

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 Federal Telecommunications Act of 1996)

Case No. U-12320

REPLY AFFIDAVIT OF
SCOTT J. ALEXANDER
ON BEHALF OF
AMERITECH MICHIGAN

DATED: JULY 30, 2001

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I, Scott J. Alexander, being of lawful age and duly sworn upon my oath, do hereby depose and state as follows:

INTRODUCTION

1. My name is Scott J. Alexander. My business address is 2000 W. Ameritech Center Drive, Room 4G46, Hoffman Estates, IL 60196. I am Director - Wholesale Marketing for Ameritech. I am the same Scott J. Alexander who sponsored an Affidavit filed with Ameritech Michigan's Checklist Informational Filing in this proceeding on May 15, 2001. I hereby verify, based upon my personal knowledge, the accuracy of the facts contained in the affidavit I am filing today, July 30, 2001, in Michigan Public Service Commission Case No. U-12320. I further verify, based upon my personal knowledge, the accuracy of the facts contained in the affidavit I filed on May 15, 2001 in Case No. U-12320 (hereinafter, "my May 15th affidavit"), with the clarifications I note herein in footnotes 2, 8, 22, and 29.

PURPOSE OF REPLY AFFIDAVIT

2. The purpose of this Reply Affidavit is to respond to certain claims and inaccuracies made by other parties in their affidavits, or comments submitted in response to Ameritech's May 15, 2001 §271 Checklist Informational Filing with the Michigan Public Service Commission ("MPSC") in this proceeding. Specifically, I will respond to AT&T's affiant Mr. Noorani, the Comments of XO Communications (XO) and its affiant Mr. Routhier, McLeod USA's ("McLeod") Comments and its affiants Ms. Bowers and Ms. Harding, the Comments of the CLEC Association of Michigan ("CLECA") and its affiants Mr. Iannuzzi and Mr. Finefrock, the Comments of MichTel and its affiant Mr. Olsen, WorldCom's affiant Ms. Lichtenberg, the Comments of Z-Tel, the affidavit of Mr. Pace on behalf of the Michigan

Pay Telephone Association (MPTA), and the Comments of the Michigan Cable Television Association (MCTA).

CHECKLIST ITEM (i) INTERCONNECTION

3. On behalf of AT&T, Mr. Noorani claims that Ameritech is not pricing collocation in a manner consistent with the MPSC's determinations (See Noorani affidavit at ¶ 7-11 and Exhibits DN-1 and DN-2). While Mr. Noorani creates the impression that Ameritech is imposing inappropriate collocation prices and that there are many collocation rates at dispute, this is simply not the case. AT&T has steadfastly refused to accept interim collocation rates that are identical to the tariff rates required by the MPSC's order in Case No. U-11831, while the parties negotiate final rates for their interconnection agreement that take into account any differences in the costs incurred by Ameritech Michigan to provide collocation pursuant to the terms and conditions in the AT&T interconnection agreement versus the costs incurred to provide collocation pursuant to the terms and conditions contained in the collocation tariff. In addition, on page 6, Mr. Noorani claims that Ameritech's "attempt to lump as many items as possible under the NSCR category" is a cause for concern; again, the facts do not support Mr. Noorani's claim. There are only 15 items for which an interim contract rate was not provided (out of over 180 different rate elements for collocation), as these are to be priced as a Non-Standard Collocation Request (NSCR) or, in one situation, "to be determined." The items subject to NSCR pricing are indeed non-standard and/or unique items that require case-by-case handling and/or have never been ordered in practice by AT&T or any other CLEC. Eight (8) of the 15 items are uniquely related to adjacent collocation, three (3) are related to non-standard size shared

caged collocation arrangements, two (2) items involve non-standard bay sizes for cageless collocation, and two (2) items involve the process of changing between physical and virtual collocation arrangements.

4. As discussed above, the nature of the items subject to the NSCR dictates that they are appropriately handled as non-standard items. Indeed, Mr. Noorani agrees that some of these “are by their very nature non-standard” (Noorani affidavit, ¶11). However, Mr. Noorani misunderstands how the NSCR process operates, and he misinterprets information provided on the CLEC website regarding the NSCR process. On page 6, Mr. Noorani claims that Ameritech “imposes an unspecified NSCR application fee and NSCR quoting interval on top of normal collocation application intervals and fees” and incorrectly concludes that Ameritech can “take as long as it wants and quote as much as it wants.” Mr. Noorani should have read the NSCR form, which is also on the CLEC website.¹ Ameritech developed the NSCR to process a CLEC’s non-standard collocation requests in a prompt manner, and also to accommodate the variety of unique requests and resultant work activity that could be required to analyze, engineer, design and implement such requests. Contrary to Mr. Noorani’s claims, the NSCR specifies reasonable intervals for Ameritech to respond to a CLEC’s requests. For example, Ameritech is required to acknowledge receipt of a NSCR within five (5) business days, and to affirmatively notify the CLEC as to the availability of the request within ten (10) days. Not coincidentally, this ten-day response interval for an NSCR is analogous to the ten-day response interval for standard collocation requests, consistent with the FCC’s Advanced Services Order. The longest interval for a CLEC to

¹See Attachment A, which is the NSCR form printed from the CLEC website.

obtain its NSCR quote is thirty days, provided that the CLEC has fully completed the NSCR form requirements. This is a far cry from Mr. Noorani's unsupported claim that Ameritech "can take as long as it wants." Further, the NSCR form is not complicated and does not require the CLEC to pay additional fees. Notably, for non-standard collocation space increments, the form is very streamlined and the CLEC is only required to complete items 2, 3, and 14 or 15 on the form, and no deposit is made and no financial commitment is incurred by the CLEC unless the CLEC cancels its request and Ameritech has performed work in processing the request. AT&T could have submitted such NSCRs during the past two years if it required collocation space in the non-standard increments it now claims it seeks, and still may do so at any time.

5. Further, the NSCR also commits Ameritech to price any collocation services provided under the NSCR in a manner consistent with the Act and MPSC requirements. Ameritech cannot and would not "charge as much as it wants" under the NSCR process, as alleged by Mr. Noorani. However, Ameritech is certainly entitled to recover its costs when a CLEC requests collocation arrangements that are unique and/or have never been requested before. For example, with regard to adjacent collocation requests, the NSCR form enables a CLEC to specify the details of its request such as equipment placement, site drawings, and structure requirements. In addition, the submission of an NSCR for adjacent collocation does not require any up front "fee", however the CLEC has an option to make a \$2,000 deposit and in effect limit its financial liability to Ameritech to the amount of that deposit should the CLEC later cancel its request during the quote phase. Further, any deposit made by the CLEC is applied to the cost of processing and implementing the NSCR, and if Ameritech's costs are less than the deposit, the balance is returned to the CLEC. Therefore,

contrary to Mr. Noorani's claim, the NSCR does not impose fees "on top of" the appropriate charges that the CLEC would pay for Ameritech performing work to process and implement the CLEC's request.

