

PRICING SCHEDULE - MICHIGAN - PRE-JANUARY 1, 1997 PRICING

This Pricing Schedule - Michigan - Pre-January 1, 1997 Pricing shall only be operative and effective on and from the Effective Date until December 31, 1996. On and after January 1, 1997, this Pricing Schedule - Michigan - Pre-January 1, 1997 Pricing shall cease to be of any force and effect and the terms of the Pricing Schedule - Michigan shall apply thereafter during the term of this Agreement.

I. Reciprocal Compensation

If the number of minutes of Local Traffic terminated by either Party on the other Party's network is greater than five percent (5%), plus or minus, of the number of minutes of Local Traffic terminated by the other Party, the Parties shall compensate each other for the transport and termination of Local Traffic at the rate of \$0.015 per minute of use.

II. BLV/BLVI Traffic

Rate = \$0.90 per Busy Line Verification
\$1.10 per Busy Line Verification Interrupt
(in addition to \$0.90 for Busy Line Verification)

III. Transiting

Rate = \$0.002 per minute

IV. Unbundled Network Elements

A. Unbundled Loop Rates

1. Loops - Business - two wire analog-Basic

Rate = \$8.00 per month plus \$0.21 cross-connection charge per Loop

Loops - Business - four wire analog

Rate = \$16.00 per month plus \$0.42 cross-connection charge per Loop

2. Loops - Residential - two wire analog

Rate = \$11.00 per month plus \$0.21 cross-connection charge per Loop

Loops - Residential - four wire analog

Rate = \$22.00 per month plus \$0.42 cross-connection charge per Loop

^v These rates, terms and conditions shall apply unless altered by the Commission prior to December 31, 1996. If such action occurs, the resulting rates, terms and conditions shall apply until December 31, 1996.

B. Non-Recurring Charges

1. Unbundled Loops

Not applicable pre January 1, 1997.

2. Number Portability^{2/}

Not applicable pre January 1, 1997.

C. Additional Loop Conditioning Charges^{2/}

Loop Type	Additional Charges per Loop
Electronic Key Line	Rates based on cost
ISDN	\$22.50 per month per Loop
HDSL 2W	Rates based on cost
HDSL 4W	Rates based on cost
ADSL 2W	Rates based on cost

V. Interim Telecommunications Number Portability

See Section 13.8.

^{2/} See Section 13.8.

^{2/} The Additional Loop Conditioning Charges are only applicable if the distance requested on an ordered Loop exceeds such Loop's corresponding transmission characteristics as set forth in Section 9.2.1.

PRICING SCHEDULE - MICHIGAN*

ITEM

1-- 9-1-1 Service

See Exhibit PS-I

ITEM II -- Reciprocal Compensation

A.	End Office Local Termination	\$.003637	per minute
B.	Tandem Switching	\$.000744	per minute
C.	Tandem Transport Termination	\$.000236	per minute
D.	Tandem Transport Facility Mileage	\$.000006	per minute/per mile

ITEM III -- Information Services Traffic

Information Services Billing and Collection: \$ TBD^{1/2} per message

ITEM IV -- BLV/BLVT Traffic

A.	Busy Line Verification (BLV):	\$.47	per use
B.	Busy Line Verification Interrupt (BLVT): (in addition to BLV charge)	\$.58	per use

* All rates, charges and prices set forth in this Pricing Schedule are subject to the Commission's ultimate determination in Cases No. U-11280.

^{1/2} Throughout this Pricing Schedule, "TBD" means "to be determined." The rate structure set forth herein may ultimately be modified.

ITEM V -- Unbundled Network Elements

A. Unbundled Loop Rates

1. Recurring Rates

	Monthly Rates Access Area [#]		
	A	B	C
2-Wire Analog			
Basic	\$ 9.31	\$ 11.84	\$ 14.67
Ground Start	\$10.12	\$ 13.13	\$ 15.79
Electronic Key Line	\$14.63	\$ 20.40	\$ 22.10
4-Wire Analog	\$22.33	\$ 29.91	\$ 34.70
Digital			
ISDN	\$11.18	\$ 14.84	\$ 17.26
4-wire 64 Kbps	\$ TBD	\$ TBD	\$ TBD
4-wire 1.544 mbps	\$ TBD	\$ TBD	\$ TBD
Cross Connect Charge (additional, per cross connect):			
2-wire	\$ TBD		
4-wire	\$ TBD		
6-wire	\$ TBD		
8-wire	\$ TBD		
DS1	\$ TBD		
DS3	\$ TBD		
Service Coordination Charge - per carrier bill, per switch.	TBD		

[#] "Access Area" is as defined in Ameritech's applicable tariffs for business and residential Exchange Line Services.

