

January 10, 2005

**Via Hand Delivery &
E-Filing**

Ms. Mary Jo Kunkle
Executive Secretary
Michigan Public Service Commission
6545 Mercantile Way
Lansing, MI 48909

**Re: In the matter, on the Commission's own motion, to review the costs of
telecommunications services provided by SBC Michigan.
Case No. U-13531**

Dear Ms. Kunkle:

Enclosed for filing regarding the above-captioned matter please find an original and 4 copies of *SBC Michigan's Response to Objections to Compliance Cost Filing and Proof of Service*. Also enclosed is the following confidential CD, which is being submitted under seal:

Cost Study

Please note that the confidential materials enclosed should be filed under separate seal, and that this documentation constitutes trade secrets and commercial or financial information which cannot be disclosed to unauthorized persons without the consent of SBC Michigan pursuant to Section 210 of 1991 P.A. 179, as amended by 1995 P.A. 216.

If you should have any questions, please contact me. Thank you.

Very truly yours,

William J. Champion III

WJC/jkt
Enclosure
cc: Hon. James N. Rigas
Parties of Record

LANSING 34060-177 337274

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission's own)
motion, to review the costs of)
telecommunication services provided by)
SBC Michigan.)
_____)

Case No. U-13531

**SBC MICHIGAN'S RESPONSE TO OBJECTIONS TO
COMPLIANCE COST FILING**

PUBLIC VERSION

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**SBC MICHIGAN'S RESPONSE TO OBJECTIONS TO
COMPLIANCE COST FILING**

In compliance with the Commission's September 21, 2004 Opinion and Order ("Order") in this matter, SBC Michigan submits herewith its Response to the objections to its compliance cost filing.

On November 5, 2004, SBC Michigan submitted its Compliance Filing in Accordance with September 21, 2004 Opinion and Order ("Compliance Filing"). The Compliance Filing consisted of cost studies revised in accordance with the Order together with an illustrative interconnection agreement pricing schedule and revised tariffs, effective November 6, 2004, for UNEs and interconnection reflecting TELRIC rates determined in accordance with the Order.¹

¹ On November 16, 2004, SBC Michigan submitted an Errata to its Compliance Filing, correcting its UNE loop cost study, and corresponding tariff and illustrative interconnection agreement price schedules reflecting lower DS-1 and DS-3 loop prices resulting from the errata.

On December 20, 2004, objections to SBC Michigan's Compliance Filing were filed by Talk America and the "Joint CLECs."² Talk America's comments largely supported those of the Joint CLECs.

Although the Order clearly provided that "[t]he only ground for objection is a failure to properly implement the modifications required by this order,"³ unfortunately, the Joint CLECs have in many instances taken their opportunity to file objections as a license to seek reconsideration of the Commission's Order or to interject new costing proposals into this proceeding. The Joint CLECs objections should be rejected.

I. OVERVIEW OF JOINT CLEC OBJECTIONS

The Joint CLECs' admonition that "Ninety Percent of Everything is Crud"⁴ was an apt prelude to a filing that was long on histrionics and short on substance. A comparison of the "over the top" rhetoric in the Joint CLECs' Objections with the specific objections raised in

² AT&T Communications of Michigan, Inc., TCG Detroit, MCImetro Access Transmission Services LLC, TelNet Worldwide, Inc., Quick Communications, Inc. D/B/A Quick Connect USA, Superior Spectrum, Inc., CMC Telecom, Inc., Zenk Group, Ltd D/B/A Planet Access, JAS Networks, Inc., CTS Communications Corporation, XO Michigan, Inc., McLeodUSA Telecommunications Services, Inc., Covad Communications Company, LDMI Telecommunications, Inc., and TDS Metrocom LLC.

³ *Id.*, at 95, Ordering ¶ C.

⁴ Joint CLEC Objections, at 5.

Attachment A⁵ demonstrates beyond any doubt that the Objections are " full of sound and fury; signifying nothing."⁶

A. The "We Didn't Start this Case" Objection

The Joint CLECs complaint that they "did not seek to revise SBC's TSLRICs. Nor did the Commission or its Staff initiate this case."⁷ Yet, a cursory review of the caption of this matter – "In the matter, *on the Commission's own motion*, to review the costs of telecommunications services provided by SBC Michigan" – belies this assertion⁸

The Joint CLECs further complain that, "[b]ut for SBC's relentless quest for new and exorbitantly higher rates, the Commission's U-11831 would still be in effect."⁹ But, a relentless quest for approval of lawful costs is hardly a mortal sin.

In its September 16, 2002 Order commencing this proceeding, the Commission stated that it "recognizes that Ameritech Michigan's costs may have changed since the Commission last

⁵ The Joint CLEC's filing consisted of an 18 page cover pleading entitled "Objections of Joint CLECS to SBC Michigan's November 5, 2004 Compliance Filing." Specific itemized objections are set forth in Exhibit A to that filing. This response will focus upon those specific objections. The filing also contained "corrected" compliance cost studies (Exhibit B) on CD-ROM; Confidential Exhibits from a "SPICE" run (Exhibit C); certain revised compliance tariffs (Exhibit D); and a matrix containing "Compliance Issues" (Exhibit E). Since the potpourri of "issues" contained in Exhibit E are not objections, SBC Michigan does not intend to respond, since no response is required.

⁶ William Shakespeare, *Macbeth*, Act 5, Sc. 5.

⁷ Joint CLEC Objections, at 5.

⁸ In fact, the Joint CLECs vociferously objected to completing this case within the timeframes mandated by Section 203 of the MTA, in part, on the basis that this case was initiated by the Commission, rather than SBC Michigan.

⁹ Joint CLEC Objections, at 6.

examined them, and therefore, commences a proceeding on its own motion, to consider cost studies for services provided by Ameritech Michigan."¹⁰

The Commission's recognition was confirmed in its Order approving SBC Michigan's cost studies with modifications. The Commission found that SBC Michigan's costs have, indeed, increased since they were last examined. In a Press Release accompanying the Order, the Commission correctly recognized that "under current federal law, costs dictate prices," and that SBC Michigan would, therefore "be allowed to increase its wholesale rates," noting that the permissible increases generally fall within a 5% to 15% range, depending upon the particular configuration of the CLEC's network." The compliance cost studies filed by SBC Michigan generally fall within that range.

In contrast to the Commission's finding, while hurling invective at SBC Michigan and denigrating its compliance filing as "not credible"¹¹, the Joint CLECs have boldly submitted proposals that would result in *substantial decreases* in rates. For example, the Joint CLECs have concocted rate decreases ranging from 8.4 – 17.6% for a 2 wire analog loop, and even larger decreases for xDSL loops. Charges for ports range from modest increases to decreases of almost 50%, depending on port type.¹² Clearly, in light of the Commission's public pronouncement that UNE rates would modestly increase as a result of its Order, the Joint CLECs filing is simply not credible.

¹⁰ *Id.*, at 4.

¹¹ Joint CLEC Objections, at 9.

¹² In an apparent effort to appear "even-handed" if not magnanimous, the Joint CLECs do propose rates for some elements that actually exceed SBC Michigan's compliance rates. A cursory review of these rates shows there is a method to their madness. Where the Joint CLECs have proposed rate increases, they are almost invariably for rate elements for which there is little or no current (or future) demand or for elements that, under the TRO and USTA I and II, are no longer required to be provided at TELRIC-based rates.

The Joint CLECs also conveniently fail to explain how a Commission Order purporting to mandate lower rates for delisted UNEs would be lawful under the FCC's Interim Order.¹³ While the Interim Order permits state commissions to increase UNE rates, mandated rate decreases are prohibited.¹⁴

B. The Play for Further Delay

The Joint CLECs erroneously contend that SBC Michigan's compliance studies are flawed in various respects. Given the complexity of this case, it would not be surprising that different parties might have honest disagreements with respect to the proper interpretation of the Commission's Order. Many of the Joint CLEC objections, however, go far beyond objecting to SBC Michigan's implementation of the Order. The Joint CLECs have concocted an entirely different order complete with new "evidence" that was not contained in prior filings. They have also replaced reasoned argument based on colorable interpretations of the Commission's Order with slanderous diatribes, apparently hopeful that the vehemence of their arguments will mask their lack of substance. The clear purpose of this attack is clear. The Joint CLECs hope that their tactics will "certainly extend the time needed for the Commission to review" SBC Michigan's cost studies.¹⁵

¹³ *In re Unbundled Access to Network Elements; Review of the § 251 Unbundling Obligations of Incumbent Local Exchange Carriers* (WC Docket No. 04-313, CC Docket No. 01-338), Order and Notice of Proposed Rulemaking, FCC 04-179 (rel. Aug. 20, 2004).

¹⁴ *See, e.g., Arbitration of Phase I Costing Issues for Successor Interconnection Agreements to the Texas 271 Agreement*, Public Utility Commission of Texas, Docket No. 28600, Order No. 17 Directing Filing of Interconnection Agreement Amendments (November 4, 2004). (Determining that a PUCT order lowering certain rates was not in effect on June 15, 2004, and was, therefore, prohibited by the Interim Order.)

¹⁵ Joint CLEC Objections, at 9.

The Joint CLECs' complaint that SBC Michigan has "violated the scope of the compliance phase"¹⁶ of this proceeding by proposing a process for incorporating effective rates into existing interconnection agreements should be seen for what it is – a bald attempt to further delay the implementation of the Commission's Order. The Commission clearly held that the revised costs should be implemented, subject to true-up, as of November 6, 2004. This is the date that the Commission determined that SBC Michigan's previously-approved costs were no longer compliant with federal law and, therefore, increases were mandated. There is certainly no lawful basis to delay incorporating revised prices into interconnection agreements. The FCC's TELRIC methodology implements Sections 251 and 252 of the federal Act, which mandates this result.

As SBC Michigan stated in its compliance filing:

- SBC sent CLEC-specific versions of the application, amendment and pricing schedules to each of 153 carriers (including CLECs, wireless carriers and resale-only CLECs) to update the ICAs with the updated, ordered rates on 11/9/04.
- SBC also issued Accessible Letter CLECAM04-288 on 11/09/04 notifying CLECs about the amendment and the comment cycle established for SBC's compliance filing by the MPSC.
- SBC sent updated packages to each carrier reflecting the errata filings on 11/22/04; Accessible Letter CLECAM04-303, issued on 11/18/04, notified CLECs of the update.

As of January 6, 2005, 45 CLECs have signed and returned the amendment, including all three MCI subsidiaries. The Commission has already approved 2 of these amendments, with pricing effective November 6, 2004 consistent with the Order.

¹⁶ *Id.*, at 5.

Based on the Joint CLECs delay tactics, and SBC's experiences in other jurisdictions, it is important for this Commission to take actions that will ensure that its Order is implemented, as required by law.

For example, in the SBC Midwest states, SBC has seen delays in incorporating new prices into ICAs in Indiana, Illinois and Ohio, as a number of CLECs have chosen not to return the amendments to file. While the new rates were ordered months ago, less than two thirds of the CLECs have returned their amendments. For example, in Indiana, almost one year after new rates were ordered, only two thirds of CLECs had returned the pricing amendment.

This forces SBC to file multiple complaints in each of these states to resolve an issue that is not legitimately in dispute. The Public Utilities Commission of Ohio ("PUCO") has recognized this problem and has stepped up to the plate to solve it. In its Order issued December 21, 2004, the PUCO ordered that all interconnection agreement amendments incorporating final rates must be filed by March 31, 2005, a date shortly after it expects to issue its final compliance order¹⁷. (The rates are effective as of November 3, 2004, subject to the review of compliance runs.)

This is why SBC Michigan proposed in its compliance filing, and the Commission should order, a commonsense approach to insure prompt implementation of the Order, and minimize the need for all parties and the Commission to waste further scarce resources. That commonsense approach calls for the Commission to:

- Approve a pricing schedule showing all resulting UNE rates. There cannot be any reason for any party to object to this.
- Approve a generic amendment that will incorporate that pricing schedule into the ICAs as of November 6, 2004, the date the Commission ordered the rates to be effective. Again, there can be no legitimate reason to object to what is, in essence, a ministerial task, given the Order, and the Commission's denial of Talk America's petition for rehearing.

¹⁷ *In the matter of the review of SBC Ohio's TELRIC costs for unbundled network elements, Case No. 02-1280-TP-UNC.*

- Mandate a process under which SBC and CLECs are required to promptly execute and submit for approval the Commission approved pricing amendment by a date certain.

Specifically, SBC Michigan respectfully requests that the Commission order:

- A pricing schedule showing all resulting UNE rates.
- Approval of an amendment that will incorporate the pricing schedule into ICAs effective November 6, 2004, in accordance with the Order (and subject to any necessary true-up).
- For those CLECs who have signed and returned the amendment, which the Commission has already approved (or are pending approval), if the pricing schedule is updated per the Commission's final order:
 - SBC will file the updated pricing schedule; and
 - SBC Michigan will perform a true-up to the new rates back to the effective date of November 6, 2004, per Section 2.1.2 of the amendment.
- For those CLECs who HAVE NOT signed and returned the amendment prior to the final order, the following steps, should be required:
 - If changes are made to the pricing schedule or amendment, SBC will send the updated package to all such CLECs.
 - CLECs will be required to sign and return the updated package within seven (7) days of receipt.
 - If a CLEC does not sign and return the package within the 7-day period, then the package should be deemed approved and SBC will be authorized to submit it to the Commission on behalf of both itself and the CLEC.

This process affords all parties due process. All parties have had an ample opportunity to participate in and provide comments on the application, the amendment, and the pricing schedule, in addition to their overall opportunity to participate in this proceeding over the past several years.

Clearly, as recognized by those CLECs that have already signed the proposed pricing amendment, regardless of when the amendment is actually signed and approved, the rates should be effective as of the same date that the Commission ordered tariffed rates to be effective. To do otherwise would violate the Order, subvert its intent, and discriminate against those CLECs who have complied and not chosen to play the delay game.

The process proposed by SBC Michigan is fair, efficient, consistent with the Commission's Order, and avoids the nightmare of having to bring multiple complaints where there is no legitimate dispute, only intransigence.

For the convenience of the Commission, SBC Michigan will respond below to the Joint CLECs' objections in the same order as they were presented in Attachment A to the Joint CLEC filing.

II. –LOOP COSTS

1. Objection #1: SBC Michigan's LoopCAT Studies Fail To Correctly Apply Fill Factors To Total Investment

The Joint CLECs object to SBC Michigan's use of different fill factors for labor and material, claiming that:

It is clear that no party (including SBC) has attempted to argue that two separate sets of fill factors [material and labor] should be used in SBC's cost studies. It is also clear that the Commission created no such distinction on its own in the *Final Order*.¹⁸

RESPONSE:

The Joint CLECs' objection is without merit for a multitude of reasons.

In order to put this objection and SBC Michigan's response in context, it is helpful to describe the differing cost characteristics between material (*e.g.*, cable, electronics) fill and labor

¹⁸ Joint CLECs' December 20, 2004 Objections to SBC Michigan's Compliance Filing, Attachment A – Analysis of SBC Michigan Compliance Filing – Objections, Impact Analysis and Recommendations for Corrections and Revisions (hereafter "Attachment A"), at 16.

(installation) fill. In his direct testimony, SBC Michigan witness James Smallwood described the distinction as follows:

When cable is placed for distribution or feeder, there is a cost for the cable placed (material) and a cost for trenching and burying the cable (labor). The labor portion of the total cost is essentially constant regardless of what size of the cable is placed. For example, the cost of placing a 50 pair cable is virtually the same as placing a 100 pair cable. The concept of a fill factor is irrelevant when calculating the labor portion of the cable because the labor has nothing to do with the increase or decrease in the pair size of the cable, which is what an *adjustment to the fill factor* implies.¹⁹

Stated another way, installation costs are considerably more fixed (*i.e.*, less variable) in nature than are material costs. As such, installation costs that already account for fill would not be affected as a result of the fill being adjusted (*e.g.*, increased).

This distinction was recognized by Staff. As summarized in the Order, the Commission stated,

In its initial comments, the Staff took the position that the Commission should not alter its previous findings and conclusions concerning the use of projected fill factors as contrasted with actual fill factors. However, the Staff's final reply comments state that the Commission should adopt SBC's proposed fill factors, after modifying them by adding 15 percentage points to each one. It states that the modified proposed fill factors maintain, in part, an element of the targeted fill approach. *The Staff argues that increasing competition, market risk, and other factors require that all providers become more efficient in the construction and maintenance of their networks. It asserts that its proposal attempts to address the uncertainty of certain federal proceedings while remaining faithful to basic TELRIC principles.*²⁰

While the Commission rejected SBC Michigan's proposal to use actual fill factors, the Commission recognized that efficient carriers need to maintain sufficient spare capacity. While

¹⁹ Direct Testimony of James Smallwood at 14. (emphasis added)

²⁰ Opinion and Order at 17 (emphasis added).

it rejected Staff's proposal to add 15 percentage points to SBC Michigan's proposed fill factors, the Commission clearly adopted the rationale of Staff.

However, the Commission is persuaded that given the current state of the telecommunications market and the need for even an efficient carrier to maintain sufficient spare facilities to accommodate reasonable growth, the fill factors approved in Case No. U-11831 are no longer appropriate for use in the current proceeding. The Commission is not persuaded that merely adding 15 percentage points to each of SBC's proposed fill factors will create sufficiently forward-looking, TELRIC compliant fill factors. Rather, the Commission is persuaded that it should require SBC to use fill factors that add back 50% of the difference between the fill factors established in Case No. U-11831 and those SBC proposes in this case. The Commission has previously found that it was reasonable to split the difference between two positions supported by the record or to choose the midpoint of a range of record positions.²¹

Contrary to the Joint CLECs' allegation that "no party" supported material fill factors separate and apart from labor fill factors, the Staff clearly supported such a distinction in its Final Comments. In reviewing its "base case" assumptions for the purposes of loop cost comparisons, Staff stated the following two assumptions among others:

2. Set loop material fills at U-11831 levels.
3. Set labor fills at SBC proposed.²²

Staff's final loop cost recommendations proposed:

4. Set loop *material* fills at SBC proposed + 15%.²³

Staff not only was aware that material and labor fills were two individual types of inputs, they explicitly sought to distinguish further one from the other by recommending only an increase to the material fills within SBC's loop model (LoopCAT) and not to the labor fills.

²¹ *Id.*, at 20-21 (emphasis added).

²² MPSC Staff Final Comments at 21.

²³ *Id.*, at 24 (emphasis added).

Contrary to the Joint CLECs' assertion, separate labor and material fills hardly represent a “sudden change in methodology.”²⁴ Given Mr. Smallwood's testimony and the Staff's proposal, nothing could be further from the truth.²⁵ Indeed, Mr. Smallwood's reply testimony in the instant docket discussed very clearly why the fills were applied separately and then recommended that if a change was recommended for the fill factors it should only apply to material:

Q97. HOW ARE THE FILL FACTORS FOR FEEDER AND DISTRIBUTION APPLIED IN THE LOOPCAT MODEL?

A97. The fill factors are applied to the distribution cable material and the distribution cable labor costs, respectively.

Q98. WHY DID YOU APPLY THE FILL FACTOR SEPARATELY TO MATERIAL AND LABOR?

A99. When cable is placed for distribution or feeder, there is a cost for the pair size placed (material) and a cost for trenching the cable and burying the cable (labor). The labor portion of the total cost is relatively constant regardless of what pair size is placed, assuming a fixed length of cable. As discussed in SBC witness Dorothy DeBaene's direct testimony, the cost of placing a given length of 50-pair cable is about the same as placing the same length of 100-pair cable. The concept of a fill factor is irrelevant when calculating the labor portion of the cable because the labor has nothing to do with the increase or decrease in the pair size of the cable, which is what an adjustment to the fill factor implies.

Q99. IF THE FILL FACTOR IS IRRELEVANT WHEN CALCULATING LABOR FOR PLACING CABLE, WHY THEN, DID YOU APPLY THE FILL FACTOR TO THE LABOR PORTION OF THE CABLE IN THE LOOPCAT MODEL?

²⁴ Joint CLEC Objections, Attachment A at 15.

²⁵ The feigned surprise of the Joint CLECs consultant, Mr. Pitkin, has a distinctly hollow ring, since Mr. Pitkin also participated in proceedings in Illinois, Indiana, Ohio, and Wisconsin in which Mr. Smallwood made the same distinctions between material and labor fills. Indiana Cause No. 42393, Illinois Docket No. 02-0864, Ohio Docket No. 02-1280-TP-UNC, and Wisconsin Docket No. 6720-TI-187

A99. The methodology in the model uses an average cost per pair foot, which includes the material and labor for one cable pair. In order to recover the total labor costs for all pairs placed, the fill factor must be applied to the labor included in the average cost per pair foot. This methodology ensures that the total labor cost for placing the cable, which has nothing to do with the pair size of the cable is fully recovered.

Q100. BASED ON WHAT YOU'VE STATED ABOUT HOW YOU'VE APPLIED THE FILL FACTOR TO THE LABOR PORTION OF THE CABLE TO FULLY RECOVER THE LABOR FOR ALL THE PAIRS IN THE CABLE, THERE SHOULD BE NO ADJUSTMENTS MADE TO THE FILL FACTOR FOR THE LABOR PORTION OF THE CABLE. IS THIS TRUE?

A100. Yes. Any adjustments that are made to the fill factor should only apply to the fill factor applied to the material portion of the cable.²⁶

Indeed, the Commission has recognized the appropriateness of distinguishing between labor and material fills in other proceedings. As Mr. Smallwood explained,

Q101. HAS THE MPSC AGREED WITH THE APPROACH OF NOT ADJUSTING THE CABLE LABOR FILL FACTOR?

A101. Yes. In Case No. U-12261, the Michigan Exchange Carrier's Association, Inc. ("MECA") filed an application for approval of a joint total service long run increment[al] cost (TSLRIC). In its March 2000, Opinion and Order, the Commission stated:

The proper treatment of fill factors continues to be a contentious issue, here and in Ameritech Michigan's TSLRIC case. The flaw in MECA's argument is the assumption that the fill factors are a target not to be exceeded for any piece of its network, rather than an average for the network as a whole. In a sense, the function of fill factors is to create an incentive for greater efficiency by establishing costs on a higher usage factor than providers have been accustomed to achieving. The Commission rejects MECA's approach because it necessarily results in actual fill factors less than the approved average fill factors. *The Commission does agree with MECA that the Staff's adjustment should not be applied to the cost of installing cable.*²⁷

²⁶ Smallwood Rebuttal at 70-71.

²⁷ *Id.*, at 71.

The Joint CLECs' attempt to bolster their argument by citing to a decision in SBC's UNE cost proceeding in California is to no avail. First, the issue is not what the California commission determined based on the record in that proceeding, but whether SBC Michigan's compliance filing is consistent with the Order. Second, the matter of differing material and installation fill is, effectively, moot in the California proceeding since the California Public Utilities Commission (CPUC) did not adopt SBC's LoopCAT model.²⁸

The bottom line is that changing the material fill because one might think the future utilization of that equipment may increase does not call for a corresponding decrease in costs to install the equipment.

Likewise, the Joint CLECs' claim that SBC Michigan's compliance adjustments are a "rigorous misapplication"²⁹ of AT&T's filings as a result of separate material and installation costs misses the mark. The Commission's Order contemplates a distinction in material and installation fill, and also requires SBC Michigan to incorporate a bottoms up analysis for its installation costs (which will be discussed more fully herein).³⁰ SBC's compliance filing reflects both of these directives. Obviously, in order to comply with the Commission's mandates, fundamental changes to the inputs for SBC's LoopCAT model were required. Merely "plugging in" a few new or different numbers into the LoopCAT model does not meet either the spirit or letter of the Order. Since SBC Michigan's proposed LoopCAT largely models *installation*

²⁸ Before the Public Utilities Commission of the State of California, *Joint Application of AT&T Communications of California, Inc. (U 5002 C) and WorldCom, Inc. for the Commission to Reexamine the Recurring Costs and Prices of Unbundled Switching in Its First Annual Review of Unbundled Network Element Costs Pursuant to Ordering Paragraph 11 of D.99-11-050*. Application 01-02-024 et al. Alternate Proposed Decision of Commissioner Wood Adopted for Ratesetting September 23, 2004. At 119.

²⁹ Attachment A at 16.

³⁰ See, Order at 26.

factors, and not a bottoms up analysis, SBC was required to make a reasonably minimal amount of worksheet modifications to reflect the mandates of the Order. These modifications are easy to review and audit.

2. Objection #2: SBC Michigan's LoopCAT Studies Inappropriately Use SBC's Labor Rates.

The Joint CLECs claim that SBC Michigan “improperly employs its own ‘adjusted’ labor rates within its proposed bottom-up analyses.” According to the Joint CLECs, the Order did not explicitly permit substituting SBC’s labor rates (excluding support assets) as part of a bottoms-up approach. Therefore, even though the Order adopted SBC's proposed costs, except as modified, the CLECs propose to use AT&T’s labor rates plus a “conservative” 20% additive, intended to mirror the ordered adjustments to SBC’s non-recurring rates.

RESPONSE:

The CLECs do not provide any rational basis for the substitution of SBC Michigan's labor rates with the fictitious, non-union labor rates proposed by AT&T. Presumably, if the Commission had intended to require SBC to use these fictitious rates in its compliance studies, it would have said so. Interestingly, the Joint CLECs do not dispute SBC Michigan's use of SBC Michigan's labor rates, rather than AT&T's fictitious non-union rates, in SBC Michigan's compliance collocation study.³¹

The Joint CLECs' objection is even more bizarre given the fact that they rely on JAM data as the cornerstone of their "bottoms up" approach. Rather than use the hourly labor rates from JAM, they propose to substitute those rates with sharply lower, and unrealistic non-union

³¹ The Joint CLECs did not object to SBC Michigan's compliance collocation cost study, even though it used the same contractual labor rates.

wages proposed by Mr. Flappan. (See Rebuttal Testimony of Dorothy DeBaene, p. 13). At a minimum, if JAM is the source of a bottoms-up approach, it should reflect the SBC labor rates used in JAM, and not AT&T's proposed labor rates that exclude significant components of SBC's current and future labor costs.

Apparently, the Joint CLECs recognize the inadequacy of their proposed fictitious labor rates. In order to partially ameliorate this inadequacy, the Joint CLECs propose a 20% "add" to those rates. Nothing in the Order suggests such a result.

The Joint CLECs fail to recognize that the Order did not make a specific ruling on labor rates, let alone reject the use of SBC Michigan's labor rates in recurring cost studies. With respect to non-recurring rates, which the Commission determined could cause entry barriers, the Commission did opt to approve Staff's formula-based proposal to derive the rates.³² However, that 20% add is used only in select cases to derive several compliance nonrecurring rates. Extending the 20% add to derive recurring loop rates has no basis in the Order. It certainly does not represent a means to rectify the recognized deficiencies and exclusions in AT&T's proposed labor rates.

Using SBC Michigan's labor rates (less support assets) is the only reasonable basis for identifying loop installation costs, given the Commission's past and present statements recognizing the reasonableness of SBC's union-negotiated wages and benefits.³³ The principal

³² "The Commission does not adopt a particular schedule of labor cost rates, but rather adopts the Staff's proposal, which does not reflect a separate determination concerning labor costs, but makes undifferentiated assumptions for *all nonrecurring costs*." Order, p. 74. (Emphasis added.)

³³ "[T]he Staff focused on the Commission's repeated rejection of efforts by CLECs to base labor rates on non-union wages, which is cause to reject at least a portion of AT&T's position" Order, p. 71-72; "For example, the Commission has repeatedly rejected arguments that TELRIC costs should be based on non-union wage levels as proposed by AT&T." *Id.*, p. 72)

dispute regarding SBC's labor rate proposal was the inclusion of support asset costs as a component of labor rates. By ordering the removal of support asset costs from SBC Michigan's labor rates (which SBC Michigan's compliance filing clearly reflects), the Commission definitively resolved this dispute.

3. Objection #3: SBC Michigan's LoopCAT Studies Add Unnecessary and Exorbitant Buried Trenching Cost.

The Joint CLECs assert that SBC Michigan's compliance cost studies added "unnecessary costs" for buried trenching and used improper NID and drop costs.³⁴

RESPONSE:

The parties all agree that the Commission required a "bottoms-up analysis" for developing installation costs. Specifically, the Commission required the use of estimates developed through SBC's JAM system, as adjusted for additions made in the AUTH system.³⁵

SBC Michigan hires contractors, rather than its own employees, to perform the task of trenching, which is generally done on a customer-specific basis. Because the JAM system is intended as an estimating tool for SBC Michigan employee labor for "projects", outside

³⁴ Attachment A at 20.

