



Celia Nogales
Director - Federal Relations

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May 29, 1997

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MAY 29 1997

Federal Communications Commission
Office of Secretary

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, NW
Room 222
Washington, DC 20554

Re: **Ex Parte**
CC Docket 96-128

Dear Mr. Caton:

On May 28, 1997, Mr. Fred Miri, Mr. Mike Johnson and I met with Ms. Mary Beth Richards, Deputy Bureau Chief, Common Carrier Bureau, Ms. Kathy Franco, Counsel, Common Carrier Bureau and Mr. Robert Spangler, Deputy Chief, Enforcement Division. At this time we provided a status report of state activities relating to the above referenced docket. The attached information was used as part of our discussion.

Sincerely,

Attachment

cc: M. Richards
K. Franco
R. Spangler

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Public Policy
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...
Nancy M. Short

May 19, 1997

Ms. Dorothy Wideman
Executive Secretary
Michigan Public Service Commission
6545 Mercantile Way
P. O. Box 30221
Lansing, MI 48909

Dear Ms. Wideman:

Attached for submission to the Michigan Public Service Commission are cost studies for the following services offered by Ameritech Michigan:

- 1. COCOTS Line
- 2. IPP Coin (All tariffs depicted in Tariff M.P.S.C. No. 20R, Part 13, Section 2)
- 3. Restricted Coin Access
- 4. Profitmaster
- 5. Call Screening
- 6. Answer Supervision

A cost study for Outgoing Only Service was completed but not submitted because the study determined that there are no TSLRIC costs to provide the service.

As explained in the letter to Mr. Celio also dated May 19, 1997 these cost studies are being filed pursuant to the FCC's Orders in CC Docket No. 96-128 of September 20, 1996, November 8, 1996, April 4, 1997, and April 15, 1997, respectively. These cost studies are being submitted to demonstrate Ameritech Michigan's compliance with the "new services" test for these services established in the above referenced FCC orders.

This documentation constitutes trade secrets and commercial or financial information which cannot be disclosed to unauthorized persons without the consent of Ameritech pursuant to 1991 PA 179 as amended by 1995 PA 216.

If you have any questions, please feel free to call me.

Sincerely,

Attachments

cc: Mr. W. Celio (letter only)



Public Policy
444 Michigan Avenue
Room 1540
Detroit, MI 48226
Office: (313) 223-7549

Nancy M. Short
Director

May 19, 1997

Mr. William Celio
Director Communications Division
Michigan Public Service Commission
6545 Mercantile Way
P. O. Box 30221
Lansing, MI 48909

Dear Mr. Celio:

These materials are submitted under the pay telephone provisions of Section 276 of the Telecommunications Act of 1996 and the orders of the Federal Communications Commission ("FCC") implementing that law in its CC Docket No. 96-128. There the FCC has required Local Exchange Carriers (LEC's) (among other things) to file certain tariffs and cost studies with state regulatory commissions in order that the LECs' affiliated payphone operations may become eligible to receive payphone compensation from interexchange carriers. In the Order on Reconsideration issued on November 8, 1996, the FCC established the following requirements for a LEC to be eligible to receive payphone compensation:

In the Order on Reconsideration, the Commission concluded that to be eligible to receive compensation, a LEC must be able to certify the following:

1) it has an effective cost accounting manual ("CAM") filing; 2) it has an effective interstate CCL tariff reflecting a reduction for deregulated payphone costs and reflecting additional multiline subscriber line charge ("SLC") revenue; 3) it has effective intrastate tariffs reflecting the removal of charges that recover the costs of payphones and any intrastate subsidies; 4) it has deregulated and reclassified or transferred the value of payphone customer premises equipment ("CPE") and related costs as required in the Report and Order; 5) it has in effect intrastate tariffs for basic payphone services (for "dumb" and "smart" payphones); and 6) it has in effect intrastate and interstate tariffs for unbundled functionalities associated with those lines.