6. Finally, the contract negotiations between AT&T and Ameritech are not impacting AT&T's ability to order and obtain collocation. This is because demand for these non-standard items is likely to be minimal. The eight (8) items related to adjacent collocation are only required in the event AT&T requests adjacent collocation because physical collocation space is legitimately exhausted at Ameritech's premises. The items related to cageless collocation non-standard bay sizes and non-standard shared caged collocation spaces, as well as adjacent collocation have been available to CLECs subject to the NSCR process for over two years. The NSCR is a reasonable process and does not impose unreasonable delays or fees on the CLEC related to its requests.
7. XO Communications, Inc. ("XO") and its affiant Mr. Routhier claim that Ameritech's virtual collocation offering is "discriminatory and inadequate" (see Comments of XO at pages 2-3, and the Routhier affidavit). Mr. Routhier complains that XO is required to contact Ameritech prior to physically accessing its virtual collocation arrangements because Ameritech must issue an "escort ticket," and that XO always experiences a "two-hour delay" under this procedure. According to XO, this procedure is discriminatory and therefore Ameritech Michigan is not in compliance with checklist item (i). XO's claims of inadequate collocation provisioning and discrimination are completely false. As I explained

in my May 15th affidavit², Ameritech meets its obligations to provide physical and virtual collocation in accordance with the Act and the FCC's rules. Further, Ameritech is providing collocation to XO in accordance with its interconnection agreement with XO. However, XO appears confused about the nature of the physical access provided to CLECs with virtual collocation. Furthermore, XO and Mr. Routhier may potentially be referring to situations involving XO's virtual collocations in Ohio which are subject to a unique, grandfathered arrangement that is not provided to XO outside of Ohio. To the extent that XO is raising issues with regard to that arrangement with Ameritech Ohio, those issues are not pertinent in this proceeding and have no bearing on Ameritech's compliance with checklist item (i) in Michigan.

8. In any event, virtually collocated CLECs are not entitled to, nor are they provided with, the same type of 7 x 24 access to their collocation space on Ameritech's premises as physically collocated CLECs. When XO obtains virtual collocation, it should fully understand that, by definition, virtual collocation is different than physical collocation and that the provisions for the CLEC to access its collocation arrangement are necessarily different.³ Indeed, because a CLEC's virtually collocated equipment is placed within Ameritech's equipment areas, the CLEC generally has physical access to the virtual collocation only on a very

² I describe Ameritech's collocation offerings in ¶¶ 11-51 of my May 15th affidavit. At ¶ 37, my May 15th affidavit stated, in part, that "If Ameritech receives an application for physical collocation, when there is insufficient space available to satisfy that request in that particular central office, Ameritech provides the CLEC and the MPSC a letter within 10 days of submission of the completed application. The letter indicates: 1) the amount of space sought by the collocator; 2) the amount of space at the premises; 3) detailed floor plans; 4) a description of other plans, if any, that may relieve space exhaustion." I clarify here that detailed floor plans are not included in the referenced letter sent to the CLEC.

³ The FCC recognizes this difference in the nature of virtual collocation and has stated that in a virtual collocation arrangement, "the competing provider...does not have physical access the incumbent's premises." See FCC Advanced Services Order at ¶19, n.27, and Local Competition First Report and Order, at ¶559.

limited basis, and only when accompanied by an Ameritech employee. Accordingly, Ameritech's agreement with XO contains distinct provisions related to XO's access to its collocation arrangements. Specifically, XO's agreement⁴ provides that:

“Ameritech shall allow NEXTLINK (i) for NEXTLINK's Physical Collocation spaces, seven (7) –day, twenty-four (24) –hour access to inspect or observe spaces that house or contain NEXTLINK equipment or equipment enclosures and Ameritech shall furnish NEXTLINK with keys, entry codes, lock combinations, and other materials for information that may be needed to gain entry into any secured NEXTLINK space...and (ii) for NEXTLINK's Virtual Collocated space, access during the applicable Premises' normal business hours to inspect or observe NEXTLINK equipment. NEXTLINK acknowledges that Ameritech may require NEXTLINK's representative(s) to be escorted during such inspections/observations of Virtual collocated space and NEXTLINK agrees to pay the cost of Ameritech escorts.”⁵

Further, the agreement provides in Schedule 12.12:

“3.1 Ameritech shall allow periodic inspections of Virtual Collocation space where NEXTLINK equipment is located.”

3.3 Virtual Collocation shall be provided in accordance with the terms and conditions of Tariff F.C.C. No. 2, Section 16.3; provided, however, if any provision of such tariff is inconsistent with the Act, the Act shall govern.”

These interconnection agreement provisions clearly delineate the differences in access provided to XO's virtual and physical collocations. Furthermore, there is nothing in the Act, the FCC's rules, nor any MPSC tariff provision that requires or suggests that Ameritech provide a CLEC the type of physical access to virtual collocation that XO claims it is entitled to.

⁴ XO was formerly known as NEXTLINK.

⁵ Interconnection Agreement between Ameritech Michigan and NEXTLINK, Section XII.17.3.

9. XO and Mr. Routhier attempt to distort the facts underlying how virtual collocation operates. As a general matter, Ameritech's agreements and tariffs, as well as standard practices for virtual collocation, involve the ILEC performing maintenance and repair on the CLEC's equipment at the CLEC's direction.⁶ Maintenance and repair requests are handled at parity with similar requests for other central office work. Therefore, with virtual collocation, the need for a CLEC's technician to enter an Ameritech central office should be very limited. Indeed, the XO agreement contains no provision that XO is to maintain or repair its virtually collocated equipment at all. However, in practice, such access is provided if normal paths of trouble resolution have been exhausted (e.g., in the situation where the Ameritech technician has changed circuit packs in the CLEC's equipment, under the CLEC's direction, and the trouble still persists).
10. When it becomes necessary for the CLEC to enter Ameritech's premises, a two-hour time window is reasonable for Ameritech to accommodate the CLEC's request for escorted entrance to Ameritech's central office. What XO calls a "delay" is really a commitment by Ameritech to provide an escort two hours after the CLEC's request. This is entirely reasonable. When a CLEC requires access to its virtual collocation because normal trouble resolution procedures have failed to resolve the problem, the Ameritech Local Operation Center (LOC) opens a trouble ticket which effectively provides the CLEC an escort "appointment" in two hours. This time frame is the same time priority Ameritech applies to out of service conditions for CLEC-reported central office troubles where Ameritech would

⁶ For example, Tariff M.P.S.C. No. 20R, Part 23, Section 4, Sheets 106-107 state that Ameritech is responsible for maintaining virtually collocated equipment, and that such repair is at the CLEC's direction. Similarly, Tariff F.C.C. No. 2, Section 16.3 provides that Ameritech will maintain the CLEC's virtually collocated equipment and that the CLEC shall provide training to Ameritech's employees. Nothing in either tariff entitles the CLEC to enter Ameritech's premises to repair its virtually collocated equipment.

perform the testing and maintenance. Mr. Routhier does not allege that Ameritech has taken more than two hours to accommodate XO's requests, only that two hours is the standard interval and that XO is not given access in less than two hours. When XO requests escorted access, its request is processed on a non-discriminatory basis. The assignment of an "escort" by Ameritech may require the dispatch of an employee when the central office is not attended, and in some cases even if the central office is already attended. This is because the "escort" is required not only to provide entry to the premises for the CLEC's technician, but also to remain with the CLEC's technician for the entire time that the technician is performing his or her work on the virtually collocated equipment, and to ensure that the CLEC's technician appropriately exits Ameritech's premises upon completion of his or her work. It is neither reasonable nor appropriate for XO to expect that an "escort" will be on "stand-by" in anticipation of XO's request to enter Ameritech's premises. Likewise, it is not reasonable for XO to expect that Ameritech should stop all current work in the central office to provide an escort for XO's technician. Thus, XO should not assume that if the Ameritech central office is "manned" (i.e., attended), then XO's technicians should have on-demand access to enter Ameritech's premises to maintain its virtually collocated equipment. As discussed above, the procedures that Ameritech has implemented to accommodate the type of access contemplated under XO's agreement are reasonable and non-discriminatory.⁷

⁷ It should be noted that XO's comments and Mr. Routhier's affidavit did not contain any specific information about any instances involving virtual collocation in Michigan. This is possibly because XO has no specific factual instances to support its allegations and that XO in fact has very few virtual collocations in Michigan.