³⁵ As Dorothy DeBaene testified, "The Authorizations (AUTH) System is used in the SBC Midwest region to track expenditures associated with undertakings [jobs]. AUTH includes summarized journal activity, information required to perform capital allocations, and actual data associated with undertakings. AUTH records are balanced daily into the AFIW (Ameritech Financial Information Warehouse). These data are ultimately fed into the corporate General Ledger, which contains the official company books." DeBaene Rebuttal at 11, footnote 2:

contractor trenching costs do not appear in JAM. In AT&T's bottoms-up analysis, it chose to simply ignore these buried trenching costs described above by simply zeroing them out.³⁶

Because JAM does not include contractor trenching costs, in its compliance filing, SBC Michigan added these (and other AUTH) costs as required by the Order.³⁷ The Joint CLECs concede that the Order requires SBC Michigan to add costs derived from AUTH in its "bottoms up" study. The Joint CLECs acknowledge receipt of the support information regarding these costs.³⁸ Nonetheless, the Joint CLECs criticize SBC Michigan for including these admittedly reasonable costs based on their erroneous contention that buried trenching costs are not reflected in the AUTH system.

They are wrong. Buried trenching costs are representative of costs included in AUTH. Generally, in SBC Michigan, the on-premises construction activities (*i.e.*, generally, NID and drop) are performed by the Installation and Repair organization (I&R). JAM, as an estimation tool, is used almost exclusively by the construction and engineering organization (C&E), which is responsible for construction and maintenance of the outside plant between the central office and the distribution terminal (*i.e.*, the areas that are off-premises). As the Joint CLECs are aware, the NID and drop installation cost estimates, including the contracted trenching costs, are

³⁶ The trenching amount that is included in the AT&T estimate relates to the small bit of hand trenching that is frequently required after the contractor trenching is complete. While AT&T further modified even this small amount from the original SBC proposal, SBC left the AT&T restatement for this activity intact.

³⁷ As the Commission recognized, the JAM system does not capture all relevant costs and it is necessary to supplement it with costs derived from the AUTH system. "Therefore, the Commission finds that the installation costs developed by AT&T using the JAM data should be adopted for purposes of this case, with additions made in the AUTH system that are not included in JAM." Order, at 26.

³⁸ Attachment A at 19.

typically not performed using JAM.³⁹ While these costs are not reflected in JAM, they are reflected in AUTH.

The Joint CLECs' assertion these costs are not included in AUTH is purportedly based on SBC's response to a discovery request. However, even a cursory reading of SBC Michigan's response to the discovery request demonstrates that it provides no support for their position. In Discovery Request BFP-80, SBC Michigan was requested to "Provide job reports from the ten largest projects over the past ten years involving the installation of NIDs that identify the specific time and material associated with installing NIDs. For each of these projects, also provide the actual job costs from SBC's Authorizations System (AUTH) at the most granular level of detail available." In response, SBC Michigan stated that, "SBC Michigan does not track this information, since NIDs are typically installed on a service order by service order basis. Thus, there are no large projects for the installation of NIDs."

The Joint CLECS apparently took a leap of logic to assume that because 1) SBC has no *large* projects for NIDs, and 2) SBC does not track this information in the manner requested, that there are no contractor costs for buried trenching in AUTH.⁴⁰ They are simply wrong. There is no basis to disallow legitimate costs for buried trench.

³⁹ In response to data request ATTSBC 213, SBC Michigan advised the CLECs that, "The vast majority of drop wire work at SBC Michigan is done by the SBC I&R technician work force. SBC Michigan I&R does not break down splicing and placing times for drop wire installations. However, in a good faith effort, SBC Michigan is providing information on the estimated installation times for drop wire, using data from the JAM system. This information is used in scheduling and managing SBC *construction* technicians when handling drop wire, using Functional Time Increments (FTIs) in JAM." Since SBC's construction (C&E) organization does not typically perform drop wire work these activities are not captured in JAM. As discussed, JAM is a C&E tool, not an I&R tool.

⁴⁰ Attachment A at 19: "From SBC's answer [BFP-80], it is clear nothing in AUTH contains NID installation costs."

In summary, SBC's compliance filing on premises termination installation uses AT&T's JAM data for drop and NID, as the Order directs. The filing supplements those estimates in JAM with additions made in AUTH that are not included in JAM.

4. Objection #4: SBC Michigan's LoopCAT Studies' Calculation of DLC Installation Costs Disregards the Commission's Final Order

The Joint CLECs claim that,

Though the Commission specifically found that: "linear loading factors are not appropriate for determining the cost of installation," SBC's compliance studies continue to rely on such an approach. Further, SBC has not identified any AUTH data that could be used to adjust the bottom-up inputs proposed by AT&T and adopted by the Commission.⁴¹

RESPONSE:

Once again, the Joint CLECs are incorrect. SBC's compliance filing for DLC installation is a bottoms-up analysis and in no meaningful way resembles the "linear loading factors" that the Commission disapproved. As required by the Order, the DLC installation costs are based on AUTH data.

In the Order, the Commission found,

The Commission finds that linear loading factors are not appropriate for determining the cost of installation. SBC has not demonstrated that any linear relationship exists between installation and material costs. Rather, the Commission is persuaded that a bottoms-up analysis should be employed to determine the costs of installing loop facilities. . . . Therefore, the Commission finds that the installation costs developed by AT&T using the JAM data should be adopted for purposes of this case, with additions made in the AUTH system that are not included in JAM.⁴²

⁴¹ Attachment A at 23.

⁴² *Opinion and Order* at 26-27.

With respect to DLC installation, the Joint CLECs never proposed a "bottoms up" analysis, and they fail to do so here. Instead, the Joint CLECs propose to use a flat amount, based on a six year old preliminary business case for Project Pronto, an amount not based on any actual experience, and that has been shown to be grossly inadequate in the rebuttal testimony of James Smallwood and Dorothy DeBaene.⁴³ They do not even attempt to use a "bottoms up" approach by using, for example, JAM data as required by the Order.

The Joint CLECs' DLC installation cost estimates are only a very small fraction of the forward-looking cost SBC incurs for this activity. Indeed for the entirety of DLC installation costs, which include both the Remote Terminal (RT) in the field and the Central Office Terminal (COT) in the wire center, the Joint CLECs' proposal/objection amount does not even cover the non-contractor, telco-only *labor* portion for only the RT.⁴⁴

On the other hand, SBC Michigan's compliance cost studies reflect a bottoms up analysis based on expected DLC installation activities on a forward looking basis consistent with the Order. These DLC installation activities and costs typically are not reflected in JAM estimates. Rather, these electronics installation activities are captured in the transmission equipment ordering module⁴⁵, which feeds AUTH, as discussed in Ms. DeBaene's testimony.⁴⁶ Accordingly, consistent with the order, these AUTH-based costs were captured.

SBC Michigan's bottoms-up analysis for DLC installation is based on the following:

⁴³ Rebuttal Testimony of Dorothy DeBaene at 30-39; Rebuttal Testimony of James Smallwood at 84.

⁴⁴ SBC Response to BFP-359.

⁴⁵ *Opinion and Order* at 25.

⁴⁶ Rebuttal Testimony of Dorothy DeBaene at 11.

1) Consistent with its responses to discovery requests BFP 358 – 361, SBC Michigan identified the necessary tasks and time estimates for DLC installation, including installation of RT cabinets and COT systems.⁴⁷

2) Based on this data, SBC developed bottoms-up installation costs.

While not specifically required by the Order, in an effort to be conservative, where the bottoms-up analysis yielded costs that were higher than those proposed by SBC Michigan, the costs were capped at the amount originally proposed by SBC Michigan.⁴⁸

5. Objection #5: SBC Michigan’s SPICE Model Calculation Of DS-1 Costs Uses a Linear Loading Factor Rather Than AT&T’s Bottom-up Installation Costs

According to the Joint CLECs,

SBC has attempted to mask its General Ledger-based linear loading factor as an “AUTH addition” to the AT&T installation costs. These costs are based on the same linear loading factor source already rejected by the Commission and are not appropriate for use in a forward-looking cost study.⁴⁹

RESPONSE:

In its original compliance filing, SBC Michigan incorporated a bottoms-up installation approach for DS-1 loops using JAM data and any additions made in the AUTH system.⁵⁰

⁴⁷ For instance, BFP-358 requests the following information from Dorothy DeBaene: “Based on your extensive experience with Outside Plant and Design Engineering & Construction, provide an expert opinion of an average time estimate to engineer, furnish and install, in total, a fully operational 672 DLC-RT. For this time estimate, please provide information regarding the activities that are being performed for each of the time estimates provided.”

⁴⁸ SBC acknowledges that in capping the installation costs at the amount SBC originally proposed, it mathematically amounts to the same installation costs where the installation factors to have been used.

⁴⁹ Attachment A at 25.

⁵⁰ The bottoms-up data was provided to the Joint CLECs in response to discovery requests BFP-358-361, as described in SBC’s Response to Joint CLEC Objection # 4.

Contrary to what SBC Michigan believes the Commission expected, this approach yielded costs that were higher than those originally proposed by SBC Michigan. Accordingly, in its November 16, 2004 Errata filing, SBC Michigan elected to use a highly conservative approach of capping its compliance results at what SBC originally proposed in its case.⁵¹

Apparently the Joint CLECs object to the capping mechanism. This is surprising given that the revised results filed with the Errata produce TELRICs that are almost 50% lower than those in the Compliance filing.

The Joint CLECs apparently confuse the Commission's rejection of linear loading factors in and of themselves, with an implicit rejection of the data source for such factors - the General Ledger. Nothing in the Commission's order purports to reject the use of General Ledger data. Indeed, the Commission explicitly required SBC to reflect costs in the AUTH system that feeds the General Ledger.⁵² In violation of the Order, the Joint CLECs did not even purport to make any AUTH adjustments.

⁵¹ The changes to the High Capacity Equipment work papers were made in the TABs labeled "*Installation _ ATT Revised*" and "*Run2890_Unit Inv.*"

In TAB "*Installation _ ATT Revised*", installation and engineering hours were set at the levels proposed by AT&T. In the compliance version of these work papers, filed on 11-05-04, SBC estimates of the installation and engineering hours had been used.

In TAB "*Run2890_Unit Inv*", the installation costs that result from AT&T's proposed bottoms-up approach were adjusted based on an analysis of general ledger/AUTH data. Depending on the type of equipment, this adjustment resulted in either increasing or decreasing AT&T's original installed costs estimates. In the compliance version of these work papers, filed on 11-05-04, this adjustment had not been made.

⁵² Rebuttal Testimony of Dorothy DeBaene at 11 (footnote 2).

6. Objection #6: SBC Michigan's LoopCAT Studies Fail to Incorporate the Appropriate Channel Bank Assembly Mix Into the Integrated DLC Environment.

The Joint CLECs contend that,

SBC should be ordered to run its IDLC configuration using a 3-bay COT. Such a determination is necessary to be consistent with the Commission's determination to use 100% IDLC (with SBC's proposed concentration ratio) in the forward-looking network.⁵³

RESPONSE:

There is no basis for the Joint CLECs' proposed adjustment. Modeling SBC Michigan's network based upon 100 percent IDLC deployment does not require ubiquitous 3 channel bank system deployment. Even when IDLC systems are deployed, there are and will be many cases wherein unbundling requirements within a given wire center drive the need for more physical space than is offered in a minimalist 3 channel bank deployment.

Even if there were a complete roll-out of fully IDLC capable systems throughout Michigan, there would still be a need for unbundled loops for other services besides those capable of being integrated. On any given IDLC system, there will be substantial numbers of these unbundled loops needed for a myriad of services. Examples of these circuit types include alarm circuits, special access circuits, and even those unbundled loops that are routed to collocation cages rather than directly to an SBC switch. And, as time passes, other parties will further invest in infrastructure, driving an increase in the number of unbundled loop circuits. These unbundled circuits need more physical space, (*i.e.*, more slots in channel bank assemblies) in the COT, as provided with the 7 channel bank capacity systems.

⁵³ Attachment A at 26.

Nothing in the Order mandated the assumed use of 100 percent 3 channel bank deployment. Indeed, the Order recognized that SBC Michigan had previously modified its proposal to respond to criticisms to include both 3 and 7 channel bank systems. Specifically,

SBC Michigan has agreed to use of the 3 and 7 channel bay Central Office Terminal (COT) systems in response to AT&T witnesses Brian Pitkin and Steve Turner's claim that the 9 channel universal DLC system was not a forward-looking technology. The use of the 3 and 7 channel bay systems represent the particular configurations that would be used for forward-looking GR-303 capable systems, and their inclusion here lowers the overall costs. This is due to the fact that the cheaper 7 channel bank system is assumed for those times when the number of channels required exceeds 3 channel banks due to the unbundling requirements at any given wire center, instead of the larger, more expensive 9 channel bank universal system.⁵⁴

The Joint CLECs' Objection is without merit and should be rejected.

7. Objection #7: SBC Michigan's LoopCAT Studies Fail To Use SBC's Original DLCRT Mix

The Joint CLECs' objection is based on their contention that:

Instead of adjusting the DLC-RT mix to its original estimates, SBC instead chose to use the Staff's proposed DLC-RT mix. However, the Staff's proposed mix is based on the revised data, from SBC's embedded system, that the Commission rejected. Thus, SBC should have used the original DLC-RT mix.⁵⁵

RESPONSE

This objection is both misguided and misleading. To support their objection, the Joint CLECs cite to a portion of the Commission's findings on Digital Loop Carrier Remote Terminal (DLCRT) mix, that is, the various capacities of remote terminals and the extent they are spread among the three Access Areas. The Joint CLECs failed to tell the whole story with their misleading partial quote.

⁵⁴ Rebuttal Testimony of James Smallwood at 11.

⁵⁵ Attachment A at 27.

In the Order, the Commission determined that, “The Commission is persuaded that SBC’s new mix of DLC remote terminal equipment should not be adopted.”⁵⁶ The "new mix" adopted by the Commission was SBC Michigan's proposed mix *before* the change in SBC’s data source and *before* Staff’s proposal was made. Apparently, the Joint CLECs recommend that the DLC-RT mix be set back to the levels originally filed by SBC in its direct case. This is contrary to the Order.

The Staff proposes to modify the CEV adjustment, which results in reducing without eliminating the increase in cost caused by SBC’s adjustment. The Staff proposes to roll the 448-line capacity cabinets into the 672-line cabinet percentage and roll the CEV percentage into the 2016-line percentage, and remove both the 448-line and CEVs as separate items. The Staff states that these cabinet sizes were chosen because they are closest to those being replaced.

The Commission finds that the change in SBC’s data source is reasonable. Further, the Commission concludes that with regard to the CEVs, the Staff’s proposal is reasonable and should be adopted for purposes of this proceeding.⁵⁷

The Order explicitly found SBC Michigan’s *changed* data source (as set forth in its rebuttal filing) to be reasonable, and found Staff’s proposal to modify the results of that filing reasonable. SBC Michigan's compliance filing reflects those findings as shown in the following tables.

*****CONFIDENTIAL**

Figure 1 - RT Mix Values Within SBC's Rebuttal Filing

⁵⁶ Opinion and Order at 33.

⁵⁷ *Id.* at 32.

Figure 2 - RT Mix Values Within SBC's Compliance Filing

CONFIDENTIAL***

The Joint CLECs' attempt to *sub silencio* modify the Order by requiring SBC Michigan to revert back to the original DLC-RT mix, and ignoring Staff's recommendations should be rejected.

8. Objection #8: SBC Does Not Limit Its Maintenance Expense Factor to \$2.37/line per Month

The Joint CLECs' objection is predicated on their claim that,

In its compliance studies, SBC does not apply a *flat* \$2.37 per loop per month related to maintenance expenses. Instead, SBC developed separate maintenance expense per line amounts for each loop type and disaggregated the costs among Areas A, B, and C. However, the Commission's *Final Order* specifically references using a flat \$2.37 per line per month with no mention of variation by geographic band or by loop type.⁵⁸

RESPONSE:

Apparently the Joint CLECs believe that SBC Michigan's compliance filing should have applied a "flat" \$2.37 amount across any and all loops, with no distinction or difference by Access Area. Indeed, the adjective "flat" is used by the Joint CLECs no less than ten times in articulating their objection. The Joint CLECs fail to point to anything in the Order that requires such a result. That is because nothing in the Order purports to require an *input* of a single "flat" amount in SBC Michigan's compliance cost modeling. Rather, the Order intends to arrive at a

⁵⁸ Attachment A at 28. (emphasis added)

result of \$2.37. The difference between “input” and “result” is critical to understanding an accurate implementation of the Order.

In its Order, the Commission stated,

According to Staff, pursuant to its discussions with SBC, SBC found some problems with running the algorithm, and thus proposes a \$2.37 per line maintenance expense derived from the compliance cost study for unbundled loops in Case No. U-11831. Recognizing that this figure is derived using 1997 data and that labor costs for maintenance and repair have increased since that time, the *Staff concludes that SBC’s proposal is reasonable and represents a conservative measure of forward-looking maintenance expenses and a compromise position for SBC that is reasonable. The Commission finds that the Staff’s position leads to a reasonable result and that it should be adopted for purposes of this cost study.* The Commission’s rulings on the appropriate cost of capital, fill factors, and depreciation, as well as other inputs that affect these factors, should be employed in calculating SBC’s ACFs. The Commission rejects AT&T’s argument that only regulated data should be used.⁵⁹

The \$2.37 is a derived statewide *average*. It never was, nor did the Order intend it to be, anything but a statewide average. Indeed, in Case No. U-11831, the value \$2.37 never existed explicitly in any given cost study. Rather, that value was derived from a weighting of the operating expenses for each Access Area into a statewide value.⁶⁰ Those very same values were used in SBC Michigan's compliance filing.

Given the fact that TELRIC investment differs by Access Area and the fact that each Access Areas contain differing amounts of loops, it should not be surprising that differing maintenance expenses by loop by Access Area are required to result in the ordered statewide average amount of \$2.37. That is, the \$2.37 results from the loop weighting across Access Areas, as shown in the following table.

⁵⁹ Opinion and Order at 61. (emphasis added)

⁶⁰ The compliance runs in Case No. U-11831 included *specific* maintenance expenses for each loop type. That is, there was no “flat” dollar amount universally applied to any and all loops for all Access Areas. Accordingly, using a “flat” amount regardless of loop type or access area would be inconsistent with the Order.

*****CONFIDENTIAL**

For “other loop types” (*i.e.*, non 2-wire analog loops), the Joint CLECs observe that the operating expenses calculated by SBC Michigan in its compliance studies can measurably exceed those of the 2-wire analog loop.⁶¹ This should not be surprising to the Commission, since the maintenance expenses derived from the Case No. U-11831 compliance loop cost study in some instances measurably exceeded those for the Case No. U-11831 2-wire analog loop. There is nothing objectionable in this fact. In fact, it further demonstrates that SBC Michigan fully complied with Staff’s accepted position in the Order. Indeed, if anything, SBC Michigan is not recovering all of its forward-looking operating expenses as the Commission found Staff’s proposal to be both “conservative” and a “compromise.”⁶²

The Joint CLECs’ attempt to “alert the Commission” that the \$2.37 is allegedly “exaggerated” and “overstated” is nothing more than a blatant attempt to revise the Order – something the Commission explicitly forbade in its Order⁶³.

⁶¹ Attachment A at 28.

⁶² Order at 61.

⁶³ Attachment A, at 29.

III. DS-3 COST STUDIES

1. Objection # 1: SBC Michigan's DS-3 Studies Fail to Correctly Apply Bottom-Up Installation Times

The Joint CLECs contend that:

Page 26 of the Commission's *Final Order* makes it clear that AT&T's bottom-up installation costs are to be used in lieu of linear loading factors. SBC's filing completely disregards both AT&T's calculation of times necessary for the installation of DS-3 circuit equipment and the labor rates, as filed by AT&T. SBC has calculated its own times necessary for the calculation of bottom-up costs. SBC's restatement of DS-3 is based loosely on a response to discovery request BFP-221.⁶⁴

RESPONSE:

The objection is misleading and without merit.

First, the Order did not wholly adopt AT&T's bottoms-up installation costs in lieu of linear loading factors. Rather, the Order requires "that the installation costs developed by AT&T using the JAM data should be adopted for purposes of this case, *with additions made in the AUTH system that are not included in JAM.*"

The allegation that SBC Michigan "completely disregards" AT&T's installation times and is, therefore noncompliant, is nonsense. What is noncompliant is the Joint CLECs' proposed use of installation times that are admittedly *not* based on "JAM data with additions made in the AUTH system."

⁶⁴ Attachment A, at 30.

In its response to discovery request BFP-221, SBC Michigan provided the installation time estimates in JAM for DS-3.⁶⁵ The Joint CLECs chose to ignore that data, preferring to make it up.⁶⁶ The Joint CLECs' objection should be rejected.

IV. DARK FIBER

1. Objection# 1: SBC Michigan's Dark Fiber Cost Study Fails to Develop Bottom-Ups Costs.

The Joint CLECs contend that "SBC failed to calculate installation costs for Dark Fiber using the AT&T Bottom-up method."

RESPONSE:

This objection is somewhat mysterious given that AT&T did not propose a bottoms-up method to calculate installation costs for transport elements, such as Dark Fiber, in its testimony or exhibits. Rather, AT&T used an in-place or linear loading factor, similar to what SBC used. Not surprisingly, AT&T's in-place or linear loading factors were substantially lower than what SBC proposed.

Because no party proposed using a bottoms-up approach for Dark Fiber, it is not surprising that the Order does not require such an approach to costing Dark Fiber, as opposed to loops. The Order, at page 26, specifically provides that, "Rather, the Commission is persuaded

⁶⁵ SBC Michigan's response included relevant JAM functions, equipment part names, and activity times for both splicing and engineering. Unlike SBC Michigan's compliance filing, the Joint CLECs' proposed installation costs are not based on JAM.

⁶⁶ SBC Michigan fully responded to the Joint CLECs' objection regarding the use of SBC Michigan's labor rates in Section II.2, and will not repeat that response here.

that a bottom-up analysis should be employed to determine the costs of installing *loop facilities*." (Emphasis added).⁶⁷

Using a bottoms-up approach in the Dark Fiber study would necessarily require the introduction of totally new data that was not before the Commission when it issued its Order. Indeed, the Joint CLECs have presented new data, which have no foundation in the record whatsoever, nor do they provide any support for the new data they provide.

Dark Fiber has two separate components, consisting of the actual fiber facilities and the electronics on which those must terminate. Showing a remarkable lack of consistency, the Joint CLECs do not propose any changes in the installation costs of the fiber facilities, including dark fiber loop/sub-loop and dark fiber interoffice fiber facilities. They did, however, concoct a bottoms-up method for the electronics on which these fibers terminate.

In its testimony, AT&T used linear loading factors to calculate the installation costs for dark fiber. As part of its linear loading factor calculation, AT&T referred to data request MB-118 and estimated 3 hours of engineering time and 1 hour of installation time for an FOT Panel. In their objections, the Joint CLECs have taken out individual components and removed its linear loading factor. However, now the Joint CLECs propose to utilize 8 hours of engineering and 8 hours of installation. The Joint CLECs have not provided any basis for their revised values, other than a belated recognition that AT&T's time estimates were mistakenly 4 times lower than they should have been.

⁶⁷ With respect to loops, the Commission required that "installation costs developed by AT&T using the JAMS data should be adopted for this case, with additions made in the AUTH system that are not included in JAMS." As the Commission undoubtedly recognized, because JAM is an outside plant database, it has no relevance to central office equipment. Accordingly, there is no basis for presuming that the Order impose a bottoms-up approach in the Dark Fiber compliance cost study.

Other than using a revised fill factor, the Commission did not order any changes to SBC Michigan's Dark Fiber costs. The belated and woefully inconsistent attempt by the Joint CLECs to rewrite the Commission's Order should be rejected.

2. Objection #2: SBC Michigan's Dark Fiber Cost Study Fails to Use Appropriate Fill Factors.

The Joint CLECs contend that SBC failed to average its proposed embedded fills with any claimed prior fill for the mileage-per fiber per foot costs and that where SBC did average its embedded fill with a previously ordered fill factor, SBC inappropriately selected the fill factor for active fiber strands from Case No. U-11831 of 67% instead of 100%.

RESPONSE:

First, SBC Michigan did average its proposed embedded fills with prior fills in Tab 7.3 Loop-Fiber Cable Inv. of its Dark Fiber Compliance cost study. The fill calculation is provided in the support document titled MI Fills Final Compli 11-05-04. The Joint CLECs' claim to the contrary is simply incorrect.

Second, the Order states, at page 20, that

[T]he Commission is persuaded that it should require SBC to use fill factors that add back 50% of the difference between the fill factors established in Case No. U-11831 and those that SBC proposed in this case.

In Case No. U-11831 the Commission ordered a fill of 67% for fiber cable, such as Dark Fiber. Because of this, both the electronic equipment and fiber fill calculations utilized this fill percentage. This fill is actually lower than the equipment fills SBC proposed in this case, as shown in the table below.⁶⁸

⁶⁸ AT&T's initial cost study utilized 67% for both the fiber cable and the electronic equipment.

Dark Fiber Fills (I/O)	SBC Proposed	1/2 Between U11831 & SBC Proposed	Ordered U11831
-			
FOT, OSP, Splitter Shelves	85.00%	76.00%	67.00%
Splitter Card	96.00%	81.50%	67.00%
Jumpers	100.00%	83.50%	67.00%
Dark Fiber Fills (Loop)	SBC Proposed	1/2 Between U11831 & SBC Proposed	Ordered U11831
-			
FOT, OSP, Splitter Shelves	85.00%	76.00%	67.00%
Splitter Card	96.00%	81.50%	67.00%
Jumpers	100.00%	83.50%	67.00%

The Joint CLECs now belatedly claim that the fill should be 100%, which is neither what the Commission ordered in Case No. U-11831, nor the formulaic compromise fill the Commission ordered in this proceeding. It also makes no sense.

Dark Fiber fill is applicable to the fiber cable placed, not a single fiber strand. Although the Joint CLECs are correct that a purchaser of Dark Fiber utilizes 100% of the strand they purchase, even the Joint CLECs do not have the gall to argue that single fiber cable is the hallmark of a forward looking network. A single strand of fiber does not a fiber optic cable make.

The Joint CLECs objection should be denied.

V. SWITCHING

1. Objection #1: SBC Michigan's SICAT Model Fails to Correctly Apply Fill Factors

RESPONSE:

The Joint CLECs' objection starts with their misunderstanding of the difference between *trunks* and digital *lines*. The Joint CLECs rely upon SBC Michigan's response to a discovery request seeking the fill factor for end office and tandem *trunks* ordered in Case No. U-11831, and incorrectly assumed the referenced fill factor was applicable to digital *lines*. They are wrong. The compliance fill factor for digital *lines* ordered and used in Case No. U-11831 was 90%, and that was the number used in SBC Michigan's compliance filing

Regarding the fill factor ordered for trunks in Case No. U-11831, the Joint CLECs are also mistaken. The Commission did not order any trunk fill factors in Case No. U-11831 and, consequently, none were applied in compliance studies in that proceeding. This was appropriate for trunks under the switch contracts that applied at that time ("Partners-in-Provisioning" or "PIP" contracts) when SBC Michigan paid for a trunk only when it became a working trunk. However, under SBC Michigan's current switch contracts upon which SICAT is based (which includes the DND contracts), SBC Michigan pays for a requested end-office or tandem trunk once it is installed. Since the Order relies on the current switch contracts as the starting point for developing switching investments rather than the old, expired contracts, it is consistent to apply fill factors for end office and tandem trunks consistent with current contract provisions - meaning that a fill factor less than 100% should be used to comply with the Commission's fill requirements for switching equipment in this proceeding. Since the digital line fill factor was the

only fill factor from Case No. U-11831 that meets these conditions, it was appropriate to use it in developing the fill factor for digital end-office and tandem trunks in SBC Michigan's compliance filing.

