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November 15, 2000

Ms. Dorothy Wideman
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RE: MPSC Case No. U-12598

Dear Ms. Wideman:

Enclosed for filing is the original and four copies of the **"Attorney General's Reply Brief,"** together with Proof of Service upon all parties.

Very truly yours,

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ONI:leg
Encs.
c: George Schankler, ALJ
All Parties of Record

MPSC U-12598 Cover Letter

PROOF OF SERVICE

MPSC Case No. U-12598

The undersigned certifies that a copy of **"Attorney General's Reply Brief"** was served upon the parties listed below by mailing the same to them at their respective addresses with first class postage fully prepaid thereon, or by State Interdepartmental mail as indicated, on the 15th day of November, 2000.

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STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission's own motion, to establish service quality standards, including enforcement provisions, for Ameritech Michigan. _______________________________/	Case No. U-12598

ATTORNEY GENERAL'S REPLY BRIEF

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ATTORNEY GENERAL'S REPLY BRIEF

INTRODUCTION

Attorney General Jennifer M. Granholm files the following Reply Brief in accordance with the schedule established in this proceeding. This Reply Brief will primarily address the initial briefs filed by Ameritech Michigan (AM) and the Michigan Public Service Commission (MPSC) Staff.

REPLY TO AMERITECH'S INITIAL BRIEF

A. The Need for Updated and New Service Quality Standards Has Been Established

At page 21 of its brief, AM asserts that the need for enhanced service quality standards has not been met. This assertion flies in the face of the record in this case. The testimony of the Attorney General and Staff clearly show the need for updated and new service quality standards. The testimony of Mr. Ostrander on behalf of the Attorney General, as well as that of Mr. Ronald Choura on behalf of Staff, clearly establish the need for improved service quality. Moreover, pages 7 through 24 of the Attorney General's Initial Brief fully address this issue. However, in response to the parties' initial briefs, Attachment A to this brief is the Attorney General's current position on service quality and reflects an update to her original Attachment A filed with the Initial Brief – and includes several changes.

AM's assertion that enhanced standards are not necessary may be perceived as nothing more than ultimate denial and refusal to accept responsibility for its unprecedented poor service quality in Michigan. Indeed, recent FCC reports show that Michigan has the worst overall service quality among all SBC and Ameritech states (Exhibit I-5). Ameritech Michigan's position in this case is utterly preposterous, the Attorney General believes it is illogical to have what is probably the worst service quality in the nation (and definitely the worst among 12 other SBC and Ameritech states) and still argue that no change in service quality standards is warranted – nonetheless, that is AM's position in this case.

One of the most significant problems has been delays in installation of telephones for customers. Access and availability to telephones is a practical necessity in today's society and has life and death implications. However, Michigan currently has no service standard requiring that telephones be installed in a prescribed amount of time. As a result, AM has abused this situation and allowed requests for telephone installations to accumulate to outrageously high levels. Based on information available to the Attorney General, the commonly accepted industry standard for service installation is about five days. However, AM's poor service quality has contributed to delays exceeding 30 days for 117 residential customers, and 2,888 missed installation commitments for just the month of June 2000.[1] The situation with delays and missed

[1] SBC/AM service quality results filed with the FCC in Docket No. 98-141, per Exhibit I-5 of Mr. Ostrander's testimony regarding service installation.

installations has not improved since June 2000, but has gotten worse, even though AM has been alerted to the need to improve service quality. This is clear indication that the absence of an enforceable service standard for telephone installation has resulted in AM delaying any remedy in this extremely important area.

Absent any service standards for telephone installation, there is arguably no legal or enforceable requirement for AM to cure this situation or even give it any attention. In fact, absent any specific service standard for telephone installation, AM would have very little incentive to address this concern. Correspondingly, AM would be highly motivated to devote its attention to areas where specific standards exist and it is liable for failure to meet those standards. Telephone installation is only one example of a new standard which is necessary and is proposed by the Attorney General, other updated and new standards are also required.

B. Specific Standards for AM are Appropriate, Reasonable and Not Unduly Burdensome

At page 22 of its brief, AM asserts that the Attorney General is proposing service standards which are among the strictest in the country. Unfortunately, AM's assertions are not supported by the record in this proceeding. Despite making this global assertion that the Attorney General's recommendations are among the strictest, AM cites only two standards where the Attorney General's recommendation is stricter than one other state. And even at that, AM has the facts completely wrong for one standard, and for the other standard the Attorney General has shown that the standard is not as strict as other states. Consequently, at best AM has found one standard recommended by the Attorney General which is stricter than one other state, across the entire United States (although the Attorney General shows that even in this case there are several states with stricter standards). This is hardly an indication that the Attorney General's recommendations are overly strict, especially in light of the fact that the Attorney General has cited numerous cases where her proposed standards are more lenient than other states.

