeking interconnection and access?

RESPONSE

In connection with negotiated agreements, on-going negotiations, and pending arbitrations, all of the seven types of network elements offered by Ameritech Michigan and identified by the FCC's rules and First Report

and Order as core elements have been requested by entities seeking interconnection. See Ameritech Michigan's responses to Questions 4, 5, 6, 7(b), 7(c), and 10 for more specific information with regard to particular network elements.

- c. What elements have actually been sold to entities seeking interconnection and access?

RESPONSE

To date, unbundled loops, unbundled transport, signaling networks and call-related databases, operator services, and directory assistance have been purchased by such entities. See Ameritech Michigan's responses to Questions 4, 5, 6, 7(b), 7(c), and 10 for more specific information with regard to particular network elements.

- d. What entities have requested elements?

RESPONSE

To date, the entities requesting unbundled network elements (or generally requesting services under Section 251 of the federal Act, which will likely include unbundled network elements) in Michigan include:

Brooks Fiber	Lake Huron Cellular (LHC)
MFS	LCI
TCG	Phone Michigan
AT&T	Popp Telecom
MCI	US One
Sprint	US Exchange
Sprint Spectrum	WinStar
KMC Telecom, Inc.	

See also the information provided in response to Question 3, Attachment A.

- e. What entities have actually purchased the elements?

RESPONSE

Brooks Fiber, MFS, TCG, and MCI are the competing local exchange carriers (CLECs) that have purchased unbundled network elements to date. In addition, other carriers (such as independent telephone

companies or interexchange carriers) purchase services today such as unbundled transport, signaling networks, call-related databases, operator services, and directory assistance. See Ameritech Michigan's responses to Questions 4, 5, 6, 7(b), 7(c), and 10 for more specific information with regard to particular network elements.

- f. What entities are actually providing service utilizing in part elements purchased from Ameritech Michigan or its affiliates?

RESPONSE

To the best of Ameritech Michigan's knowledge, Brooks Fiber, MFS, TCG, and MCI are the CLECs currently providing service using Ameritech Michigan's unbundled network elements. See also Ameritech Michigan's response to Question 2(e) and to Questions 5 and 6, Attachment A.

- g. What is the pricing methodology utilized for the elements?

RESPONSE

The methodology used for pricing network elements in the AT&T Agreement, on an interim basis, was described in the October 28, 1996 decision of the arbitration panel and approved in the Commission's November 26, 1996 order in Case Nos. U-11151 and U-11152.

The rates that Ameritech Michigan has established for network elements in its current tariffs and agreements were developed in accordance with the methodology required by the MTA, prior Commission orders, and Michigan requirements for total service long run incremental cost (TSLRIC). As this Commission has recognized, the Michigan TSLRIC standard is substantially consistent with the pricing standards in the federal Act. In its November 26, 1996 order approving the AT&T arbitration agreement, the Commission recognized that the only significant difference between the federal and state standards is that the FCC's pricing approach includes common cost, which would not be included in a TSLRIC approach (although common costs may be included in post-January 1, 1997 just and reasonable rates, as permitted by Section 352 of the MTA). See November 26, 1996 Opinion and Order in Case Nos. U-11151 and U-11152, pp. 7-9. Thus, to the extent rates meet the established Michigan TSLRIC requirements, they are, by definition, below permitted federal pricing standards. Ameritech Michigan's TSLRIC studies are based upon forward-looking economic costs as determined in a manner consistent with the Commission's September 12 order in Case Nos. U-10860, U-11155, and U-11156. The methodology utilized in these

cost studies is completely consistent with both the FCC's requirements concerning total element long run incremental cost and the requirements of the Michigan Telecommunications Act (MTA) and this Commission regarding TSLRIC.

Ameritech Michigan calculated its costs so as to fully capture prospective costs, carefully identifying the facilities and functions, including operating expenses and capital, directly attributable or incremental to each unbundled element and to interconnection or collocation services. Ameritech Michigan properly measured these costs based on the most efficient available technology and the lowest cost network configuration, given the location of its existing wire centers. In doing so, Ameritech Michigan applied assumptions with regard to depreciation lives, cost of capital, and network utilization that comply with the FCC's requirements (See 47 CFR §51.505(b); First Report and Order, Paragraphs 682, 686-687, 702-703) and Michigan requirements.