Furthermore, no CLEC testimony in this proceeding claimed that the Commission approved a 100% switch fill factor for end-office and tandem trunks in Case No. U-11831, even though the Joint CLECs now make such a claim. On the contrary, the testimony of Dr. Ankum and Mr. Webber claimed that a fill factor of less than 100% was approved in U-11831.⁶⁹ As discussed above, no fill factor adjustment to trunk investments was made in Case No. U-11831, because the previous, but now expired, switch contracts contained no obligation to pay for a trunk until it was working. In other words, on a forward-looking basis under the PIP contracts, SBC Michigan would not pay for any available end-office or tandem trunk that was not also working. Technically, under the PIP contracts there were no spare trunk facilities to be captured through a fill factor adjustment. Hence, a fill factor adjustment to trunk investments was never made in Case No. U-11831. However, the DND contracts do require SBC Michigan to pay for all trunks that SBC Michigan requests be made available regardless of whether those trunks are working. Of course, SBC Michigan is not obliged to pay until such facilities have actually been installed. The digital line fill factor from Case No. U-11831 most closely corresponds to the needed, but non-existent, Case No. U-11831 fill factor for digital trunks. Consequently, SBC Michigan appropriately used the same Case No. U-11831 fill factor for digital lines and digital trunks in developing its compliance fill factors for digital lines and digital trunks in this proceeding.

⁶⁹ For example, see lines 13-16 at page 92 of Dr. Ankum's initial switching testimony and lines 818-820 at page 38 of Mr. Webber's initial testimony.

2. Objection #2: SBC Michigan's SICAT Model Fails to Correctly Apply Commission ordered 70% Replacement and 30% Growth

RESPONSE:

Once again, the Joint CLECs are confused. SBC Michigan was ordered to adopt the “mix of 70% replacement and 30% growth approved in Case No. U-11831.” The Joint CLECs incorrectly claim that “Other Replacements” should not be included in the Replacement line weighting. This makes no sense.

"Other Replacements" are merely Replacements that are done outside of the DND Contracts. Nothing in the Order purports to require SBC Michigan to remove Other Replacements from its SICAT model. In fact, as the Staff noted in its Initial Comments, at page 43, “[t]he mix of growth/replacement lines ordered by the Commission in Case No. U-11831 more appropriately reflects the entire switch network.” In its Final Comments, Staff determined that “[t]he switch mix SBC has proposed is not unreasonable.”⁷⁰ Certainly if the Staff had any issues with the Other Replacements in the switch mix, it would have recommended that Other Replacements be removed or otherwise objected. The Joint CLECs position is without merit and should be rejected by the Commission.

Apart from their erroneous exclusion of Other Replacements, the Joint CLECs inappropriately calculate a blended price using a mix of 70% replacement *prices* plus 30% growth *prices*. The November 16, 1999 Opinion and Order in Case No. U-11831 clearly states “that Ameritech Michigan be required to rerun the study assuming 30% growth *lines* rather than

⁷⁰ Final Staff Comments, at 28.

70% growth *lines*.”⁷¹ The Commission did not order SBC Michigan to change the methodology in SICAT or outside of SICAT to perform the calculation on prices instead of lines. The Joint CLECs' attempt to rewrite both the Order and the Commission's Order in Case No. U-11831 should be rejected.

Finally, the Joint CLECs have taken the liberty of creating a fictitious contract price, based upon digital trunk prices, rather than existing digital line prices, in calculated replacement and growth lines. There is no basis in logic, let alone in the Order, for such an approach. In an attempt to artificially lower costs even further, the Joint CLECs claim that a digital line would be purchased as a replacement – when in fact a digital line can not be purchased as a replacement. There is only one digital line price in SBC’s switch contracts. No separate replacement digital line price exists in the contracts, because replacement refers to moving from an analog switch to a digital switch and analog switches have no digital lines to replace. Furthermore, an analog line in a switch would not be replaced with a digital line. To fabricate a non-existent replacement digital line price makes no sense except to produce an artificially low digital line price. Since there is only a single set of digital prices in SBC’s switch contracts, the Joint CLECs’ position is without merit and should be rejected.

3. Objection #3: SBC Michigan Inappropriately Added New Cost Components - Not Approved by the Commission - to the ULS Port Cost Study

RESPONSE:

The Joint CLECs erroneously claim that SBC Michigan added "new cost components" to its Unbundled Local Switching ("ULS") and Unbundled Tandem Switching ("UTS") Port cost

⁷¹ *Id.*, at 14. (Emphasis added)

study that neither Staff nor the intervenors have had an opportunity to examine. This is simply not true. Each of these elements are part of the record and are *not* new components.

SBC Michigan's compliance cost study includes a digital line port for the simple reason that the Commission ordered SBC Michigan to assume 100% IDLC deployment for DLC loops. It is technologically infeasible to have 100% IDLC loops and not have digital line ports. To put it plainly, an IDLC loop will not work on an analog line port. Accordingly, SBC Michigan's compliance filing is consistent with the Order.

The Joint CLECs are simply attempting to cherry pick by using the lowest cost methodology on one UNE-P element (loops), but a different methodology on another UNE-P element (port) in an attempt to obtain the lowest possible UNE-P rate. SBC Michigan is entitled to recover the costs of the UNE-P Basic Port, as ordered by the Commission. The Commission, Staff, and all parties have thoroughly examined SICAT and the Output Sheets, including the digital line port, used in SBC Michigan's studies. SBC Michigan has complied with the Order and incorporated required changes into the Compliance SICAT runs.

Likewise, the Joint CLECs criticism of two other elements – Digital Cross Connect (DSX) and UNE Billing – is without merit. Again, neither of these elements are new to this proceeding. The DSX has been an element contained in the ULS and UTS Port study from the beginning (see Tab 8.8, line 3; Tab 5.4, column E; Tab 5.1, lines 28, 33, and 38). A digital cross connect is needed in an IDLC application and it would be inappropriate to not allow SBC Michigan to recover the costs of providing a digital line port. Nothing in the Order suggests the Commission intended such an unreasonable approach.

Similarly, UNE Billing was an element contained on a per message basis in the Unbundled Local Switching Usage Study. Nothing in the Commission's Order required SBC

Michigan to remove this cost. Because the Order provides that SBC Michigan is not allowed to charge for usage and the UNE-P port must be a flat-rated port, SBC Michigan has merely moved the cost for the UNE Billing from the Unbundled Local Switching Usage Study to the ULS and UTS Port Study just as SBC Michigan has moved the CCS from the Unbundled Local Switching Usage Study to the ULS and UTS Port Study. There is no basis to disallow those costs.

Finally, the Joint CLECs are simply wrong in their claim that the concentration ratio should be applied to the CCS per line investment from SICAT. The methodology of applying a concentration ratio brings an element to a per line basis. The CCS cost is already on a per line basis. Therefore, the application of the concentration ratio to the CCS of a digital line port is totally inappropriate and the Joint CLECs' position should be rejected.

4. Objection #4: SBC Michigan's Has Failed to Implement the Commission's Directive on SS7

RESPONSE:

The Joint CLECs' objection is without merit. SBC Michigan agrees that the Order approved SS7 costs approved in Case No. U-11831. The Joint CLECs are attempting to mislead the Commission by suggesting that a rate of \$0.000145 (based on a TELRIC of *****CONFIDENTIAL \$XXXXX END CONFIDENTIAL*****) was the only SS7 rate determined as a result of the Case No. U-11831. In reality, costs were determined for over *eighty-five* (85) SS7 elements in Case No. U-11831. In fact, the rate quoted by the Joint CLECs is the ULS-ST SS7 Signaling Transport per Message rate determined in Case No. U-12622, and is actually comprised of only *two* (2) SS7 cost components out of the 85 SS7 components determined in Case No. U-11831.

SBC Michigan's ULS-ST SS7 Signaling Transport per Message cost contains an additional six (6) SS7 components. In the compliance filing, SBC Michigan applied the approved Case No. U-11831 costs to the SBC Michigan's uncontested SS7 rate structure.

The Order did not purport to require SBC Michigan to change the components or equipment needed to provision any SS7 offering. The Commission did not order SBC Michigan to use ULS-ST SS7 Signaling Transport costs from Case No. U-12622, nor did the Commission order SBC Michigan to change its proposed rate structure to mirror that of the rate structure in Case No. U-12622. For example, in the compliance ULS-ST cost study, SS7 costs that were identified in Case No. U-11831 were used to develop the compliance ULS-ST cost study.⁷² SBC Michigan's compliance studies do exactly as ordered – adopt “SS7 costs approved in Case No. U-11831.” The Commission should reject the Joint CLECs' misleading objection.

VI. UNBUNDLED TRANSPORT

1. Objection #1: SBC Michigan's Unbundled Dedicated Transport DS1 Entrance Facility Cost Study Uses Incorrect Fill Factors

The Joint CLECs contend that SBC Michigan failed to use the actual Case No. U-11831 compliance fill factors as the starting point in its fill calculations, but instead incorrectly assumed that the Case No. U-11831 fill factors were ****CONFIDENTIAL XXXXXX CONFIDENTIAL**** for all components in the study. According to the Joint CLECs, this is not

⁷² Tabs 5.1.1 and 5.1.2 in the compliance ULS-ST cost study clearly indicate and use SS7 costs from U-11831. Also, AIN costs were not presented in Case No. U-11831. Consequently, these same tabs clearly indicate that AIN costs do not come from Case No. U-11831.

consistent with fills in the Case No. U-11831 cost studies and that SBC Michigan underestimated the “midpoint” fill, resulting in overestimated costs in its compliance filing.

RESPONSE:

First, SBC Michigan did not base its fills in the compliance cost studies on the cost studies submitted in Case U-11831, but on the actual *ordered fills* in Case U-11831. Case No. U-11831 did not specifically identify fills for entrance facilities. The 100% fills utilized by the Joint CLECs were the approved fills for “interoffice facilities”. Entrance facilities are not the same as “interoffice facilities”. The interoffice facilities are the facilities and equipment that connect one or more serving wire centers. On the other hand, entrance facilities are similar to loop facilities, as Joint CLECs point out. Therefore, SBC Michigan used the mid-point between its proposed fills and the ordered loop circuit equipment fills from U-11831.⁷³

In sum, SBC Michigan calculated the proposed fills for entrance facilities by adding back 50% of the difference between what was filed in this case and what was ordered in U-11831. The Joint CLECs' objection is without merit and should be denied.

2. Objection #2: SBC Michigan’s Unbundled Dedicated Transport DS3 Entrance Facility Cost Study Uses Incorrect Fill Factors

Again, the Joint CLECs contend that SBC Michigan did not use the actual Case No. U-11831 compliance fill factors as the starting point in its fill calculations, but instead incorrectly assumed that the Case No. U-11831 fill factors were ****CONFIDENTIAL XXXXX CONFIDENTIAL**** for all components in the study. According to the Joint CLECs, SBC

⁷³ SBC Michigan used the same proposed fills for loops and entrance facilities in its cost studies in this proceeding.

Michigan underestimated the “midpoint” fill, and consequently overestimated costs in its compliance studies in this case.

RESPONSE:

As discussed above, SBC Michigan did not base its fills on the studies submitted in Case U-11831, but on the actual ordered fills in Case U-11831, which do not identify fills specifically for entrance facilities. The 100% fills the Joint CLECs used are actually identified under the fills for “interoffice facilities”. Entrance facilities are not the same as “interoffice facilities”. The interoffice facilities are the facilities and equipment that connect one or more serving wire centers. Since entrance facilities are similar to the loop, as Joint CLECs point out, SBC used the mid-point between what was filed and the ordered loop circuit equipment fills from U-11831.

As discussed above, SBC Michigan calculated the fill in compliance with the Order by adding back 50% of the difference between what was filed in this case and what was ordered in U-11831. The objection is without merit and should be denied.

3. Objection #3: SBC Michigan’s Unbundled Dedicated Transport Optical (OC-n) Entrance Facility Cost Study Uses Incorrect Fill Factors

As in the prior two objections, the Joint CLECs argue that SBC Michigan did not use the actual Case No. U-11831 compliance fill factors as the starting point in its fill calculations, but instead underestimated the “midpoint” fill, resulting in overestimated costs in its compliance studies in this case.

RESPONSE:

As discussed above, the Order in Case U-11831 did not identify fills specifically for entrance facilities. The 100% fills the Joint CLECs used are actually identified in that proceeding under the fills for “entrance facilities,” which are not the same as “interoffice

facilities.”⁷⁴ Again, as the Joint CLECs concede, since entrance facilities are similar to the loop, SBC Michigan used the mid-point between what was filed and the ordered loop circuit equipment fills from U-11831. In compliance with the Order, SBC Michigan calculated the fill by adding back 50% of the difference between what was filed in this case and what was ordered in U-11831.

The objection should be overruled.

4. Objection #4: SBC Michigan’s Unbundled Dedicated Transport Optical (OC-n) Entrance Facility Protection Cost Study Uses Incorrect Fill Factors

Like its prior objections, the Joint CLECs argue that SBC Michigan did not use the actual Case No. U-11831 compliance fill factors as the starting point in its fill calculations, but instead underestimated the “midpoint” fill, resulting in overestimated costs in its compliance studies in this case.

RESPONSE:

Again, SBC Michigan based its fills on what was ordered in Case No. U-11831. The Joint CLECs made the same mistake by confusing "interoffice facilities" with "entrance facilities." Again, SBC Michigan used the mid-point between what was filed and the ordered loop circuit equipment fills from U-11831

The Joint CLECs' objection is without merit and should be overruled.

⁷⁴ The Joint CLECs' reference ACAR documentation specifying the fill factor approved for Optical-DS3 Multiplexing equipment is beside the point. This multiplexing equipment falls under the “Interoffice Transport” category, which, as discussed above, is not the same as Entrance Facilities.

VII. CROSS-CONNECTS COST STUDIES

1. **Objection #1: SBC's 2-Wire, 4-Wire, 6-Wire, and 8-Wire Cross-Connects Completely Duplicate Investment Contained in Other Elements.**

The Joint CLECs contend that that the investment in these 4 rate elements are already recovered either through the unbundled loop element or through the Voice Grade Circuits Cross-Connect element in the collocation cost study.

RESPONSE:

The Joint CLECs are wrong.

SBC's unbundled loop elements do not recover the costs of any capitalized equipment within the central office used to connect the Main Distribution Frame ("MDF") to the Intermediate Distribution Frame ("IDF").⁷⁵

In SBC's collocation model, the cabling and connecting block from the collocation cage to the IDF is included, but the connecting block on the IDF to which the collocation must cross-connect, the tie cable between the IDF and MDF, and the connecting block on the horizontal side of the MDF, is captured in separate cross-connect rate elements, i.e., 2-Wire, 4-Wire, 6-Wire, or 8-Wire Cross-Connects.

The Joint CLECs' confusion may result from the fact that, unfortunately, the Commission has required SBC Michigan to use AT&T's collocation model. One of the flaws in that model is that AT&T uses the term MDF to apply to an IDF. By using this incorrect terminology, it would

⁷⁵ The Joint CLECs have demonstrated some confusion between the MDF and the IDF. In the drawing on page 58 of Attachment A, the IDF is mislabeled as the MDF.

appear on the surface that the model goes all the way to the MDF, when in fact, it only goes as far as the IDF. Under SBC's forward-looking network design, all circuit equipment, including collocation, terminates at the IDF.

The misleading terminology used in AT&T's model is no basis to prevent SBC Michigan from recovering legitimate expenses associated with the capital components of these cross-connects

2. Objection #2: SBC's DS-1 Cross-Connect Cost Study Fails to Utilize Installation Costs Consistent with Other Commission Determinations.

The Joint CLECs contend that SBC Michigan did not utilize a bottoms-up methodology to calculate the installation costs of cross-connects.

RESPONSE:

This objection is ironic, since AT&T did not propose a bottoms-up methodology to calculate the installation costs for cross connects. AT&T proposed an in-place or linear loading factor to calculate installation costs in its original filing.

This objection, like the Joint CLECs' Dark Fiber objection is based on a misinterpretation of the Order. The Commission's Order directed the use of a bottoms-up approach only with respect to "Loops." The Commission's direction to use JAM data, supplemented by AUTH, would make no sense for cross-connects since, as previously discussed JAMS is an outside plant database. It has no applicability to central office equipment.

Using a "bottoms-up" approach would, of necessity, require the introduction of entirely new data that is not on the record in this proceeding. Apparently, that is what the Joint CLECs propose. In their objections, the Joint CLECs recalculated in-place costs in the DS1 Cross-

Connect rate element using a "bottoms-up" approach for the DSX-1 jack and the DTAU hardwired. Significantly, they use the same in-place loading factor as SBC Michigan for other equipment within the Cross-Connect cost study, i.e., optical jumpers and DTAU plug-ins.

The Joint CLECs' claim that SBC Michigan used a bottom-up approach for the DSX1 Jack for the DS1 loop cost study, as required by the Order, but did not do the same in the DS1 Cross connect study is correct for the reasons previously identified. The Commission's Order required a bottoms-up methodology based on JAM supplemented with AUTH for loops, not for DS1 cross-connects.

Finally, the Joint CLECs contention that SBC Michigan includes new costs – the costs for the DSX test jacks – which may not have been included in the U-11831 cost studies and for which the CLECs did not have to pay prior to this proceeding. The Joint CLECs fail to point out that these costs were identified in SBC Michigan's filed cost studies.

SBC Michigan acknowledges that this cost may not have been included in the cross connect study in Case No. U-11831. This test access is required for maintenance purposes of its DS1s. Without incorporating this equipment, which provides remote test access, SBC has no other means of trouble-shooting these DS1 circuits.

3. Objection #3: SBC's Optical Cross-Connect Cost Study Fails to Utilize Installation Costs Consistent with Other Commission Determinations.

Similar to the previous objection, the Joint CLECs contend that SBC Michigan should have used a bottoms up approach, similar to that used in the DS3 loop cost study.

RESPONSE:

SBC Michigan's response to this objection is the same as its response to earlier Joint CLEC objections. The Order required a bottoms-up costing approach to loops, not optical cross-connects. Indeed, no party proposed using a bottoms-up approach and, as a result, there is no data on the record to support such an approach.

The Objection should be overruled.

VIII. NRCS

The Joint CLECs acknowledge that the Commission approved the Staff proposal for calculating NRCS. *See*, Order at p.74. This approach was summarized by the Commission as follows:

First, the Commission should use the existing rates from Case No. U-11831, with an "add-on" to increase rates to a level equal to the percentage the average UNE-P recurring rate is allowed to increase. Next, compare the AT&T rates for all NRCS and determine if AT&T proposes a higher rate than what the first step produces. If it does, use the AT&T rate with 20% increase as discussed below. In those instances where there is not a corresponding rate from Case No. U-11831, Staff recommends a 20% increase to AT&T's proposed rates to compensate for labor rates and activity times. However, if this results in a rate that is above the amount requested by SBC, the Commission should use the SBC proposed rate. Finally, if SBC's rate is lower than the existing rate, use the AT&T rate plus 20%. Order at p.73.

This approach starts with the NRCS approved in Case No. U-11831, and increases those rates by the percentage increase in the average UNE-P recurring rates resulting from the Commission's rulings on other cost studies in this case. This general rule is required to be used to calculate the new NRCS, unless the rate proposed by AT&T for a specific element is higher than what the general rule would produce, or if SBC Michigan's proposed rate is less than the existing rate.

Pursuant to the Order, SBC Michigan took the existing NRC rates approved in Case No. U-11831 for every rate element and increased the rate by 14.64%, the average increase in UNE-P rates approved by the Commission. The calculation of this average increase was set forth in detail in the file "MI UNE-P Compliance 10-27-04.xls," and it is found on the support documents CD accompanying the November 5, 2004 Compliance Filing. This established the new approved NRC unless one of the other scenarios in the Staff proposal applied.

The Joint CLECs' Objection asserts that the general rule cannot be used to establish *any* NRCs, because, in their view, the result of the Order is an average **decrease** in UNE-P rates of an alleged **BEGIN CONFIDENTIAL *** XXXX *** END CONFIDENTIAL**. That argument is preposterous on its face.

As SBC Michigan explains in its replies to various objections on loop fill factors, LoopCAT studies, installation costs, transport costs, switching costs, and other cost studies, the correct and intended result of the Commission's Order is an average increase on UNE-P rates of 14.64%, which is consistent with the Commission's public announcements on the likely impact of its Order.

Nevertheless, there are a significant number of instances where the "second step" of the Staff proposal approved by the Commission applies: If the rate proposed by AT&T is higher than the rate produced by the first step (U-11831 rate plus a 14.64% increase), then SBC Michigan is to use the AT&T rate with 20% increase. SBC Michigan has performed this second step analysis, taking AT&T's proposed rate with an adjustment to reflect the shared and common cost factor of **BEGIN CONFIDENTIAL *** XXXX *** END CONFIDENTIAL** approved

by the Commission in the Order.⁷⁶ In those instances where step two produces a higher rate than step one, SBC Michigan has adopted the results of step two.

As is discussed in more detail below in the response to specific numbered Joint CLECs' Objections, SBC Michigan agrees that certain adjustments to some NRCs are appropriate. The changes include changing any rates for existing rate elements where SBC Michigan's filing showed a zero cost to \$0.00. In addition, the Joint CLECs also pointed out the SBC Michigan proposed rates for Due Date Change Charges were inadvertently populated in the disconnect column rather than the connect column, that certain rate elements were left off the NRC analysis, and that SBC Michigan had not used the correct AT&T proposed rates in certain instances. Those comments have also been taken into account.

Next, the Joint CLECs noted that SBC Michigan's Attachment A to the Compliance filing had neglected to show the NRC development for DS1 Tandem Trunk Port Change, per Port. That rate element has been added to Exhibit MDS-C1 on line 328a.

Finally, the Joint CLECs indicated that SBC Michigan had used some incorrect AT&T proposed costs, which, when corrected to reflect AT&T's filed costs, caused the resulting NRCs for Loop and Subloop cross-connect charges per strand, and the UNE-P migration NRCs to change based on the Commission's required methodology. Those costs have been corrected.

Attached to SBC Michigan's Replies are two spreadsheets. The first (Exhibit MDS-C1), is the restated NRC development worksheet, which reflects the use of the shared and common

⁷⁶ The third and fourth steps of the Staff proposal adopted by the Commission call for making comparisons between AT&T's proposed rate plus 20% to SBC Michigan's proposed rates and between SBC Michigan's proposed rate and the existing rate. In order to be consistent in its approach, SBC Michigan has substituted the Commission-approved shared and common cost factor of **BEGIN CONFIDENTIAL *** XXXX *** END CONFIDENTIAL** for the **BEGIN CONFIDENTIAL *** XXXX *** END CONFIDENTIAL** factor used in its calculation of SBC Michigan's proposed rates in the Compliance Filing.

factor of **BEGIN CONFIDENTIAL *** XXXX *** END CONFIDENTIAL** for NRCs based on AT&T rates (cells highlighted in yellow); the use of the shared and common factor of **BEGIN CONFIDENTIAL *** XXXX *** END CONFIDENTIAL** for certain of the NRCs based on SBC Michigan proposed rates (cells highlighted in purple); the rates for any elements filed with \$0.00 cost of NA by SBC Michigan (cells highlighted in turquoise); the correction with respect to the Due Date Change charges as connection charges rather than disconnection charges (cells highlighted in tan); the changes in Loop/Subloop cross-connection NRCs, the changes in the UNE-P migration NRCs, and the addition of the DS1 Tandem Trunk Port Change, per Port, all of which are highlighted in gray.

The second attachment (Exhibit MDS-C2) displays the changes in resulting rates, as well as any changes to SBC Michigan and AT&T rates used to develop those NRCs.

These attachments fully reflect the approved NRCs resulting from (1) the application of the five steps of the Staff's proposal approved in the Order, (2) the use of the Commission's approved shared and common cost factor in establishing AT&T and SBC Michigan's proposed rates, and (3) SBC Michigan's recognition that certain NRC adjustments identified in the Joint CLECs' objections are appropriate.

The following are SBC Michigan's replies to the specific numbered objections on NRCs in the order listed in the Joint CLECs Objections.

1. Objection #1: SBC's UNE-P Service Order NRC Charges Reflect an Erroneous Use of the U-11831 Rates and Hard Codes SBC Results into the Output

RESPONSE:

This Joint CLEC objection has two parts to it. The first part complains that "the costs and rates SBC has identified in its analysis for these elements do not match those found in its supporting work papers.

The response to this objection is short and simple. The Joint CLECs have confused the NRC costs SBC Michigan proposed in the Direct Testimony of Michael Silver, not those revised costs which were set forth in the Rebuttal Testimony filed by Cheryl Ann Bush and Kent Currie on March 22, 2004. The later Testimony reflected corrections and adjustments made during the course of the case in response to testimony and comments of various parties. When those numbers are compared to those supporting the SBC compliance filing, there is no inconsistency.

The second part of the Joint CLECs Objection #1 is the assertion that SBC Michigan should have calculated UNE-P service order NRCs based on rates weighted between the new UNE-P service order rates and UNE-P migration service order rates.

SBC Michigan based its analysis on the rates associated with the UNE-P migrations and new UNE-Ps, and then weighted the results. This objection is without merit. AT&T's own testimony (*see* AT&T Exhibit SET NRC-6, page 1 of 1) identified separate costs for UNE-P migrations and new UNE-Ps, and *then* weighted the results. SBC Michigan has maintained the same methodology for determining the Compliance UNE-P NRCs. The Joint CLECs' objection should be rejected because there is no reason that the compliance rates should be developed any differently.

2. Objection #2: SBC Failed to Develop Line Connection Charge—New UNE-P Distinct from Line Connection Charge—Stand Alone

RESPONSE:

The essence of this objection is that SBC Michigan filed a simple set of rates (connect and disconnect) applicable to both UNE loops and UNE-P instead of separate rates for the two types of line connection charges which AT&T proposed.

This objection is without merit. The Order calls for the use of AT&T's proposed rates with a 20% adder only for new rate elements developed *by SBC Michigan*. Since the proposal for separate rate elements for the different line connection charges was AT&T's, not SBC Michigan's, the Order does not require using AT&T's proposal as a starting point. SBC Michigan's approach of a single set of rates is not inconsistent with the Order.

3. Objection #3: SBC Failed to Consistently Develop Initial NRC Elements Distinct from Additional NRC Elements

RESPONSE:

The essence of this objection is that SBC should have developed and filed separate NRCs for initial and additional rate elements as was proposed by AT&T in this case.

The short response is that the Case No. U-11831 Order did not require separate NRCs for the Initial and Additional UNEs.

The assertion by AT&T that there are differences in costs for provisioning initial and additional elements does not require separate NRCs for each for three reasons. First, the NRC rates approved by the Order are not based on the underlying cost studies.

Second, contrary to the Joint CLECs' claim, SBC Michigan reflected any cost differences in the factor used to weight first and additional element costs which is easily found in SBC Michigan's cost studies. For example, a review of SBC Michigan's line connection cost study (Loops_N_WhslUNE_MI_02-05_U-13531.xls) shows the analog loop first and additional weighting factors in Tab 6.1 and the DS1 and DS3 first and additional weighting factors in Tab 6.1.1.

Third, the output of the Joint CLECs' position is a completely unreasonable result, preventing SBC Michigan from recovering costs to provision these elements. Contrary to the Joint CLECs' contention on page 79 of Attachment A, acceptance of the Joint CLECs' proposal would have a huge cost difference. A simple review of the Joint CLECs' Attachment B indicates that rates would be reduced somewhere in the range of 80-90%. It is clear that the Joint CLECs' proposal would provide SBC Michigan no opportunity to recover its costs. That is not what the Order contemplated.

4. Objection #4: SBC Structure for EEL Rates Is Inconsistent with U-11831 Structure, Inconsistent with Structure Filed by AT&T and Unnecessary

RESPONSE:

The Joint CLECs' claim that since AT&T did not propose a new rate structure for EELs, and SBC Michigan did, SBC Michigan is required to use AT&T's rates plus 20%. Specifically, the Joint CLECs contest the need for separate collocated and non-collocated EEL rate elements. Rather, the Joint CLECs argue that the individual elements for the components making up the EELs, *i.e.*, Interoffice Transport, Entrance Facilities, Line Connection charges, and multiplexing should be retained.

This objection is without merit. The FCC's TRO decision issued after this docket was initiated concluded that only EELs for collocation must be offered as UNEs, not EELs for entrance facilities (non-collocated). Thus, it is entirely appropriate that SBC Michigan's separate rate elements for collocated and non-collocated EELs be used.