11. McLeodUSA (“McLeod”) alleges, without any support for its claim, that Ameritech fails to meet the checklist requirements related to interconnection under §§251(c)(2) and 252(d)(1) (See McLeod Comments at page 2). McLeod provided no affidavits or witness testimony to support its claim that Ameritech is not meeting checklist item (i). The only support McLeod provides for this allegation regarding “interconnection” is a series of vague and unsupported complaints about OSS and UNE provisioning, repair delays, and DSL information. None of these issues raised by McLeod, even if they were true, are related to Ameritech’s interconnection obligations under checklist item (i). Accordingly, McLeod’s baseless claim regarding “interconnection” properly should be ignored.

12. Mr. Iannuzzi of Telnet alleges in his affidavit, filed on behalf of CLECA, that it took “over 15 months to complete” negotiations on a successor agreement (Iannuzzi affidavit, ¶7). Mr. Iannuzzi further alleges that Ameritech caused this delay by changing its “lead negotiator four times.” Without any supporting facts, Mr. Iannuzzi claims that Telnet’s “market penetration, momentum and income” was impacted. As I will explain below, Mr. Iannuzzi’s claims that Ameritech caused such a delay are unfounded. First, my review of the correspondence between Telnet and Ameritech indicates that Telnet requested on November 13, 2000 to “opt into” Ameritech’s agreement with Coast to Coast but also wanted to include an additional provision (See Attachment B, page 1). Ameritech responded to Telnet on November 28, 2000, and informed Telnet that Ms. Sharon Bryant would be lead negotiator (See Attachment B, page 2). However, in its response to Ameritech on December 6, 2000, Telnet again emphasized that it did not want to adopt the entire Coast agreement as-is, because Telnet sought to unilaterally include not one, but two other provisions that were not part of the approved Coast agreement. (See Attachment B,

page 3). However, the two provisions which Telnet requested were not terms that Ameritech was willing to voluntarily agree to nor required to include under Telnet's request to "opt into" an existing agreement. So, although Telnet may incorrectly believe that it was entitled to adopt portions of an existing agreement and also to unilaterally include other terms, the fact is that Telnet's insistence on the inclusion of those additional terms meant that Telnet's appropriate resolution was to continue negotiations, or to arbitrate. Thus, Mr. Iannuzzi is selectively only telling part of the "story" and even that part is incorrect and misleading. Mr. Iannuzzi's allegation of a 15-month negotiation process is wrong. Telnet did not make its request to "adopt" the Coast agreement until November 13, 2000, and Mr. Iannuzzi's affidavit was filed June 29, 2001; that elapsed time is only 7 ½ months. Further, Ameritech allowed Telnet to continue to operate under the provisions of its prior agreement while the successor agreement was being negotiated. Mr. Iannuzzi provides no factual support for his allegations that operating under its prior agreement "cost Telnet dearly." Further, during the 7½ month period beginning with Telnet's November 13, 2000 request, Telnet has had the same lead negotiator. Accordingly, Mr. Iannuzzi's claims are unsupported and have no relevance to Ameritech's compliance with checklist item (i).

CHECKLIST ITEM (ii) ACCESS TO NETWORK ELEMENTS

14. The CLEC Association (CLECA) brief argues that the MPSC must revisit its determinations in its March 19, 2001 Order on Rehearing. While this is primarily a legal issue that counsel will address in the brief, I would like to clarify here the fact that Ameritech has no requirement to provide new UNE combinations based on an "ordinarily combined standard" as alleged by CLECA (see CLECA at p. 19-20). Mr. Finefrock makes a similar claim on

page 29 in his affidavit. On page 5 of its March 19th Order, the MPSC determined that Ameritech's offering of combinations under the Mi2A is consistent with §271. CLECA also claims that Ameritech has "flagrantly ignored" the MPSC's March 19th Order. As explained in my May 15th affidavit (¶¶ 67-80)⁸, Ameritech has taken a comprehensive set of actions to implement and comply with the MPSC's requirements in the March 19, 2001 Order.

CLECA's and Mr. Finefrock's claims have already been considered by the MPSC and, therefore, are nothing more than an improper attempt to re-argue issues that the MPSC has already determined in its Order on Rehearing.⁹

15. CLECA further claims that "those types of EELs which are defined as 'existing' combinations need to be clearly defined in the tariff. . .". CLECA is either confused, attempting to mislead the MPSC, or both. As I explained in my May 15th affidavit, Ameritech has met its commitment to file a tariff for the conversion of existing Special Access circuits to existing loop-transport UNE combinations, sometimes referred to as EELs (Tariff M.P.S.C. 20R, Part 19, Section 19). CLECA has apparently ignored this discussion in the Alexander affidavit and Ameritech's tariff filing (see my May 15th affidavit at ¶ 61).

16. Mr. Finefrock states that LDMI has not signed the Mi2A because he claims it contains "unreasonable conditions" related to EELs and a certain Centrex-related UNE-P monthly

⁸ My May 15th affidavit at ¶ 72 states that "Pricing for the UNEs is at the rates determined by the MPSC as provided in Case No. U-11831." I clarify here that Ameritech's shared transport UNE rates were determined in Case No. U-12622.

⁹ For example, on page 22 of its Brief, CLECA requests the MPSC to disallow portions of the Mi2A that were approved by the MPSC four months ago because CLECA claims that these terms were "something peculiar to the Texas agreement terms." CLECA ignores the fact that the FCC also approved these same provisions in its orders finding that SWBT met §271 in Texas, Kansas and Oklahoma. See my May 15th affidavit at ¶¶68, 70, 72, 73, 76, and its Attachment B.

charge¹⁰ (Finefrock affidavit at page 9). With regard to EELs, Mr. Finefrock seems confused so I will clarify that there are no “unreasonable conditions” in Ameritech’s tariff for the conversion of existing special access services to UNE combinations (Tariff M.P.S.C. 20R, Part 19, Section 19) or in the provisions of the Mi2A for new EELs. First, a CLEC need not sign the Mi2A to be able to convert existing Special Access arrangements that meet the criteria under the FCC’s Supplemental Order Clarification, as such conversions are available under the tariff.¹¹ Second, the scope of the new EEL combinations offered under the Mi2A is intended to enable a CLEC with collocation to extend its reach to further provide local exchange services in central offices where it is not currently collocated. Further, the Mi2A requires that the EEL purchased by the CLEC must meet the significant amount of local exchange service criteria as required in the FCC’s Supplemental Order Clarification for Special Access to UNE conversions. These criteria can hardly be called “unreasonable conditions.” It appears that Mr. Finefrock seeks to have no conditions placed on a CLEC seeking to replace all existing Special Access with UNEs, in contradiction with the FCC’s specific rules. Further, Mr. Finefrock would like to be able to purchase new Special Access arrangements as new UNE combinations (i.e., EELs), again in contradiction with the established FCC rules and the MPSC’s March 19, 2001 Order approving the Mi2A. Mr. Finefrock’s assertions basically boil down to his demand that the MPSC reprice Special

¹⁰ With regard to Mr. Finefrock’s concern over the recurring “Centrex common block charge”, a review of this charge indicated that this charge should have been removed from Ameritech’s tariff and Ameritech filed a tariff revision which removed this charge from the tariff on July 23, 2001 in Advice No. 3088. In addition, Ameritech has removed this charge from the Mi2A pricing schedule on the CLEC website and will notify CLECs that have adopted the Mi2A of this change. This is further discussed in the Reply Affidavit of Mr. Florence.