After calculating the reformulated TELRIC, Ameritech Michigan determined a reasonable allocation of forward-looking joint and common costs – incurred costs not directly attributable to individual elements or collocation services – based on current studies. These include costs shared by groups of elements and costs incurred by Ameritech Michigan's operations as a whole, such as the costs of corporate human resources or treasury management services. (47 CFR §51.505(c); First Report and Order, Paragraphs 695; 698) The TELRIC, together with the shared costs required by the FCC, are equivalent to the TSLRIC required by the Michigan Commission and Michigan statute. The Michigan Commission, in Case No. U-10620, recognized that shared costs are to be included in the TSLRIC analysis of a group of services, such as the unbundled network elements impacted by them.

- h. What is the time period from ordering an element to its provision by Ameritech Michigan or any of its affiliates?

RESPONSE

Ameritech Michigan's agreement with AT&T addresses provisioning intervals and maintenance times. Section 9.10 and related schedules address performance benchmarks with respect to unbundled access. See responses to Questions 4, 5, and 6 and the corresponding supporting affidavits of Messrs. Dunny, Mayer, and Mickens for specific intervals related to particular unbundled network elements.

The Brooks Fiber Agreement also addresses intervals (see, e.g., Sections 8.3, 8.4, and 9.6). The TCG Agreement addresses intervals for network elements (e.g., Sections 8.3, 9.6).

Under the AT&T Agreement, Ameritech Michigan will maintain records necessary to calculate its performance with respect to each of the performance benchmarks. This information will be provided to the interconnecting party by the 22nd day of the following month in a self-reporting format such that both parties can determine Ameritech Michigan's compliance with the performance benchmarks. For unbundled access, information with respect to each performance benchmark will be identified for Ameritech Michigan's performance with respect to its own customers, with respect to the customers of all interconnecting parties, and with respect to the customers of the individual interconnecting party.

Mr. Mickens addresses performance standards with regard to network elements generally at Paragraphs 23-25 of his affidavit. Mr. Mayer addresses intervals for network elements generally at Paragraphs 44-47 of his affidavit.

3. Access to poles, ducts, conduits, and rights of way owned or controlled by Ameritech Michigan or its affiliates.
- a. Are there any differences in the ability of Ameritech Michigan or any of its affiliates and other providers in obtaining access to poles, ducts, conduits, and rights of way?

RESPONSE

Ameritech Michigan provides access to poles, ducts, conduits, and rights-of-way which it owns or controls that is nondiscriminatory and comparable to that it provides to itself.

Ameritech Michigan's offering provides comparable, and therefore competitively neutral, access by three measures:

- (1) Other users are provided with access to Ameritech Michigan's maps and records regarding poles, ducts, conduits, and rights-of-way. This will facilitate incorporation of Ameritech Michigan's poles, ducts, conduits, and rights-of-way into the facility-based network designs of other providers.
- (2) All requests for access to poles, ducts, conduits, and rights-of-way, including those of Ameritech Michigan, will be made through Ameritech's Structure Leasing Coordinator. Competing requests for the same pole, duct, conduit, or right-of-way will be resolved on a first in time, first in right basis, thus ensuring fair and neutral allocation of available spare capacity and proper allocation of cost for new capacity, if necessary, to the later requesting party.
- (3) In conducting process steps, Ameritech Michigan has developed reasonable fixed intervals for process steps of a predictable or repetitive nature and to provide a process and means of comparison of treatment of others with treatment of Ameritech Michigan as to process steps not appropriate for fixed intervals, such as field surveys and, especially, make-ready engineering and construction.

These measures will provide access that is comparable to that Ameritech Michigan provides to itself.

Ameritech Michigan's processing of requests for access to structures satisfies not only all of the requirements of the federal Act and the FCC's regulations and order, but also the requirements of Section 361 of the MTA.