In footnote 19 of its brief at page 22, AM states that Mr. Ostrander recommends a repair interval of 24 hours in Michigan, whereas the Kansas service standard is a repair interval of 30 hours. In fact, the opposite of AM's contention is true and Mr. Ostrander's recommendation is shown to be more lenient than Kansas in this area. The Attorney General recommends that the repair interval remain at the current Michigan standard of 36 hours, which is more lenient than Kansas which requires that repairs be completed in 30 hours. This is explained at page 17 of the Attorney General's Initial Brief, and in Mr. Ostrander's testimony (4 Tr. 255). Where AM becomes confused is that Mr. Ostrander recommends keeping the same 36 hour interval for repairs, but he proposes a new standard that 95% of Out of Service ("OOS") conditions be cured within 24 hours (4 Tr. 256). This is neither an overly strict standard, nor is it overly burdensome, and generally appears to be the industry standard. Mr. Ostrander indicates that both Illinois and Wisconsin require this same standard for OOS conditions. Also, Texas and Ohio require stricter standards than those proposed by the Attorney General, Texas requires 90% of OOS conditions be cured within eights hours, and Ohio requires 100% cured within 24 hours (4 Tr. 257).

In its only other example in support of its assertion that the Attorney General's standards are too strict, AM states at footnote 19 that Kansas requires a trouble report standard of 6 to 10 reports per 100 access lines. In comparison, the Attorney General recommends that trouble reports should not exceed 4 per 100 lines. (Attachment A to this brief, 4 Tr. 257-258). While the Attorney General's recommendation may be slightly stricter than the Kansas standard, it is not as strict as Texas and Ohio, which both require that trouble reports not exceed 3 per 100 access lines (4 Tr. 257). In addition, it should be noted that states such as Kansas are justified in having a relaxed standard since Southwestern Bell has never had a history of service problems and the FCC service quality reports attest to this fact (Exhibit I-5).

The Attorney General acknowledges the fact that some states have more lenient standards than Michigan, but Mr. Ostrander proposed standards which are appropriate, reasonable, and are not overly strict since they are generally more lenient than other states. The fact that some states have more lenient standards than Michigan certainly does not justify a relaxation of standards for AM – especially given the problems with AM's service quality, this would be a move in the wrong direction. An overall relaxation of standards would be an invitation to further abuse of these standards by AM, and would reward them for their current lack of attention to correcting critical service quality problems.

Mr. Ostrander performed a detailed and lengthy analysis of service quality by reviewing standards in other states and analyzing other issues (4 Tr. 286-287). In comparison, AM has not performed any analysis of service quality standards in any state, despite its ongoing service quality problems which have continued for well over a year. The record does not include any information by AM which indicates they have analyzed standards in other states. The absence of analysis by AM is not a reason to delay these proceedings, especially since the Attorney General was able to conduct a detailed review of these issues in a much shorter time frame and with far fewer resources and personnel than AM – and has built a very good record for the MPSC to rely upon in this area. Contrary, to AM's arguments, the Attorney General's proposed service quality standards are appropriate, reasonable, and not overly strict or burdensome.

C. <u>Cost Studies for Reasonable Service Quality Standards Are Not Necessary</u>

In an attempt to divert attention from its deplorable service quality and ways to improve customer satisfaction, AM argues that cost studies for service quality standards be performed before new or revised standards are put in place. It is very clear that customers have already endured enough sacrifices and poor service quality without AM's attempt to add insult to injury by promoting further delays in the restoration of satisfactory standards in service quality and provide restitution to customers.

AM's argument is a clear indication that it is willing to sacrifice service quality for substantially increased revenues and earnings in recent periods. Customer dissatisfaction and complaint levels are already at record levels in Michigan. AM has consistently had the largest percent of dissatisfied residential customers among all SBC and Ameritech states by a wide margin over the last year (4 Tr. 249, 261-262 and Exhibit I-5). Additional delays are not prudent or supported by the record in this case. In light of AM's attitude toward its service quality problems, it is not surprising its customers are venting their frustration and dissatisfaction at record levels for this continued complacent and belligerent attitude by AM.

At pages 17 and 18 of its brief, AM states that the Attorney General's witness, Bion Ostrander, admitted that he did not review costs related to service quality and had not obtained information regarding costs prior to submitting his testimony. AM makes the same arguments against Staff. However, AM mischaracterizes Mr. Ostrander's testimony and conveniently ignores the most significant portion of his testimony which explains why a focus on cost is not necessary. Upon cross-examination, Mr. Ostrander points out the problems with focusing on detailed costs by explaining:

a) The focus should be on customer welfare and reasonable service quality that is available across the United States from other companies, and not on cost. While cost was not the primary focus of his investigation, Mr. Ostrander attempted to get some of this cost information from AM but the information was not provided.

b) AM has sacrificed service quality for improved earnings, so while improved service quality standards may increase costs for AM, it will only bring their costs to levels comparable to other SBC states which are already providing reasonable service quality and thus will not impose any unusual level of costs (and this has the effect of only reducing their substantial increase in earnings in recent periods, but far from resulting in any financial impairment). Therefore, any cost of providing reasonable service quality would be a reasonable cost.