2. Non-Recurring Rates

Service Order--Establish/Change: (Business or Residence)	\$38.44 ^{2/}
Line Connection: (Business or Residence)	\$32.76 ^{4/}
Record Change	\$8.35
Provisioning Change	\$8.35

B. NID^{5/} No Charge

C. Switching

1. Unbundled Local Switching

	<u>Non-Recurring</u>	<u>Monthly</u>
A. Custom Routing - per new LCC, per switch	\$ TBD	-
B. ULS Ports		
- Line Side Port without vertical features		\$.54
- Basic Line Port, per port	TBD	TBD
- Ground Start Line Port, per port	TBD	TBD
- ISDN-Direct Port, per port per telephone number	TBD -	TBD TBD
- DID Trunk Port, per port per telephone number add/rearrange each termination	TBD - TBD	TBD TBD TBD
- ISDN Prime Trunk Port, per port per telephone number add/rearrange channels	TBD - TBD	TBD TBD -

^{2/} The Service Order Charge is a per occasion charge applicable to any number of Loops ordered for the same location and same Customer account.

^{4/} The Line Connection Charge applies to each Loop.

^{5/} Access to Network Interface Device for Accessing Customer Premises Wiring (Inside Wire)

	<u>Non-Recurring</u>	<u>Monthly</u>
- Digital Trunking Trunk Port, per port	TBD	TBD
- Custom Routing Port, per port per individual trunk termination	TBD	TBD
- Centrex Basic Line Port, per port	TBD	TBD
- Centrex ISDN Line Port, per port	TBD	TBD
- Centrex EKL Line Port, per port	TBD	TBD
- Centrex Attendant Console Line Port, per port	TBD	TBD
C. Centrex System Charges		
- System Features, per common block	-	TBD
- Common Block establishment, each	TBD	-
- System features change or rearrangement, per feature, per occasion	TBD	-
- System feature activation, per feature, per occasion	TBD	-
2. Service Charges		
Service Ordering Charges		
- <u>Initial</u> Line port, per occasion	TBD	-
Trunk port, per occasion	TBD	-
- <u>Subsequent</u> per occasion	TBD	-
- Record Order per occasion	TBD	-
Conversion Charge		
- change from one type of line-port to another, per each changed	TBD	-
Ameritech Cross-Connection Service per carrier transport facility,		
-2 -Wire (Line port), each		TBD
-DS1 (trunk port), (each individual trunk)		TBD
3. Service Coordination Fee - per carrier bill, per switch.	-	TBD
4. Subsequent Training - per Company person, per hour	TBD	-

	<u>Non-Recurring</u>	<u>Monthly</u>
5. ULS Usage		
- Billing Development	TBD	-
		<u>Per Minute</u>
- Per minute of use or fraction thereafter		
- Initial Minute		\$.0065
- Each Additional Minute		\$.0022

Michigan Port

The rates, charges and prices for a port (as defined in MCLA 484.1102(x)) are as follows:

	<u>Nonrecurring Charge</u>	<u>Monthly Rate</u>
Basic Business/P.B.X.	\$47.30	2.12
P.B.X. Ground Start	47.30	2.57
Service Ordering Charge per occasion	12.34	-
	<u>Initial minute or fraction</u>	<u>Additional Minute or fraction</u>
Local Usage per minute of use	\$0.0054	\$0.0017
Service Coordination Fee	<u>Non Recurring Charge</u>	<u>Monthly Rate</u>
	N/A	\$0.74

	<u>Non-Recurring</u>	<u>Monthly</u>
Unbundled Tandem Switching		
Tandem Trunk (DS1)	.	TBD
Unbundled Trunk Port Features	.	TBD
Service Order Charge	TBD	
Line Connect Charge per DS1	TBD	
Subsequent Changes	TBD	
	<u>Per Minute</u>	
Usage Without Tandem Trunks	\$0.0006	

D. Dedicated Interoffice Transmission Facility

1	DS1 Rates	Rates, charges and prices proxied from F.C.C. Tariff No. 2, Section 7.5.9.
2	DS3 Rates	Rates, charges and prices proxied from F.C.C. Tariff No. 2, Section 7.5.9.
3	OC-3 Rates	Rates, charges and prices proxied from F.C.C. Tariff No. 2, Section 7.5.10.

