

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)
PATHNET OPERATING, INC., for a license to)
provide basic local exchange service to customers)
in the exchange areas served by Ameritech)
Michigan, Verizon North Inc., and Contel of the)
South, Inc., d/b/a Verizon North Systems, in the)
Detroit, Grand Rapids, Lansing, and Saginaw)
LATAs.)
_____)

Case No. U-12673

At the February 5, 2001 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Laura Chappelle, Chairman
Hon. David A. Svanda, Commissioner
Hon. Robert B. Nelson, Commissioner

OPINION AND ORDER

On October 18, 2000, Pathnet Operating, Inc., (Pathnet) filed an application, pursuant to the Michigan Telecommunications Act, MCL 484.2101 et seq.; MSA 22.1469(101) et seq., for a license to provide basic local exchange service in the exchanges currently served by Ameritech Michigan, Verizon North Inc., and Contel of the South, Inc., d/b/a Verizon North Systems, in the Detroit, Grand Rapids, Lansing, and Saginaw LATAs. On November 20, 2000, the Commission granted Pathnet a temporary license.

At a hearing on January 4, 2001, Pathnet presented the testimony and exhibits of Mary McDermott, its Vice President and Secretary. The testimony of Marjorie J. Wilder of the

Competitive Services Section of the Commission's Communications Division was also admitted into the record. Ms. Wilder indicated that if the Commission grants the application, it should acknowledge certain regulatory requirements specified in the Michigan Telecommunications Act. At the close of the hearing, the parties waived compliance with the provisions of Section 81 of the Michigan Administrative Procedures Act, MCL 24.281; MSA 3.560(181).

After a review of the application and testimony, the Commission finds that approval of the application is in the public interest. On numerous occasions, the Commission has found that competition can be advantageous to the citizens of this state. Approval of the request for a license to provide basic local exchange service will expand the opportunities for competition. Accordingly, the application should be approved. The grant of a license is conditioned on compliance with the anti-slamming procedures adopted in Case No. U-11900 and the number reclamation process adopted in Case No. U-12703. Failure to comply fully with those procedures may result in revocation of the license or other penalties. Further, the grant of a license is conditioned upon the provision of service to customers within a reasonable time. Failure to do so may result in revocation of the license.

The Commission FINDS that:

a. Jurisdiction is pursuant to 1991 PA 179, as amended, MCL 484.2101 et seq.; MSA 22.1469(101) et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; MSA 3.560(101) et seq.; and the Commission's Rules of Practice and Procedure, as amended, 1992 AACRS, R 460.17101 et seq.

b. Pathnet possesses sufficient technical, financial, and managerial resources and abilities to provide basic local exchange service to all residential and commercial customers within the geographic area of the license and intends to provide service within one year from the date of this order.

c. Granting Pathnet a license to provide basic local exchange service in the requested areas will not be contrary to the public interest.

THEREFORE, IT IS ORDERED that:

A. Pathnet Operating, Inc., is granted a license to provide basic local exchange service in the exchanges currently served by Ameritech Michigan, Verizon North Inc., and Contel of the South, Inc., d/b/a Verizon North Systems, in the Detroit, Grand Rapids, Lansing, and Saginaw LATAs.

B. Pathnet Operating, Inc., shall provide basic local exchange service in accordance with the regulatory requirements specified in the Michigan Telecommunications Act, MCL 484.2101 et seq.; MSA 22.1469(101) et seq., the anti-slamming procedures adopted in Case No. U-11900, and the number reclamation process adopted in Case No. U-12703.

C. Before commencing basic local exchange service, Pathnet Operating, Inc., shall submit its tariff reflecting the services that it will offer and identifying the exchanges in which it will offer service.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26; MSA 22.45.

MICHIGAN PUBLIC SERVICE COMMISSION

/s/ Laura Chappelle
Chairman

(S E A L)

/s/ David A. Svanda
Commissioner

/s/ Robert B. Nelson
Commissioner

By its action of February 5, 2001.

/s/ Dorothy Wideman
Its Executive Secretary

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MICHIGAN PUBLIC SERVICE COMMISSION

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By its action of February 5, 2001.

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Suggested Minute:

“Adopt and issue order dated February 5, 2001 granting Pathnet Operating, Inc., a license to provide basic local exchange service, as set forth in the order.”