

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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| In the matter of SBC MICHIGAN 's request for) | |
| classification of business local exchange service as) | |
| competitive pursuant to Section 208 of the Michigan) | Case No. U-14323 |
| Telecommunications Act.) | |
| _____) | |

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| In the matter of SBC MICHIGAN 's request for) | |
| classification of residential local exchange service as) | |
| competitive pursuant to Section 208 of the Michigan) | Case No. U-14324 |
| Telecommunications Act.) | |
| _____) | |

At the December 20, 2005 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. J. Peter Lark, Chairman
Hon. Laura Chappelle, Commissioner
Hon. Monica Martinez, Commissioner

ORDER

On October 26, 2004, AT&T Michigan, f/k/a SBC Michigan, filed a notice with the Commission pursuant to Section 208 of the Michigan Telecommunications Act (MTA), 1991 PA 179, as amended, MCL 484.2208, claiming that a competitive market exists for business and residential local exchange services in certain exchanges served by AT&T Michigan. Specifically, AT&T Michigan proposed that the competitive declaration cover its Access Areas A and B.

By order dated November 9, 2004, the Commission provided an opportunity for interested persons to comment on AT&T Michigan's classification of business and residential basic local exchange service as competitive. After reviewing those comments the Commission issued an

order on January 6, 2005, in which it determined that AT&T Michigan had made a sufficient showing, as required by MCL 484.2208, to allow immediate action in declaring business basic local exchange service provisionally competitive throughout AT&T Michigan's Access Area A, with certain safeguards. The Commission limited this finding to a one-year trial period, during which the rates charged by AT&T Michigan and all other providers in the business basic local exchange service market for Access Area A would be deregulated. The trial period runs from January 7, 2005 to January 6, 2006.

Pursuant to the Commission's January 6 order, a prehearing conference was held before Administrative Law Judge James N. Rigas (ALJ) on January 13, 2005. In addition to AT&T Michigan and the Commission Staff (Staff), the ALJ recognized the following parties: Attorney General Michael A. Cox (Attorney General), AT&T Communications of Michigan, Inc., TCG Detroit, MCImetro Access Transmission Services LLC, the Competitive Local Exchange Carriers Association, Talk America Inc., XO Michigan, Inc., TDS Metrocom, LLC, and the Michigan-Based CLEC¹ Coalition. Evidentiary hearings were held April 14 and 15, 2005, with AT&T Michigan, the Staff, the Attorney General, and Talk America participating. On June 3, 2005, the ALJ issued his Proposal for Decision in which he concluded that AT&T Michigan had sufficiently met its burden to show that its business and residential local exchange services in Access Areas A and B are competitive pursuant to Section 208.

On August 4, 2005, a majority of the Commission issued an order approving AT&T Michigan's application for classification of business basic local exchange service in its Access Area B and residential basic local exchange service in its Access Areas A and B as competitive.

¹Competitive Local Exchange Carriers.

On September 6, 2005, pursuant to 1999 AC, R 460.17403, AT&T Michigan filed a petition for clarification or rehearing of the August 4 order, or, in the alternative, application to renew its competitive classification of business basic local exchange service in Access Area A, effective upon expiration of the provisional competitive classification on January 6, 2006. On September 27, 2005, the Attorney General filed a response opposing the petition.

On November 21, 2005, Governor Jennifer M. Granholm signed into law 2005 PA 235, which amends 1991 PA 179, entitled "Michigan Telecommunications Act," MCL 484.2101 *et seq.* The Commission finds that the provisions of 2005 PA 235 render AT&T Michigan's request for rehearing in this matter moot. The amendatory act controls regulation of telecommunication services as of November 22, 2005.

The Commission FINDS that:

a. Jurisdiction is pursuant to 1991 PA 179, as amended, MCL 484.2101 *et seq.*; the Communications Act of 1934, as amended by the Telecommunications Act of 1996, 47 USC 151 *et seq.*; 1969 PA 306, as amended, MCL 24.201 *et seq.*; and the Commission's Rules of Practice and Procedure, as amended, 1999 AC, R 460.17101 *et seq.*

b. The petition filed by AT&T Michigan for clarification or rehearing, or, in the alternative, application to renew its competitive classification of business basic local exchange service in Access Area A is moot and should be denied.

THEREFORE, IT IS ORDERED that AT&T Michigan's petition for clarification or rehearing of the Commission's August 4, 2005 order, or, in the alternative, application to renew its competitive classification of business basic local exchange service in Access Area A is denied.

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.

MICHIGAN PUBLIC SERVICE COMMISSION

/s/ J. Peter Lark

Chairman

(S E A L)

/s/ Laura Chappelle

Commissioner

/s/ Monica Martinez

Commissioner

By its action of December 20, 2005.

/s/ Mary Jo Kunkle

Its Executive Secretary

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MICHIGAN PUBLIC SERVICE COMMISSION

Chairman

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By its action of December 20, 2005.

Its Executive Secretary