4 OC-12 Rates

Rates, charges and prices proxied from F.C.C. Tariff No. 2, Section 7.5.10.

5 OC-48 Rates

Rates, charges and prices proxied from F.C.C. Tariff No. 2, Section 7.5.10.

6 STS-1 Rates

TBD

E. Shared Interoffice Transmission Facilities¹⁰⁷

1 **DS1 Rates** Rates, charges, and prices proxied from F.C.C. Tariff No. 2, Section 7.5.9

2 **DS3 Rates** Rates, charges, and prices proxied from F.C.C. Tariff No. 2, Section 7.5.9

Proposal of Ameritech for the applicable rates for shared transport.

E. Shared Interoffice Transmission Facilities (referenced as Switched Transport Services in Ameritech's F.C.C. Tariff No. 2)

Rates, charges and prices proxied from F.C.C. Tariff No. 2, Sections 6.1.3 and 6.9.1

Proposal of AT&T for the applicable rates for shared transport.

¹⁰⁷ A Shared Interoffice Transport Facility is a billing arrangement where two or more carriers share the features, functions, and capabilities of the transmission facility and share the cost. The actual price paid by each carrier is dependent on the number of carriers sharing the facility and the respective percentages designated for billing to each of the sharing carriers. The sum of the respective percentages must equal one hundred percent (100%).

} Ameri

F. Transiting.

1. The Transit Service Charge shall consist of the rates for (i) Tandem Switching, as set forth in Item V(C) of this Pricing Schedule, and (ii) the FCC Shared Transport access rate as set forth in Item V(E) of this Pricing Schedule.

G. Signaling Networks and Call-Related Databases

1. Signaling Networks

Rates, charges, and prices proxied from F.C.C. Tariff No. 2, Sections 6.9.1 and 6.9.2.

2. Call-Related Databases

800 Service

Rates, charges, and prices proxied from F.C.C. Tariff No. 2, Section 6.9.4.

LIDB Service

Rates, charges, and prices proxied from F.C.C. Tariff No. 2, Section 6.9.1.

3. Service Management Systems

Access to Databases - TBD.

H. Operator Services and Directory Assistance

1. Operator Services^W

Manual Call Assistance Occurrences - rates will apply based on the total monthly volume and a LIDB charge will apply separately to all occurrences requiring billing validation.

\$TBD per occurrence

Automated Call Assistance Occurrences - rates will apply based on the total monthly volume, and a LIDB charge will apply separately to all automated occurrences.

^W There is not a corresponding F.C.C. Interstate Access Tariff for Operator Services.

TBD per occurrence

Branding per trunk group -- TBD non-recurring charge

2. Directory Assistance

The rates, charges and prices for Directory Assistance are set forth in F.C.C. Tariff No. 2, Section 9.7

I. Combinations of Network Elements¹²⁷

	Rate/Month Access Area		
	A	B	C
Unbundled Element Platform	\$9.24	\$10.64	\$12.08
Loop Combination	\$8.60	\$10.00	\$11.44
Switching Combination #1	\$1.07	\$ 1.07	\$ 1.07

J. Rates for Maintenance.

1. Trip Charge - TBD

2. Time Charge - TBD

¹²⁷ Combinations of Network Elements are as set forth on Schedule 9.3.4.

Item VI -- Wholesale Resale Services

A. See Schedule 10.1

B. "Warm" Transfer S TBD

Item VII -- Collocation

The rates, charges, and prices for Collocation are set forth in F.C.C. Tariff No. 2, Section 16.5.

Item VIII -- Structure

See Section 16.18.