c) The cost of service quality (or requiring a cost study) has not been an issue or part of any investigation of service quality which he has been involved with in the past in other states, or in any service quality cases he is aware of, and that cost of service quality has not been used as a primary reason for not implementing reasonable service quality standards.

d) If cost is to be considered, it is more appropriate to consider "net cost," which considers offsets to cost from savings in other areas and increases in revenues. Savings results from improved technology (such as DSL) as identified by AM in its testimony, having to spend less time dealing with customer complaints, and the high cost of poor service quality, and the prospect of increased revenues from selling more services to satisfied customers rather than to dissatisfied customers.

e) Finally, one can easily conclude that improved service quality will not require filing of cost studies to increase local rates.

A significant portion of Mr. Ostrander's response on cross-examination consists of explaining why costs should not be the focus of service quality and what other factors should be considered (4 Tr. 290-292, 297-300).

Mr. Ostrander makes it clear that customer welfare, and not costs, should be the focus of service quality – and even if costs are to be considered it is AM that refused to provide this information, and not because of a lack of effort to get this information. Ameritech Michigan now attempts to manipulate the record in its brief by citing the absence of cost information, but it is clear that it was AM which failed to provide cost information requested by the Attorney General. Indeed, AM's argument is reminiscent of the apocryphal story of the parricide defendant who seeks mercy as an orphan. Clearly, AM's failure to meet the burden on this issue cannot now be reasonably asserted as a failure of the Attorney General or Staff in this regard. This is an obvious attempt by AM to further delay measures which could accelerate improvement in service quality. Ameritech Michigan asks Mr. Ostrander the following regarding these points:

> Q In preparing your proposed standards and offering them in this case, have you considered the cost of implementing any or all of the proposals you make?
>
> A I attempted to get part of some information related to that, but no information was provided. But I still believe that the focus should not be on cost or implementation, but it should be on the welfare of the customer having reasonable service quality that's available elsewhere in the United States.
>
> (4 Tr. 297).

In response to this same question above, and other questions, Mr. Ostrander explains that while improved service quality may increase costs for AM it will only bring these costs to a commensurate level with other SBC states which are already providing reasonable service quality, and it will not impose any unusual level of costs on AM, and therefore the cost of providing service quality is reasonable. Mr. Ostrander also points out that AM has opted to sacrifice service quality for improved earnings and that is part of the problem.

> Obviously service quality - - there is a cost to service quality. And local exchange companies readily bear it across the United States. And there aren't any - - you know, particularly for the SBC states I'm not aware of any problems.
>
> So they're bearing a certain cost of service quality. And what maybe relevant here is that Ameritech has decided to save dollars at this point in time. And that's part of the sacrifice or part of the problem with service quality.
>
> So to the extent that we bring standards up to where they should be, it could result in a real increase in cost for Ameritech. But it may actually just put them right where they should be with other SBC states across the nation.
>
> (4 Tr. 297-298).

In a subsequent question, Mr. Ostrander adds further elaboration to this point:

> And it (cost) wasn't a big focus of my service quality proposal because I believe that the cost will probably be commensurate with whatever companies are incurring for providing reasonable quality across the United States.
>
> (4 Tr. 298).

Mr. Ostrander continues by stating that the cost of implementing and provide sound service quality would be a reasonable cost comparable to companies in other states:

> Q So you guess it would be a reasonable cost? Is that what you're saying?
>
> A Yes. I assume it would be reasonable. And in the big picture shouldn't be unreasonable compared to other states.
>
> (4 Tr. 298).

Mr. Ostrander points out that the cost of service quality (or requiring a cost study) has not been an issue or part of any investigation of service quality which he has been involved with in the past in other states, or in any service quality cases he is aware of, and that cost of service quality has not been used as a primary reason for not implementing reasonable service quality standards. Mr. Ostrander explains:

> But I'm not aware of any investigation I've ever been involved in with service quality a Commission has opened as a part of that investigation the actual cost of implementation or that companies have proffered that as a reason or precise dollar amount to not put service quality standards in place.
>
> (4 Tr. 299-300).

Mr. Ostrander continues on this point:

> Q So it's your testimony that in these other proceedings where standards were achieved that the providers participating offered no information or considered it irrelevant what the cost of compliance might be?
>
> A In the investigations that I've been involved with and in several other cases I've looked at, that has never been a huge issue. I've never been aware that any company has put on the record a precise cost study saying what the cost of implementation is going to be and saying that they object to a standard because of that precise estimate of what's (sic) it's going to cost them and using that as a reason.
>
> (4 Tr. 300).