¹¹ The criteria specified in the tariff (Tariff M.P.S.C. No. 20R, Part 19, Section 19, Sheet No. 2) are those specified by the FCC in its Supplemental Order Clarification at ¶22.

Access at TELRIC or TSLRIC and require Ameritech to provide new EELs outside of the Mi2A. As I discuss later, Mr. Finefrock's demands are unreasonable and have no support.

17. Further, Mr. Finefrock makes broad, sweeping and unsupported allegations that Ameritech discriminates against LDMI in its "pricing and terms" for "EELs, private lines, Special Access circuits, DS1s, T1s..." Mr. Finefrock states that LDMI purchases DS1s or DS3s from Ameritech's Special Access tariff (F.C.C. No. 2) and goes on to opine that LDMI should be allowed to purchase those services contained in F.C.C. No. 2 at TELRIC or TSLRIC prices. (Finefrock affidavit, pages 19-28). Nowhere does Mr. Finefrock explain why LDMI does not purchase DS-1 or DS-3 UNEs from Ameritech's unbundled loop and/or unbundled dedicated transport offerings, as do many other CLECs, as such UNEs are priced at TELRIC.¹² Mr. Finefrock's discussion blurs the distinctions between retail, Special Access and UNEs and in no way provides support for his claims of discrimination. Rather, Mr. Finefrock appears to have lost sight of the scope of this proceeding.¹³ In short, his rhetorical arguments are irrelevant to this proceeding. For example, although Mr. Finefrock participated in many of the collaborative sessions where Special Access conversions and EELs were discussed, he now complains that Ameritech's current tariff for Special Access conversions (which was filed in accordance with commitments made in the collaboratives and in compliance with the MPSC's Orders in Cases No. U-12320 and U-11831) is limited to existing circuits. In addition, Mr. Finefrock insists that the MPSC "must now reject" the

¹² CLECA claims on page 20 of its comments that Mr. Finefrock and LDMI have "more experience with UNE combinations than most carriers." This is somewhat misleading. While LDMI has recently begun submitting UNE-P orders, LDMI's operational experience on the subject of UNE-P and UNEs is considerably more limited than a number of other CLECs in Michigan and Mr. Finefrock's statements should be viewed in this context.

¹³ As defined by the MPSC in its caption for this proceeding, its scope is to "consider Ameritech Michigan's compliance with the competitive checklist in Section 271 of the Telecommunications Act of 1996."

criteria applied to converting Special Access arrangements to UNEs as delineated in the FCC's Supplemental Order Clarification. The only rationale Mr. Finefrock can provide for this demand is that LDMI would find it advantageous to circumvent the FCC's rules. Finally, on pages 27-28, Mr. Finefrock summarizes his position into six (6) recommendations, however each of these are completely unreasonable, unsupported and should be ignored. Nonetheless, I will respond to each of Mr. Finefrock's recommendations below:

- Contrary to Mr. Finefrock's first assertion, there is no reason for the MPSC to define an "ordinary DS1" to be an "existing combination." First, Ameritech already offers DS1 unbundled loops and DS1 dedicated transport as individual UNEs under tariff and interconnection agreements; and, in any event, a DS1 is not a "combination". Second, the Mi2A provides the rates, terms and conditions that the MPSC has approved under which Ameritech will provide certain new combinations of unbundled loops and unbundled dedicated transport (i.e., new EELs). Third, as I discussed earlier, Ameritech provides the conversion of existing Special Access circuits to UNEs in accordance with the FCC's Supplemental Order Clarification and has filed its tariff in accordance with the MPSC's directives; the Mi2A also incorporates a reference to this tariff and to the FCC's criteria (See Mi2A at 2.3.4 and 2.3.5).
- Contrary to Mr. Finefrock's second assertion, there is no rationale for the MPSC to revisit the EELs pricing or any of Ameritech's non-recurring charges (NRCs). The rates for EELs contained in the Mi2A pricing schedule and in the tariff are in compliance with the MPSC's orders in Case Nos. U-11831 and U-12320. Mr. Finefrock's demand to

reduce NRCs for EELs to \$50 is unreasonable and borders on ridiculous. Mr.

Finefrock's demand would require the MPSC and Ameritech to establish rates that are far below TELRIC, which is contrary to the Act.

- Contrary to Mr. Finefrock's third, fourth and sixth assertions, there is no basis for the MPSC to reject or modify any of the conditions applied to Special Access conversions or EELs, as the conditions in Ameritech's tariff and in the Mi2A are consistent with the FCC's rules, were extensively discussed in the collaboratives, and have been approved by the MPSC.
 - Contrary to Mr. Finefrock's fifth assertion, there is no basis for the MPSC to reprice Special Access at TSLRIC. Apparently, Mr. Finefrock seeks Special Access at TSLRIC rates, yet he wants non-recurring charges to be set far below TSLRIC as he previously suggested NRCs of \$50 for EELs. This is another example of where Mr. Finefrock is suggesting that the MPSC contort the FCC's rules for his benefit. In my opinion, Mr. Finefrock is making frivolous recommendations. The pricing, terms and conditions for Special Access services are clearly outside the scope of this proceeding, and Ameritech's terms relating to the conversion of Special Access to UNEs are in compliance with the prior orders of the MPSC and the FCC.
18. Mr. Olsen, in support of the Comments of MichTel, Inc., claims that MichTel has been unable to obtain new UNE-P combinations under its interconnection agreement (Olsen affidavit, ¶ 12). Mr. Olsen should understand that MichTel's interconnection agreement explicitly provides that MichTel, not Ameritech, shall perform the work to combine the

UNEs it requests.¹⁴ Although Mr. Olsen acknowledges that Ameritech offers UNE-P under tariff (M.P.S.C. Tariff No. 20R, Part 19, Section 15), he misses the point that the tariff deals with the Provision of Existing Combinations of Network Elements. That tariff contains the terms and conditions for UNE combinations that are “currently combined” and does not offer new combinations. Ameritech encourages MichTel to take advantage of the new UNE-P combinations available under the Mi2A, which MichTel can request as an amendment to its interconnection agreement.

19. McLeodUSA (“McLeod”) alleges that Ameritech “refuses to provision UNE-P” and that McLeod must first provision lines using resale when converting a customer’s service (Comments of McLeod, pages 7-8). McLeod appears to be stating that where Ameritech does not have an existing network element combination that is currently physically combined, McLeod establishes service via resale (under Ameritech’s obligation to furnish service for resale), and then subsequently requests migration of the existing resold service to UNE-P. Ameritech is doing nothing blameworthy in these decisions made by McLeod. In each case, Ameritech is fulfilling its obligations to McLeod. Further, any claim or implication that Ameritech is not permitting the conversion of retail or resold services to UNE-P is misleading and incorrect. Ameritech’s tariff allows the conversion of existing combinations of network elements to UNE-P, regardless of whether the current service is provided via retail or resale or another provider’s UNE-P. Ms. Bowers claims that McLeod “discovered examples” of where its customers were converted from retail to UNE-P

¹⁴ MichTel has recently adopted the Coast to Coast agreement which states at Section 9.3.2 that “Coast, and not Ameritech, is responsible for performing the functions necessary to combine the Unbundled Network Elements it requests from Ameritech.”