ITEM IX – SERVICE PROVIDER NUMBER PORTABILITY

	<u>L.N.C.</u> ^{13/}	<u>Per Month</u> ^{12/}
A. SPNP-Remote		
Service Ordering Charge, per occasion ^{11/}	\$38.44	
per number ported, including		
additional call paths	\$19.75	\$2.86
per additional call path ^{12/}	\$10.30	TBD
B. SPNP-Direct		
Service Ordering Charge, per occasion ^{12/}	\$38.44	
Service Establishment Charge		
per SPNP-Direct trunk group,		
per switch	\$56.53	
SPNP-Direct Channel Termination		
charges, per SPNP-Direct VG		
channel termination	\$34.56	\$18.16
per SPNP-Direct DS1		
channel termination	\$280.20	\$119.28
SPNP-Direct Number Charges,		
per number ported	\$ 3.23	\$.030

^{11/} Line Connection charges apply.

^{12/} Service Ordering charges for additional call capacity for a ported number are not applicable if ordered coincident with its specific ported number. If ordered subsequent to SPNP-Remote Service or with an unrelated ported number, Service Ordering charges apply per occasion.

^{13/} Service Coordination Fee Charges apply.

^{12/} Rates suspended pending commission approval of a competitively neutral cost recovery mechanism.

	<u>USOC</u>	<u>L.N.C.^{13/}</u>	<u>Per Month^{13/}</u>
SPNP-Direct Transport Charges.^{14/ 15/}			
per SPNP-Direct VG transport	UNMDT	\$0.00	\$0.00 ^{16/}
per SPNP-Direct VG w/o transport ^{14/}	UNMDC	"	"
per SPNP-Direct DS1 transport	UNMDF		
per SPNP-Direct DS1 w/o transport ^{14/}	UNMDI	\$0.00	0.00
Subsequent additions, deletions or rearrangement of SPNP-Direct trunk terminations in addition to above charges			
per occasion	REAJD	21.35	0.00

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- ^{14/} Service ordering charges, as shown in Part 3, Section of this tariff apply.
- ^{15/} Line connection charges, as shown in Part 3, Section 1 of this tariff, apply.
- ^{16/} Rates for unbundled PBX ground start loops apply, as specified in Section 2 of this tariff.
- ^{17/} SPNP Direct DS1 Transport is provisioned at the rates and charges for DS1 service as specified in Part 15, Section 3 of this tariff.

Where SPNP Direct is provisioned.

EXHIBIT PS-I

RATE TABLE - MICHIGAN

E911 SERVICES PROVIDED:

Automatic Number Identification (ANI), Automatic Location Identification (ALI) and selective routing (SR), charge per 1000 Access Lines¹⁴ serviced by the E911 Network: TBD

The per 1000 Access Lines charge will include the following number of trunks per trunk group between the Ameritech Central Office and Ameritech Control Offices deemed sufficient to accommodate traffic:

Access Lines	Trunks provided at no additional charge
01-1,500 =	TBD
1,501-7,500 =	TBD
7,501-18,500 =	TBD
18,501-33,500 =	TBD

Should Exchange Carrier desire more trunks than those described above, Exchange Carrier shall acquire such additional trunks from Ameritech at rates, terms and conditions provided in Ameritech's tariffs.

Optional Manual Update: Update of the ALI/DMS data base from paper copies of service order activity furnished by Exchange Carrier, charge per updated record: TBD

Address and Routing File
TBD

E9-1-1 Control Office TBD
Software Enhancement -
Connection Charge

SERVICES PROVIDED

A. Exchange Area(s) covered by Agreement:

Ameritech shall provide E911 Service described in Section 3.9 and Schedule 3.9 and selected by Requesting Carrier in the Exchange Area(s) in which both of the following conditions are met: (1) Requesting

¹⁴ Or fraction thereof. The minimum charge will be based upon 100 Access Lines. Number of Access Lines applicable will include all lines contained within the ALI/DMS data base, including those that are outside of the Customer's geographical boundary jurisdiction, but within Requesting Carrier's exchange boundary and set for routing via the E911 network.