The Attorney General believes it is important to point out that cost studies or cost issues related to service quality have not been raised by AM in the two previous investigations of service quality in Michigan. This supports Mr. Ostrander's testimony in this area that cost is not a significant issue raised by LECs in service quality investigations he has been involved with, or in other cases around the United States. The Attorney General has attached the MPSC's two most recent orders regarding service quality standards in Michigan, and neither one of these orders indicates that cost was raised by AM as an issue, nor was an issue which the MPSC had to address. Indubitably, cost has not been a material issue in the past and that AM raises it as a red herring in this case. Attachment B is a copy of the MPSC's order setting the most recent service quality standards in 1996 in Case No. U-11040. Attachment C is a copy of the MPSC's order setting the service quality standards in 1992 in Case No. U-10063. The Attorney General has not attached the subsequent order in Case No. U-10063 addressing Petitions for Rehearing, but this order contains no references to cost concerns by AM.

Finally, the Attorney General would refer the MPSC to Exhibit R-28 in this case, which is the Kansas Commission's order in service quality in Docket No. 191,206-U in 1996. The issue of excessive cost, or any cost related to service quality standards is not raised or addressed in this order as it relates to Southwestern Bell or other companies. It is clear that cost is merely an issue manufactured by AM in this proceeding to try and impose more bureaucracy and delays upon the process and delay and deny customers improved service quality and necessary restitution through customer credits.

Mr. Ostrander points out that even if cost is to be considered to some degree for implementation of service quality standards, it would not be appropriate to consider cost by itself without offsetting this with labor savings from new technology put in place to improve service quality (such as DSL), as indicated by AM's witness. Mr. Ostrander identifies this as "net cost," netting of costs with benefits, as opposed to AM's one-side analysis of just considering cost by itself. Also, better service quality will decrease costs in some respects, since AM will not have the added cost of spending substantial time dealing with customer complaints and related issues. Improved service quality will translate to improvement in revenues because customers are more likely to subscribe to additional services from AM if they are not dissatisfied with delays in installation and repairs. The Attorney General finds it extremely circumspect that AM asserts the relevance of cost, then refuses to provide any cost information, and refuses to quantify savings (such as from new technology and handling less customer complaints, etc.) to offset these costs. Ameritech Michigan has not met any sort of reasonable burden to show that cost issues need to be further developed. Mr. Ostrander explains how it is more appropriate to consider net cost:

> I think it is more appropriate to consider net cost. What I mean by net cost, as I have indicated in some of my responses to Ameritech's data request, we can't just look at the pure cost of implementation. It would also be reasonable to look at the outset of labor savings or other savings from technology, which Ameritech also points out in this investigation that they will have from DSL and other technologies.
>
> I think it would be appropriate to net the cost and the benefit and perhaps look at your net cost versus just looking at the worst case scenario.
>
> (4 Tr. 290-291).

In addition, Mr. Ostrander explains the issues which would offset any cost, but for which AM refuses to provide any information:

> Well, I guess added customer value would be - - I would think there's - - there's a benefit to Ameritech in that response from having improved credibility to customers which could translate to more revenues.
>
> So in the big picture, . . . Ameritech is realizing a bigger cost right now for having poor service quality than if they actually implemented these standards. And from that, I mean, if we improved your standards, this customer dissatisfaction ratio of 26 percent would decline. You may get a better response from customers on subscribing to new services. There may be in a sense less of a cost with having to deal with continued follow-ups with customers.
>
> So these sorts of opportunity costs are very difficult to identify. And as I indicated earlier, there's also the benefits from these labor saving technologies from like DSL which should be offset against that.
>
> (4 Tr. 299).

At page 20 of its brief, AM indicates that adoption of the proposed standards in this case would require a complete revision of AM's service cost studies, and the adoption of new rates for basic local exchange service to reflect these costs. This argument is preposterous and AM provides no cost information, no revenue information, and no financial data to support this assertion. In fact, this assertion is made by Mr. Semerjian, AM's engineer, he is not an accountant and his work experience shows that he has never been involved with financial issues, earnings issues or rate design issues.

In addition, both Indiana and Wisconsin have stricter service quality standards than currently exist in Michigan and it has not been shown that this has lead to an increase in local rates. In fact, both Indiana's and Wisconsin's local rates are less than Michigan's local rates. The comparative local rate is indicated by the amount of customer credit which AM has volunteered to pay (under its interim customer credit program), which is based on average local rate levels according to Mr. Semerjian. (4 Tr. 101). Michigan's credit is $14, whereas Indiana's credit is $12 and Wisconsin's credit is $13. This indicates that Michigan's local rate is greater than both Indiana and Wisconsin, which have stricter service quality standards and have not realized rate increases – and Indiana has received a series of rate reductions in recent years.

The MPSC should reject AM's scheme requiring detailed cost studies for service quality on the premise that improved service quality (reasonably available across the United States) will raise local rates in Michigan. This represents an ongoing attempt by AM to delay and deny improved service quality, and will lead to further customer dissatisfaction and complaints compounded by delays in proper restitution to customers in the form of customer credits. If the MPSC does decide to investigate the issue of costs of service quality and how this will affect local rates (as asserted by Mr. Semerjian), then the MPSC should require AM to file a comprehensive cost of service study with detailed financial statements, separations data, intrastate information, rate-of-return information, and all other information which would allow parties to determine the impact of such a proposal on potential local rate increases.