The Commission also noted that additional requirements apply to those LECs that are BOCs:

In addition to the requirements for all other LECs, BOCs must also have approved [comparably efficient interconnection ("CEI")] plans for basic payphone services and unbundled functionalities prior to receiving compensation. Similarly, prior to the approval of its [CEI] plan, a BOC may not negotiate with location providers on the location provider's selecting and contracting with the carriers that carry interLATA calls from their payphones. [footnotes omitted--Quotation from paragraphs 6-7 of FCC April 14, 1997 Order]

With this submission, Advice No. 2647, and the cost studies provided to Dorothy Wideman today in a separate letter under confidential cover, Ameritech Michigan certifies that it has met all FCC requirements and is eligible and will invoice for payphone telephone set compensation effective 4/15/97. In certifying that Ameritech Michigan has met all FCC requirements, we provided the necessary cost tests as required by the FCC so the Commission can verify that Ameritech Michigan's M.P.S.C. payphone tariffs satisfy the "new services" test required by those Orders.

At this time, we anticipate that no additional action before the Michigan Public Service Commission is necessary or required.

The following demonstrates Ameritech Michigan's compliance with the requirements of the FCC Payphone Order to be entitled to receive payphone compensation.

1. Ameritech has an effective cost allocation manual.

The FCC Order approving the Ameritech Cost Allocation Manual (ACAM), adopted and released on April 15, 1997, is enclosed. The ACAM, filed with the FCC on October 22, 1996, became effective on April 15, 1997 coincident with the FCC's approval of Ameritech's Comparably Efficient Interconnection (CEI) Plans. The FCC's Order of April 15, 1997 approving the CEI Plan is enclosed.

2. Ameritech has an effective interstate CCL tariff reflecting a reduction for deregulated payphone costs and reflecting additional multiline subscriber line charge (SLC) revenue.

Ameritech, as part of its introduction of the interstate Pay Telephone Set Use Fee tariff, had identified and removed payphone-related cost elements from its interstate access charges effective May 24, 1996. That filing, made under Transmittal No. 953, is enclosed.

The interstate Pay Telephone Set Use Fee Tariff was terminated effective April 15, 1997 per Transmittal No. 1075, attached. The inclusion of the multiline subscriber line

charge was reflected in Ameritech's price cap adjustment filing, Transmittal No. 1056 attached.

As a result of the above actions, all payphone costs have been removed from interstate access charges pursuant to Section 276 of the Telecommunications Act of 1996. These access charges are mirrored on an intrastate basis.

- 3. Ameritech has effective interstate tariffs reflecting removal of charges that recover the costs of payphones and any intrastate subsidies.**

See response to requirement 2 above.

- 4. Ameritech has deregulated and reclassified or transferred the value of payphone CPE and related costs as required in the Report and Order.**

On September 20, 1996, the FCC released a Report and Order implementing the pay telephone reclassification pursuant to the Telecommunications Act of 1996. The September 20, 1996 Order required the LECs to reclassify their payphone assets and related expenses to non-regulated status no later than April 15, 1997. The September 20, 1996 Order required LECs to "establish whatever Part 64 cost pools are needed and file revisions to their cost allocation manuals (CAMs) within sixty (60) days prior to the effective date of the change." On April 15, 1997, the FCC adopted and released an Order finding that the Ameritech Operating Companies satisfied the requirements of the September 20, 1996 Order based on its ACAM filing (see response to first requirement above). Accounting reports reflecting implementation of the revised ACAM will become available in June, 1997 reflecting the changes that became effective on April 15, 1997.

- 5. Ameritech Michigan has in effect intrastate (Michigan) tariffs for basic payphone service (for "dumb" and "smart" payphones).**

Ameritech has effective access line tariffs for both "smart" (IPP Coin Line) and "dumb" (COCOTS) payphones. Current copies of these tariffs are enclosed.

- 6. Ameritech Michigan has in effect intrastate and interstate tariffs for unbundled functionalities associated with those lines.**

The following intrastate and interstate tariffs for unbundled functionalities were filed pursuant to the FCC Orders and are effective or to be effective as shown below.

<u>Unbundled Service</u>	<u>Interstate Transmittal No./ Effective Date</u>	<u>Intrastate Advice No./ Effective Date</u>
Restricted Coin Access	T1035/01-30-97	A2558/12-13-96
Outgoing Only	T1035/01-30-97	A2558/12-13-96
Profitmaster	T1091/06-03-97	A2643/05-15-97
Selective Call Screening	T1092/06-03-97	A2647/05-20-97
Answer Supervision	T1092/06-03-97	A2647/05-20-97

7. Ameritech Michigan has approved CEI plans for basic payphone services and unbundled functionalities.

See response to requirement 1 above.

If you have any questions or would like to discuss further, please let me know.

Sincerely,

Nancy Short