SBC Michigan should be permitted to set its own rate structure for recovering its costs. At the time SBC Michigan proposed different rates for collocated vs. non-collocated EELs, the intent was to differentiate between cases where entrance facility costs (non-collocated) were required vs. when entrance facilities were not involved (collocated). Subsequent to this docket being initiated, the FCC has determined that SBC Michigan is not required to offer entrance facilities as UNEs, and that collocation is required for EELs; therefore, the only EEL rate structures that are applicable at this time are collocated. SBC Michigan's new rate structure should be maintained.

For purposes of calculating the NRCs using the scenarios set forth by the Commission's Order, SBC Michigan began with the rate elements from the tariffs in effect prior to SBC Michigan's compliance filing, and matched up the elements from that tariff with the new proposed rate structure. For example, the proposed 4-Wire DS1 Digital Loop to DS1 Digital Loop to DS1 Interoffice Dedicated Transport Collocated —Initial is comparable to the sum of the DS1 Design and Central Office Connection Charge. SBC Michigan used the sum of those two existing elements, and grew them by the percentage increase in UNE-P, consistent with the Commission's requirements.

5. Objection #5: SBC's Development of the DS1 Interoffice Transport Provisioning NRC Rates for Both EEL and Non-EEL Transport Contain Errors But Largely Reflect a Reasonable Approach for the Rates

RESPONSE:

The Joint CLECs argue that disconnect rates for DS1 interoffice NRCs should be the same for both UDT and EELs. They also question why SBC Michigan excludes the Carrier Connection charge in the development of the disconnection charge for the 4-Wire DS1 Digital Loop to DS1 Interoffice Dedicated Transport Collocated rate element.

These arguments are without merit. Using the Joint CLECs' logic, the rates for DS1 UDT interoffice disconnection charges and DS1 Loop to DS1 Interoffice Facility EEL disconnection charges are not, and should not be the same. The Joint CLECs are correct that the DS1 UDT interoffice disconnection charges in place prior to the compliance filing were higher than the rates proposed by SBC Michigan. Therefore as required by the Order, SBC Michigan used AT&T's proposed rates plus 20% to determine the new NRC for that element.

However, as noted, SBC Michigan did not include the Carrier Connection Charge for the DS1 to DS1 Collocated EEL, because that charge only applies when there is an unbundled entrance facility involved. When the EEL is collocated, there is no unbundled entrance facility. In this instance, the rate in effect prior to the compliance filing was less than the rate proposed by SBC Michigan, therefore, the new rate was determined by applying the UNE-P increase to the old rate to develop the new rate, consistent with the Commissions' direction.

6. **Objection #6: SBC Has Improperly Included a Non-Zero Rate for Several Rate Elements in Its Compliance Rate Where AT&T and SBC Both Recommended a Zero Rate (EEL—Clear Channel Capability Disconnect/Line Connection Charge—Design Layout Report Date/Line Connection Charge—Records Issue Date)**

RESPONSE:

As the Joint CLECs noted:

This issue pertains to three elements: (1) EEL—Clear Channel Capability Disconnect; (2) Line Connection Charge—Design Layout Report Date; and (3) Line Connection Charge—Records Issue Date. . . . It is true that, for all three of these situations, a non-zero rate does exist in the current U-11831 tariff. Nevertheless, with both AT&T and SBC proposed rates below the current—effectively a rate of \$0.00—the appropriate implementation of the Commission Order is to set these three elements to a rate of \$0.00. (Attachment A, at 88)

SBC Michigan agrees. These three rate elements should be set at zero.

7. **Objection #7: SBC Failed to Include the AT&T Rate in Its Analysis of the NRC for the HFPL Cross-Connect Configuration for an SBC Owned Splitter**

RESPONSE:

This objection claims that SBC Michigan should have included an additional rate element for an SBC Michigan-owned splitter in the NRC elements. The objection is without merit.

There is no separate rate element as AT&T proposes in the existing and approved Case No. U-12540 rates. Those NRCs were consistent with the NRCs approved in U-11831. Therefore, the Order does not require creation of a new rate element, even if the end result is an understatement of rates.

SBC Michigan did not omit AT&T's rate as an oversight. AT&T proposed its rates as both first and additional element. However, SBC Michigan's systems are not set up to bill or accept orders in such a manner, so SBC Michigan did not include AT&T's proposed rates in the calculation of the new rate.

8. Objection #8: SBC Made Numerous Errors with the Due Date Change Section Including Failing to Include Restate Rates in Its Compliance Filing and Improperly Comparing the U-11831, AT&T, and SBC Rates

RESPONSE:

In this objection, the Joint CLECs claim that SBC Michigan did not include Due Date Change charges in the compliance filing for Subloops and HFPL loops. The CLECs also note that SBC Michigan mistakenly placed the connect NRCs in the Disconnect Column for the SB Michigan proposed rates, which led to the Compliance Connect rates to be misstated.

Contrary to the Joint CLECs' first contention, SBC did not have HFPL due date change charges in its tariffs prior to the Compliance Filing. Under the basic rules of the Order, no additional rate element were created. The subloop due date change charges were set to be equal to the loop due date change charges, and there is no requirement that SBC Michigan change that.

SBC Michigan agrees that the proposed Due Date Change connection charges for loops were inadvertently placed in the disconnect column, and agrees with the resulting rates shown by the Joint CLECs for loops shown on page 93 of their comments.

9. Objection #9: SBC Made Numerous Errors with the Connection Charge and Cross-Connects Elements for Dark Fiber

RESPONSE:

The Joint CLECs contend that the proposed rates used by SBC Michigan for the Dark Fiber Loop/Subloop Connection charges are not based on SBC Michigan costs filed in the docket. The Joint CLECs also contend that SBC Michigan did not include AT&T's proposed rates in the determination of the interoffice dark fiber NRCs. Finally, the Joint CLECs say the AT&T proposed rates SBC Michigan used to determine the Dark Fiber cross-connect loop and subloop elements were incorrect, noting that the sheets used by SBC Michigan may have had typographical errors later corrected by SBC Michigan.

These objections will be addressed in order. First, the Joint CLECs are basing their objections on the wrong cost studies. SBC Michigan's compliance rates for Dark Fiber Loop/Subloop Connection charges were based on the revised costs filed with SBC Michigan witness Cheryl Bush's Rebuttal Testimony. (See Exhibit Bush (CB NRC-4) Dark Fiber_N_WhsIUNE_MI_02-05_Oct02_Impct Analysis.xls).

Second, contrary to the Joint CLECs' contention, SBC Michigan did not incorporate AT&T's rates where they matched SBC Michigan's rate structure. As discussed earlier, where AT&T disaggregated its rates for first and additional connections, those rates were not utilized. Finally, corrections to typographical errors were incorporated.

10. Objection #10: SBC Failed to Produce Batch Hot Cut Rates in Its Compliance Filing

The Joint CLECs claim that SBC Michigan failed to comply with the Order with respect to Batch Hot Cut (“BHC”) NRCs. According to the Joint CLECs, SBC should have applied the NRC methodology of setting costs based on AT&T's proposed costs plus 20 percent, since "there was not a corresponding rate from Case No. U-11831." The Joint CLECs provide a table of their proposed resulting rates, as well as a table showing the application of the MPSC’s prescribed methodology for NRCs. They also recommend that SBC Michigan be required to file BHC NRCs in its tariff.

RESPONSE:

The CLECs are wrong on a number of fronts.

First, this issue is now moot because the Commission has been enjoined from enforcing the FCC’s vacated batch hot cut rules. *See, Michigan Bell v. Lark*, Case No. 04-60128 (E.D. Mich.), Opinion and order Granting Plaintiff’s Motion for Summary judgment, entered on January 6, 2005. The issue here deals with the TELRIC rates for a batch cut process that was proposed by SBC Michigan in 2003 to comply with the then existing batch hot cut requirements of the FCC’s Triennial Review Order. *See* FCC Rule 51.319(d)(2)(ii)(A)(4) (“A state commission shall adopt rates for the batch cut activities it approves in accordance with the Commission’s pricing rules for unbundled network elements.”)

As the Commission knows, it addressed the three other requirements of the FCC’s batch hot cut rules in Case No. U-13891, and it deferred the TELRIC batch hot cut issues to this

proceeding. This “division of labor” is confirmed in the Commission’s recent December 21, 2004 Order in Case No. U-13891,

With regard to the pricing issue, at the time that the Commission issued the June 29 final order, it did not have the benefit of the final order in SBC’s cost case, Case No. U-13531, which was issued on September 21, 2004. In that order the Commission adopted the Staff’s recommendation for the pricing of non-recurring costs (NRCs).

Because the methodology implemented by SBC pursuant to the interim batch hot cut order is not consistent with the approach approved in the September 21, 2004 order in Case No. U-13531, the Commission is persuaded that it should be revised. Accordingly, SBC is directed to immediately revise its prices for batch hot cuts in accordance with the findings for NRC pricing in Case No. U-13531 (the proposed AT&T rate, plus 20%).⁷⁷

On January 6, 2005, the federal court granted SBC Michigan’s Motion for Summary Judgment, finding that the Commission’s June 29, 2004 Order in Case No. 13891, which required an interim batch hot cut process and set interim batch hot cut rates, was inconsistent with federal law and was not supported by state law. The court enjoined the Commission from enforcing the June 29, 2004 Order. The Court rejected the Commission’s contention that the FCC’s batch hot cut rules [51.319(d)(2)(ii)], had not been vacated, holding, “Because the rule has been vacated as contrary to federal law, the June 29, 2004 Order, which arises out of the rule, likewise is contrary to federal law.”⁷⁸

The same applies here. The Commission is enjoined from enforcing any requirement that “arises out of the rule” or its June 29 2004 Order and the FCC’s vacated rule. It is beyond dispute that the TELRIC batch hot cut rates, and any alleged batch cut portion of the September 21, 2004 Order, would arise from the Commission’s June 29, 2004 Order and the FCC’s vacated rule 51.319(d)(2)(ii)(A)(4).

⁷⁷ December 21, 2004 Order in Case No. 13891 at p 7

⁷⁸ Opinion and Order at 10.

In any event, CLECs are wrong in claiming that the SBC Michigan has failed to implement the batch hot cut portions of the September 21, 2004 Order. The fact is that the Order did not address BHC costs. The Order is devoid of any mention of the BHC cost studies filed and discussed in comments – not even a single mention of the unusual circumstances (described in the CLECs’ footnote 38) under which BHC cost studies were to be addressed in this docket.⁷⁹ The Commission's failure to address BHC costs in its Order is logical, since the BHC cost studies presupposed a specific set of new processes that have not yet been finalized and, in fact, are currently the subject of ongoing collaboratives⁸⁰ as well as litigation.

Notwithstanding its December 21, 2004 Order in Case No. 13891, the Commission can not supplement its September 21 Order in this case by claiming that it did something that it did not do. The batch hot cut costs were treated separate and apart from the other non-recurring charges in this proceeding since they, unlike all of the other nonrecurring charges, were related to a new and interim process required by the FCC’s TRO and, as shown above, were required to be consistent with the FCC’s batch hot cut rule. The September 21 Order, however, did not address batch hot cut costs or the FCC’s batch cut rule and, therefore, there was nothing to comply with.

⁷⁹ The CLECs make special note that SBC Michigan filed the BHC cost studies “without objection” on January 20, 2004. SBC Michigan did not need to file "with objection" as SBC Michigan previously made its objections known to Administrative Law Judge Rigas in the January 8, 2004 hearing in Case No. U-13891. In accordance with Judge Rigas' ruling, SBC Michigan’s filing was made on January 23, 2004, separate from the comprehensive compliance filing made on January 20, 2004.

⁸⁰ Case No. U-13891. In contrast, the Order specifically addressed Flex-ANI issues separately from local switching issues. (*See*, pp. 87-90.)

The lack of any mention of BHC costs in the Order, together with SBC Michigan's specific discussions with Commission Staff, led SBC Michigan to reasonably believe that BHC Costs would be addressed in a separate order in this docket.

Second, even if it were lawful for the Commission to set BHC rates, which it is not, the Joint CLECs did not properly apply the prescribed methodology for determining NRCs. The Commission established an interim rate for all BHCs at the rate for individual hot cuts that was determined in Case No. U-11831.⁸¹ That interim rate was the existing analog loop connection charge of \$17.82, established as a result of the costs approved by the Commission in Case No. U-11831. Accordingly, applying the Commission's prescribed methodology for NRCs would result in a new BHC rate of \$20.43 (the analog loop connection charge resulting from the Order.)⁸² However, as discussed above, the Commission is permanently enjoined from enforcing its June 29, 2004 Order in Case No. U-13891, including rates for batch hot cuts.

Finally, the Joint CLECs also opine that SBC Michigan should be required to update its tariffs for the BHC processes and the resulting rates. SBC Michigan respectfully disagrees. SBC Michigan will not be adding any UNE-related products to its tariffs. As the Commission is well aware, the courts have held that the Commission cannot require SBC Michigan to tariff products required under Section 251/252 of the federal act. Further, as SBC Michigan has stated repeatedly in connection with Case No. U-13891, both within the docket and as part of the

⁸¹ Case No. U-13891, June 29, 2004 Order, at 21.

⁸² SBC recognizes that the Commission has, without benefit of receiving this reply, opined that BHC NRCs were, in fact, set in the Order, resulting in a rate derived by using the AT&T plus 20% method. *See*, December 21, 2004 Order in Case No. U-13891, at p. 7. Since the Commission specifically transferred issues regarding the cost of BHCs to this docket from Case No. U-13891, the Commission's statement was, presumably, dicta.

required collaborative effort, an agreement is required for a CLEC to take advantage of the BHC processes.

11. Objection #11: SBC Failed to Utilize the Correct AT&T Rate in Its Analysis of the NRC for the EELs — 2-Wire Analog Loop— Provisioning—Disconnect—Initial Element

RESPONSE:

In this objection, the Joint CLECs claim that SBC Michigan is in "violation" of the Commission Order by using the wrong AT&T proposed rate of \$3.40 rather than \$3.47 for the additional EELs 2W analog loop connection NRC.

SBC Michigan used the rate found in AT&T witness Steve Turner's Exhibit SET NRC-4.

12. Objection #12: SBC Improperly Reflected Its Proposed Rate for the Centrex System Features Change or Rearrangement NRC

RESPONSE:

This objection challenges the use of SBC Michigan's proposed rate for Centrex System Feature Changes or Rearrangement NRC.

The short response to the objection is this rate element presents an unusual case. The rate in effect prior to the compliance filing was less than the rate proposed by SBC Michigan; however, when applying the UNE-P percentage increase to the existing rate, the result was greater than the rate proposed by SBC Michigan. The Commission's Order requires SBC Michigan to use its proposed rate, if SBC Michigan has proposed a rate lower than the result of any of the other scenarios. The rate proposed by SBC Michigan for the Centrex System Features Change or Rearrangement NRC was lower than the result would be of any of the other potential

calculations, thus SBC Michigan was required to use its proposed rate. Contrary to the Joint CLECs' contention, this element does not fit any of the scenarios in the Order that would require using the AT&T propose rate plus 20%.

13. Objection #13: SBC Improperly Reflected Its Proposed Rate for the DS1 Tandem Trunk Port NRC

RESPONSE:

This objection for the DS1 Tandem Trunk Port NRC is essentially the same as that in Objection #12.

As was the case with the Centrex Feature Changes or Rearrangement charge discussed in reply to Objection #12, the situation with this rate element does not fit exactly into any of the five different scenarios in the Order for establishing NRCs. However, the overriding principle established in the Order is that the Commission's Order requires SBC Michigan to use its proposed rate if SBC Michigan has proposed a rate lower than the result of any of the other scenarios. SBC Michigan applied this principle to insert its proposed rate. The Joint CLECs' objection should be rejected.

14. Objection #14: SBC Has Failed to Produce NRC Rate Outputs for Several Elements That Should Have Rates

RESPONSE:

The Joint CLECs argue that SBC Michigan's Compliance Filing for NRCs does not include rates for several elements that should have rates. In one instance this assertion is correct. The DS1 Tandem Trunk Port Change, per Port was inadvertently left off Attachment A accompanying SBC Michigan's Compliance Filing. It has been added to Exhibit MDS-C1.

Regarding the NRCs for Basic Analog Line Port Connect and Disconnect Cost, per Port, these rate elements can be found on page 9 of Attachment A filed with SBC Michigan's Compliance Filing, with a connection rate of **BEGIN CONFIDENTIAL *** XXXX *** END CONFIDENTIAL**.

There are other rate elements which the Joint CLECs request. However, the Line Class Code Interdepartmental Meeting, Line Class Code Assignment, New Network Routing Interdepartmental Meeting, and Line Class Code Assignment rate elements were not proposed in SBC Michigan's original filing, and are not required in the Compliance Filing.

15. Objection #15: SBC Has Failed to Reflect an NRC of \$0.00 Even When AT&T and SBC Both Agree the NRC Should Be \$0.00

RESPONSE:

SBC Michigan agrees with this objection. Where SBC Michigan and AT&T have both proposed rates of \$0.00 for an element, the compliance rate should be \$0.00 consistent with the Commission's ordered methodology.

16. Objection #16 (First): SBC's EEL Clear Channel Capability Compliance Rates Are Based on the Wrong AT&T Rates and Hard-Code SBC's Result into the Compliance Rates

RESPONSE:

The Joint CLECs claim the rate for the Initial and additional Clear Channel Capability for NRCs for EEL should be \$62.74 rather than the \$62.18 shown for Initial and \$22.19 shown for additional. The Joint CLECs also complain about the hard coding of SBC Michigan's proposed rate of \$24.11 into the compliance rate for Additional EEL Clear Channel Capability.

The \$62.18 and \$22.19 questioned by the CLECs comes directly from Mr. Turner's Exhibit SET-NRC-4, p.2 of 11. If AT&T's rates were changed, SBC Michigan will be happy to reflect those changes in its analysis. SBC Michigan used its proposed rate for the Additional EEL Clear Channel Capability NRC in compliance with the Commission's requirement that requires SBC Michigan to use its proposed rate if SBC Michigan has proposed a rate lower than the result of any of the other scenarios.

17. Objection #16 (Second): SBC's Access to SS7 NRC Cost Studies Contain Hard-Coding That Improperly Select SBC's Rates for the Compliance Rates

RESPONSE:

The Joint CLECs contest the use of the SBC Michigan's proposed rate as the compliance rate for Signal Transfer Point per port—connect, Global Title Address Translation, per service added or changed—connect, and Global Title Address Translation, per service added or changed—disconnect.

The Joint CLECs' concerns with these rate elements are unfounded. The only one of these elements that is hard coded is the Signal Transfer Point per port—connect, and that is because it is another one of those unusual circumstances where the rate in effect prior to the compliance filing was less than the rate proposed by SBC Michigan, however, when applying the percentage increase in the UNE-P rate to the existing NRC rate, the result was greater than the rate proposed by SBC Michigan, thus SBC Michigan was required to use its proposed rate. Contrary to the Joint CLECs' contention, this element does not fit any of the scenarios that would require using the AT&T proposed rate plus 20%.

In the other instances cited by the Joint CLECs, the compliance rate is not hard coded, yet the result is the SBC Michigan proposed rate because AT&T's proposed rate is higher than the existing rate grown by the UNE-P increase, yet SBC Michigan's proposed rate is less than AT&T's proposed rate plus 20%.

18. Objection #17: Based on Corrections to the Recurring Rates the UNE-P "Adder" Must Be Set to 0.00%

RESPONSE:

This objection is a rehash of the general objection of the Joint CLECs to NRCs found at pp. 66-67 of Attachment A. Here the Joint CLECs repeat their baseless assertion that the result of the Order is a **decrease** in UNE-P rates of **BEGIN CONFIDENTIAL *** XXXX *** END CONFIDENTIAL**.

As discussed in the Introduction to NRCs above, the intended and actual result of the Order is an average **increase** in UNE-P rates of **BEGIN CONFIDENTIAL *** XXXX *** END CONFIDENTIAL**. That number has been appropriately used by SBC Michigan in calculating the NRCs.

In summary, SBC Michigan has calculated NRCs in accordance with the Staff proposal that was adopted by the Commission, including the use of the shared and common cost factor approved by the Commission in AT&T's and SBC's proposed rates, where applicable. Where the Joint CLECs have correctly proposed adjustments, those adjustments have been incorporated into the attached exhibits.

IX. OS/DA, DAL & DA/NDA/ICC

1. Objection #1: SBC Did Not Create an Optional Charge for Directory Assistance Listing Tape Distribution

AT&T proposed to break out the costs for production and distribution of tapes containing directory assistance listings as a separate rate element and charge only those customers who want to obtain the tape. In the Order, the Commission noted:

AT&T acknowledges that separating the cost would have a negligible impact on the total costs involved, but nevertheless, AT&T argues, the costs should be used to establish a separate, optional rate element. SBC does not counter the argument, and the Commission is persuaded that the costs should be parsed, and that a separate, optional rate element should be established for UNE customers that desire the production and distribution of tapes containing directory assistance listings.

RESPONSE:

SBC Michigan concedes that its compliance filings for OS/DA inadvertently failed to break out the cost of producing and distributing tapes of DA listings as a separate rate element and regrets this error. SBC Michigan is submitting herewith a revised compliance cost study that makes this minor change. As revised, the Commission should approve this cost study.

X. FLEX-ANI

1. Objection #1: SBC Michigan's Compliance Filing Fails To Account for the MPSC's Conclusions on Flex-ANI

RESPONSE:

The Joint CLECs argue that SBC Michigan's compliance filing makes no reference in revised cost studies or compliance tariffs to reflect the ruling on Flex-ANI in the Order found in part at p.90.⁸³ These conclusions are unwarranted for two reasons.

First, as the Joint CLECs' own comments acknowledge, when the costs⁸⁴ to SBC Michigan to purchase the switch software features and to perform all of the steps required to make the Flex-ANI feature fully functional in a switch port are spread across all unbundled switch ports which SBC Michigan offers, there is essentially no impact on the resulting cost or the rate to be charged for any switch port. It is therefore academic whether the compliance cost studies for switch ports were revised to reflect numbers that have no impact on the resulting rate.

As the Joint CLECs noted:

Stated differently, even if a Flex-ANI cost adder is included in the rate for an unbundled switch port, the resulting TELRIC rate for the port would not increase. Therefore, while it is worthwhile to note that SBC has apparently made no attempt to amend its ULS cost study in either its Compliance Filing or during the

⁸³ SBC Michigan respectfully disagrees with conclusions on Flex-ANI in the Order and Opinion and Order on Rehearing.

⁸⁴ The Commission did not dispute the Testimony of SBC Michigan witnesses Marc Novack, Michael D. Silver, and the Barch-Currie-Morlan Panel, that there were substantial costs to (1) purchase rights to software to provide the switch features necessary to deploy Flex-ANI in a switch port, (2) to install and test the switch software, and (3) to perform other programming operations to make this feature fully functional in all of SBC Michigan's switches. Further, there was no dispute that these costs were not being recovered in any pre-existing rates.

pendency of Docket U-13531 to reflect the Flex-ANI costs it was attempting to recover solely from TruComm, it is actually irrelevant since doing so would have no impact on the resulting monthly recurring TELRIC rate for a switch port. (Joint CLECs' Objections at p.121).

Second, the Joint CLECs proposed specific revisions to MPSC Tariff 20R, Part 19, Section 3 pertaining to unbundled local switching is unwarranted. The thrust of these proposed tariff revisions would be to describe the availability of the Flex-ANI functionality in each type of unbundled switch port SBC Michigan offers.

The suggested tariff revisions are, at best, premature. The switch software necessary to provide the Flex-ANI functionality in a UNE-P offering has neither been acquired or installed yet, nor have the other steps been performed to make this feature operational.

It is entirely inappropriate for the tariffs to be revised to reflect the availability of a feature or functionality which does not yet exist in a switch port and thus, in a UNE-P offering. The tariff revisions are appropriate only after the feature is available and fully functioning. There was no dispute that the two switch software features required for this functionality had not been acquired or loaded into SBC Michigan's switches.

XI. JOINT CLECS' PROPOSED TARIFF CHANGES

The Joint CLECs propose some changes to SBC Michigan's UNE and interconnection tariffs, generally through their redlines presented in their Attachment D. The CLECs took issue with some of the changes SBC Michigan made claiming that SBC Michigan was introducing changes that went beyond updating the tariffs for the Order. SBC Michigan respectfully disagrees.

The changes made to the tariffs in its compliance filing served to implement what was ordered. In some instances those changes were required to go beyond simple number changes to reflect, for example, where an NRC had changed from three to two rate elements or where an optional rate available per an FCC order was no longer logical as the new approved rate was lower.

In contrast, the Joint CLECs' proposals go well beyond implementing what was required by the Order. For example, in the EELs portion of the New Combinations tariff (Tariff MPSC No. 20R, Part 19, Section 23), the CLECs seek to add language that is contrary to the Commission's requirements for UNE combinations set forth in the Commission's November 7, 2002 Order in Case No. U-12320. By way of a tariff revision, the Joint CLECs seek to eliminate the use of the Bona Fide Request processes that were specifically approved by the Commission for combinations that went beyond those specifically delineated in the tariff.⁸⁵

SBC Michigan does acknowledge above, that some minor changes will need to be made to its compliance filing. Additionally, SBC Michigan has noted some additional minor corrections, largely typographical errors, that were not identified in the November 16, 2004 errata filing. SBC Michigan will make all updates identified to date, as well as any additional updates needed as a result of the Commission's final order after that order is issued.

⁸⁵ The Joint CLECs claim that SBC Michigan did not follow this U-12320 Commission Order for the changes they made to the UNE combinations tariffs. This is wrong. The changes made to the tariffs were specifically in compliance with the Commission's Order in this docket.

XII. CONCLUSION

This proceeding was commenced more than 28 months ago. The telecommunications world has changed greatly since then. What has not changed are SBC Michigan's unlawfully low approved costs. It is now time for this proceeding to end with certainty and finality.

On September 21, 2004, the Commission entered its Order approving SBC Michigan's cost studies, as modified therein. In accordance with the Order, SBC Michigan filed compliance cost studies and supporting information on November 5, 2004⁸⁶. All parties have had an opportunity to review those studies and make any concerns known.

As SBC Michigan has demonstrated, the objections of the Joint CLECs are, with limited exceptions, ill founded. In those few areas where the Joint CLECs' objections had merit, SBC Michigan has candidly acknowledged them, and has made, or will make, appropriate modifications to its compliance filing. It is now time for the Commission to enter a final order that will permit its September 21, 2004 Order to be fully implemented without further delay.

The Commission should approve SBC Michigan's cost studies; approve a price schedule for incorporation into interconnection agreements; approve a generic interconnection agreement amendment to incorporate that price schedule into existing interconnection agreements; and direct all parties to immediately file the pricing amendments, with prices effective on November 6, 2004 as required by the Order, with the Commission for approval.

⁸⁶ Also see, November 16, 2004 Errata Filing.