REPLY TO STAFF'S INITIAL BRIEF

The Attorney General's reply to Staff is intended to merely clarify the Attorney General's position as indicated in the chart attached to page 7 of Staff's Initial Brief. In some instances, Staff has inadvertently portrayed an inaccurate position of the Attorney General. It is more appropriate to rely on Attachment A to this brief, and Attachment B to the Initial Brief, as an accurate representation of the Attorney General's position in various areas, rather than using Staff's chart.

The Attorney General did not review or evaluate all service quality standards for changes, and therefore silence on a particular existing service standard does not necessarily mean that the Attorney General agrees or disagrees with the current standard, or that the Attorney General disagrees with Staff. It merely means that the Attorney General elected not to undertake a broad review of all standards, although the Attorney General is not opposed to Staff's review of additional standards. Ameritech Michigan has attempted to portray the Attorney General's review of fewer standards as an indication that it opposes Staff's review of more standards - - this is not accurate.

In addition, the Attorney General has updated her original Attachment A to her Initial Brief and included as Attachment A to this Reply Brief. This Attachment A compares the positions of various parties on issues raised by the Attorney General. The Attorney General has now changed her position on a live operator to agree with that of Staff, that answer time by a live operator should be within 3 minutes. The Attorney General's position on customer credits in Attachment B to its Initial Brief remains unchanged.

Those issues that pertain to the Attorney General's position at Staff's chart (which is attached to its Initial Brief) which require clarification include:

2.2 Answer Time - Business Office:	The Attorney General's original proposal of about 90 seconds is now changed to agree with Staff and requires a live operator within 3 minutes as an available option to customers for both Repairs and Installation.
2.8 Operator Answer Time:	Staff indicates 10 seconds, and shows 25 seconds for the Attorney General as it relates to "Repair" calls. Staff has inadvertently put Repair calls in the category of Operator Answer Time and Repair calls should be subject to the same 3 minute requirement for a live operator as it relates to Repairs and Installation. The Attorney General did not address Operator answer time regarding directory or miscellaneous assistance.
4.2 Commitment Times:	Staff appears to intend this to relate to a standard for installation credits, and the Attorney General recommends that after 5 days (under the interim policy), that a 100% credit be given for both the installation charge and the first month's local rate. The "permanent policy" is different, see Attachment B of Attorney General's Initial Brief.
5.3 Missed Commitments:	Staff indicates the Attorney General's position to be _ of the installation credit, and this is correct for the permanent policy pertaining to Installation, although it relates to delays of 6 to 10 days. Delays for Installation exceeding 10 days get a 100% credit for installation. In addition, a cell phone is applicable under the permanent policy also. Whereas 4.2 above is more consistent with the Attorney General's position on an "interim policy".
Line Transmission:	The Attorney General did not address this issue, so her position is not necessarily an endorsement of current standards.

RELIEF

For all the reasons stated above, the Attorney General requests that the MPSC adopt her recommendations.

Respectfully submitted,

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November 15, 2000
Cases U-12598 Reply Brief

ATTACHMENT A REVISED - COMPARISON OF ATTORNEY GENERAL RECOMMENDATIONS TO OTHER PARTIES
Attorney General Reply Brief (Note: Revisions are in Italics)
Case U-12598

		Attorney General Proposal			AM Michigan	MPSC Staff		Other States	
Item	Standard	New/ Updated	Explanation	Notes	Proposal & Notes	Proposal & Notes	Current Michigan Standard	Same As AG Proposal	Other States Service Quality
A.	Service Install. Time	New	**95% install. within 5 days (See Attach. B Initial Brief for customer credits)**	1, 2, 6	Not applic.	Keep records for install. > than 3 days.	None	Texas	Illinois - 90% within 5 days Ohio - 100% within 5 days
B.	Install. Answer Time	New	**Live operator as an option within 90 seconds (See Attach. B Initial Brief for customer credits)**	1, 3, 6	7, current standard	Live operator within 3 minutes	Requires repair calls only (not installation) to be answered by automated/live operator in 25 sec.		
C.	Repair Answer Time	Updated/ New	***within 3 minutes, same as Staff***	1, 3, 6	7, current standard	Live operator within 3 minutes	Repair calls to be answered by automated/live operator in 25 sec.		
D.	Out of Service Speed	New	**95% cured within 24 hrs. on weekdays, 48 hrs.weekends (See Attach. B Initial Brief for customer credits)**	1, 2, 6	7, current standard	100% cured within 24 hrs., 48 hrs. on weekends	Requires repairs and out of service to be cured in 36 hrs.	Illinois & Wisconsin	Texas - 90% within 8 hrs. Ohio - 100% within 24 hrs. 24 hrs. raised by Illinois Chairman in letter to AM.
E.	Repair Speed	Updated	**36 hrs. stays the same, see notes (See Attach. B Initial Brief for customer credits)**	1, 2, 6	7, current standard		Requires repairs and out of service to be cured in 36 hrs.		Kansas - repairs within 30 hrs. Wiscon. - 95% within 24 hrs.
F.	Repair Commitment %	New	**90% of repair commits.**	1, 2, 6	N/A	Cust. given commit. time within 2-hrs.	None, requires 90% of install. commitments but not repairs		
G.	Install. Commitment %	Updated	**90% stays the same, see notes for minor changes**	1, 2, 6	7, current standard	100% within 3 days of commitment date	90% of install. Commitments be met	Texas	
H.	Cust.Trouble Reports	Updated	**Not > 4 per 100 Access Lines per month**	1, 2, 6	3,000 A/L - not > 6/100 1,001 to 2,999 A/L - not > than 8/100 < 1,000 A/L - not > than 10/100	Not > 4 per 100 Access Lines per exchange	Not > 6 per 100 Access Lines per month		Texas and Ohio require trouble reports not exceed 3 per 100 access lines, and are more strict