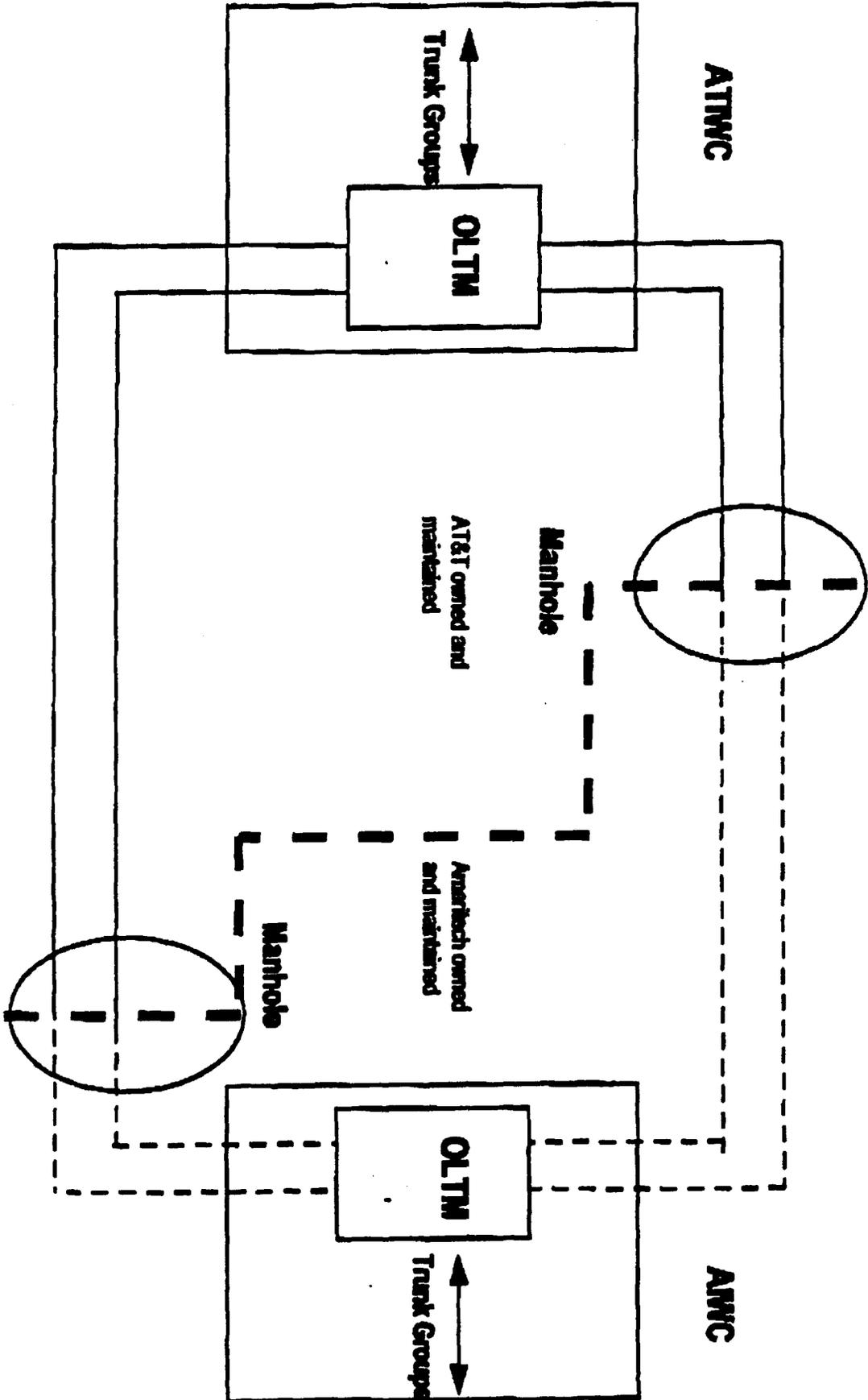
Carrier is authorized to provide local exchange services in such Exchange Area(s), and (2) Ameritech is the 911 service provider in such Exchange Area(s).

B. Requesting Carrier Updates:

If Requesting Carrier elects to furnish daily updates to the Customer information contained within the Requesting Carrier database, Ameritech will provide Requesting Carrier with the proper address to which updates should be sent.

AA00843523 34060/3 LSO: 123644-1

EXHIBIT A AT&T/Ameritech Fiber Meet



STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

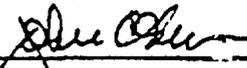
In the matter of the petition of)
AT&T COMMUNICATIONS OF MICHIGAN, INC.,)
for arbitration to establish an interconnection) Case No. U-11151
agreement with Ameritech Michigan.)
_____)

In the matter of the petition of)
AMERITECH MICHIGAN for arbitration)
to establish an interconnection agreement with) Case No. U-11152
AT&T Communications of Michigan, Inc.)
_____)

DISSENTING OPINION OF COMMISSIONER JOHN C. SHEA

(Submitted on November 26, 1996 concerning order issued on same date.)