Respectfully submitted,

Craig A. Anderson (P28968)
SBC MICHIGAN
444 Michigan Avenue, Room 1700
Detroit, MI 48226
(313) 223-8188

and

DICKINSON WRIGHT PLLC

By: _____

John M. Dempsey (P30987)
William J. Champion III (P31934)
Michael A. Holmes (P24071)
Attorneys for SBC Michigan
215 South Washington Square, Suite 200
Lansing, MI 48933-1816
(517) 371-1730

Dated: January 10, 2005

LANSING 34060-177 351762

AMERITECH MICHIGAN																			
ANALYSIS OF EXISTING & PROPOSED UNE NRC RATES																			
	AT&T Rate Adjustment	\$	0.20																
	Avg. UNE-P Increase		14.64%																
Line	UNE RATE ELEMENT	Current		Updated Commission		Scenario #		SBC		AT&T									
		Existing Rate		Ordered NRC Rate		Non-Recurring - Connect		Proposed NRC Rate*		Proposed NRC Rate*									
		Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect								
41	Plant Test date - Additional			\$	42.00	\$	-	2b			\$	35.00							
	DS3																		
42	Service Order Portion to be applied to each critical date below			\$	2.52			2b	\$	44.94	\$	2.10							
43	Design Layout report date	\$	119.71	\$	17.01	\$	-	3a	\$	54.74									
44	Design Layout report date - Initial			\$	17.40	\$	-	2b	\$	-	\$	14.50							
45	Design Layout report date - Additional			\$	11.34	\$	-	2b	NA		\$	9.45							
46	Records Issue Date	\$	546.17	\$	17.01	\$	-	3a	\$	54.74									
47	Records Issue date - Initial			\$	17.40	\$	-	2b	NA		\$	14.50							
48	Records Issue date - Additional			\$	11.34	\$	-	2b	\$	-	\$	9.45							
49	Designed, Verified and Assigned Date	\$	569.87	\$	45.86	\$	-	3a	\$	206.56	\$	-							
50	Designed, Verified and Assigned date - Initial			\$	47.75	\$	-	2b			\$	39.79							
51	Designed, Verified and Assigned date - Additional			\$	18.96	\$	-	2b	\$	-	\$	15.80							
52	Plant Test Date	\$	714.50	\$	70.10	\$	-	3a	\$	229.97									
53	Plant Test date - Initial			\$	73.25	\$	-	2b			\$	61.04							
54	Plant Test date - Additional			\$	25.09	\$	-	2b			\$	20.91							
Due Date Change Charge, PER ORDER PER OCCASION																			
55	Analog Loop	\$	3.16	\$	3.62			2c	\$	13.13	\$	0.23							
56	Digital DS0	\$	18.76	\$	0.28			2c	\$	13.13	\$	0.23							
57	Digital DS1	\$	18.76	\$	0.59			2c	\$	13.13	\$	0.49							
58	Digital DS3	\$	18.76	\$	0.59			2c	\$	13.13	\$	0.49							
High Frequency Portion of the Loop																			
59	Cross Connect Configuration - Company Owned	\$	10.00	\$	10.00	\$	16.88	\$	13.79	2c	2c	\$	60.72	\$	57.61	\$	14.06	\$	11.49
60	Cross Connect Configuration - CLEC Owned	\$	10.00	\$	10.00	\$	11.46	\$	11.46	2c	2c	\$	51.24	\$	51.24	\$	10.86	\$	9.56
HFPL Service Order Charges																			
61	Installation	\$	3.16	\$	3.62			2c	\$	20.13	\$	0.49							
62	Disconnect			\$	1.54	\$	1.77				\$	14.99	\$	0.32					
63	Subsequent	\$	3.02	\$	3.46			2c	\$	18.24	\$	0.44							
64	Record Order	\$	1.86	\$	2.13			2c	\$	16.69	\$	0.23							
Loop Qualification																			
65	Manual Loop Qualification	\$	141.38	\$	-			2a	\$	39.88									
66	Detailed Manual Loop Qualification		TBD																
67	Mechanized Loop Qualification	\$	0.10	\$	-			2a											
Loop Conditioning - For Loop Facilities																			
For Loop/Subloop Facilities > 12 kft and < 17.5 kft																			
68	- Remove Load Coils	\$	29.67					2c	NA										
69	- Remove Bridged Taps	\$	23.35					2c	NA										
70	-Restore Bridged Taps								NA										
71	- Remove Repeater	\$	24.29					2c	NA										
72	- Remove Load Coils & Bridged Taps								NA										
73	- Restore Load Coils & Bridged Taps								NA										
74	- Remove Bridged Taps & Repeater								NA										
75	- Restore Bridged Taps & Repeater								NA										
76	For Loop/Subloop Facilities > 17.5 kft																		
77	- Remove Load Coil	\$	11.87					2c	NA										
78	- Remove Bridged Tap	\$	23.35					2c	NA										
79	- Restore Bridged Tap								NA										

* with ordered S and C factor

AMERITECH MICHIGAN																			
ANALYSIS OF EXISTING & PROPOSED UNE NRC RATES																			
		AT&T Rate Adjustment	\$	0.20															
		Avg. UNE-P Increase		14.64%															
Line	UNE RATE ELEMENT	Current		Updated Commission		Scenario #		SBC		AT&T									
		Existing Rate		Ordered NRC Rate				Proposed NRC Rate*		Proposed NRC Rate*									
		Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect								
80	- Remove Repeater	\$	24.29			2c		NA											
81	- Remove Load Coil & Bridged Tap							NA											
82	- Restore Load Coil & Bridged Tap							NA											
83	- Remove Bridged Tap & Repeater							NA											
84	- Restore Bridged Tap & Repeater							NA											
Unbundled Directory Assistance																			
85	Branding, per switch, initial load (same branding announcement)	\$	958.40	\$	1,098.67	2d		\$	1,130.05	\$	892.76								
86	Branding, per switch, subsequent load (same branding announcement)	\$	125.40	\$	143.75	2b		\$	194.66	\$	112.27								
Unbundled Operator Services - Tariff																			
87	Branding, per switch, initial load (same branding announcement)	\$	958.40	\$	1,098.67	2d		\$	1,130.05	\$	892.76								
88	Branding, per switch, subsequent load (same branding announcement)	\$	125.40	\$	143.75	2b		\$	194.66	\$	112.27								
Directory Listing Services																			
89	Set up per customer	\$	5,096.30	\$	524.71	2b		\$	883.32	\$	437.26								
Access to SS7																			
90	Signal Transfer Point, per port	\$	879.58	\$	134.45	\$	904.19	\$	154.13	2e	2c	\$	904.19	\$	230.48	\$	682.04	\$	115.86
91	Originating Point Code, per service added or changed	\$	25.98	\$	22.40	\$	202.23	\$	133.04	2d	2d	\$	204.11	\$	224.10	\$	168.53	\$	110.87
92	Global Title Address Translation, per service added or changed	\$	12.29	\$	10.59	\$	122.81	\$	119.89	2e	2e	\$	122.81	\$	119.89	\$	161.29	\$	157.48
93	SS7 Links - Service Order Charge, per Request			\$	12.05	\$	5.14	2b	2b	\$	170.88	\$	78.76	\$	10.04	\$	4.28		
Access to LIDB Database																			
94	Service Order -	\$	25.00			\$	28.66	2c		\$	42.44			\$	2.45				
95	Service Establishment (reference Point Code Activation in SS7 Section)									\$	204.11	\$	224.10						
CNAM Database Download																			
96	Initial Download Cost	\$	15,481.64			\$	64,754.50	2b		\$	74,728.11			\$	53,962.09				
97	Refresh Download Cost Per Record	\$	48.68			\$	55.80	2b		\$	112.04			\$	48.02				
Unbundled Transport																			
<i>DS1 Rates</i>																			
98	Clear Channel Capability - Per 1.544 Mbps Circuit Arranged - Zone 1	\$	158.00	\$	6.65	\$	79.79	2a		\$	84.19			\$	66.49				
99	Clear Channel Capability - Per 1.544 Mbps Circuit Arranged - Zone 2	\$	158.00	\$	6.65	\$	79.79	2a		\$	84.19			\$	66.49				
100	Clear Channel Capability - Per 1.544 Mbps Circuit Arranged - Zone 3	\$	158.00	\$	6.65	\$	79.79	2a		\$	84.19			\$	66.49				
101	DS1 EF NRC Zone 1			\$	170.60	\$	66.45	3b	3b	\$	412.62	\$	180.38						
102	DS1 EF NRC Zone 1 - Initial			\$	175.24	\$	69.89	2b	2b					\$	146.03	\$	58.25		
103	DS1 EF NRC Zone 1 - Additional			\$	104.35	\$	17.21	2b	2b					\$	86.96	\$	14.34		
104	DS1 EF NRC zone 2			\$	170.60	\$	66.45	3b	3b	\$	412.62	\$	180.38	\$	-	\$	-		
105	DS1 EF NRC Zone 2 - Initial			\$	175.24	\$	69.89	2b	2b					\$	146.03	\$	58.25		
106	DS1 EF NRC Zone 2 - Additional			\$	104.35	\$	17.21	2b	2b					\$	86.96	\$	14.34		
107	DS1 EF NRC zone 3			\$	170.60	\$	66.45	3b	3b	\$	412.62	\$	180.38	\$	-	\$	-		
108	DS1 EF NRC Zone 3 - Initial			\$	175.24	\$	69.89	2b	2b					\$	146.03	\$	58.25		
109	DS1 EF NRC Zone 3 - Additional			\$	104.35	\$	17.21	2b	2b					\$	86.96	\$	14.34		
110	DS1 IOF NRC Zone 1			\$	61.26	\$	24.06	3b	3b	\$	281.04	\$	90.90	\$	-	\$	-		
111	DS1 IOF NRC Zone 1 - Initial			\$	62.28	\$	24.75	2b	2b					\$	51.90	\$	20.63		
112	DS1 IOF NRC Zone 1 - Additional			\$	46.69	\$	14.21	2b	2b					\$	38.91	\$	11.84		
113	DS1 IOF NRC zone 2			\$	61.26	\$	24.06	3b	3b	\$	281.04	\$	90.90	\$	-	\$	-		
114	DS1 IOF NRC Zone 2 - Initial			\$	62.28	\$	24.75	2b	2b					\$	51.90	\$	20.63		
115	DS1 IOF NRC Zone 2 - Additional			\$	46.69	\$	14.21	2b	2b					\$	38.91	\$	11.84		
116	DS1 IOF NRC zone 3			\$	61.26	\$	24.06	3b	3b	\$	281.04	\$	90.90	\$	-	\$	-		

* with ordered S and C factor

AMERITECH MICHIGAN											
ANALYSIS OF EXISTING & PROPOSED UNE NRC RATES											
		AT&T Rate Adjustment	\$	0.20							
		Avg. UNE-P Increase		14.64%							
Line	UNE RATE ELEMENT	Current		Updated Commission		Scenario #		SBC		AT&T	
		Existing Rate		Ordered NRC Rate				Proposed NRC Rate*		Proposed NRC Rate*	
		Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect
117	DS1 IOF NRC Zone 3 - Initial			\$ 62.28	\$ 24.75	2b	2b			\$ 51.90	\$ 20.63
118	DS1 IOF NRC Zone 3 - Additional			\$ 46.69	\$ 14.21	2b	2b			\$ 38.91	\$ 11.84
119	Installation and Rearrangement - Administration Charge, per order, Zone 1, 2, 3	\$ 136.82	\$ 74.33	\$ 3.32	\$ 2.25	2a	2a	\$ 20.02	\$ 17.36	\$ 2.77	\$ 1.88
	<i>DS3 Rates</i>										
120	DS3 EF NRC Zone 1			\$ 170.09	\$ 66.45	3b	3b	\$ 440.53	\$ 188.70		
121	DS3 EF NRC Zone 1 - Initial			\$ 178.80	\$ 69.89	2b	2b			\$ 149.00	\$ 58.25
122	DS3 EF NRC Zone 1 - Additional			\$ 45.74	\$ 17.21	2b	2b			\$ 38.12	\$ 14.34
123	DS3 EF NRC zone 2			\$ 170.09	\$ 66.45	3b	3b	\$ 440.53	\$ 188.70	\$ -	\$ -
124	DS3 EF NRC Zone 2 - Initial			\$ 178.80	\$ 69.89	2b	2b			\$ 149.00	\$ 58.25
125	DS3 EF NRC Zone 2 - Additional			\$ 45.74	\$ 17.21	2b	2b			\$ 38.12	\$ 14.34
126	DS3 EF NRC zone 3			\$ 170.09	\$ 66.45	3b	3b	\$ 440.53	\$ 188.70	\$ -	\$ -
127	DS3 EF NRC Zone 3 - Initial			\$ 178.80	\$ 69.89	2b	2b			\$ 149.00	\$ 58.25
128	DS3 EF NRC Zone 3 - Additional			\$ 45.74	\$ 17.21	2b	2b			\$ 38.12	\$ 14.34
129	DS3 IOF NRC Zone 1			\$ 79.06	\$ 24.06	3b	3b	\$ 271.21	\$ 90.90	\$ -	\$ -
130	DS3 IOF NRC Zone 1 - Initial			\$ 81.94	\$ 24.75	2b	2b			\$ 68.28	\$ 20.63
131	DS3 IOF NRC Zone 1 - Additional			\$ 37.84	\$ 14.21	2b	2b			\$ 31.53	\$ 11.84
132	DS3 IOF NRC zone 2			\$ 79.06	\$ 24.06	3b	3b	\$ 271.21	\$ 90.90	\$ -	\$ -
133	DS3 IOF NRC Zone 2 - Initial			\$ 81.94	\$ 24.75	2b	2b			\$ 68.28	\$ 20.63
134	DS3 IOF NRC Zone 2 - Additional			\$ 37.84	\$ 14.21	2b	2b			\$ 31.53	\$ 11.84
135	DS3 IOF NRC zone 3			\$ 79.06	\$ 24.06	3b	3b	\$ 271.21	\$ 90.90	\$ -	\$ -
136	DS3 IOF NRC Zone 3 - Initial			\$ 81.94	\$ 24.75	2b	2b			\$ 68.28	\$ 20.63
137	DS3 IOF NRC Zone 3 - Additional			\$ 37.84	\$ 14.21	2b	2b			\$ 31.53	\$ 11.84
138	Installation and Rearrangement - Administration Charge, per order, Zone 1, 2, 3	\$ 120.93	\$ 78.65	\$ 3.32	\$ 2.25	2a	2a	\$ 20.02	\$ 17.36	\$ 2.77	\$ 1.88
	<i>OC-3 Rates</i>										
139	OC3 EF NRC Zone 1			\$ 182.11	\$ 66.45	3b	3b	\$ 477.77	\$ 190.37		
140	OC3 EF NRC Zone 1 - Initial			\$ 191.45	\$ 69.89	2b	2b			\$ 159.54	\$ 58.25
141	OC3 EF NRC Zone 1 - Additional			\$ 48.77	\$ 17.21	2b	2b			\$ 40.64	\$ 14.34
142	OC3 EF NRC zone 2			\$ 182.11	\$ 66.45	3b	3b	\$ 477.77	\$ 190.37	\$ -	\$ -
143	OC3 EF NRC Zone 2 - Initial			\$ 191.45	\$ 69.89	2b	2b			\$ 159.54	\$ 58.25
144	OC3 EF NRC Zone 2 - Additional			\$ 48.77	\$ 17.21	2b	2b			\$ 40.64	\$ 14.34
145	OC3 EF NRC zone 3			\$ 182.11	\$ 66.45	3b	3b	\$ 477.77	\$ 190.37	\$ -	\$ -
146	OC3 EF NRC Zone 3 - Initial			\$ 191.45	\$ 69.89	2b	2b			\$ 159.54	\$ 58.25
147	OC3 EF NRC Zone 3 - Additional			\$ 48.77	\$ 17.21	2b	2b			\$ 40.64	\$ 14.34
148	OC3 IOF NRC Zone 1			\$ 91.07	\$ 24.06	3b	3b	\$ 283.65	\$ 90.90	\$ -	\$ -
149	OC3 IOF NRC Zone 1 - Initial			\$ 94.59	\$ 24.75	2b	2b			\$ 78.82	\$ 20.63
150	OC3 IOF NRC Zone 1 - Additional			\$ 40.87	\$ 14.21	2b	2b			\$ 34.06	\$ 11.84
151	OC3 IOF NRC zone 2			\$ 91.07	\$ 24.06	3b	3b	\$ 283.65	\$ 90.90	\$ -	\$ -
152	OC3 IOF NRC Zone 2 - Initial			\$ 94.59	\$ 24.75	2b	2b			\$ 78.82	\$ 20.63
153	OC3 IOF NRC Zone 2 - Additional			\$ 40.87	\$ 14.21	2b	2b			\$ 34.06	\$ 11.84
154	OC3 IOF NRC zone 3			\$ 91.07	\$ 24.06	3b	3b	\$ 283.65	\$ 90.90	\$ -	\$ -
155	OC3 IOF NRC Zone 3 - Initial			\$ 94.59	\$ 24.75	2b	2b			\$ 78.82	\$ 20.63
156	OC3 IOF NRC Zone 3 - Additional			\$ 40.87	\$ 14.21	2b	2b			\$ 34.06	\$ 11.84
157	Installation and Rearrangement - Administration Charge, per order, Zone 1, 2, 3	\$ 76.37	\$ 19.66	\$ 3.32	\$ 2.25	2a	2a	\$ 20.02	\$ 17.36	\$ 2.77	\$ 1.88
	<i>OC-12 Rates</i>										
158	OC12 EF NRC Zone 1			\$ 182.11	\$ 66.45	3b	3b	\$ 477.77	\$ 190.37		
159	OC12 EF NRC Zone 1 - Initial			\$ 191.45	\$ 69.89	2b	2b			\$ 159.54	\$ 58.25
160	OC12 EF NRC Zone 1 - Additional			\$ 48.77	\$ 17.21	2b	2b			\$ 40.64	\$ 14.34
161	OC12 EF NRC zone 2			\$ 182.11	\$ 66.45	3b	3b	\$ 477.77	\$ 190.37	\$ -	\$ -
162	OC12 EF NRC Zone 2 - Initial			\$ 191.45	\$ 69.89	2b	2b			\$ 159.54	\$ 58.25
163	OC12 EF NRC Zone 2 - Additional			\$ 48.77	\$ 17.21	2b	2b			\$ 40.64	\$ 14.34
164	OC12 EF NRC zone 3			\$ 182.11	\$ 66.45	3b	3b	\$ 477.77	\$ 190.37	\$ -	\$ -
165	OC12 EF NRC Zone 3 - Initial			\$ 191.45	\$ 69.89	2b	2b			\$ 159.54	\$ 58.25
166	OC12 EF NRC Zone 3 - Additional			\$ 48.77	\$ 17.21	2b	2b			\$ 40.64	\$ 14.34

* with ordered S and C factor

AMERITECH MICHIGAN																			
ANALYSIS OF EXISTING & PROPOSED UNE NRC RATES																			
		AT&T Rate Adjustment	\$	0.20															
		Avg. UNE-P Increase		14.64%															
Line	UNE RATE ELEMENT	Current		Updated Commission		Scenario #		SBC		AT&T									
		Existing Rate		Ordered NRC Rate		Non-Recurring - Connect		Proposed NRC Rate*		Proposed NRC Rate*									
		Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect								
167	OC12 IOF NRC Zone 1			\$	91.07	\$	24.06	3b	3b	\$	283.65	\$	90.90	\$	-	\$	-		
168	OC12 IOF NRC Zone 1 - Initial			\$	94.59	\$	24.75	2b	2b			\$	78.82	\$	20.63				
169	OC12 IOF NRC Zone 1 - Additional			\$	40.87	\$	14.21	2b	2b			\$	34.06	\$	11.84				
170	OC12 IOF NRC zone 2			\$	91.07	\$	24.06	3b	3b	\$	283.65	\$	90.90	\$	-	\$	-		
171	OC12 IOF NRC Zone 2 - Initial			\$	94.59	\$	24.75	2b	2b			\$	78.82	\$	20.63				
172	OC12 IOF NRC Zone 2 - Additional			\$	40.87	\$	14.21	2b	2b			\$	34.06	\$	11.84				
173	OC12 IOF NRC zone 3			\$	91.07	\$	24.06	3b	3b	\$	283.65	\$	90.90	\$	-	\$	-		
174	OC12 IOF NRC Zone 3 - Initial			\$	94.59	\$	24.75	2b	2b			\$	78.82	\$	20.63				
175	OC12 IOF NRC Zone 3 - Additional			\$	40.87	\$	14.21	2b	2b			\$	34.06	\$	11.84				
176	Installation and Rearrangement - Administration Charge, per order, Zone 1, 2, 3	\$	76.37	\$	19.66	\$	3.32	\$	2.25	2a	2a	\$	20.02	\$	17.36	\$	2.77	\$	1.88
	<i>OC-48 Rates</i>																		
177	OC48 EF NRC Zone 1			\$	182.11	\$	66.45	3b	3b	\$	477.77	\$	190.37						
178	OC48 EF NRC Zone 1 - Initial			\$	191.45	\$	69.89	2b	2b			\$	159.54	\$	58.25				
179	OC48 EF NRC Zone 1 - Additional			\$	48.77	\$	17.21	2b	2b			\$	40.64	\$	14.34				
180	OC48 EF NRC zone 2			\$	182.11	\$	66.45	3b	3b	\$	477.77	\$	190.37	\$	-	\$	-		
181	OC48 EF NRC Zone 2 - Initial			\$	191.45	\$	69.89	2b	2b			\$	159.54	\$	58.25				
182	OC48 EF NRC Zone 2 - Additional			\$	48.77	\$	17.21	2b	2b			\$	40.64	\$	14.34				
183	OC48 EF NRC zone 3			\$	182.11	\$	66.45	3b	3b	\$	477.77	\$	190.37	\$	-	\$	-		
184	OC48 EF NRC Zone 3 - Initial			\$	191.45	\$	69.89	2b	2b			\$	159.54	\$	58.25				
185	OC48 EF NRC Zone 3 - Additional			\$	48.77	\$	17.21	2b	2b			\$	40.64	\$	14.34				
186	OC48 IOF NRC Zone 1			\$	91.07	\$	24.06	3b	3b	\$	283.65	\$	90.90	\$	-	\$	-		
187	OC48 IOF NRC Zone 1 - Initial			\$	94.59	\$	24.75	2b	2b			\$	78.82	\$	20.63				
188	OC48 IOF NRC Zone 1 - Additional			\$	40.87	\$	14.21	2b	2b			\$	34.06	\$	11.84				
189	OC48 IOF NRC zone 2			\$	91.07	\$	24.06	3b	3b	\$	283.65	\$	90.90	\$	-	\$	-		
190	OC48 IOF NRC Zone 2 - Initial			\$	94.59	\$	24.75	2b	2b			\$	78.82	\$	20.63				
191	OC48 IOF NRC Zone 2 - Additional			\$	40.87	\$	14.21	2b	2b			\$	34.06	\$	11.84				
192	OC48 IOF NRC zone 3			\$	91.07	\$	24.06	3b	3b	\$	283.65	\$	90.90	\$	-	\$	-		
193	OC48 IOF NRC Zone 3 - Initial			\$	94.59	\$	24.75	2b	2b			\$	78.82	\$	20.63				
194	OC48 IOF NRC Zone 3 - Additional			\$	40.87	\$	14.21	2b	2b			\$	34.06	\$	11.84				
195	Installation and Rearrangement - Administration Charge, per order, Zone 1, 2, 3	\$	76.37	\$	19.66	\$	3.32	\$	2.25	2a	2a	\$	20.02	\$	17.36	\$	2.77	\$	1.88
	Cancellation or Change Service Charge, per last critical date reached.																		
	<i>DS1</i>																		
196	Service Order Portion to be applied to each critical date below			\$	2.20			2b		\$	39.68			\$	1.83				
197	Design Layout Report Date	\$	327.96	\$	22.35	\$	-	3a		\$	33.81								
198	Design Layout Report Date - Initial			\$	22.47	\$	-	2b				\$	18.72						
199	Design Layout Report Date - Additional			\$	20.68	\$	-	2b		\$	-	\$	-	\$	17.24				
200	Records Issue Date	\$	423.21	\$	22.35			3a		\$	33.81			\$	-				
201	Records Issue Date - Initial			\$	22.47			2b				\$	18.72						
202	Records Issue Date - Additional			\$	20.68			2b		\$	-	\$	-	\$	17.24				
203	Designed, Verified and Assigned Date	\$	439.33	\$	33.52			3a		\$	281.07			\$	-				
204	Designed, Verified and Assigned Date - Initial			\$	33.64			2b				\$	28.03						
205	Designed, Verified and Assigned Date - Additional			\$	31.85			2b		\$	-	\$	-	\$	26.54				
206	Plant Test Date	\$	685.18	\$	62.70			3a		\$	281.07			\$	-				
207	Plant Test Date -Initial			\$	63.81			2b				\$	53.17						
208	Plant Test Date - Additional			\$	46.94			2b				\$	39.12						
	<i>DS3</i>																		
209	Service Order Portion to be applied to each critical date below			\$	2.20			2b		\$	39.68			\$	1.83				
210	Design Layout Report Date	\$	119.71	\$	21.61			3a		\$	32.26			\$	-				
211	Design Layout Report Date - Initial			\$	21.72			2b				\$	18.10						
212	Design Layout Report Date - Additional			\$	19.94			2b				\$	16.61						
213	Records Issue Date	\$	546.17	\$	22.22			3a		\$	32.26			\$	-				

* with ordered S and C factor

AMERITECH MICHIGAN																			
ANALYSIS OF EXISTING & PROPOSED UNE NRC RATES																			
	AT&T Rate Adjustment	\$	0.20																
	Avg. UNE-P Increase		14.64%																
Line	UNE RATE ELEMENT	Current		Updated Commission		Scenario #		SBC		AT&T									
		Existing Rate		Ordered NRC Rate		Non-Recurring - Connect		Proposed NRC Rate*		Proposed NRC Rate*									
		Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect								
214	Records Issue Date - Initial			\$	21.72			2b			\$	18.10							
215	Records Issue Date - Additional			\$	29.35			2b		\$	-	\$	24.46						
216	Designed, Verified and Assigned Date	\$	569.87	\$	56.82			3a	\$	271.23		\$	-						
217	Designed, Verified and Assigned Date - Initial			\$	58.32			2b				\$	48.60						
218	Designed, Verified and Assigned Date - Additional			\$	35.44			2b	\$	-		\$	29.53						
219	Plant Test Date	\$	714.50	\$	81.11			3a	\$	271.23		\$	-						
220	Plant Test Date -Initial			\$	83.46			2b				\$	69.55						
221	Plant Test Date - Additional			\$	47.50			2b				\$	39.58						
	OC-3, OC-12, OC-48																		
222	Service Order Portion to be applied to each critical date below			\$	2.20			2b	\$	39.68		\$	1.83						
223	Design Layout Report Date	\$	478.36	\$	28.73			3a	\$	44.71		\$	-						
224	Design Layout Report Date - Initial			\$	29.35			2b				\$	24.46						
225	Design Layout Report Date - Additional			\$	19.94			2b				\$	16.61						
226	Records Issue Date	\$	569.37	\$	28.73			3a	\$	44.71		\$	-						
227	Records Issue Date - Initial			\$	29.35			2b				\$	24.46						
228	Records Issue Date - Additional			\$	19.94			2b	\$	-		\$	16.61						
229	Designed, Verified and Assigned Date	\$	569.37	\$	63.33			3a	\$	283.68		\$	-						
230	Designed, Verified and Assigned Date - Initial			\$	65.94			2b				\$	54.95						
231	Designed, Verified and Assigned Date - Additional			\$	26.03			2b	\$	-		\$	21.69						
232	Plant Test Date	\$	1,057.84	\$	92.51			3a	\$	283.68		\$	-						
233	Plant Test Date -Initial			\$	96.11			2b				\$	80.09						
234	Plant Test Date - Additional			\$	41.12			2b				\$	34.26						
	Due date Change Charge, per order or occasion																		
235	DS1	\$	18.76	\$	0.45			2a	\$	10.82		\$	0.38						
236	DS3	\$	18.76	\$	0.45			2a	\$	10.82		\$	0.38						
237	OC-3, OC-12, OC-48	\$	23.59	\$	0.45			2a	\$	10.82		\$	0.38						
	Sub-Loop Non-Recurring Charges																		
238	Service Order Charge																		
239	Establish, per occasion	\$	3.16	\$	1.54	\$	3.62	\$	2.25	2c	2d	\$	21.55	\$	17.36	\$	3.12	\$	1.88
240	Add or change, per occasion			\$	3.75			2c	\$	21.55		\$	3.12						
241	2-wire Analog	\$	17.62	\$	5.85	\$	20.20	\$	6.71	2c	2c	\$	112.20	\$	56.73				
242	4-wire Analog	\$	17.62	\$	5.85	\$	20.20	\$	6.71	2c	2c	\$	114.80	\$	59.03				
243	2-wire DSL	\$	17.62	\$	5.85	\$	20.20	\$	6.71	2c	2c	\$	144.19	\$	56.73				
244	4-wire DSL	\$	17.62	\$	5.85	\$	20.20	\$	6.71	2c	2c	\$	178.31	\$	59.03				
245	2-wire ISDN	\$	17.62	\$	5.85	\$	20.20	\$	6.71	2c	2c	\$	138.72	\$	73.07				
246	4-wire DS1	\$	548.36	\$	122.16	\$	155.55	\$	55.13	3a	3a	\$	418.18	\$	175.55				
247	4-wire DS1 - Initial			\$	159.56	\$	57.92	2b	2b			\$	132.97	\$	48.27				
248	4-wire DS1 - Additional			\$	98.19	\$	15.28	2b	2b			\$	81.82	\$	12.73				
249	DS3	\$	593.43	\$	154.96	\$	172.20	\$	68.55	3a	3a	\$	440.64	\$	189.24				
250	DS3 - Initial			\$	180.91	\$	72.00	2b	2b			\$	150.76	\$	60.00				
251	DS3 - Additional			\$	47.89	\$	19.31	2b	2b			\$	39.91	\$	16.09				
	Unbundled Dark Fiber																		
	Dark Fiber - Interoffice																		
252	Interoffice Inquiry (Provisioning) Charge, per request	\$	294.87			\$	338.03	\$	-	2c		\$	434.11						
253	Interoffice Inquiry (Service Order) Charge, per request			\$	2.47			2b	\$	17.57		\$	2.06						
254	Interoffice Administration Charge, per order	\$	12.52	\$	14.12	\$	14.35	\$	16.19	2c	2c	\$	19.26	\$	17.36	\$	2.35	\$	1.65
255	Interoffice Connection Charge, per strand	\$	413.66	\$	137.30	\$	440.68	\$	157.40	2e	2c	\$	440.68	\$	177.57				