(although Ms. Bowers provides no further details of what she means by this). This claim is confusing because retail (or resale) to UNE-P conversions are part of the standard ordering process within Ameritech; this certainly should not have been a “discovery” for McLeod. McLeod’s claim that SWBT has “made an exception to this practice” where it has received §271 approval (i.e., in Texas, Kansas, and Oklahoma) is also puzzling as it implies that McLeod misunderstands or has ignored much of what has transpired in this proceeding over the last year. It is true that Ameritech’s offering of new UNE combinations via the Michigan 271 Amendment (Mi2A) is substantially the same UNE combination offering as made by SWBT under its Texas 271 interconnection agreement (T2A).¹⁵ To the extent that McLeod is claiming that Ameritech does not offer new UNE combinations, this claim is false. Ameritech makes new combinations available via the Mi2A, in accordance with the MPSC’s March 19, 2001 Order on Rehearing, and CLECs can request the Mi2A now without waiting for Ameritech to obtain §271 approval. Although Ms. Bowers asserts in her affidavit that Ameritech requires McLeod to go through the process of ordering a resale line and then converting the line to UNE-P, such a conversion process is not required nor necessary as McLeod can obtain new UNE-P combinations directly under the Mi2A.¹⁶

20. Ms. Harding, an affiant for McLeod, alleges that Ameritech would not permit McLeod to obtain UNEs at tariffed prices, which were not the prices contained in McLeod’s interconnection agreement. First, Ms. Harding provides absolutely no details regarding her allegations such as the time frames, the specific UNEs and/or prices requested. Ameritech

¹⁵ Indeed, the Mi2A was compared to similar provisions of the T2A in Attachment B to my May 15th affidavit.

¹⁶ Neither McLeod nor Ms. Bowers attempt to explain why McLeod apparently chooses to obtain UNE-P via resale-to-UNE-P conversion rather than directly pursuant to the Mi2A.

has worked with a number of CLECs to amend the prices in the CLEC's agreement to comport with MPSC-approved pricing, and it is my understanding that issues related to McLeod's contract pricing are currently being resolved by negotiations between Ameritech and McLeod.

21. On pages 17-18 of its Comments, McLeod alleges that Ameritech does not comply with checklist item (ii) or with the FCC's pricing principles regarding access to unbundled loops. However, McLeod provides absolutely no witness, affidavit or factual support to validate its claims. McLeod alleges that "Ameritech unilaterally modified its policy to eliminate use of the BFR process, but still attempts to impose unnecessary costs on CLECs." While McLeod acknowledges that Ameritech's facilities modification policy (FMOD) eliminated the need for the CLEC to incur additional charges for many types of facilities modification, and/or the need to submit a BFR for the same, McLeod is incorrect that this policy imposes "unnecessary costs on CLECs" or that Ameritech is somehow in violation of checklist item (ii) or the FCC's pricing principles. The only support McLeod provides is an unsubstantiated claim that Ameritech "has just informed" McLeod that McLeod must "now" collocate in all remote switches. McLeod alleges that Ameritech stopped processing its UNE loop orders. Again, McLeod has provided not a single specific fact relevant to any occurrence in Michigan. Nonetheless, I will respond to these vague allegations below. In addition, the Reply Affidavit of Mr. Florence further addresses McLeod's cost allegations regarding remote switching.

22. Ameritech has deployed remote switching in its network for a variety of reasons. For example, remote switching has been deployed for replacement central office switch

applications, or for growth relief within the same wire center as its “host” switch.

Ameritech has not implemented a new policy with regard to CLEC collocation as a means to access unbundled UNE loops at remote switch locations. Ameritech offers CLECs access to UNE loops at the points where the loop originates and terminates as required by FCC rules, and as the parties have agreed.

23. On page 18 of her affidavit, Ms. Lichtenberg, an affiant for MCI/WorldCom, alleges that “Ameritech refuses to restore customers...disconnected for non-payment”, and that Ameritech insists on treating such service restorals as “new lines.” Ms. Lichtenberg also alleges that “Ameritech actually pulls the jumpers...to disconnect the service.” Ms. Lichtenberg’s claims are misleading, and indicate a misunderstanding of the facts that have been communicated to MCI/WorldCom. Ameritech offers CLECs the option of “Carrier Disconnect Service”, and MCI/WorldCom is aware of this option via correspondence with Ameritech (see Lichtenberg Attachment “H”). In addition, Ameritech further responded to WorldCom in writing in a letter dated June 22, 2001 regarding this and other issues (See Attachment C, which was provided to WorldCom as Attachment 4 to that letter). The bottom line is that it is under the CLEC’s control whether to request a “Carrier Disconnect” (where the end user’s service is “suspended”) or a “full disconnect.” Under a “Carrier Disconnect” request, the CLEC’s UNE-P arrangement is left intact, however the end user’s service is suspended at the CLEC’s request, pending payment by the end user to the CLEC. When the CLEC decides to “restore” service to the “suspended” customer, Ameritech can process the restoral within the required 24-hour period. However, when the CLEC requests a full disconnect, it effectively terminates the UNE-P arrangement with Ameritech and the network elements previously serving the end user became available for reassignment and

may be physically disconnected.¹⁷ Thus if MCI/WorldCom wishes to merely “suspend” an end user’s service, it should request a Carrier Disconnect, and not a full disconnect of the UNE-P arrangement, as it has been instructed. This issue is also discussed in Mr. Brown’s Reply Affidavit.

24. Z-Tel claims that its comments “clearly show that” Ameritech has not “fully demonstrated” that it is meeting its commitments under the Mi2A (Z-Tel comments, page 2). As examples, Z-Tel refers to commitments contained in the Mi2A regarding CLEC access to OSS, service installation parity, access to UNEs and UNE combinations, and functional parity of UNE-P. Although Z-Tel claims that Ameritech is not meeting certain Mi2A commitments, its claim is unfounded and unsupported as I will explain below. First, these allegations regarding implementation of the Mi2A are not substantively supported in Z-Tel’s comments nor in its supporting affidavits. In fact, Z-Tel’s claims are not related to Ameritech’s implementation of the Mi2A, but rather are operational in nature and have been, or are being, resolved during the normal course of problem resolution. For example, Z-Tel claims on pages 3-4 that it has encountered separate issues with billing for branding charges and “line loss” billing. The branding issue is addressed in the Reply Affidavit of Ms. Jan Rogers, and the “line loss billing” issue is addressed in the Reply Affidavit of Mr. Brown. On pages 4-6, Z-Tel discusses problems that have occurred regarding its receipt of “line loss” reports from Ameritech. This issue is addressed in the Cottrell Reply Affidavit. Z-Tel claims on pages 6-7 that Ameritech has disconnected customers for amounts past due to Ameritech. This is discussed in Mr. Brown’s Reply affidavit. Z-Tel on pages 7-8 claims it has experienced

¹⁷ Contrary to Ms. Lichtenberg’s statements, Ameritech did not state that it “pulls” jumpers for carrier disconnects, nor has Ameritech stated that it automatically “pulls jumpers” on full disconnects.

other order processing problems. These are addressed in Mr. Cottrell's Reply affidavit. Ameritech is committed to working with Z-Tel to resolve such operational issues. Ameritech has successfully processed tens of thousands of UNE-P orders for Z-Tel. However, that some operational issues may have occurred does not substantiate Z-Tel's claim that Ameritech has not implemented the Mi2A.

