

Michigan Public Service Commission

Staff Report

Results of Competitive Market Conditions Survey

August 15, 2000

Case No. U-12320

The Michigan Public Service Commission Staff conducted a survey of Ameritech Michigan and all licensed Competitive Local Exchange Carriers (CLECs) which included incumbent local exchange carriers (ILECs) that also operate as CLECs in Michigan. This survey was sent out to the 120 licensed CLECs in the state of Michigan as of May 1, 2000 when the survey was mailed. The survey was conducted as an information/data request. The survey was sent out to the companies on May 1, 2000 with a response date of June 1, 2000. The data collected was for the time period ending December 31, 1999. This information was gathered to assist the Michigan Public Service Commission staff in evaluating the state of local competition in Michigan.

The survey vehicle was developed through a collaborative process set forth in the Commission's order in docket U-12320. This survey requested some information that the companies considered confidential. The results of some portions of this survey will be reported as total group numbers to maintain the confidentiality of the individual company numbers. A portion of the information that was gathered pertains to the OSS testing phase of the Commission's order and will be submitted to the consulting firm of KPMG for its purposes of testing. This information will be submitted only to KPMG to maintain the blindness aspect of the testing process.

Attachment A is a chart that indicates the number of lines attributed to CLECs in Michigan as submitted by the CLECs responding to this survey. Of the 120 CLECs that the survey was mailed to, 59 companies filed a response with 25 of those companies reporting that they are actually providing service today. Of that group of 25, 23 CLECs have reported any

actual line counts (the two companies with no line activity have just begun to offer service with no line activity to report for 1999). Ameritech also reports the same type of counts from information they have pertaining to the number of lines that they resell to the CLECs (Attachment B). There is a discrepancy between what Ameritech reports and what the CLECs report. This can be attributed to what Ameritech estimates as the number of lines that the CLECs provide over their own facilities and what the CLECs report as actual. From the actual data the CLECs reported, that number is significantly lower.

From the data compiled through this survey (Attachment A), staff has found that the number of lines provided by CLECs (including over their own facilities) is 268,385. Staff has prepared a chart of the number of access lines provided by all of the incumbent local telephone companies in Michigan as provided through an industry publication (Attachment C). This indicates that the number of lines provided in Michigan (ILECs including Ameritech and CLECs) is 6,726,971. The number of CLEC lines compared to total lines represents 3.99%. Ameritech's share is 80.77% while GTE's share is 11.69%. The small independent telephone companies represent 3.55% of the total lines in Michigan. The survey responses indicate that the geographic areas covered by CLEC lines encompass the Detroit, Grand Rapids, Lansing, Saginaw and Upper Peninsula LATAs with the majority of the competitive lines being provided in the Detroit LATA.

Staff reviewed Ameritech's charts of resold lines to CLECs to verify which companies may have line activity and attempted to obtain line counts from all of the viable CLECs. Staff has determined that those companies not responding to the survey comprised a group of newly

licensed CLECs that are not yet providing service, CLECs that were licensed and are no longer in business or are companies with negligible line counts. From staff's review, we have determined that a majority of the CLEC lines have been reported through this survey process.

**Competitive Market Conditions  
Information/Data Request  
CLEC Access Line Data  
for Period Ending Dec. 31, 1999  
as Reported by CLECs**

1.	Lines Served via Resale of ILECs service	78,823
2.	Lines Served via Unbundled Network Facilities	61,678
3.	Lines Served via UNE Platform	0
4.	Other Dedicated LEC Access Lines	<u>27,204</u>
5.	Total via ILEC Facilities (Lines 1+2+3+4)	167,705
6.	Lines Served via CLEC Own Facilities	78,386
7.	xDSL Lines	<u>22,294</u>
8.	Total Lines Served (Lines 5+6+7)	268,385

This total number of Lines is split

Residential Lines	85,693
Business Lines	<u>182,692</u>
Total	268,385

\*This information is collected from the 23 CLECs that reported any line activity. The rest of the reporting group reported no lines.

\*\*This survey was sent to 120 companies with CLEC licenses in Michigan, including ILECs with CLEC licenses.