* with ordered S and C factor

AMERITECH MICHIGAN															
ANALYSIS OF EXISTING & PROPOSED UNE NRC RATES															
	AT&T Rate Adjustment	\$	0.20												
	Avg. UNE-P Increase		14.64%												
Line	UNE RATE ELEMENT	Current		Updated Commission		Scenario #		SBC		AT&T					
		Existing Rate		Ordered NRC Rate		Non-Recurring - Connect		Proposed NRC Rate*		Proposed NRC Rate*					
		Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect				
256	Interoffice Cross-Connects, per strand			\$	3.84	\$	3.84	3b	3b	\$	123.93	\$	106.56		
257	Interoffice Cross-Connects, per strand - Initial			\$	4.04	\$	4.04	2b	2b			\$	3.37	\$	3.37
257	Interoffice Cross-Connects, per strand - Additional			\$	1.01	\$	1.01	2b	2b			\$	0.84	\$	0.84
258	Interoffice Mileage Termination														
259	Interoffice Mileage-per strand per foot														
260	Interoffice Cross Connect														
	Dark Fiber - Loop/Sub-Loop														
261	Loop/Sub-Loop Inquiry (Provisioning) Charge, per request		69.49	\$	79.66			2c		\$	94.77			\$	18.03
262	Loop/Sub-Loop Inquiry (Service Order) Charge, per request			\$	2.47			2b		\$	17.57			\$	2.06
263	Sub-Loop Inquiry Charge, per request	\$	69.49	\$	79.66			2c		\$	94.77			\$	18.03
264	Loop/Sub-Loop Administration Charge, per order	\$	12.52	\$	14.12	\$	14.35	\$	16.19	2c	2c	\$	19.26	\$	17.36
265	Loop/Sub-Loop Connection Charge, CO to RT/CEV/Hut; CO to Premises, per strand	\$	320.58	\$	138.06	\$	338.18	\$	17.59	2e	2a	\$	338.18	\$	73.74
266	Sub-Loop Connection Charge, RT/CEV Hut to Premises, per strand	\$	335.02	\$	138.63	\$	50.92	\$	17.59	2a	2a	\$	310.18	\$	57.57
267	Loop/Sub-Loop Cross Connect Charge, per strand			\$	3.59	\$	3.60	2b	2b	\$	85.78	\$	51.62	\$	2.99
268	Sub-Loop Cross Connect Charge, per strand			\$	-	\$	-	2b	2b	\$	109.59	\$	49.96		
269	Loop/Sub-Loop Cross Connect			\$	-	\$	-								
	Unbundled Local Switching Ports (Stand Alone)														
270	Basic Line Port	\$	11.89	\$	6.63	\$	13.63	\$	7.60	2c	2c	\$	33.20	\$	19.08
271	Ground Start Line Port	\$	11.89	\$	6.63	\$	13.63	\$	7.60	2c	2c	\$	32.72	\$	18.59
272	ISDN-Direct Port	\$	40.72	\$	21.78	\$	46.68	\$	24.97	2c	2c	\$	50.52	\$	30.46
273	DID Trunk Port	\$	11.89	\$	6.63	\$	41.37	\$	23.79	2d	2d	\$	139.37	\$	90.46
274	DID Trunk Port-add/rearrange each termination	\$	14.03	\$	8.13	\$	16.08			2c		\$	71.39		
275	ISDN Prime Trunk Port	\$	40.72	\$	21.78	\$	84.37	\$	45.07	2d	2d	\$	323.98	\$	177.26
276	ISDN Prime Trunk Port-add/rearrange channels	\$	14.03	\$	8.13	\$	16.08			2c		\$	77.54		
277	Digital Trunking Trunk Port	\$	40.72	\$	21.78	\$	60.76	\$	24.97	2d	2c	\$	181.95	\$	77.57
278	ULS Trunk Port	\$	92.79	\$	73.63	\$	106.37	\$	84.41	2c	2c	\$	181.95	\$	90.64
279	Centrex Basic Line Port	\$	11.89	\$	6.63	\$	13.63	\$	7.60	2c	2c	\$	33.20	\$	19.08
280	Centrex ISDN Line Port	\$	40.72	\$	21.78	\$	46.68	\$	24.97	2c	2c	\$	50.52	\$	31.37
281	Centrex EKL Line Port	\$	40.72	\$	21.78	\$	44.61	\$	24.97	2e	2c	\$	44.61	\$	25.02
282	Centrex Attendant Console Line Port	\$	40.72	\$	21.78	\$	46.68	\$	24.97	2c	2c	\$	99.61	\$	57.23
283	Conversion Charge, per Order (change from one type of line-port to another)	\$	11.89			\$	0.16			2a		\$	0.46		
	Centrex System Charges														
284	Centrex Common Block Establishment, each	\$	80.04	\$	62.08	\$	91.75	\$	71.17	2c	2c	\$	588.48	\$	198.47
285	Centrex System Features Change or Rearrangement, per feature, per occasion	\$	66.91			\$	68.92			2e		\$	68.92		
286	Centrex System Feature Activation, per feature, per occasion	\$	210.62	\$	64.65	\$	44.64	\$	72.50	2a	2e	\$	68.92	\$	72.50
	Service Ordering Charges														
287	Service Ordering - Initial - Basic Port	\$	3.02	\$	1.54	\$	3.46	\$	1.77	2c	2c	\$	61.21	\$	28.97
288	Service Ordering - Initial - Complex Port	\$	30.09	\$	7.50	\$	34.49	\$	8.60	2c	2c	\$	87.39	\$	35.11
289	Service Ordering - Initial - ULS Trunk Port	\$	64.01	\$	39.57	\$	73.38	\$	1.86	2c	2a	\$	87.39	\$	35.11
290	Service Ordering - Record Order - Basic Port	\$	1.86			\$	2.13			2c		\$	22.43		
291	Service Ordering - Record Order - Complex Port	\$	1.86			\$	2.13			2c		\$	22.43		
292	Service Ordering - Record Order - ULS Trunk Port	\$	1.86			\$	2.13			2c		\$	22.43		
293	Service Ordering - Subsequent - Basic Port	\$	3.18			\$	3.65			2c		\$	12.17		
294	Service Ordering - Subsequent - Complex Port					\$	5.34			2b		\$	87.39		
295	Service Ordering - Subsequent - ULS Trunk Port					\$	5.34			2b		\$	87.39		
296	ULS Billing Establishment, per carrier (6/7/2002 replaces rate element ULS Billing Est., per carrier, per switch)					\$	2,399.23			2b		\$	3,220.56		
	Custom Routing														
297	Custom Routing, via LCC - New LCC, per LCC, per switch	\$	225.97			\$	259.04			2c		\$	350.59		
298	Custom Routing, via LCC - New Network Routing, per route, per switch	\$	14.03			\$	29.77	\$	29.23	2d	2b	\$	81.19	\$	24.81

* with ordered S and C factor

AMERITECH MICHIGAN																			
ANALYSIS OF EXISTING & PROPOSED UNE NRC RATES																			
	AT&T Rate Adjustment	\$	0.20																
	Avg. UNE-P Increase		14.64%																
Line	UNE RATE ELEMENT	Current		Updated Commission		Scenario #		SBC		AT&T									
		Existing Rate		Ordered NRC Rate		Non-Recurring - Connect		Proposed NRC Rate*		Proposed NRC Rate*									
		Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect								
299	Custom Routing, via AIN, of OS / DA per route, per switch			\$	29.77	\$	29.77	2b	2b	\$	89.44	\$	89.50	\$	24.81	\$	24.81		
Port Feature Add / Change Translation Charge																			
	Initial (1st) feature per port, per order (Cost Represent Blending of Initial and Additional)																		
300	Basic			\$	0.10	\$	0.10	2b	2b	\$	0.73	\$	0.78	\$	0.09	\$	0.09		
301	Ground Start / PBX			\$	0.09	\$	0.09	2b	2b	\$	0.73	\$	0.78	\$	0.07	\$	0.07		
302	ISDN Direct	\$	65.73	\$	4.36	\$	0.15	\$	0.15	2a	2a	\$	0.95	\$	1.02	\$	0.12	\$	0.12
303	ISDN Prime	\$	32.69	\$	1.38	\$	13.85	\$	13.44	2d	2d	\$	29.26	\$	30.73	\$	11.54	\$	11.20
304	Digital Trunking	\$	32.69	\$	1.38	\$	8.74	\$	8.74	2b	2d	\$	18.38	\$	19.77	\$	7.28	\$	7.28
305	ULS Trunk			\$	8.74	\$	8.74	2b	2b	\$	18.38	\$	19.77	\$	7.28	\$	7.28		
Cancellation or Change (Provisioning) Charge per last critical date reached																			
BASIC LINE PORT																			
306	Service Order Portion to be applied to each critical date below			\$	0.28			2b		\$	29.93			\$	0.23				
307	Design Layout Report Date	\$	3.16					2c											
308	Records Issue Date	\$	7.53					2c											
309	Designed, Verified and Assigned Date	\$	14.91			\$	17.09			2c		\$	32.29			\$	5.56		
310	Plant Test Date	\$	14.91			\$	17.09			2c		\$	32.72			\$	5.68		
Complex Line Port																			
311	Service Order Portion to be applied to each critical date below			\$	3.59			2b		\$	59.87			\$	2.99				
312	Design Layout Report Date	\$	30.22					2c											
313	Records Issue Date	\$	36.01					2c											
314	Designed, Verified and Assigned Date	\$	50.84			\$	6.67			2c		\$	38.20			\$	5.56		
315	Plant Test Date	\$	70.80			\$	21.50			2c		\$	60.98			\$	17.92		
Trunk Port																			
316	Service Order Portion to be applied to each critical date below			\$	3.59			2b		\$	59.87			\$	2.99				
317	Design Layout Report Date	\$	18.90					2c											
318	Records Issue Date	\$	150.74					2c											
319	Designed, Verified and Assigned Date	\$	156.80			\$	14.56			2c		\$	68.54			\$	12.14		
320	Plant Test Date	\$	156.80			\$	179.75			2c		\$	181.97			\$	50.63		
New Line Class Code																			
321	Translations: writing, accepting, and testing	\$	214.67			\$	246.09			2c		\$	350.19			\$	185.06		
322	Plant Test Date	\$	225.97			\$	259.04			2c		\$	350.19			\$	185.06		
New Network Routing																			
323	Translations: writing, accepting, and testing	\$	13.35			\$	29.74			2d		\$	45.99			\$	24.79		
324	Plant Test Date	\$	14.03			\$	29.74			2d		\$	45.99			\$	24.79		
Due date change charge per order per occasion																			
325	Basic Line Port	\$	3.02			\$	3.46			2c		\$	16.25			\$	0.24		
326	Trunk Port	\$	18.76			\$	0.81			2a		\$	16.25			\$	0.67		
327	Complex Line Port	\$	30.09			\$	0.81			2a		\$	16.25			\$	0.67		
Unbundled Tandem Switch Trunk Port (DS1)																			
328	Initial charge (per DS1)	\$	115.33	\$	82.83	\$	113.40	\$	23.29	2e	2a	\$	113.40	\$	40.52	\$	50.63	\$	19.41
328a	DS1 Tandem Trunk Port Change, per Port		14.03		8.13	\$	19.92					\$	82.95			\$	16.60		
329	Service Charge per order	\$	45.97	\$	45.51	\$	52.70	\$	1.86	2c	2a	\$	55.94	\$	37.41	\$	2.67	\$	1.55
Cancellation or Change Service Charge per last critical date reached																			
DS1 Tandem Trunk Port																			

* with ordered S and C factor

AMERITECH MICHIGAN																	
ANALYSIS OF EXISTING & PROPOSED UNE NRC RATES																	
	AT&T Rate Adjustment	\$	0.20														
	Avg. UNE-P Increase		14.64%														
Line	UNE RATE ELEMENT	Current		Updated Commission		Scenario #		SBC		AT&T							
		Existing Rate		Ordered NRC Rate		Non-Recurring - Connect		Proposed NRC Rate*		Proposed NRC Rate*							
		Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect						
330	Service Order Portion to be applied to each critical date below			\$	2.18			2b		\$	38.13		\$	1.82			
331	Design Layout Report Date	\$	18.90	\$	-			2a									
332	Records Issue Date	\$	150.74					2a									
333	Designed, Verified and Assigned Date	\$	156.80					2a									
334	Plant Test Date	\$	156.80	\$	46.20			2a		\$	113.43		\$	38.50			
335	Tandem Trunk Port Due Date Change Charge, per order per occasion	\$	18.76	\$	0.60			2a		\$	12.86		\$	0.50			
UNE - P Migration Service Order NRC Charge																	
336	Simple Electronic	\$	0.35	\$	0.50	\$	0.19	2c	2b	\$	8.01	\$	5.27	\$	0.41	\$	0.16
337	Simple Manual	\$	0.35	\$	24.33	\$	12.06	2d	2b	\$	44.23	\$	20.96	\$	20.27	\$	10.05
338	Complex Electronic		36.38	\$	37.12	\$	1.48	2e	2b	\$	37.12	\$	6.89	\$	3.49	\$	1.23
339	Complex Manual		36.38	\$	41.70	\$	16.06	2c	2b	\$	115.98	\$	27.03	\$	30.53	\$	13.38
New UNE - P Service Order NRC Charge																	
340	Simple Electronic	\$	0.35	\$	0.40	\$	0.19	2c	2b	\$	10.47	\$	5.27	\$	0.35	\$	0.16
341	Simple Manual	\$	0.35	\$	28.05	\$	12.06	2d	2b	\$	44.23	\$	20.96	\$	23.37	\$	10.05
342	Complex Electronic		36.38	\$	37.12	\$	1.48	2e	2b	\$	37.12	\$	6.89	\$	5.67	\$	1.23
343	Complex Manual		36.38	\$	66.86	\$	16.06	2d	2b	\$	115.98	\$	27.03	\$	55.72	\$	13.38
New UNE-P Port Connection																	
344	Basic Line Port			\$	0.15	\$	0.15	2b	2b	\$	0.91	\$	0.94	\$	0.12	\$	0.12
345	Ground Start Line Port			\$	0.15	\$	0.15	2b	2b	\$	0.91	\$	0.94	\$	0.12	\$	0.12
346	ISDN-Direct Port			\$	8.02	\$	8.02	2b	2b	\$	12.34	\$	13.26	\$	6.68	\$	6.68
347	DID Trunk Port			\$	16.96	\$	12.39	2e	2e	\$	16.96	\$	12.39	\$	28.90	\$	16.00
348	ISDN Prime Trunk Port			\$	69.44	\$	37.12	2b	2b	\$	253.82	\$	139.20	\$	57.87	\$	30.93
349	Digital Trunking Trunk Port			\$	46.17	\$	15.22	2b	2b	\$	113.61	\$	39.75	\$	38.47	\$	12.69
350	ULS Trunk Port			\$	46.17	\$	15.22	2b	2b	\$	53.29	\$	39.75	\$	38.47	\$	12.69
351	Centrex Basic Line Port			\$	0.15	\$	0.15	2b	2b	\$	0.91	\$	0.94	\$	0.12	\$	0.12
352	Centrex ISDN Line Port			\$	8.02	\$	8.02	2b	2b	\$	12.34	\$	13.26	\$	6.68	\$	6.68
353	Centrex EKL Line Port			\$	4.16	\$	4.16	2b	2b	\$	6.75	\$	7.22	\$	3.46	\$	3.46
354	Centrex Attendant Console Line Port			\$	0.44	\$	0.44	2b	2b	\$	2.74	\$	2.82	\$	0.37	\$	0.37
Special Access to UNE Loop and Transport																	
355	Project Administrative Charge, per service order			\$	4.55			2b		\$	31.37		\$	3.79			
356	Channelized DS3 - Design & Coordination (with mileage)			\$	4.68			2b		\$	229.16		\$	3.90			
357	Channelized DS3 - Demarcation Re-tag (with mileage)																
358	Channelized DS1 - Design & Coordination (with mileage)			\$	4.60			2b		\$	200.60		\$	3.83			
359	Channelized DS1 - Demarcation Re-tag (with mileage)																
360	Non-Channelized DS3 - Design & Coordination (with mileage)			\$	1.20			2b		\$	12.02		\$	1.00			
361	Non-Channelized DS1 - Design & Coordination (with mileage)			\$	1.20			2b		\$	12.02		\$	1.00			
362	Non-Channelized DS0 - Design & Coordination (with mileage)			\$	1.20			2b		\$	12.02		\$	1.00			
363	Non-Channelized DS0 - Demarcation Re-tag (with mileage)																
364	Channelized DS3 - Design & Coordination (without mileage)			\$	4.79			2b		\$	237.85		\$	3.99			
365	Channelized DS1 - Design & Coordination (without mileage)			\$	4.60			2b		\$	207.23		\$	3.83			

* with ordered S and C factor

AMERITECH MICHIGAN																			
ANALYSIS OF EXISTING & PROPOSED UNE NRC RATES																			
		AT&T Rate Adjustment	\$	0.20															
		Avg. UNE-P Increase		14.64%															
Line	UNE RATE ELEMENT	Current		Updated Commission		Scenario #		SBC		AT&T									
		Existing Rate		Ordered NRC Rate		Non-Recurring - Connect		Proposed NRC Rate*		Proposed NRC Rate*									
		Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect								
366	Non-Channelized DS3 - Design & Coordination (without mileage)			\$	1.20			2b		\$	12.02			\$	1.00				
367	Non-Channelized DS1 - Design & Coordination (without mileage)			\$	1.20			2b		\$	12.02			\$	1.00				
368	Non-Channelized DS0 - Design & Coordination (without mileage)			\$	1.20			2b		\$	12.02			\$	1.00				
Enhanced Extended Loop (EEL)																			
369	2W Analog Loop Connection - Initial			\$	7.77	\$	4.54	2b	2b	\$	228.10	\$	44.03	\$	6.48	\$	3.78		
370	2W Analog Loop Connection - Additional			\$	4.32	\$	2.69	2b	2b	\$	158.42	\$	31.41	\$	3.60	\$	2.24		
371	4W Analog Loop Connection - Initial			\$	16.12	\$	7.93	2b	2b	\$	241.63	\$	44.03	\$	13.43	\$	6.61		
372	4W Analog Loop Connection - Additional			\$	8.46	\$	5.53	2b	2b	\$	171.94	\$	31.41	\$	7.05	\$	4.61		
373	2W Digital Loop Connection - Initial			\$	7.77	\$	4.54	2b	2b	\$	352.08	\$	54.62	\$	6.48	\$	3.78		
374	2W Digital Loop Connection - Additional			\$	4.32	\$	2.69	2b	2b	\$	200.25	\$	42.00	\$	3.60	\$	2.24		
375	4W DS1 Digital Loop Connection - Initial			\$	71.46	\$	15.16	2b	2b	\$	396.53	\$	56.31	\$	59.55	\$	12.64		
376	4W DS1 Digital Loop Connection - Additional			\$	46.37	\$	8.55	2b	2b	\$	224.21	\$	41.40	\$	38.64	\$	7.12		
377	Central Office Multiplexing DS1 to Voice - Initial			\$	10.86	\$	4.63	2b	2b	\$	187.40	\$	51.86	\$	9.05	\$	3.85		
378	Central Office Multiplexing DS1 to Voice - Additional			\$	9.34	\$	2.61	2b	2b	\$	80.54	\$	36.94	\$	7.78	\$	2.17		
379	DS1 Interoffice Dedicated Transport Collocated - Initial	339.17	34.41	\$	62.28	\$	39.45	2a	2a	\$	262.92	\$	96.74	\$	51.90	\$	20.63		
380	DS1 Interoffice Dedicated Transport Collocated - Additional	339.17	34.41	\$	46.69	\$	39.45	2a	2a	\$	168.58	\$	70.81	\$	38.91	\$	11.84		
381	DS1 Dedicated Transport Non-Collocated - Initial	548.36	109.42	\$	237.52	\$	226.44	2a	2a	\$	482.53	\$	96.74	\$	197.94	\$	188.70		
382	DS1 Dedicated Transport Non-Collocated - Additional	548.36	184.43	\$	151.05	\$	134.31	2a	2a	\$	273.03	\$	70.81	\$	125.87	\$	111.93		
383	4-Wire DS1 Digital Loop to DS1 Interoffice Dedicated Transport Collocated - Initial	339.17	34.41	\$	388.81	\$	69.89	5	5	\$	484.72	\$	96.74	\$	146.03	\$	58.25		
384	4-Wire DS1 Digital Loop to DS1 Interoffice Dedicated Transport Collocated - Additional	339.17	34.41	\$	104.35	\$	39.45	5	5	\$	273.30	\$	70.81	\$	86.96	\$	14.34		
385	4-Wire DS1 Digital Loop to DS1 Dedicated Transport Non-Collocated - Initial	548.36	109.42	\$	628.62	\$	-	5	5	\$	689.11	\$	96.74						
386	4-Wire DS1 Digital Loop to DS1 Dedicated Transport Non-Collocated - Additional	548.36	184.43	\$	-	\$	-	5	5	\$	381.54	\$	70.81						
387	DS3 Interoffice Dedicated Transport Collocated - Initial	\$	464.19	\$	103.83	\$	81.94	\$	24.75	2a	2a	\$	271.21	\$	96.74	\$	68.28	\$	20.63
388	DS3 Interoffice Dedicated Transport Collocated - Additional	\$	464.19	\$	103.83	\$	37.84	\$	14.23	2a	2a	\$	134.62	\$	70.81	\$	31.53	\$	11.86
389	DS3 Dedicated Transport Non-Collocated - Initial	\$	593.43	\$	154.96	\$	260.74	\$	94.65	2a	2a	\$	317.06	\$	96.74	\$	217.28	\$	78.87
390	DS3 Dedicated Transport Non-Collocated - Additional			\$	83.58	\$	31.44	2b	2b	\$	149.51	\$	70.81	\$	69.65	\$	26.20		
391	Clear Channel Capability - Initial	\$	158.00	\$	6.65	\$	79.09			2a	2c	\$	104.07			\$	65.91	NA	
392	Clear Channel Capability - Additional	\$	158.00	\$	6.65	\$	22.77			2e	2c	\$	22.77			\$	23.52	NA	
393	Electronic - Analog/2-Wire Digital Loop - Establish Service Ordering Charge, Per Service Request, ASR or LSR	\$	-	\$	-	\$	0.26	\$	0.26	2b	2b	\$	38.62	\$	29.62	\$	0.22	\$	0.22
394	Electronic Subsequent Order - Analog/2-Wire Digital EEL Loop, per Request, ASR or LSR			\$	0.26	\$	-	2b	2b	\$	35.33	\$	-	\$	0.22	\$	-		
395	Manual - Analog/2-Wire Digital Loop - Establish Service Ordering Charge, Per Service Request, ASR or LSR	\$	-	\$	-	\$	50.03	\$	33.43	2b	2b	\$	82.98	\$	66.72	\$	41.69	\$	27.86
396	Manual Subsequent Order - Analog/2-Wire Digital EEL Loop, per Request, ASR or LSR			\$	46.87	\$	-	2b	2b	\$	78.36	\$	-	\$	39.06	\$	-		
397	Electronic - DS1 Loop - Establish Service Ordering Charge, Per Service Request, ASR or LSR			\$	3.75	\$	2.25	2b	2b	\$	42.72	\$	29.62	\$	3.12	\$	1.88		
398	Electronic Subsequent Order - DS1 EEL Loop, per Request, ASR or LSR			\$	3.13	\$	-	2b	2b	\$	35.33	\$	-	\$	2.61	\$	-		
399	Manual - DS1 Loop - Establish Service Ordering Charge, Per Service Request, ASR or LSR			\$	55.37	\$	33.43	2b	2b	\$	90.78	\$	66.72	\$	46.15	\$	27.86		
400	Manual Subsequent Order - DS1 EEL Loop, per Request, ASR or LSR			\$	46.87	\$	-	2b	2b	\$	78.36	\$	-	\$	39.06	\$	-		
401	Electronic - DS1, DS3 Transport - Establish Service Ordering Charge, Per Service Request, ASR or LSR			\$	3.32	\$	2.25	2b	2b	\$	44.53	\$	29.62	\$	2.77	\$	1.88		
402	Manual - DS1, DS3 Transport - Establish Service Ordering Charge, Per Service Request, ASR or LSR			\$	57.75	\$	33.43	2b	2b	\$	94.25	\$	66.72	\$	48.12	\$	27.86		
403	Electronic - Non-channelized DS1 EEL - Establish Service Ordering Charge, Per Service Request, ASR or LSR	\$	74.33	\$	74.33	\$	3.75	\$	2.25	2a	2a	\$	42.72	\$	29.62	\$	3.12	\$	1.88
404	Manual - Non-channelized DS1 EEL - Establish Service Ordering Charge, Per Service Request, ASR or LSR	\$	74.33	\$	74.33	\$	85.21	\$	33.43	2c	2a	\$	90.78	\$	66.72	\$	46.15	\$	27.86
405	Electronic - Central Office Multiplexing - DS1 to Voice - Establish Serv. Ord. Chg, Per Service Request, ASR or LSR			\$	4.22	\$	2.05	2b	2b	\$	44.53	\$	29.62	\$	3.51	\$	1.71		
406	Manual - Central Office Multiplexing - DS1 to Voice - Establish Serv. Ord. Chg, Per Service Request, ASR or LSR			\$	57.75	\$	33.43	2b	2b	\$	94.25	\$	66.72	\$	48.12	\$	27.86		