25. On behalf of the Michigan Pay Telephone Association (MPTA), Mr. Pace alleges that Ameritech must provide "UNE combinations...to existing payphone sites as well as to new sites and additional lines at existing sites..." (see Pace affidavit at p. 6). At page 4, Mr. Pace claims that "it is unclear if Ameritech makes all the features necessary to provide a coin line and an independent payphone provider line as UNE combinations at cost-based rates." First, as described in my May 15th affidavit, Ameritech provides CLECs existing combinations under the provisions of Ameritech's tariff or under the Mi2A. New combinations are provided in accordance with the MPSC's March 19, 2001 Order and are contained in the Mi2A. Thus, a CLEC, but not a "payphone provider," could request UNEs or UNE-P today. Mr. Pace makes only vague allegations that he is not certain if Ameritech makes all features necessary to provide a "coin line" and an "independent payphone provider line." Mr. Pace makes no claim that any specific feature has not been provided by Ameritech, or that any particular feature has ever been requested by a CLEC in Michigan. Thus, it is difficult to respond to his vague allegation.

26. I would note that Ameritech's tariff contains provisions whereby a CLEC can request switch features that are not currently provided (Tariff M.P.S.C. No. 20R, Part 19, Section 21, Sheet 4). I am not aware of any CLECs in Michigan requesting new or additional features for a

“coin line” or for an “independent payphone provider line.” Further, I have reviewed transcripts from the lengthy tariff collaboratives conducted in this proceeding and it appears that no such specific requests were made there. Mr. Pace’s claims are so general that they cannot be construed as indicating that Ameritech is not complying with its unbundling obligations. Ameritech is willing to consider CLEC requests for unbundled switching features made pursuant to the provisions of its tariff or interconnection agreements.

27. Mr. Iannuzzi claims that Telnet has been “actively pursuing” UNEs and UNE-P, but has made “no progress...specifically due to the lack of support by Ameritech...”, and thus Telnet does not understand “what is available, how to order, how much does it cost...” (Iannuzzi affidavit at ¶ 8). Ameritech has worked with Telnet over a period of several months to facilitate Telnet’s understanding of Ameritech’s wholesale offerings, but Telnet appears to have difficulty in taking advantage of the vast amount of information that Ameritech makes available to CLECs via tools such as its CLEC internet website (<https://clec.sbc.com>). Ameritech has an account manager assigned to work with Telnet, as well as a billing representative to assist Telnet with questions on billing. Mr. Iannuzzi appears to be mischaracterizing Telnet’s lack of knowledge in certain areas into an alleged “lack of support” from Ameritech. Certainly, as an operating CLEC with an interconnection agreement, Telnet must understand the rates, terms and conditions in its interconnection agreement. Ameritech has put in place resources for CLECs, including smaller carriers, to efficiently stay informed about product changes and ordering procedures (e.g. via Accessible Letters, various training classes, CLEC forums, website updates etc.). In summary, Mr. Iannuzzi’s vague allegations are completely unsupported and have no bearing on Ameritech’s compliance with checklist item (ii).

CHECKLIST ITEM (iv) LOCAL LOOPS

28. MCTA claims that Ameritech does not meet checklist item (iv) because of missed deadlines and non-fulfillment of orders “relating to...high capacity telephone lines...” (See MCTA comments at pp. 13-14). MCTA goes on to allege that Charter Communications, which I understand is a cable television provider, and not a CLEC, has experienced such issues with DS-1 and DS-3 services requested from Ameritech apparently in connection with the cable television provider’s provision of cable modem service. It appears that MCTA is classifying cable modem service that is used to provide Internet access as a telecommunications service (since UNEs are only for the provision of telecommunications services). As I understand it, the proper classification of cable modem service is pending before the U.S. Supreme Court and the FCC. In any event, the situation referred to by MCTA appears to involve Special Access provisioning, not unbundled local loops or any UNEs. As discussed in my May 15th affidavit, Ameritech meets its obligations to provide unbundled local loops under checklist item (iv). To the extent MCTA believes it has issues regarding Special Access provisioning, it must be recognized that such issues have no bearing on Ameritech's compliance with checklist item (iv) as alleged by MCTA.

CHECKLIST ITEM (vi) LOCAL SWITCHING

29. On pages 8-9 of its comments, Z-Tel claims that because Ameritech does not provide it with an equivalent of the Ameritech Privacy ManagerSM service that Ameritech does not meet checklist item (vi). Z-Tel misconstrues Ameritech’s obligation to provide unbundled local switching as an expanded obligation to provide Advanced Intelligent Network (“AIN”)-based service offerings that are not provided by the switch as part of unbundled local

switching. This misconception on Z-Tel's part is wrong. As stated in my May 15th affidavit, Ameritech's unbundled local switching offering includes all vertical features resident in the switch (see my May 15th affidavit ¶ 101). However, Z-Tel mischaracterizes the Privacy ManagerSM service as an unbundled feature and function of Ameritech's local switch; it is not. As the FCC has already acknowledged, Privacy ManagerSM is proprietary AIN service software provided by Ameritech's AIN platforms, not its switches.¹⁸ Consequently, the Privacy ManagerSM software has never been classified as a local switching feature or function. Moreover, as a legal matter, the FCC has also specifically concluded that Ameritech has no obligation to unbundle its Privacy ManagerSM software.¹⁹ Thus, Z-Tel's claim that Ameritech must provide Privacy ManagerSM, in particular, or AIN-based services in general as part of its obligation under checklist item (vi) is incorrect and must be disregarded. I further discuss Ameritech's AIN-based offerings under checklist item (x) below.

CHECKLIST ITEM (x): ACCESS TO DATABASES AND ASSOCIATED SIGNALING

30. Ms. Lichtenberg (at page 20) and Z-Tel (at pages 8-9) claim that Ameritech is required to provide certain AIN-based services in conjunction with unbundled local switching or as part of UNE-P. Unlike Z-Tel, Ms. Lichtenberg correctly acknowledges that the FCC has stated that Ameritech need not provision its AIN-based Privacy ManagerSM service as part of UNE-P. However, Ms. Lichtenberg fails to point out that when the FCC specifically excluded the Privacy ManagerSM software from any unbundling obligation, that was only

¹⁸ See FCC UNE Remand Order (¶409), which expressly states that Privacy Manager is an AIN service software that qualifies as "proprietary" under Section 251(d)(2).

¹⁹ See UNE Remand Order, ¶¶419, 420.

one example of the type of AIN-based service provided via an AIN platform that qualifies for “proprietary” treatment under Section 251(d)(2) of the Act and thus was not required to be unbundled.²⁰ The FCC specifically acknowledged that an ILEC may create AIN-based services that are unique or innovative in order to differentiate its product offerings. As such these types of services are appropriately excluded from any unbundling obligation, including as part of UNE-P.²¹ As stated in my May 15th affidavit, Ameritech complies with the FCC’s rules regarding CLEC access to AIN databases on a nondiscriminatory basis. CLECs have access to the underlying functionality, including Ameritech’s AIN Service Creation Environment (SCE), in order to create their own AIN-based offerings as the FCC requires as part of encouraging and providing incentives to CLECs to create their own AIN-based services.²²

31. Further, Z-Tel make false and unsupported claims that Ameritech does not provide the “unbundled features and functions which would permit a UNE-P carrier to provide its customers the service equivalent” of Privacy ManagerSM and that “the elements necessary to provide this type of service are not made available to UNE-P providers...” (Z-Tel Comments p. 8-9). Not only does Z-Tel seem unaware that the FCC in the UNE Remand Order specifically excluded Ameritech’s Privacy ManagerSM service from its list of UNEs,

²⁰ See UNE Remand Order, ¶402.