For the reasons set forth in my November 1, 1996 Dissenting Opinion in Case No.
U-11138, I dissent.



John C. Shea Commissioner

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the petition of)	
AT&T COMMUNICATIONS OF MICHIGAN, INC.,)	
for arbitration to establish an interconnection)	Case No. U-11151
agreement with Ameritech Michigan.)	
_____)	
)	
In the matter of the petition of)	
AMERITECH MICHIGAN for arbitration)	
to establish an interconnection agreement with)	Case No. U-11152
AT&T Communications of Michigan, Inc.)	
_____)	

At the November 26, 1996 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. John G. Strand, Chairman
Hon. John C. Shea, Commissioner
Hon. David A. Svanda, Commissioner

ORDER APPROVING AGREEMENT ADOPTED BY ARBITRATION

I.

HISTORY OF PROCEEDINGS

On August 1, 1996, AT&T Communications of Michigan, Inc., (AT&T) filed a petition for arbitration with the Commission regarding the terms, conditions, and prices for interconnection and related arrangements with Ameritech Michigan pursuant to Section 252(b) of the federal Telecommunications Act of 1996 (the FTA), 47 USC 252(b). In accordance with the proce-

dures adopted by the Commission's July 16, 1996 order in Case No. U-11134, AT&T filed proposed direct testimony and exhibits in conjunction with its petition for arbitration.

On August 2, 1996, Ameritech Michigan filed a petition for arbitration requesting that the Commission arbitrate issues related to collocation of AT&T's equipment on Ameritech Michigan's premises, AT&T's costs for local traffic termination, and AT&T's obligations under Section 251 of the FTA. Subsequently, the separate petitions filed by AT&T and Ameritech Michigan were consolidated into a single arbitration proceeding and an arbitration panel consisting of Administrative Law Judge Robert E. Hollenshead and Commission Staff members Ann R. Schneidewind and Louis R. Passariello was assigned to preside over the arbitration proceedings.

On August 14, 1996, the parties first met with the arbitration panel to establish a procedural framework for addressing disputed issues. Following the initial meeting, each party met separately with the arbitration panel to discuss the merits of the issues to be considered in the arbitration proceeding.

On August 26, 1996, Ameritech Michigan filed its response to AT&T's petition. On August 27, 1996, AT&T filed a response to Ameritech Michigan's petition.

On September 13, 1996, AT&T submitted a marked up version of the proposed arbitration agreement that sets forth all of the terms agreed to by the parties as well as each party's proposed contract language for all of the disputed portions of the contract.

On September 17, 1996, each party submitted a proposed decision to the arbitration panel. Ameritech Michigan also submitted a marked up agreement along with a list of annotations concerning differences in the contracts.

On September 24, 1996, the parties made oral presentations to the arbitration panel in support of their positions. On September 25, 1996, the parties rebutted the other party's presentations.

On October 1, 1996, AT&T submitted supplemental information regarding resolved issues. On October 2, 1996, the parties jointly submitted a version of the proposed interconnection agreement including both resolved contract language and proposed language of both Ameritech Michigan and AT&T in disputed areas.

On October 28, 1996, the arbitration panel issued its decision. In so doing, the arbitration panel identified 55 issues that the parties had been unable to resolve through negotiations. For each issue, the panel stated its decision and the rationale underlying its determination.

On November 7, 1996, Ameritech Michigan filed its objections to the decision of the arbitration panel. On November 8, 1996, AT&T filed its objections.¹

II.

DISCUSSION

The arbitration panel's decision identified and proposed resolutions for 55 contested issues.² It now appears that 18 of the issues are no longer contested.

¹AT&T's objections were filed one day late because its courier was delayed by a motor vehicle accident.

²In its July 16, 1996 order in Case No. U-11134, the Commission directed that the arbitration panel should limit its decision on each issue to selecting the position of one of the parties on that issue unless the result would be clearly unreasonable or contrary to the public interest.