Notes:
1. The Attorney General recommends a 2-month exception reporting exception period for all standards instead of the current 3-month exception period.
2. The Attorney General recommends all standards be averaged on a monthly basis on a per wire center basis (instead of averaging all wire centers together for a total co. average).
3. The Attorney General recommends monthly averaging on a per call center/location basis.
4. This above table does not include all of Staff's recommendations, but only compares Attorney General recommendations to other parties. Staff and Attorney General customer credits policy not shown at this schedule.
5. The above table does not include all existing Michigan service quality standards where the Attorney General does not recommend a change.
6. Generally, exceptions apply for Acts of God and catastrophes for all Attorney General recommendations.
7. Ameritech Michigan recommends existing Michigan standard per testimony of Mr. Semerjian (IV Tr 98-100).
8. Customer Credits are a part of the Attorney General's recommendation but this is explained separate from this schedule.

Attachment B

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter, on the Commission's own motion, to establish quality standards for telecommunication services.	))))	Case No. U-11040

At the May 31, 1996 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. John G. Strand, Chairman
Hon. John C. Shea, Commissioner
Hon. David A. Svanda, Commissioner

ORDER ADOPTING ADMINISTRATIVE RULES

On November 30, 1995, Governor John Engler signed 1995 PA 216 (Act 216), which amended the Michigan Telecommunications Act, 1991 PA 179, MCL 484.2101 et seq.; MSA 22.1469(101) et seq. Section 202 of Act 216 requires the Commission to promulgate new administrative rules establishing quality standards for telecommunication services in this state.

In an order issued February 22, 1996, the Commission initiated a rulemaking proceeding in this docket. Proposed quality standards for telecommunication services were attached to the Commission's order. On May 3, 1996, a public hearing regarding the proposed rules was conducted by Administrative Law Judge Albert G. Landa. Representatives of the Communications Workers of America (CWA) and Brooks Fiber Communications (Brooks) appeared at the public hearing and submitted oral comments. In addition, written comments regarding the proposed rules were submitted by the CWA, Brooks, Attorney General Frank J. Kelley, AT&T Communications of Michigan, Inc., the Telephone Association of Michigan, TCG Detroit, James L. Rudolph, and John W. Pestle.

The Commission finds that several of the suggestions submitted in the comments should be adopted. For example, the Commission finds that language should be added to proposed Rule 1 to clarify that the quality standards should expire upon expiration of the statute, as provided in Section 604(1) of Act 216.

The Commission also finds that proposed Rule 2 should be revised through addition of a definition of the term "out-of-service" and deletion of the definitions for the terms "interLATA" and "message," which are not used in the rules.

Proposed Rule 5 has been revised to allow providers up to 10 working days to respond to requests for the production of documents.

Two aspects of proposed Rule 8 have been changed. First, subrule (1)(b) of proposed Rule 8 has been revised to specify the appropriate credit due a customer for a service outage. Additionally, subrule (3) has been changed to allow providers to self-declare the occurrence of a catastrophic event that relieves the provider of paying the $5 per day credit required by subrule (1)(b) of proposed Rule 8.

Proposed Rule 9 has been revised to clarify that a provider's duty to intercept calls stems from errors in the provider's directory.

Proposed Rule 10 has been revised to clarify that a provider's duty to intercept calls to a customer's former number is subject to telephone number availability and payment of any tariffed referral charges.

Proposed Rule 14, which covered technical standards for interconnections, has been deleted.

Proposed Rule 15 has been revised to clarify that a provider's responsibility to supply mobile power units in the event of an outage does not apply at locations where permanent auxiliary emergency power generators are available.