²¹ Each of the services referred to by Ms. Lichtenberg and by Z-Tel were created by Ameritech, on its AIN platform, resulting in Ameritech proprietary software. Ameritech considers and protects each of these AIN-based services as SBC/Ameritech proprietary property. Accordingly, Ameritech is not required to unbundle any of these AIN-based services. A CLEC can “duplicate” that effort if it chooses to do so and make its own service, which is the same or substantially similar or different/better, which is exactly what the FCC said they could do (subject to legal restrictions such as copyright, patent, etc).

²² FCC UNE Remand Order, ¶420. As stated in my May 15th affidavit at ¶112, Ameritech makes available its existing AIN-based retail applications to CLECs. To avoid any ambiguity, I clarify here that these applications are available as a resold vertical service.

but Z-Tel also ignores the fact that Ameritech offers CLECs access to the “elements” of AIN that a CLEC can use to develop and implement its own innovative AIN-based offerings. As described in my May 15th affidavit, Ameritech makes available the required unbundled access to its AIN database and SCE and is in compliance with checklist item (x). See Tariff M.P.S.C. No. 20R, Part 19, Section 13.

CHECKLIST ITEM (xiii) RECIPROCAL COMPENSATION

32. MichTel claims on page 3 of its comments that Ameritech has in the past “failed to comply with the provisions of the MichTel Interconnection Agreement” which resulted in two proceedings before the MPSC (specifically, MichTel’s September 22, 2000 Request for Emergency Relief Order (ERO) and Complaint in MPSC Case No. U-12630 and Ameritech’s December 21, 2000 Complaint in MPSC Case No. U-12756). As a preliminary matter, it is my understanding that the FCC has concluded that inter-carrier compensation for Internet-bound traffic is not governed by §251(b)(5) and, therefore, is not covered by, or relevant to, compliance with checklist item (xiii). In any event, without conceding that point, I will address the two cases raised by MichTel.
33. MichTel’s September 22, 2000 complaint involved Ameritech’s alleged refusal to pay reciprocal compensation for traffic that originated on Ameritech’s network and was delivered to Internet Service Providers (ISPs) through MichTel’s network. MichTel mischaracterizes this bona fide dispute involving the interpretation and content of language in the agreement as Ameritech “failing to comply” with the terms of the agreement. Because the dispute centered on the interpretation of language dealing with reciprocal compensation and its application to Internet-bound traffic, Ameritech withheld payment of

reciprocal compensation on such traffic from November 1999 through September 2000, as permitted under Section 28 of the interconnection agreement. Mr. Olsen claims that Ameritech's withholding of the disputed compensation was "in direct disregard and contempt for rulings by this Commission holding that such calls should be treated as local telephone calls for the purposes of reciprocal compensation." MichTel stated that the language in its agreement was essentially the same as that contained in agreements subject to prior litigation (Olsen affidavit, ¶ 9). Ameritech contended that the language in the interconnection agreement differed significantly and substantially from the language in other agreements that were litigated in previous MPSC cases dealing with the payment of reciprocal compensation for ISP traffic. Furthermore, Ameritech disputed and denied that Internet-bound traffic is subject to the payment of reciprocal compensation under either section 251(b)(5) of the Act or under the terms of the agreement. Ameritech also contended that Section 4.7.2 of the agreement specifically excluded Internet-bound traffic from the payment of reciprocal compensation. Nevertheless, Ameritech, in good faith, reached a settlement with MichTel, and agreed to pay reciprocal compensation on the disputed traffic.

34. The second occasion where MichTel claims Ameritech previously violated the terms of the agreement concerns Ameritech's December 21, 2000 Complaint in MPSC Case No. U-12756. Ameritech filed this complaint in good faith to obtain relief that it believed it was entitled to receive. This complaint concerned the specific rate MichTel could charge for calls made by Ameritech customers to ISPs served by MichTel pursuant to the interconnection agreement Pricing Schedule. Notably, the rates in MichTel's interconnection agreement were higher than those approved by the MPSC in the Biennial Cost Order in Case No. U-11831 and later in the MPSC's January 23, 2001 order in Case U-12696. Mr. Olsen

characterizes Ameritech's complaint as attempting to "unilaterally impose new and considerably lower rates that Ameritech had to pay MichTel for reciprocal compensation" (Olsen affidavit, ¶ 10). Ameritech, however, was simply attempting to update the reciprocal compensation rates in the agreement to reflect the MPSC's latest (August 31, 2000) Biennial Cost Order pursuant to language contained in Ameritech's copy of the agreement.

Ameritech's position was that the interconnection agreement posted on Ameritech's website was the correct agreement and that it contained a footnote allowing Ameritech to require that the agreement be modified to reflect new rates or charges ordered by the MPSC. Pursuant to the language in the footnote in question, Ameritech sought to modify the reciprocal compensation rate for end office local termination to reflect the MPSC's August 31, 2000 Order. The Mediator's January 31, 2001 Recommended Settlement, however, concluded that the agreement on file with the MPSC, which did not contain the footnote in question, was the correct agreement. The Mediator recommended that the case could be resolved by using the reciprocal compensation rate for end office local termination that was in effect prior to the MPSC's August 31, 2000 Order for all previously invoiced minutes of use for local termination through April 10, 2001. Ameritech voluntarily agreed to the Mediator's recommended settlement.

35. On page 6 of its comments, MichTel labels Ameritech's October 27, 2000 Application to Revise its Reciprocal Compensation Rates and Rate Structure and to Exempt Foreign Exchange Service from Payment of Reciprocal Compensation (MPSC Case No. U-12696) as "an application to significantly reduce the reciprocal compensation paid to CLECs." However, MichTel ignores the fact that, in that same case, the MPSC approved Ameritech's proposed rates and rate structure for all future agreements, and existing agreements in

accordance with the terms of those agreements, stating, “Ameritech Michigan’s showing that a rate structure predicated upon dual charges for per-call setup and per-minute usage better reflects cost causation has not been rebutted by the other carriers.”²³ Further, MichTel claims that Ameritech’s application was made “despite the fact that the Commission had rejected these exact proposals in three recent proposals” citing the August 17, 2000 Coast To Coast Arbitration Order, in Case No. U-12382, the October 24, 2000 Level 3 Communications Arbitration Order in MPSC Case No. U-12460 and the November 20, 2000 AT&T Arbitration Order. As I explain below, MichTel is wrong.

36. In fact, the MPSC did not reject Ameritech’s bifurcated reciprocal compensation rates and rate structure proposal in the Coast Arbitration. In the Coast arbitration, Ameritech’s proposal dealt only with the compensation rates applied to Internet-bound traffic. The MPSC was concerned with that approach as it would have changed the reciprocal compensation rates for only Internet-bound traffic. By contrast, Ameritech Michigan's October 27, 2000 Application in Case No. U-12696 covers all traffic that is subject to reciprocal compensation under the 1996 Act or MPSC Orders. The MPSC’s decision in the Coast Arbitration was only that such a proposal should not be adopted in an arbitration proceeding involving only two parties. Obviously the U-12696 proceeding permitted involvement of all interested parties. Further, the MPSC did not change its position in the October 24, 2000 Level 3 Arbitration Order reiterating that the determinations made in Case No. U-12382 should be followed.²⁴ Finally, MichTel’s statement that Ameritech’s U-12696 Application filed October 27, 2000 does not take into account the MPSC’s AT&T

²³ MPSC Case No. U-12696, Order released January 23, 2001, Page 7.

²⁴ Level 3 Communications Arbitration Order, MPSC Case No. U-12460, released October 24, 2000, Page 6.