* with ordered S and C factor

AMERITECH MICHIGAN									
ANALYSIS OF VARIANCE BETWEEN SBC MICHIGAN COMPLIANCE NRCs AS FILED AND REVISED NRC RATES									
REFLECTING CLEC COMMENTS									
UNE RATE ELEMENT	Updated Commission Ordered		Commission Ordered		SBC Proposed		AT&T Proposed		
	NRC Rate		NRC Rate Variance		NRC Rate Variance*		NRC Rate Variance*		
	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	
	(A)	(B)	(C)	(D)	(G)	(H)	(I)	(J)	
Unbundled Loops									
Loop NRC									
Service Ordering Charge - Analog Loops - Initial - Per Occasion	\$ 3.62		\$ -	\$ -	\$ (1.65)		\$ 0.01		
Service Ordering Charge-Analog Loops-DISCON-Per Occasion PER LOC		\$ 1.77	\$ -	\$ -		\$ (1.33)		\$ 0.01	
Service Ordering Charge - Analog Loops - Subsequent - Per Occasion	\$ 3.46		\$ -	\$ -	\$ (1.65)		\$ 0.01		
Service Ordering Charge - Analog Loops - Record Work Only - Per Occasion	\$ 2.13		\$ -	\$ -	\$ (1.27)		\$ 0.01		
			\$ -	\$ -					
Service Ordering -(DS0) - Administrative Charge	\$ -	\$ -	\$ -	\$ -		\$ (1.33)		\$ -	
Service Provisioning (DS0)			\$ -	\$ -		\$ -		\$ -	\$ -
Service Ordering -(DS1) - Administrative Charge	\$ 3.75	\$ 2.25	\$ 0.21	\$ 0.13	\$ (1.65)	\$ (1.33)	\$ 0.18	\$ 0.11	
Service Provisioning (DS1) (Applies to Stand Alone and UNE-P DS1 Loops)	\$ 67.78	\$ 43.90	\$ 3.87	\$ 2.48	\$ (22.57)	\$ (3.13)	\$ -	\$ -	
Service Ordering -(DS3) - Administration Charge	\$ 3.75	\$ 2.25	\$ 0.21	\$ 0.13	\$ (1.66)	\$ (1.33)	\$ 0.17	\$ 0.11	
Service Provisioning (DS3) (Applies to Stand Alone and UNE-P DS3 Loops)	\$ 96.76	\$ 33.37	\$ 5.47	\$ 1.88	\$ (13.54)	\$ (3.19)	\$ -	\$ -	
Line Connection Charge - Analog Loop - Per Termination	\$ 20.43	\$ 6.71	\$ -	\$ -	\$ (4.08)	\$ (0.89)	\$ 6.48	\$ 3.78	
Line Connection Charge - UNE-P New Combination POTS - Per Termination	\$ 20.43	\$ 6.71	\$ -	\$ -	\$ (4.08)	\$ (0.89)	\$ 1.13	\$ 0.24	
Cancellation OR Change Service Charge, PER LAST CRITICAL DATE REACHED									
			\$ -	\$ -			\$ -	\$ -	
ANALOG LOOPS									
Service Order Portion to be applied to each critical date below	\$ 0.38		\$ 0.02	\$ -			\$ 0.02	\$ -	
Design Layout report date	\$ -		\$ (4.62)	\$ -			\$ -	\$ -	
Records Issue Date	\$ -		\$ (20.52)	\$ -			\$ -	\$ -	
Designed, Verified and Assigned Date	\$ 8.23		\$ 0.46	\$ -	\$ (1.73)		\$ -	\$ -	
Plant Test Date	\$ 52.27		\$ -	\$ -	\$ (4.08)		\$ 12.09	\$ -	
			\$ -	\$ -			\$ -	\$ -	
DIGITAL LOOPS									
DS0									
Service Order Portion to be applied to each critical date below	\$ 0.38		\$ 0.02	\$ -			\$ 0.02	\$ -	
Design Layout report date	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	
Records Issue Date	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	
Designed, Verified and Assigned Date	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	
Plant Test Date	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	
			\$ -	\$ -			\$ -	\$ -	
DS1									
Service Order Portion to be applied to each critical date below	\$ 2.52		\$ 0.14	\$ -	\$ (3.45)		\$ 0.12	\$ -	
Design Layout report date	\$ 15.94	\$ -	\$ 0.90	\$ -	\$ (3.05)		\$ -	\$ -	
Records Issue Date	\$ 15.94	\$ -	\$ 0.97	\$ -			\$ -	\$ -	
Designed, Verified and Assigned Date	\$ 48.05	\$ -	\$ 2.71	\$ -			\$ -	\$ -	
Plant Test Date	\$ 69.68	\$ -	\$ 3.94	\$ -			\$ -	\$ -	
			\$ -	\$ -			\$ -	\$ -	
DS3									
Service Order Portion to be applied to each critical date below	\$ 2.52		\$ 0.14	\$ -	\$ (3.45)		\$ 0.12	\$ -	
Design Layout report date - Additional	\$ 17.01	\$ -	\$ 0.64	\$ -			\$ 0.53	\$ -	
Records Issue Date	\$ 17.01	\$ -	\$ 0.96	\$ -			\$ -	\$ -	
Designed, Verified and Assigned Date	\$ 45.86	\$ -	\$ 2.59	\$ -			\$ -	\$ -	
Plant Test Date	\$ 70.10	\$ -	\$ 3.96	\$ -			\$ -	\$ -	
			\$ -	\$ -			\$ -	\$ -	
			\$ -	\$ -			\$ -	\$ -	
Analog Loop	\$ 3.62		\$ -	\$ -		\$ (14.13)	\$ 0.01	\$ -	
Digital DS0	\$ 0.28		\$ (21.23)	\$ -		\$ (14.13)	\$ 0.01	\$ -	
Digital DS1	\$ 0.59		\$ (20.92)	\$ -		\$ (14.13)	\$ 0.03	\$ -	
Digital DS3	\$ 0.59		\$ (20.92)	\$ -		\$ (14.13)	\$ 0.03	\$ -	
			\$ -	\$ -			\$ -	\$ -	

*With ordered S and C factor

AMERITECH MICHIGAN									
ANALYSIS OF VARIANCE BETWEEN SBC MICHIGAN COMPLIANCE NRCs AS FILED AND REVISED NRC RATES									
REFLECTING CLEC COMMENTS									
UNE RATE ELEMENT	Updated Commission Ordered		Commission Ordered		SBC Proposed		AT&T Proposed		
	NRC Rate		NRC Rate Variance		NRC Rate Variance*		NRC Rate Variance*		
	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	
			\$ -	\$ -					\$ -
High Frequency Portion of the Loop			\$ -	\$ -					\$ -
Cross Connect Configuration - Company Owned	\$ 16.88	\$ 13.79	\$ 5.41	\$ 2.33					\$ 11.49
Cross Connect Configuration - CLEC Owned	\$ 11.46	\$ 11.46	\$ -	\$ -					\$ 9.56
			\$ -	\$ -					\$ -
HFPL Service Order Charges			\$ -	\$ -					\$ -
Installation	\$ 3.62		\$ -	\$ -	\$ (1.54)		\$ 0.03		
Disconnect		\$ 1.77	\$ -	\$ -		\$ (1.15)		\$ 0.02	
Subsequent	\$ 3.46		\$ -	\$ -	\$ (1.40)		\$ 0.02		
Record Order	\$ 2.13		\$ -	\$ -	\$ (1.28)		\$ 0.01		
			\$ -	\$ -					\$ -
Loop Qualification			\$ -	\$ -					\$ -
Manual Loop Qualification	\$ -		\$ -	\$ -	\$ (3.06)		\$ -	\$ -	
Detailed Manual Loop Qualification			\$ -	\$ -	\$ -		\$ -	\$ -	
Mechanized Loop Qualification	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	
			\$ -	\$ -	\$ -		\$ -	\$ -	
Loop Conditioning - For Loop Facilities			\$ -	\$ -	\$ -		\$ -	\$ -	
For Loop/Subloop Facilities > 12 kft and < 17.5 kft			\$ -	\$ -			\$ -	\$ -	
- Remove Load Coils			\$ (34.01)	\$ -			\$ -	\$ -	
- Remove Bridged Taps			\$ (26.77)	\$ -			\$ -	\$ -	
- Restore Bridged Taps			\$ -	\$ -			\$ -	\$ -	
- Remove Repeater			\$ (27.85)	\$ -			\$ -	\$ -	
- Remove Load Coils & Bridged Taps			\$ -	\$ -			\$ -	\$ -	
- Restore Load Coils & Bridged Taps			\$ -	\$ -			\$ -	\$ -	
- Remove Bridged Taps & Repeater			\$ -	\$ -			\$ -	\$ -	
- Restore Bridged Taps & Repeater			\$ -	\$ -			\$ -	\$ -	
For Loop/Subloop Facilities > 17.5 kft			\$ -	\$ -			\$ -	\$ -	
- Remove Load Coil			\$ (13.61)	\$ -			\$ -	\$ -	
- Remove Bridged Tap			\$ (26.77)	\$ -			\$ -	\$ -	
- Restore Bridged Tap			\$ -	\$ -			\$ -	\$ -	
- Remove Repeater			\$ (27.85)	\$ -			\$ -	\$ -	
- Remove Load Coil & Bridged Tap			\$ -	\$ -			\$ -	\$ -	
- Restore Load Coil & Bridged Tap			\$ -	\$ -			\$ -	\$ -	
- Remove Bridged Tap & Repeater			\$ -	\$ -			\$ -	\$ -	
- Restore Bridged Tap & Repeater			\$ -	\$ -			\$ -	\$ -	
			\$ -	\$ -			\$ -	\$ -	
Unbundled Directory Assistance			\$ -	\$ -			\$ -	\$ -	
Branding, per switch, initial load (same branding announcement)	\$ 1,098.67		\$ -	\$ -	\$ (86.71)		\$ 50.43		
Branding, per switch, subsequent load (same branding announcement)	\$ 143.75		\$ -	\$ -	\$ (14.94)		\$ 6.34		
			\$ -	\$ -			\$ -	\$ -	
Unbundled Operator Services - Tariff			\$ -	\$ -			\$ -	\$ -	
Branding, per switch, initial load (same branding announcement)	\$ 1,098.67		\$ -	\$ -	\$ (86.71)		\$ 50.43		
Branding, per switch, subsequent load (same branding announcement)	\$ 143.75		\$ -	\$ -	\$ (14.94)		\$ 6.34		
			\$ -	\$ -			\$ -	\$ -	
Directory Listing Services			\$ -	\$ -			\$ -	\$ -	
Set up per customer	\$ 524.71		\$ 29.64	\$ -	\$ (67.78)		\$ 24.70		
			\$ -	\$ -			\$ -	\$ -	
Access to SS7			\$ -	\$ -			\$ -	\$ -	
Signal Transfer Point, per port	\$ 904.19	\$ 154.13	\$ (69.38)	\$ -	\$ (69.38)	\$ (17.69)	\$ 38.52	\$ 6.54	
Originating Point Code, per service added or changed	\$ 202.23	\$ 133.04	\$ 11.42	\$ 7.51	\$ (15.66)	\$ (17.20)	\$ 9.52	\$ 6.26	
Global Title Address Translation, per service added or changed	\$ 122.81	\$ 188.97	\$ (9.42)	\$ (9.20)	\$ (9.42)	\$ (9.20)	\$ 9.11	\$ 8.89	
SS7 Links - Service Order Charge, per Request	\$ 12.05	\$ 5.14	\$ 0.68	\$ 0.29	\$ (13.11)	\$ (6.04)	\$ 0.57	\$ 0.24	
			\$ -	\$ -			\$ -	\$ -	

*With ordered S and C factor

AMERITECH MICHIGAN									
ANALYSIS OF VARIANCE BETWEEN SBC MICHIGAN COMPLIANCE NRCs AS FILED AND REVISED NRC RATES									
REFLECTING CLEC COMMENTS									
UNE RATE ELEMENT	Updated Commission Ordered		Commission Ordered		SBC Proposed		AT&T Proposed		
	NRC Rate		NRC Rate Variance		NRC Rate Variance*		NRC Rate Variance*		
	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	
			\$ -	\$ -					\$ -
Access to LIDB Database			\$ -	\$ -					\$ -
Service Order -	\$ 28.66		\$ -	\$ -	\$ (3.26)		\$ 0.14		
Service Establishment (reference Point Code Activation in SS7 Section)			\$ -	\$ -	\$ (15.66)	\$ (17.20)			
			\$ -	\$ -					\$ -
CNAM Database Download			\$ -	\$ -					\$ -
Initial Download Cost	\$ 64,754.50		\$ 3,657.64	\$ -	\$ (5,734.18)		\$ 3,048.03		
Refresh Download Cost Per Record	\$ 55.80		\$ -	\$ -	\$ (8.60)		\$ 2.71		
			\$ -	\$ -			\$ -		
Unbundled Transport			\$ -	\$ -					
DS1 Rates			\$ -	\$ -					
Clear Channel Capability - Per 1.544 Mbps Circuit Arranged - Zone 1	\$ 79.79		\$ 4.51	\$ -			\$ 3.76		
Clear Channel Capability - Per 1.544 Mbps Circuit Arranged - Zone 2	\$ 79.79		\$ 4.51	\$ -			\$ 3.76		
Clear Channel Capability - Per 1.544 Mbps Circuit Arranged - Zone 3	\$ 79.79		\$ 4.51	\$ -			\$ 3.76		
DS1 EF NRC Zone 1	\$ 170.60	\$ 66.45	\$ 9.64	\$ 3.75			\$ -	\$ -	
DS1 EF NRC zone 2	\$ 170.60	\$ 66.45	\$ 9.64	\$ 3.75			\$ -	\$ -	
DS1 EF NRC zone 3	\$ 170.60	\$ 66.45	\$ 9.64	\$ 3.75			\$ -	\$ -	
DS1 IOF NRC Zone 1	\$ 61.26	\$ 24.06	\$ 3.46	\$ 1.36			\$ -	\$ -	
DS1 IOF NRC zone 2	\$ 61.26	\$ 24.06	\$ 3.46	\$ 1.36			\$ -	\$ -	
DS1 IOF NRC zone 3	\$ 61.26	\$ 24.06	\$ 3.46	\$ 1.36			\$ -	\$ -	
Installation and Rearrangement - Administration Charge, per order, Zone 1, 2, 3	\$ 3.32	\$ 2.25	\$ 0.19	\$ 0.13	\$ (1.54)	\$ (1.33)	\$ 0.16	\$ 0.11	
DS3 Rates			\$ -	\$ -					
DS3 EF NRC Zone 1	\$ 170.09	\$ 66.45	\$ 9.61	\$ 3.75			\$ -	\$ -	
DS3 EF NRC zone 2	\$ 170.09	\$ 66.45	\$ 9.61	\$ 3.75			\$ -	\$ -	
DS3 EF NRC zone 3	\$ 170.09	\$ 66.45	\$ 9.61	\$ 3.75			\$ -	\$ -	
DS3 IOF NRC Zone 1	\$ 79.06	\$ 24.06	\$ 4.47	\$ 1.36			\$ -	\$ -	
DS3 IOF NRC zone 2	\$ 79.06	\$ 24.06	\$ 4.47	\$ 1.36			\$ -	\$ -	
DS3 IOF NRC zone 3	\$ 79.06	\$ 24.06	\$ 4.47	\$ 1.36			\$ -	\$ -	
Installation and Rearrangement - Administration Charge, per order, Zone 1, 2, 3	\$ 3.32	\$ 2.25	\$ 0.19	\$ 0.13	\$ (1.54)	\$ (1.33)	\$ 0.16	\$ 0.11	
OC-3 Rates			\$ -	\$ -					
OC3 EF NRC Zone 1	\$ 182.11	\$ 66.45	\$ 10.29	\$ 3.75	\$ (28.12)	\$ (11.21)	\$ -	\$ -	
OC3 EF NRC zone 2	\$ 182.11	\$ 66.45	\$ 10.29	\$ 3.75			\$ -	\$ -	
OC3 EF NRC zone 3	\$ 182.11	\$ 66.45	\$ 10.29	\$ 3.75			\$ -	\$ -	
OC3 IOF NRC Zone 1	\$ 91.07	\$ 24.06	\$ 5.14	\$ 1.36			\$ -	\$ -	
OC3 IOF NRC zone 2	\$ 91.07	\$ 24.06	\$ 5.14	\$ 1.36			\$ -	\$ -	
OC3 IOF NRC zone 3	\$ 91.07	\$ 24.06	\$ 5.14	\$ 1.36			\$ -	\$ -	
Installation and Rearrangement - Administration Charge, per order, Zone 1, 2, 3	\$ 3.32	\$ 2.25	\$ 0.19	\$ 0.13	\$ (1.54)	\$ (1.33)	\$ 0.16	\$ 0.11	
OC-12 Rates			\$ -	\$ -					
OC12 EF NRC Zone 1	\$ 182.11	\$ 66.45	\$ 10.29	\$ 3.75	\$ (28.12)	\$ (11.21)	\$ -	\$ -	
OC12 EF NRC zone 2	\$ 182.11	\$ 66.45	\$ 10.29	\$ 3.75			\$ -	\$ -	
OC12 EF NRC zone 3	\$ 182.11	\$ 66.45	\$ 10.29	\$ 3.75			\$ -	\$ -	
OC12 IOF NRC Zone 1	\$ 91.07	\$ 24.06	\$ 5.14	\$ 1.36			\$ -	\$ -	
OC12 IOF NRC zone 2	\$ 91.07	\$ 24.06	\$ 5.14	\$ 1.36			\$ -	\$ -	
OC12 IOF NRC zone 3	\$ 91.07	\$ 24.06	\$ 5.14	\$ 1.36			\$ -	\$ -	
Installation and Rearrangement - Administration Charge, per order, Zone 1, 2, 3	\$ 3.32	\$ 2.25	\$ 0.19	\$ 0.13	\$ (1.54)	\$ (1.33)	\$ 0.16	\$ 0.11	
OC-48 Rates			\$ -	\$ -					
OC48 EF NRC Zone 1	\$ 182.11	\$ 66.45	\$ 10.29	\$ 3.75	\$ (28.12)	\$ (11.21)	\$ -	\$ -	
OC48 EF NRC zone 2	\$ 182.11	\$ 66.45	\$ 10.29	\$ 3.75			\$ -	\$ -	
OC48 EF NRC zone 3	\$ 182.11	\$ 66.45	\$ 10.29	\$ 3.75			\$ -	\$ -	
OC48 IOF NRC Zone 1	\$ 91.07	\$ 24.06	\$ 5.14	\$ 1.36			\$ -	\$ -	
OC48 IOF NRC zone 2	\$ 91.07	\$ 24.06	\$ 5.14	\$ 1.36			\$ -	\$ -	
OC48 IOF NRC zone 3	\$ 91.07	\$ 24.06	\$ 5.14	\$ 1.36			\$ -	\$ -	
Installation and Rearrangement - Administration Charge, per order, Zone 1, 2, 3	\$ 3.32	\$ 2.25	\$ 0.19	\$ 0.13	\$ (1.54)	\$ (1.33)	\$ 0.16	\$ 0.11	

*With ordered S and C factor

AMERITECH MICHIGAN									
ANALYSIS OF VARIANCE BETWEEN SBC MICHIGAN COMPLIANCE NRCs AS FILED AND REVISED NRC RATES									
REFLECTING CLEC COMMENTS									
UNE RATE ELEMENT	Updated Commission Ordered		Commission Ordered		SBC Proposed		AT&T Proposed		
	NRC Rate		NRC Rate Variance		NRC Rate Variance*		NRC Rate Variance*		
	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	
Cancellation or Change Service Charge - per last critical date reached.			\$ -	\$ -			\$ -	\$ -	
DS1			\$ -	\$ -			\$ -	\$ -	
Service Order Portion to be applied to each critical date below	\$ 2.20		\$ 0.12	\$ -	\$ (3.04)		\$ 0.10	\$ -	
Design Layout Report Date	\$ 22.35	\$ -	\$ 1.26	\$ -	\$ (1.99)		\$ -	\$ -	
Records Issue Date	\$ 22.35		\$ 1.26	\$ -			\$ -	\$ -	
Designed, Verified and Assigned Date	\$ 33.52		\$ 1.89	\$ -			\$ -	\$ -	
Plant Test Date	\$ 62.70		\$ 3.54	\$ -			\$ -	\$ -	
			\$ -	\$ -			\$ -	\$ -	
DS3			\$ -	\$ -			\$ -	\$ -	
Service Order Portion to be applied to each critical date below	\$ 2.20		\$ 0.12	\$ -	\$ (3.04)		\$ 0.10	\$ -	
Design Layout Report Date	\$ 21.61		\$ 1.22	\$ -	\$ (1.90)		\$ -	\$ -	
Records Issue Date	\$ 22.22		\$ 1.26	\$ -			\$ -	\$ -	
Designed, Verified and Assigned Date	\$ 56.82		\$ 3.21	\$ -			\$ -	\$ -	
Plant Test Date	\$ 81.11		\$ 4.58	\$ -			\$ -	\$ -	
			\$ -	\$ -			\$ -	\$ -	
OC-3, OC-12, OC-48			\$ -	\$ -			\$ -	\$ -	
Service Order Portion to be applied to each critical date below	\$ 2.20		\$ 0.12	\$ -	\$ (3.04)		\$ 0.10	\$ -	
Design Layout Report Date	\$ 28.73		\$ 1.62	\$ -	\$ (2.63)		\$ -	\$ -	
Records Issue Date	\$ 28.73		\$ 1.62	\$ -			\$ -	\$ -	
Designed, Verified and Assigned Date	\$ 63.33		\$ 3.58	\$ -			\$ -	\$ -	
Plant Test Date	\$ 92.51		\$ 5.23	\$ -			\$ -	\$ -	
			\$ -	\$ -			\$ -	\$ -	
Due date Change Charge, per order or occasion			\$ -	\$ -			\$ -	\$ -	
DS1			\$ 0.03	\$ -	\$ (0.83)		\$ 0.02	\$ -	
DS3	\$ 0.45		\$ 0.03	\$ -	\$ (0.83)		\$ 0.02	\$ -	
OC-3, OC-12, OC-48	\$ 0.45		\$ 0.03	\$ -	\$ (0.83)		\$ 0.02	\$ -	
			\$ -	\$ -			\$ -	\$ -	
Sub-Loop Non-Recurring Charges			\$ -	\$ -			\$ -	\$ -	
Service Order Charge			\$ -	\$ -			\$ -	\$ -	
Establish, per occasion	\$ 3.62	\$ 2.25	\$ -	\$ 0.13	\$ (1.65)	\$ (1.33)	\$ 0.18	\$ 0.11	
Add or change, per occasion	\$ 3.75		\$ 0.21	\$ -	\$ (1.65)		\$ 0.18		
2-wire Analog	\$ 20.20	\$ 6.71	\$ -	\$ -	\$ (6.60)	\$ (3.34)	\$ -	\$ -	
4-wire Analog	\$ 20.20	\$ 6.71	\$ -	\$ -	\$ (6.76)	\$ (3.47)	\$ -	\$ -	
2-wire DSL	\$ 20.20	\$ 6.71	\$ -	\$ -	\$ (8.49)	\$ (3.34)	\$ -	\$ -	
4-wire DSL	\$ 20.20	\$ 6.71	\$ -	\$ -	\$ (10.50)	\$ (3.47)	\$ -	\$ -	
2-wire ISDN	\$ 20.20	\$ 6.71	\$ -	\$ -	\$ (8.17)	\$ (4.30)	\$ -	\$ -	
2-wire DS1	\$ 155.55	\$ 55.13	\$ 8.79	\$ 3.11	\$ (24.62)	\$ (10.33)	\$ -	\$ -	
DS3	\$ 172.20	\$ 68.55	\$ 9.73	\$ 3.87			\$ -	\$ -	
			\$ -	\$ -			\$ -	\$ -	
Unbundled Dark Fiber			\$ -	\$ -			\$ -	\$ -	
Dark Fiber - Interoffice			\$ -	\$ -			\$ -	\$ -	
Interoffice Inquiry (Provisioning) Charge, per request	\$ 338.03	\$ -	\$ -	\$ -			\$ -	\$ -	
Interoffice Inquiry (Service Order) Charge, per request	\$ 2.47		\$ 0.15	\$ -	\$ (1.35)		\$ 0.12	\$ -	
Interoffice Administration Charge, per order	\$ 14.35	\$ 16.19	\$ -	\$ -	\$ (1.48)	\$ (1.33)	\$ 0.13	\$ 0.09	
Interoffice Connection Charge, per strand	\$ 440.68	\$ 157.40	\$ (25.94)	\$ -	\$ (25.94)	\$ (10.45)	\$ -	\$ -	
Interoffice Cross-Connects, per strand	\$ 3.84	\$ 3.84	\$ 0.22	\$ 0.22	\$ (7.29)	\$ (6.27)	\$ -	\$ -	
Interoffice Mileage Termination			\$ -	\$ -			\$ -	\$ -	
Interoffice Mileage-per strand per foot			\$ -	\$ -			\$ -	\$ -	
Interoffice Cross Connect			\$ -	\$ -			\$ -	\$ -	
Dark Fiber - Loop/Sub-Loop			\$ -	\$ -			\$ -	\$ -	

*With ordered S and C factor

AMERITECH MICHIGAN									
ANALYSIS OF VARIANCE BETWEEN SBC MICHIGAN COMPLIANCE NRCs AS FILED AND REVISED NRC RATES									
REFLECTING CLEC COMMENTS									
UNE RATE ELEMENT	Updated Commission Ordered		Commission Ordered		SBC Proposed		AT&T Proposed		
	NRC Rate		NRC Rate Variance		NRC Rate Variance*		NRC Rate Variance*		
	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	
Loop/Sub-Loop Inquiry (Provisioning) Charge, per request	\$ 79.66		\$ -	\$ -	\$ (5.58)				
Loop/Sub-Loop Inquiry (Service Order) Charge, per request	\$ 2.47		\$ 0.15	\$ -	\$ (1.35)			\$ 0.12	
Sub-Loop Inquiry Charge, per request	\$ 79.66		\$ -	\$ -	\$ (7.27)			\$ 18.03	
Loop/Sub-Loop Administration Charge, per order	\$ 14.35	\$ 16.19	\$ -	\$ -	\$ (1.48)	\$ (1.33)		\$ 0.13	\$ 0.09
Loop/Sub-Loop Connection Charge, CO to RT/CEV/Hut; CO to Premises, per strand	\$ 338.18	\$ 17.59	\$ (19.91)	\$ 0.99	\$ (19.91)	\$ (4.08)		\$ 2.40	\$ 0.83
Sub-Loop Connection Charge, RT/CEV Hut to Premises, per strand	\$ 50.92	\$ 17.59	\$ 2.88	\$ 1.00	\$ (18.26)	\$ (3.39)		\$ 2.40	\$ 0.83
Loop/Sub-Loop Cross Connect Charge, per strand	\$ 3.59	\$ 3.60	\$ (44.46)	\$ (13.00)	\$ (5.05)	\$ (3.04)		\$ (37.05)	\$ (10.83)
Sub-Loop Cross Connect Charge, per strand	\$ -	\$ -	\$ (48.05)	\$ (16.60)	\$ (6.45)	\$ (2.94)		\$ (40.04)	\$ (13.83)
Loop/Sub-Loop Cross Connect	\$ -	\$ -	\$ -	\$ -					\$ -
			\$ -	\$ -					\$ -
Unbundled Local Switching Ports (Stand Alone)			\$ -	\$ -					\$ -
Basic Line Port	\$ 13.63	\$ 7.60	\$ -	\$ -	\$ (1.95)	\$ (1.12)		\$ 0.32	\$ 0.21
Ground Start Line Port	\$ 13.63	\$ 7.60	\$ -	\$ -	\$ (2.51)	\$ (1.43)		\$ 0.32	\$ 0.21
ISDN-Direct Port	\$ 46.68	\$ 24.97	\$ -	\$ -	\$ (3.88)	\$ (2.34)		\$ 0.69	\$ 0.59
DID Trunk Port	\$ 41.37	\$ 23.79	\$ 2.34	\$ 1.34	\$ (10.69)	\$ (6.94)		\$ 1.95	\$ 1.12
DID Trunk Port-add/rearrange each termination	\$ 16.08		\$ -	\$ -	\$ (5.48)			\$ 0.72	
ISDN Prime Trunk Port	\$ 84.37	\$ 45.07	\$ 4.77	\$ 2.55	\$ (24.86)	\$ (13.60)		\$ 3.97	\$ 2.12
ISDN Prime Trunk Port-add/rearrange channels	\$ 16.08		\$ -	\$ -	\$ (5.95)			\$ 0.72	
Digital Trunking Trunk Port	\$ 60.76	\$ 24.97	\$ 3.43	\$ -	\$ (13.96)	\$ (5.95)		\$ 2.86	\$ 1.10
ULS Trunk Port	\$ 106.37	\$ 84.41	\$ -	\$ -	\$ (13.96)	\$ 7.12		\$ 2.86	\$ 1.10
Centrex Basic Line Port	\$ 13.63	\$ 7.60	\$ -	\$ -	\$ (1.95)	\$ (1.12)		\$ 0.32	\$ 0.21
Centrex ISDN Line Port	\$ 46.68	\$ 24.97	\$ -	\$ -	\$ (3.88)	\$ (2.41)		\$ 0.69	\$ 0.59
Centrex EKL Line Port	\$ 44.61	\$ 24.97	\$ (2.07)	\$ -	\$ (3.42)	\$ (1.92)		\$ 0.51	\$ 0.40
Centrex Attendant Console Line Port	\$ 46.68	\$ 24.97	\$ -	\$ -	\$ (5.86)	\$ (3.37)		\$ 0.32	\$ 0.21
Conversion Charge, per Order (change from one type of line-port to another)	\$ 0.16		\$ 0.01	\$ -	\$ (0.04)			\$ 0.01	
			\$ -	\$ -				\$ -	\$ -
Centrex System Charges			\$ -	\$ -				\$ -	\$ -
Centrex Common Block Establishment, each	\$ 91.75	\$ 71.17	\$ -	\$ -	\$ (45.16)	\$ (15.23)		\$ 4.78	\$ 3.33
Centrex System Features Change or Rearrangement, per feature, per occasion	\$ 68.92		\$ (5.29)	\$ -	\$ (5.29)			\$ 2.10	
Centrex System Feature Activation, per feature, per occasion	\$ 44.64	\$ 72.50	\$ 2.52	\$ (1.61)	\$ (5.29)	\$ (5.56)		\$ 2.10	\$ 2.06
			\$ -	\$ -				\$ -	\$ -
Service Ordering Charges			\$ -	\$ -				\$ -	\$ -
Service Ordering - Initial - Basic Port	\$ 3.46	\$ 1.77	\$ -	\$ -	\$ (4.70)	\$ (2.22)		\$ 0.03	\$ 0.02
Service Ordering - Initial - Complex Port	\$ 34.49	\$ 8.60	\$ -	\$ -	\$ (6.71)	\$ (2.69)		\$ 0.25	\$ 0.09
Service Ordering - Initial - ULS Trunk Port	\$ 73.38	\$ 1.86	\$ -	\$ 0.11	\$ (6.71)	\$ (2.69)		\$ 0.25	\$ 0.09
Service Ordering - Record Order - Basic Port	\$ 2.13		\$ -	\$ -	\$ (1.72)			\$ 0.02	
Service Ordering - Record Order - Complex Port	\$ 2.13		\$ -	\$ -	\$ (1.72)			\$ 0.02	
Service Ordering - Record Order - ULS Trunk Port	\$ 2.13		\$ -	\$ -	\$ (1.72)			\$ 0.02	
Service Ordering - Subsequent - Basic Port	\$ 3.65		\$ -	\$ -	\$ (0.93)			\$ 0.02	
Service Ordering - Subsequent - Complex Port	\$ 5.34		\$ 0.30	\$ -	\$ (6.71)			\$ 0.25	
Service Ordering - Subsequent - ULS Trunk Port	\$ 5.34		\$ 0.30	\$ -	\$ (6.71)			\$ 0.25	
			\$ -	\$ -				\$ -	\$ -
ULS Billing Establishment, per carrier (6/7/2002 replaces rate element ULS Billing Est., per carrier, per switch)	\$ 2,399.23		\$ 135.52	\$ -	\$ (289.16)			\$ 112.93	\$ -
Custom Routing			\$ -	\$ -				\$ -	\$ -
Custom Routing, via LCC - New LCC, per LCC, per switch	\$ 259.04		\$ -	\$ -	\$ (26.90)			\$ 10.23	
Custom Routing, via LCC - New Network Routing, per route, per switch	\$ 29.77	\$ 29.23	\$ 1.68	\$ 1.65	\$ (6.23)			\$ 1.40	\$ 1.38
Custom Routing, via AIN, of OS / DA per route, per switch	\$ 29.77	\$ 29.77	\$ 1.68	\$ 1.68	\$ (6.86)	\$ (6.87)		\$ 1.40	\$ 1.40
			\$ -	\$ -				\$ -	\$ -
Port Feature Add / Change Translation Charge			\$ -	\$ -				\$ -	\$ -
Initial (1st) feature per port, per order (Cost Represent Blending of Initial and Additional)			\$ -	\$ -				\$ -	\$ -
Basic	\$ 0.10	\$ 0.10	\$ 0.01	\$ 0.01	\$ (0.04)	\$ (0.05)		\$ 0.00	\$ 0.00
Ground Start / PBX	\$ 0.09	\$ 0.09	\$ 0.00	\$ 0.00	\$ (0.04)	\$ (0.05)		\$ 0.00	\$ 0.00
ISDN Direct	\$ 0.15	\$ 0.15	\$ 0.01	\$ 0.01	\$ (0.06)	\$ (0.06)		\$ 0.01	\$ 0.01