Rule 17(2) has been revised to require providers to answer customer repair calls within an average of 25 seconds. Proposed Rule 17(4) has been revised to require a provider to arrange to clear nonemergency service repair requests within a monthly average clearing time of 36 hours, unless alternative arrangements can be made. Finally, proposed Rule 17(5) has been revised to require providers to annually provide the Commission with quarterly summaries of customer repeat trouble reports.

The Commission finds that the public interest requires the adoption of new administrative rules regarding quality standards for telecommunication services. The proposed rules, as set forth in Exhibit A, reflect revisions discussed in this order and several other minor modifications found appropriate by the Commission. Proposed changes that were not discussed in this order have been rejected.

The Commission FINDS that:

a. Jurisdiction is pursuant to 1991 PA 179, as amended by 1995 PA 216, MCL 484.2101 et seq.; MSA 22.1469(101) et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; MSA 3.560(101) et seq.; and the Commission's Rules of Practice and Procedure, 1992 AACS, R 460.17101 et seq.

b. After review of the proposed rules and the comments, the requirements of Sections 41 and 42 of 1969 PA 306, as amended, MCL 24.241 and 24.242; MSA 3.560 (141) and (142), have been complied with, as adequate notice and opportunity for participation by interested persons have been provided.

c. The public interest requires adoption of new administrative rules governing quality standards for telecommunication services.

d. The proposed rules set forth in Exhibit A should be submitted to the Legislative Service Bureau and the Office of Regulatory Reform for their approval.

THEREFORE, IT IS ORDERED that:

A. The administrative rules regarding quality standards for telecommunication services, attached to the order as Exhibit A, are adopted.

B. The proposed rules shall be submitted to the Legislative Service Bureau and the Office of Regulatory Reform for their approval.

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

MICHIGAN PUBLIC SERVICE COMMISSION

(S E A L)

/s/ John G. Strand
Chairman

/s/ John C. Shea
Commissioner

By its action of May 31, 1996.

/s/ Dorothy Wideman
Its Executive Secretary

/s/ David A. Svanda
Commissioner

EXHIBIT A

DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES

PUBLIC SERVICE COMMISSION

TELECOMMUNICATION SERVICES

Filed with the Secretary of State on ___________
These rules take effect 15 days after filing with the Secretary of State

(By authority conferred on the public service commission by sections 202 and 213 of Act No. 179 of the Public Acts of 1991, as amended, being §§484.2202 and 484.2213 of the Michigan Compiled Laws)

PART 1. GENERAL PROVISIONS

R 484.1 Applicability of rules; expiration date.

Rule 1. (a) These rules apply to telecommunication services that are regulated by the Michigan public service commission.

(b) Pursuant to section 604(1) of Act No. 179 of the Public Acts of 1991, as amended, being §484.2604(1) of the Michigan Compiled Laws, these rules shall expire January 1, 2001. In the event that section 604(1) of Act No. 179 of the Public Acts of 1991, as amended, being §484.2604(1) of the Michigan Compiled Laws is revised or repealed, these rules shall expire September 1, 2001.

R 484.2 Definitions.

Rule 2. As used in these rules:

(a) "Answer" means that a provider's representative, voice response unit, or automated operator system is ready to render assistance or ready to accept information necessary to process the call. An acknowledgment that the customer is waiting on the line shall not constitute an answer.

(b) "Basic local exchange service" or "local exchange service" means the provision of an access line and usage within a local calling area for the transmission of high-quality, 2-way interactive switched voice or data communication.

(c) "Call" means an effort by a customer to obtain a telephone connection whether the connection is completed or not.

(d) "Central office" means a switching unit in a telecommunication system which provides service to the general public and which has the necessary equipment and operating arrangements for terminating and interconnecting customer lines and trunks or trunks only. There may be more than 1 central office in a building.

(e) "Commission" means the Michigan public service commission.

(f) "Customer" means any person, firm, partnership, corporation, municipality, cooperative, organization, or governmental agency using a regulated telecommunication service.

(g) "Customer trouble report" means an initial oral or written report from a customer relating to a defect, difficulty, or dissatisfaction with the operation of basic local exchange service.

(h) "Exchange" means 1 or more contiguous central offices and all associated facilities within a geographic area in which local exchange telecommunication services are offered.

(i) "Interexchange trunks" means a transmission medium and associated equipment that connects 2 exchanges.

(j) "Line" means all of the following:

(i) The conductor or conductors and supporting structures extending between customer stations and a central office or between offices, whether they are in the same or different communities.

(ii) The conductors and circuit apparatus associated with a particular communication channel.

(iii) Any communication channel or path between 2 points, regardless of the method of its derivation.

(k) "Local calling area" means a geographic area encompassing 1 or more local communities as described in maps, tariffs, or rate schedules filed with and approved by the commission.

(l) "Out of service" means the total inability to either make or receive calls due to a problem in a provider's basic local exchange service network.

(m) "Provider of basic local exchange service" or "provider" means a person, firm, partnership, corporation, or an affiliated entity that is engaged in the business of furnishing telephone service for compensation within an exchange or within a connected system of exchanges located in 1 local calling area that provides telecommunication service of a character ordinarily furnished within a single exchange.