Arbitration Order in Case No. U-12465, which was released November 20, 2000, obviously makes no sense. Regardless, the AT&T Arbitration Order did not address the reciprocal compensation rates and rate structure proposed in Ameritech's U-12696 proposal.

37. MichTel's negative categorization of Ameritech's bifurcated reciprocal compensation rates and rate structure proposal is highly disingenuous given that the MPSC has approved those rates and the rate structure, and MichTel has recently voluntarily opted into the Coast to Coast interconnection agreement which contains reciprocal compensation rates and rate structure based on Ameritech's U-12696 proposal.

CHECKLIST ITEM (xiv) RESALE

38. Mr. Finefrock claims that "the reseller's discount isn't available for any Centrex arrangement that has been grandfathered" and that "five out of the six Ameritech Centrex offerings have been grandfathered" (Finefrock affidavit, page 39). Once again, Mr. Finefrock has his facts wrong. First, in Michigan, a grandfathered Ameritech Centrex retail contract can be assumed by a CLEC and the CLEC would receive the approved wholesale discount of 3.42%, which is applied to assumed contracts (See my May 15th affidavit at ¶132). Second, Mr. Finefrock is incorrect when he implies that most of Ameritech's retail Centrex customers purchase Centrex offerings that are "grandfathered." Although some of Ameritech's older Centrex offerings have been grandfathered, the majority of Ameritech's retail Centrex customers in fact are purchasing services that are not "grandfathered". For contracts covering services that are not grandfathered, the CLEC can elect to assume the retail contract (with a discount of 3.42%) or replace it with a contract of greater term and volume and obtain the general resale discount of 18.15% without incurring any termination

charges. Thus, CLECs have several options when assuming retail Centrex contracts. Mr. Finefrock's claims regarding Ameritech's resale provisions should be ignored.

39. Mr. Iannuzzi agrees that Ameritech "makes resale available", although he alleges that "difficulties abound" with regard to ordering and service transaction processing (Iannuzzi affidavit at ¶10). Mr. Iannuzzi provides no factual support whatsoever for these allegations and that alone is sufficient reason to not give these claims any weight in this proceeding. Nonetheless, it has been Ameritech's experience that Telnet has contributed greatly to its alleged problems through its own lack of experience and internal resources to implement the functions it requires within its operations as a CLEC. Mr. Iannuzzi alleges (at ¶10) that Ameritech provides no access to the electronic records necessary for Telnet to bill its customers. This allegation is addressed in the Reply Affidavit of Ms. Denise Kagan. Mr. Iannuzzi alleges that "Ameritech provides no advance notice of changes to their ordering system." This allegation is addressed in the Reply Affidavit of Mr. Mark Cottrell. Mr. Iannuzzi also alleges that Telnet lost time and money sending staff to a training class that Ameritech cancelled.²⁵

40. Z-Tel claims that Ameritech is not in compliance with its resale obligations because it does not provide for resale of "its DSL service" (Z-Tel at page 9). This issue is discussed in the Reply Affidavit of Mr. Habeeb.

²⁵ This allegation, like others by Telnet, is disingenuous. In one instance, Telnet arrived at a training class and was told in error that the class was cancelled. However, the error was immediately corrected and the class convened about 45 minutes late. Telnet was not turned away from the class as Mr. Iannuzzi suggests.

OTHER ISSUES

41. Mr. Finefrock claims that “LDMI must be able to provide the same or virtually identical voice mail service, **including** the ‘stutter dial tone’ and/or lamp indicator...” (Finefrock affidavit at page 47, emphasis in original). Further, at page 48, Mr. Finefrock states: “What is needed under UNE-P is this: the ability of a CLEC-provided voice mail system...to communicate with the Ameritech local central office switch, and turn on the ‘stutter dial tone’ feature...” (emphasis added). As I will explain, Ameritech makes available, on a non-discriminatory basis, exactly what Mr. Finefrock states he requires to operate a CLEC-provided voice mail system. Mr. Finefrock admits that “LDMI has a voice mail system.” However, Mr. Finefrock is completely wrong when he states that no system “can access the vitally required ‘stutter dial tone’...” and that Ameritech does not make available stutter dial tone (Finefrock affidavit at page 49). Mr. Finefrock’s affidavit seems contradictory as in the next paragraph he admits that Ameritech informed him that stutter dial tone is available. (Finefrock affidavit at page 50). While Mr. Finefrock emphasizes that Ameritech did not consider LDMI’s BFR as necessary in order to obtain stutter dial tone, he fails to mention that the reason the BFR was not processed was that the required services are already available under tariff,²⁶ and Ameritech provided Mr. Finefrock with a contact whose function is to assist in purchasing such products related to voice mail.
42. Although Mr. Finefrock makes a variety of statements, misstatements, and allegations regarding Ameritech’s retail voice mail coverage areas and features, optional voice mail platforms provided to resellers and CLECs, and the availability of “stutter dial tone” to

²⁶ See Tariff F.C.C. No. 2, Section 8.3 which provides, among other things, services for use with a voice mail platform, including the ability to turn on/off the message waiting indicator.

third-party voice mail platforms, Mr. Finefrock loses sight of several significant and relevant facts. First, voice mail is not a telecommunications service, it is not a UNE, and it is not regulated. Ameritech is not required by the FCC or MPSC to offer voice mail services to end users or CLECs. Second, any CLEC or third-party provided voice mail platform can interface with Ameritech's central office switches in the same manner as Ameritech's voice mail platforms, and obtain the same services, including the ability to activate "stutter dial tone." Third, a number of CLECs are self-providing their own voice mail services and platforms using the very same services as used by Ameritech's voice mail platforms. Fourth, other providers are in the market to provide alternative voice mail services to CLECs. The bottom line is that there is nothing that a CLEC-provided voice mail system needs to activate stutter dial tone that cannot be readily obtained from Ameritech's tariffs.²⁷ In summary, there is no action the MPSC needs to take or should take in this proceeding related to voicemail.²⁸

CONCLUSION

43. As further demonstrated in this Reply Affidavit, Ameritech Michigan satisfies the §271 checklist items pertaining to (i) interconnection, (ii) access to network elements, (iv) local

²⁷When a CLEC purchases unbundled local switching it obtains access to the feature known as message waiting indicator, which enables the port to indicate a stutter dial tone or activate a lamp indicator. The CLEC would order this feature by submitting an LSR. The "decision" to turn the stutter dial tone on and off resides with the voice mail platform, which can be linked to Ameritech's network services contained in Tariff F.C.C. No. 2, Section 8.3, using Remote Activation of Message Waiting (Tariff F.C.C. No. 2, Section 8.3, 2nd Revised Page 454.24.4).

²⁸ Ameritech agreed in the collaboratives to investigate offering CLECs an optional voice mail service. As Mr. Finefrock admits, Ameritech has made such an offer available, but Mr. Finefrock takes issue with certain aspects of that offer, including its pricing. Ameritech is willing to negotiate contractual pricing arrangements with CLECs, however it must be recognized that such negotiations are not regulated or subject to §251/252 or §271.

loop transmission, (v) local transport, (vi) local switching²⁹, (x) access to call related databases and associated signaling, (xiii) reciprocal compensation, and (xiv) resale.

²⁹ Attachment A to my May 15th affidavit is a Summary of Ameritech's Effective Tariffs and Interconnection Agreements. Inadvertently, a reference to Unbundled Tandem Switching was omitted. I clarify here that on page 3 of that Attachment A, below the bullet point labeled "Unbundled local switching", a bullet point labeled "Unbundled tandem switching" should have been added, with a reference to M.P.S.C. Tariff 20R, Part 19, Section 5.