**Attachment B**

**Competitive Market Conditions  
Information/Data Request  
CLEC Access Line Data  
for Period Ending Dec. 31, 1999  
as Reported by Ameritech Michigan**

9.	Lines Served via Resale of ILECs Service	120,986
10.	Lines Served via Unbundled Network Facilities	62,105
11.	Lines Served via UNE Platform	0
12.	Total Lines Served via Ameritech Facilities (Lines 1+2+3)	183,091
13.	Estimated Lines Served via CLEC Own Facilities	*143,055
14.	xDSL Lines	2,551
15.	Total Lines Served (Lines 4+5+6)	328,697

\*Estimated Lines Served via CLEC own facilities (non-DSL) is based on CLEC required trunks times 2.75 (estimated lines per trunk) minus unbundled loops.

Notes:

- Ameritech UNE residential and business split supplied from CABS data based on loop type as specified by the CLECs;

- Business Resold Line data shown here by wire center sums to a total less than the aggregate lines reported because some data were not available at the desegregate level.

\*\*Ameritech Resold Lines as reported in detailed data is reported as 110,739 for line 1 in this chart.

**Attachment C**

**ACCESS LINE INFORMATION  
For Michigan Telephone Companies for 1999  
As Reported in TAM 2000 Directory**

<b>Company</b>	<b>Res. Lines</b>	<b>Bus. Lines</b>	<b>Public</b>	<b>Total</b>
1. Ace Telephone Company of Michigan	4,780	1,022	16	5,818
2. Allendale Telephone Company	6,551	0	0	6,551
3. Ameritech Michigan	3,474,310	1,899,174	59,906	5,433,390
4. Baraga Telephone Company	3,964	1,342	0	5,306
5. Barry County Telephone	7,219	1,307	4	8,530
6. Blanchard Telephone Assoc.	1,240	170	5	1,415
7. Bloomingdale Telephone Company	1,918	220	10	2,148
8. Carr Telephone Company	2,015	85	0	2,100
9. CenturyTel - Michigan	87,769	25,190	1,110	114,069
10. Chapin Telephone Company	743	36	0	779
11. Chippewa County Telephone	1,204	359	3	1,566
12. Climax Telephone Company	1,090	479	0	1,569
13. Deerfield Farmers' Telephone	2,354	416	0	2,770
14. Drenthe Telephone	622	127	0	749
15. Frontier Communications Of Michigan	22,200	4,200	200	26,600
16. GTE Systems (incl. Alltel)*	629,233	149,443	7,865	786,541
17. Hiawatha Telephone Company	4,720	1,647	122	6,489
18. Kaleva Telephone Company	2,082	383	33	2,498
19. Lennon Telephone Company	1,698	211	1	1,910
20. Midway Telephone Company	730	116	8	854

21. Ogden Telephone Company	417	50	0	467
22. Ontonagon Telephone Company	3,125	1,264	48	4,437
23. Pigeon Telephone Company	2,708	849	30	3,587
24. Sand Creek Telephone Company	1,074	153	1	1,228
25. Springport Telephone Company	1,669	208	0	1,877
26. TDS Telecom - Augusta	3,850	1,300	0	5,150
27. TDS Telecom - Chatham	2,650	450	0	3,100
28. TDS- Millington	5,300	1,050	0	6,350
29. TDS - Perry	5,050	1,200	0	6,250
30. TDS Telecom - Sanford	4,000	900	0	4,900
31. Upper Peninsula Telephone	6,293	751	26	7,070
32. Waldron Telephone Company	529	104	5	638
33. Westphalia Telephone	877	202	0	1,079
34. Winn Telephone Company	650	145	6	801
<b>Totals</b>	<b>4,294,634</b>	<b>2,094,553</b>	<b>69,399</b>	<b>6,458,586</b>

\* Estimated figure used for GTE (including Alltel) obtained from GTE. GTE no longer a part of TAM and so their lines are not reported in TAM Directory. A business/residential split was calculated from the 1998 reporting that included the business/residential split.

5,433,390 Ameritech Lines	80.77%
786,541 GTE Lines	11.69%
238,655 Independent Tel. Co. Lines	3.55%
<u>268,385 CLEC Lines</u>	<u>3.99%</u>
6,726,971 Total Lines in Michigan	100%