*With ordered S and C factor

AMERITECH MICHIGAN									
ANALYSIS OF VARIANCE BETWEEN SBC MICHIGAN COMPLIANCE NRCs AS FILED AND REVISED NRC RATES									
REFLECTING CLEC COMMENTS									
UNE RATE ELEMENT	Updated Commission Ordered		Commission Ordered		SBC Proposed		AT&T Proposed		
	NRC Rate		NRC Rate Variance		NRC Rate Variance*		NRC Rate Variance*		
	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	
ISDN Prime	\$ 13.85	\$ 13.44	\$ 0.78	\$ 0.76	\$ (2.25)	\$ (2.35)	\$ 0.65	\$ 0.63	
Digital Trunking	\$ 8.74	\$ 8.74	\$ 0.49	\$ 0.49	\$ (1.41)	\$ (1.52)	\$ 0.41	\$ 0.41	
ULS Trunk	\$ 8.74	\$ 8.74	\$ 0.49	\$ 0.49	\$ (1.41)	\$ (1.52)	\$ 0.41	\$ 0.41	
			\$ -	\$ -					\$ -
Cancellation or Change (Provisioning) Charge per last critical date reached			\$ -	\$ -					\$ -
BASIC LINE PORT			\$ -	\$ -					\$ -
Service Order Portion to be applied to each critical date below	\$ 0.28		\$ 0.02	\$ -	\$ (2.30)		\$ 0.01		
Design Layout Report Date			\$ (3.62)	\$ -					
Records Issue Date			\$ (8.63)	\$ -					
Designed, Verified and Assigned Date	\$ 17.09		\$ -	\$ -	\$ (2.48)		\$ 0.31		
Plant Test Date	\$ 17.09		\$ -	\$ -	\$ (2.51)		\$ 0.32		
			\$ -	\$ -					
Complex Line Port			\$ -	\$ -					
Service Order Portion to be applied to each critical date below	\$ 3.59		\$ 0.20	\$ -	\$ (4.59)		\$ 0.17		
Design Layout Report Date			\$ (34.64)	\$ -					
Records Issue Date			\$ (41.28)	\$ -					
Designed, Verified and Assigned Date	\$ 6.67		\$ 0.38	\$ -	\$ (2.93)		\$ 0.31		
Plant Test Date	\$ 21.50		\$ 1.21	\$ -	\$ (4.68)		\$ 1.01		
			\$ -	\$ -			\$ -		
Trunk Port			\$ -	\$ -					
Service Order Portion to be applied to each critical date below	\$ 3.59		\$ 0.20	\$ -	\$ (4.59)		\$ 0.17		
Design Layout Report Date			\$ (21.67)	\$ -					
Records Issue Date			\$ (172.80)	\$ -					
Designed, Verified and Assigned Date	\$ 14.56		\$ 0.82	\$ -	\$ (5.26)		\$ 0.69		
Plant Test Date	\$ 179.75		\$ -	\$ -	\$ (13.96)		\$ 2.86		
			\$ -	\$ -					
New Line Class Code			\$ -	\$ -					
Translations: writing, accepting, and testing	\$ 246.09		\$ -	\$ -	\$ (26.87)		\$ 10.45		
Plant Test Date	\$ 259.04		\$ -	\$ -	\$ (26.87)		\$ 10.45		
			\$ -	\$ -					\$ -
New Network Routing			\$ -	\$ -					\$ -
Translations: writing, accepting, and testing	\$ 29.74		\$ 1.68	\$ -	\$ (3.53)		\$ 1.40		
Plant Test Date	\$ 29.74		\$ 1.68	\$ -	\$ (3.53)		\$ 1.40		
			\$ -	\$ -					\$ -
Due date change charge per order per occasion			\$ -	\$ -					\$ -
Basic Line Port	\$ 3.46		\$ -	\$ -	\$ (1.25)		\$ 0.01		
Trunk Port	\$ 0.81		\$ 0.05	\$ -	\$ (1.25)		\$ 0.04		
Complex Line Port	\$ 0.81		\$ 0.05	\$ -	\$ (1.25)		\$ 0.04		
			\$ -	\$ -					\$ -
Unbundled Tandem Switch Trunk Port (DS1)			\$ -	\$ -					\$ -
Initial charge (per DS1)	\$ 113.40	\$ 23.29	\$ (8.70)	\$ 1.32	\$ (8.70)	\$ (3.11)	\$ 2.86	\$ 1.10	
DS1 Tandem Trunk Port Change, per Port	\$ 19.92		\$ 19.92	\$ -	\$ 82.95		\$ 16.60	\$ 0.09	
Service Charge per order	\$ 52.70	\$ 1.86	\$ -	\$ 0.11	\$ (4.29)	\$ (2.87)	\$ 0.15	\$ 0.09	
Cancellation or Change Service Charge per last critical date reached									
DS1 Tandem Trunk Port									
Service Order Portion to be applied to each critical date below	\$ 2.18		\$ 0.13	\$ -	\$ (2.93)		\$ 0.11		
Design Layout Report Date	\$ -								
Records Issue Date									
Designed, Verified and Assigned Date									
Plant Test Date	\$ 46.20		\$ 2.61	\$ -	\$ (8.70)		\$ 2.17		
Tandem Trunk Port Due Date Change Charge, per order per occasion	\$ 0.60		\$ 0.03	\$ -	\$ (0.99)		\$ 0.03		

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AMERITECH MICHIGAN									
ANALYSIS OF VARIANCE BETWEEN SBC MICHIGAN COMPLIANCE NRCs AS FILED AND REVISED NRC RATES									
REFLECTING CLEC COMMENTS									
UNE RATE ELEMENT	Updated Commission Ordered		Commission Ordered		SBC Proposed		AT&T Proposed		
	NRC Rate		NRC Rate Variance		NRC Rate Variance*		NRC Rate Variance*		
	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	
UNE - P Migration Service Order NRC Charge									
Simple Electronic	\$ 0.50	\$ 0.19	\$ 0.10	\$ 0.01	\$ (0.47)	\$ (0.31)	\$ 0.02	\$ 0.01	
Simple Manual	\$ 24.33	\$ 12.06	\$ (2.13)	\$ 0.68	\$ (2.60)	\$ (1.23)	\$ (1.78)	\$ 0.57	
Complex Electronic	\$ 37.12	\$ 1.48	\$ (4.59)	\$ 0.08	\$ (2.18)	\$ (0.41)	\$ (1.86)	\$ 0.07	
Complex Manual	\$ 41.70	\$ 16.06	\$ (21.38)	\$ 0.91	\$ (6.83)	\$ (1.59)	\$ (22.04)	\$ 0.76	
New UNE - P Service Order NRC Charge									
Simple Electronic	\$ 0.40	\$ 0.19		\$ 0.01	\$ (0.62)	\$ (0.31)	\$ 0.02	\$ 0.01	
Simple Manual	\$ 28.05	\$ 12.06	\$ 1.58	\$ 0.68	\$ (2.60)	\$ (1.23)	\$ 1.32	\$ 0.57	
Complex Electronic	\$ 37.12	\$ 1.48		\$ 0.08	\$ (2.18)	\$ (0.41)	\$ 0.32	\$ 0.07	
Complex Manual	\$ 66.86	\$ 16.06	\$ 3.78	\$ 0.91	\$ (6.83)	\$ (1.59)	\$ 3.15	\$ 0.76	
New UNE-P Port Connection									
Basic Line Port	\$ 0.15	\$ 0.15	\$ 0.01	\$ 0.01	\$ (0.05)	\$ (0.06)	\$ 0.01	\$ 0.01	
Ground Start Line Port	\$ 0.15	\$ 0.15	\$ 0.01	\$ 0.01	\$ (0.05)	\$ (0.06)	\$ 0.01	\$ 0.01	
ISDN-Direct Port	\$ 8.02	\$ 8.02	\$ 0.45	\$ 0.45	\$ (0.95)	\$ (1.02)	\$ 0.38	\$ 0.38	
DID Trunk Port	\$ 16.96	\$ 12.39	\$ (15.76)	\$ (5.73)	\$ (1.00)	\$ (0.73)	\$ 1.63	\$ 0.90	
ISDN Prime Trunk Port	\$ 69.44	\$ 37.12	\$ 3.92	\$ 2.10	\$ (19.48)	\$ (10.68)	\$ 3.27	\$ 1.75	
Digital Trunking Trunk Port	\$ 46.17	\$ 15.22	\$ 2.61	\$ 0.86	\$ (8.72)	\$ (3.05)	\$ 2.17	\$ 0.72	
ULS Trunk Port	\$ 46.17	\$ 15.22	\$ 2.61	\$ 0.86	\$ (3.14)	\$ (3.05)	\$ 2.17	\$ 0.72	
Centrex Basic Line Port	\$ 0.15	\$ 0.15	\$ 0.01	\$ 0.01	\$ (0.05)	\$ (0.06)	\$ 0.01	\$ 0.01	
Centrex ISDN Line Port	\$ 8.02	\$ 8.02	\$ 0.45	\$ 0.45	\$ (0.95)	\$ (1.02)	\$ 0.38	\$ 0.38	
Centrex EKL Line Port	\$ 4.16	\$ 4.16	\$ 0.23	\$ 0.23	\$ (0.40)	\$ (0.43)	\$ 0.20	\$ 0.20	
Centrex Attendant Console Line Port	\$ 0.44	\$ 0.44	\$ 0.02	\$ 0.02	\$ (0.16)	\$ (0.17)	\$ 0.02	\$ 0.02	
Special Access to UNE Loop and Transport									
Project Administrative Charge, per service order	\$ 4.55		\$ 0.26	\$ -	\$ (1.85)		\$ 0.21		
Channelized DS3 - Design & Coordination (with mileage)	\$ 4.68		\$ 0.26	\$ -	\$ (13.49)		\$ 0.22		
Channelized DS3 - Demarcation Re-tag (with mileage)									
Channelized DS1 - Design & Coordination (with mileage)	\$ 4.60		\$ 0.26	\$ -	\$ (11.81)		\$ 0.22		
Channelized DS1 - Demarcation Re-tag (with mileage)									
Non-Channelized DS3 - Design & Coordination (with mileage)	\$ 1.20		\$ 0.07	\$ -	\$ (0.71)		\$ 0.06		
Non-Channelized DS3 - Demarcation Re-tag (with mileage)									
Non-Channelized DS1 - Design & Coordination (with mileage)	\$ 1.20		\$ 0.07	\$ -	\$ (0.71)		\$ 0.06		
Non-Channelized DS1 - Demarcation Re-tag (with mileage)									
Non-Channelized DS0 - Design & Coordination (with mileage)	\$ 1.20		\$ 0.07	\$ -	\$ (0.71)		\$ 0.06		
Non-Channelized DS0 - Demarcation Re-tag (with mileage)									
Channelized DS3 - Design & Coordination (without mileage)	\$ 4.79		\$ 0.27	\$ -	\$ (14.00)		\$ 0.23		
Channelized DS3 - Demarcation Re-tag (without mileage)									
Channelized DS1 - Design & Coordination (without mileage)	\$ 4.60		\$ 0.26	\$ -	\$ (12.20)		\$ 0.22		
Channelized DS1 - Demarcation Re-tag (without mileage)									
Non-Channelized DS3 - Design & Coordination (without mileage)	\$ 1.20		\$ 0.07	\$ -	\$ (0.71)		\$ 0.06		
Non-Channelized DS3 - Demarcation Re-tag (without mileage)									
Non-Channelized DS1 - Design & Coordination (without mileage)	\$ 1.20		\$ 0.07	\$ -	\$ (0.71)		\$ 0.06		
Non-Channelized DS1 - Demarcation Re-tag (without mileage)									
Non-Channelized DS0 - Design & Coordination (without mileage)	\$ 1.20		\$ 0.07	\$ -	\$ (0.71)		\$ 0.06		

*With ordered S and C factor

AMERITECH MICHIGAN									
ANALYSIS OF VARIANCE BETWEEN SBC MICHIGAN COMPLIANCE NRCs AS FILED AND REVISED NRC RATES									
REFLECTING CLEC COMMENTS									
UNE RATE ELEMENT	Updated Commission Ordered		Commission Ordered		SBC Proposed		AT&T Proposed		
	NRC Rate		NRC Rate Variance		NRC Rate Variance*		NRC Rate Variance*		
	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	Non-Recurring - Connect	Non-Recurring - Disconnect	
Non-Channelized DS0 - Demarcation Re-tag (without mileage)									
Enhanced Extended Loop (EEL)									
2W Analog Loop Connection - Initial	\$ 7.77	\$ 4.54	\$ 0.44	\$ 0.46	\$ (13.43)	\$ -	\$ 0.37	\$ 0.38	
2W Analog Loop Connection - Additional	\$ 4.32	\$ 2.69	\$ 0.24	\$ 0.15	\$ (9.32)	\$ -	\$ 0.20	\$ 0.13	
4W Analog Loop Connection - Initial	\$ 16.12	\$ 7.93	\$ 0.91	\$ 0.45	\$ (14.22)	\$ -	\$ 0.76	\$ 0.37	
4W Analog Loop Connection - Additional	\$ 8.46	\$ 5.53	\$ 0.48	\$ 0.31	\$ (10.12)	\$ -	\$ 0.40	\$ 0.26	
2W Digital Loop Connection - Initial	\$ 7.77	\$ 4.54	\$ 0.44	\$ 0.26	\$ (20.72)	\$ -	\$ 0.37	\$ 0.21	
2W Digital Loop Connection - Additional	\$ 4.32	\$ 2.69	\$ 0.24	\$ 0.15	\$ (11.79)	\$ -	\$ 0.20	\$ 0.13	
4W DS1 Digital Loop Connection - Initial	\$ 71.46	\$ 15.16	\$ 4.04	\$ 0.86	\$ (23.34)	\$ -	\$ 3.36	\$ 0.71	
4W DS1 Digital Loop Connection - Additional	\$ 46.37	\$ 8.55	\$ 2.62	\$ 0.48	\$ (13.20)	\$ -	\$ 2.18	\$ 0.40	
Central Office Multiplexing DS1 to Voice - Initial	\$ 10.86	\$ 4.63	\$ 0.61	\$ 0.26	\$ (11.03)	\$ -	\$ 0.51	\$ 0.22	
Central Office Multiplexing DS1 to Voice - Additional	\$ 9.34	\$ 2.61	\$ 0.53	\$ 0.15	\$ (4.74)	\$ -	\$ 0.44	\$ 0.12	
DS1 Interoffice Dedicated Transport Collocated - Initial	\$ 62.28	\$ 39.45	\$ 3.52	\$ -	\$ (15.48)	\$ -	\$ 2.93		
DS1 Interoffice Dedicated Transport Collocated - Additional	\$ 46.69	\$ 39.45	\$ 2.64	\$ -	\$ (9.92)	\$ -	\$ 2.20		
DS1 Dedicated Transport Non-Collocated - Initial	\$ 237.52	\$ 226.44	\$ 72.18	\$ 160.49	\$ (28.40)	\$ -	\$ 60.15	\$ 133.74	
DS1 Dedicated Transport Non-Collocated - Additional	\$ 151.05	\$ 134.31	\$ 52.59	\$ 118.08	\$ (16.07)	\$ -	\$ 43.82	\$ 98.40	
4-Wire DS1 Digital Loop to DS1 Interoffice Dedicated Transport Collocated - Initial	\$ 388.81	\$ 69.89		\$ 3.95	\$ (28.53)	\$ -	\$ 8.25	\$ 3.29	
4-Wire DS1 Digital Loop to DS1 Interoffice Dedicated Transport Collocated - Additional	\$ 104.35	\$ 39.45	\$ 5.89	\$ -	\$ (16.09)	\$ -	\$ 4.91		
4-Wire DS1 Digital Loop to DS1 Dedicated Transport Non-Collocated - Initial	\$ 628.62	\$ -							
4-Wire DS1 Digital Loop to DS1 Dedicated Transport Non-Collocated - Additional	\$ -	\$ -							
DS3 Interoffice Dedicated Transport Collocated - Initial	\$ 81.94	\$ 24.75	\$ 4.63	\$ 1.40	\$ (15.96)	\$ -	\$ 3.85	\$ 1.17	
DS3 Interoffice Dedicated Transport Collocated - Additional	\$ 37.84	\$ 14.23	\$ 2.14	\$ 0.81	\$ (7.92)	\$ -	\$ 1.78	\$ 0.68	
DS3 Dedicated Transport Non-Collocated - Initial	\$ 260.74	\$ 94.65	\$ 14.73	\$ 5.34	\$ (18.66)	\$ -	\$ 12.27	\$ 4.45	
DS3 Dedicated Transport Non-Collocated - Additional	\$ 83.58	\$ 31.44	\$ 4.72	\$ 1.79	\$ (8.80)	\$ -	\$ 3.93	\$ 1.49	
Clear Channel Capability - Initial	\$ 79.09		\$ 4.47	\$ (7.62)	\$ (6.13)		\$ 3.72		
Clear Channel Capability - Additional	\$ 22.77			\$ (7.62)	\$ (1.34)		\$ 1.33		
Electronic - Analog/2-Wire Digital Loop - Establish Service Ordering Charge, Per Service Request, ASR or LSR	\$ 0.26	\$ 0.26	\$ 0.01	\$ 0.01	\$ (2.27)	\$ -	\$ 0.01	\$ 0.01	
Electronic Subsequent Order - Analog/2-Wire Digital EEL Loop, per Request, ASR or LSR	\$ 0.26	\$ -	\$ 0.01	\$ -	\$ (2.08)		\$ 0.01		
Manual - Analog/2-Wire Digital Loop - Establish Service Ordering Charge, Per Service Request, ASR or LSR	\$ 50.03	\$ 33.43	\$ 2.85	\$ 1.90	\$ (4.88)	\$ -	\$ 2.37	\$ 1.58	
Manual Subsequent Order - Analog/2-Wire Digital EEL Loop, per Request, ASR or LSR	\$ 46.87	\$ -	\$ 2.66	\$ -	\$ (4.61)		\$ 2.22		
Electronic - DS1 Loop - Establish Service Ordering Charge, Per Service Request, ASR or LSR	\$ 3.75	\$ 2.25	\$ 0.21	\$ 0.13	\$ (2.51)	\$ -	\$ 0.18	\$ 0.11	
Electronic Subsequent Order - DS1 EEL Loop, per Request, ASR or LSR	\$ 3.13	\$ -	\$ 0.18	\$ -	\$ (2.08)		\$ 0.15		
Manual - DS1 Loop - Establish Service Ordering Charge, Per Service Request, ASR or LSR	\$ 55.37	\$ 33.43	\$ 3.15	\$ 1.90	\$ (5.34)	\$ -	\$ 2.63	\$ 1.58	
Manual Subsequent Order - DS1 EEL Loop, per Request, ASR or LSR	\$ 46.87	\$ -	\$ 2.66	\$ -	\$ (4.61)		\$ 2.22		
Electronic - DS1, DS3 Transport - Establish Service Ordering Charge, Per Service Request, ASR or LSR	\$ 3.32	\$ 2.25	\$ 0.19	\$ 0.13	\$ (2.62)	\$ -	\$ 0.16	\$ 0.11	
Manual - DS1, DS3 Transport - Establish Service Ordering Charge, Per Service Request, ASR or LSR	\$ 57.75	\$ 33.43	\$ 3.29	\$ 1.90	\$ (5.55)	\$ -	\$ 2.74	\$ 1.58	
Electronic - Non-channelized DS1 EEL - Establish Service Ordering Charge, Per Service Request, ASR or LSR	\$ 3.75	\$ 2.25	\$ 0.21	\$ 0.13	\$ (2.51)	\$ -	\$ 0.18	\$ 0.11	
Manual - Non-channelized DS1 EEL - Establish Service Ordering Charge, Per Service Request, ASR or LSR	\$ 85.21	\$ 33.43		\$ 1.90	\$ (5.34)	\$ -	\$ 2.63	\$ 1.58	
Electronic - Central Office Multiplexing - DS1 to Voice - Establish Serv. Ord. Chg. Per Service Request, ASR or LSR	\$ 4.22	\$ 2.05	\$ 0.24	\$ 0.12	\$ (2.62)	\$ -	\$ 0.20	\$ 0.10	
Manual - Central Office Multiplexing - DS1 to Voice - Establish Serv. Ord. Chg. Per Service Request, ASR or LSR	\$ 57.75	\$ 33.43	\$ 3.29	\$ 1.90	\$ (5.55)	\$ -	\$ 2.74	\$ 1.58	

*With ordered S and C factor

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission's own)
motion, to review the costs of)
telecommunications services provided)
by SBC Michigan)

Case No. U-13531

PROOF OF SERVICE

STATE OF MICHIGAN)
) ss
COUNTY OF INGHAM)

Mindy D. Smith, being first duly sworn, deposes and says that she is employed at Dickinson Wright PLLC, and that on January 10, 2005, she caused a copy of SBC Michigan's Response to Objections to Compliance Cost Filing to be served upon the parties listed below via email and overnight mail.

Administrative Law Judge
Hon. James N. Rigas
Michigan Public Service Commission
6545 Mercantile Way, Suite 14
Lansing, MI 48911
email: jnrigas@Michigan.gov

AT&T Communications of Michigan, Inc.
and TCG Detroit
Arthur J. LeVasseur
Fischer, Franklin & Ford
500 Griswold Street, Suite 3500
Detroit, MI 48226-3808

John J. Reidy III
AT&T Corp.
222 W. Adams, Suite 1500
Chicago, IL 60606
email: levasseur@fischerfranklin.com
jjreidy@att.com

Covad Communications Company
WorldCom
Albert Ernst
Christine Mason Soneral
Dykema Gossett PLLC
124 W. Allegan, Suite 800
Lansing, MI 48933
email: aernst@dykema.com
cmason@dykema.com

James R. Denniston
WorldCom
205 North Michigan Avenue
11th Floor
Chicago, IL 60601
email: james.denniston@mci.com

Jason Wakefield
Covad Communications Company
100 Congress Avenue, Suite 2000
Austin, TX 78701

CLECA
LDMI Telecommunications, Inc.
McLeodUSA Telecommunications Services
Sprint Communications Company
TruComm Corporation
Roderick S. Coy
Leland R. Rosier
Haran C. Rashes
212 East Grand River Avenue
Lansing, MI 48906
email: rcoy@clarkhill.com,
lrrosier@clarkhill.com
hrashes@clarkhill.com

Sprint Communications Company
Brett Leopold
6450 Sprint Parkway
Mailstop: KSOPHN0121-2A461
Overland Park, KS 66251

Attorney General's Consultant
Bion Ostrander
Ostrander Consulting
1121 SW Chetopa Trail
Topeka, KS 66615-1408

Talk America, Inc.
TDS Metrocom, Inc.
XO Michigan, Inc.
Z-TEL Communications
Michael S. Ashton
Fraser, Trebilcock Davis & Dunlap, P.C.
1000 Michigan National Tower
Lansing, MI 48933
email: mashton@fraserlawfirm.com

MPSC Staff
Steven D. Hughey
Assistant Attorney General, MPSC
6545 Mercantile Way, Suite 15
Lansing, MI 48911
email: hugheys@michigan.gov

Attorney General
Michael E. Moody
Assistant Attorney General
6th Floor, G. Mennen Williams Building
525 W. Ottawa Street
Lansing, MI 48913
email: MoodyME@michigan.gov

MPSC Staff
Tom Saghy
Elizabeth Durbin
Communications Division
Michigan Public Service Commission
6545 Mercantile Way
Lansing, MI 48911

Climax Telephone Company

Harvey J. Messing
Michael C. Rampe
LOOMIS, EWERT, PARSLEY
DAVIS & GOTTING, P.C.
232 S. Capitol Ave., Suite 1000
Lansing, MI 48933-1525
hjmessing@loomislaw.com
mcrampe@loomislaw.com

TruComm Communication

Henry T. Kelly
Joseph E. Donovan
Kelley Drye & Warren LLP
333 West Wacker Drive
Chicago, IL 60606
hkelly@kelleydrye.com
jdonovan@kelleydrye.com

Enrico C. Soriano
Kelley Drye & Warren LLP
1200 19th Street, N.W., Fifth Floor
Washington, DC 20036
esoriano@kelleydrye.com

Mindy D. Smith

Subscribed and sworn to before me,
a Notary Public in and for said County,
this 10th day of January, 2005.

Alicia M. Ball, Notary Public
Ingham County, Michigan
Acting in Ingham County
My Commission Expires: 01/07/06