In their separate objections, neither Ameritech Michigan nor AT&T raised any objections to the arbitration panel's disposition of issues 5, 9, 13, 19, 29, 37, 39, 40, 46, 47, 50, and 51. In addition, the objections raised with regard to issues 11, 12, 14, 17, 18, and 20 are limited to merely pointing out that these matters were resolved by an October 21, 1996 agreement that was apparently not submitted to the arbitration panel until the day before the panel's decision was originally scheduled to be released, which accounts for the panel's failure to acknowledge these agreements in its decision. Finally, an examination of the objections reveals that some of the remaining issues were at least partially resolved by the parties' last minute agreement.

In analyzing the remaining contested issues, the Commission has chosen to group the issues by their subject matter rather than to proceed sequentially through them. Additionally, to further expedite the Commission's decision process, determinations reached by the arbitration panel regarding issues not discussed in the body of this order are considered by the Commission to have been properly and finally resolved for the reasons set forth in the arbitration panel's October 28, 1996 decision.

Pricing Provisions

Issues 1, 2, and 49 of the arbitration panel's decision concern pricing issues that were not resolved through negotiation between the parties. Issue 1 involves the establishment of interim prices for reciprocal compensation, transiting, unbundled network elements/combinations,

collocation, and structures (poles, ducts, conduits, and rights-of-way issues).³ Issue 2 concerns the size of the discount from retail prices that should be applicable to AT&T's wholesale purchases of network services from Ameritech Michigan that will be resold to AT&T's retail customers. Issue 49 concerns whether the interim rates contained in the arbitration agreement should be replaced on a prospective or retroactive basis by permanent rates that will be established in a future proceeding.

With regard to Issues 1, 2, and 49, the arbitration panel rejected Ameritech Michigan's positions in favor of AT&T's positions on most elements of the issues. However, the arbitration panel's determinations regarding the pricing of dedicated transport, switched transport, signaling and database services, operator and directory services, and collocation rejected the positions of both Ameritech Michigan and AT&T in favor of existing FCC interstate access rates.

With regard to Issue 1, Ameritech Michigan argues that the arbitration panel's decision improperly ignored Ameritech Michigan's reformulated cost studies, which Ameritech Michigan attempted to present to the panel on September 24, 1996. The Commission finds that the reformulated cost studies were properly rejected.

The schedule in this proceeding included a September 17, 1996 deadline for the parties to submit their positions regarding all contested provisions of the interconnection agreement. On that date, Ameritech Michigan submitted its positions on the contested pricing issues, which it

³The Commission is aware that various aspects of Issue 1 are no longer in dispute because neither party raised an objection to the arbitration panel's decision. These matters include the arbitration panel's determination that the existing Federal Communications Commission (FCC) interstate access rates should be applied on an interim basis for dedicated transport, switched transport, signaling and database services, and operator and directory services. Therefore, the arbitration panel's findings on these matters should be incorporated by the parties into their interconnection agreement.

had developed on the basis of previous total service long run incremental cost (TSLRIC) studies. However, the TSLRIC studies underlying Ameritech Michigan's arbitration pricing positions had been rejected in the Commission's September 12, 1996 order in Cases Nos. U-10860, U-11155, and U-11156. Indeed, in rejecting Ameritech Michigan's TSLRIC studies, the Commission found that they were inconsistent with the costing principles established in Case No. U-10620.

At the September 24, 1996 oral presentation to the arbitration panel, Ameritech Michigan attempted to submit cost studies that had been reformulated in response to the Commission's September 12, 1996 order in Cases Nos. U-10860, U-11155, and U-11156 with regard to all unbundled network elements and interconnection and call termination services. The arbitration panel refused to consider the reformulated studies, stating that it would not accept any information submitted after the filing deadline.

"Baseball-style" arbitration exposes both parties to the same risks. Each party to the arbitration process was aware that its position on an issue would be rejected if the other party's position were found to be more reasonable. Accordingly, each participant should have been motivated to abandon unrealistic positions in favor of more reasonable ones. Ameritech Michigan is solely responsible for determining its negotiation and arbitration stances. Ameritech Michigan not only prepared the flawed cost studies, it also chose to base its negotiation and arbitration positions on those studies. As such, Ameritech Michigan has no one but itself to blame for the predicament caused by the Commission's September 12, 1996 rejection of those studies.

The Commission finds that the arbitration panel's refusal to permit the introduction of Ameritech Michigan's reformulated cost studies was neither arbitrary nor capricious. As early