(n) "Repeat report" means a customer trouble report regarding a basic local exchange access line that is received by a provider within 30 days after closing out a previous trouble report for the same access line in any of the following situations:

(i) Both reports are related to the regulated network.

(ii) One of the reports is related to the regulated network and the other report is closed as "NO TROUBLE FOUND."

(iii) Both reports are closed as "NO TROUBLE FOUND."

(o) "Tariff" means the documentation that describes rates, tolls, rentals, charges, classifications, and rules adopted by a provider and filed with the commission.

(p) "Wire center area" means a central office and all associated facilities within a geographic area in which local exchange services are offered.

PART 2. RECORDS AND REPORTS

R 484.21 Availability of records.

Rule 21. All records required to determine compliance with these rules shall be made available to the commission or its staff upon request or pursuant to R 484.24. Records and reports constituting or incorporating trade secrets or commercial or financial information that are made available to the commission or its staff shall be exempt from disclosure pursuant to section 210 of Act No. 179 of the Public Acts of 1991, as amended, being §484.2210 of the Michigan Compiled Laws.

R 484.22 Retention of records.

Rule 22. All records required by these rules shall be preserved in summary form for not less than 3 years and in detail for the immediate past 12 months, unless otherwise specified by the commission.

R 484.23 Reports.

Rule 23. (1) Each provider shall maintain its records in sufficient detail to permit review of its service performance. The records shall be made available to the commission or its staff within 10 working days of a request for their production.

(2) Each provider shall report promptly to the commission any specific occurrence or development that disrupts the service of a substantial number of its customers or that may impair its ability to furnish service to a substantial number of customers. The provider shall report all disruptions or developments that represent the lesser of 25% or 2,000 of the access lines by exchange for 1 hour or more. Notification shall be provided to the commission within 90 minutes during normal business hours or, if the disruption occurs during the evening or weekend, within 90 minutes of the commencement of the next business day. In addition, a final report shall be filed with the commission within 30 days of the disruption and shall include all of the following information:

(a) The reason for the disruption.
(b) The geographic area affected by the disruption.
(c) The number of customers affected.
(d) The type of services affected.
(e) The impact upon the provider of the service disruption.
(f) Whether the service disruption was avoidable or unavoidable.
(g) An explanation of the provider's remedy for the immediate service disruption.
(h) A description of the actions that the provider has or could take to avoid future disruptions.

R 484.24 Data to be filed with the commission.

Rule 24. On a quarterly basis, each provider shall furnish monthly summaries, records, and other information that the provider determines are necessary for the staff to investigate, and for the commission to resolve, quality of service issues related to regulated telecommunication services.

PART 3. CUSTOMER RELATIONS

R 484.31 Business offices.

Rule 31. (1) Business offices shall be adequately staffed with qualified persons to provide all of the following services:

(a) Convenient access to information relating to services and rates.
(b) Timely processing of applications for service.
(c) Explanations of charges on bills.
(d) Adjustments for erroneous charges.
(e) Other services and information available from the provider.

(2) Customers shall be provided with toll-free calling to business offices.

R 484.32 Adjustments to customer's bill for service outage.

Rule 32. (1) If a customer's service is reported or is found to be out of service and remains out of service for more than 24 hours, then 1 of the following adjustments shall be made to the customer's bill in the next billing period in which it is practicable to do so:

(a) If the duration of the outage is less than 5 days of a month, then the appropriate credit shall be the prorated amount of the customer's monthly service rate.

(b) If the duration of the outage is 5 days or longer, then the appropriate credit is the credit owed pursuant to subrule (1)(a) of this rule for the first 4 days of the outage plus an additional $5.00 per day for the fifth day and each subsequent day of the outage, up to the amount of the customer's monthly service rate.

(2) An adjustment need not be made if the outage is caused by the customer or if a satisfactory replacement service is provided to the customer.

(3) A provider may obtain an automatic waiver of the $5.00 per day credit required by subrule (1)(b) of this rule by notifying the commission that the outage was the result of a catastrophic event. However, a provider's declaration that the outage resulted from a catastrophic event does not relieve the provider of the responsibility to adjust a customer's bill by the prorated amount of the customer's monthly service rate for the duration of the outage.

R 484.33 Directory error.

Rule 33. (1) If there is an error in the listed number of a customer in a provider's directory, then the provider shall intercept all calls to the listed number for the remaining life of the currently published directory, subject to equipment limitations and number availability.

(2) If there is an error or omission in the name listing of a customer in a provider's directory, then the customer's correct name and telephone number shall be in the files of the directory assistance or intercept operators and the correct number furnished to the calling party either upon request or interception.

R 484.34 Number change.

Rule 34. (1) When a customer's telephone number is changed, the provider shall intercept all calls to the customer's former number for not less than 3 months. The provider shall give the calling party the customer's new number, subject to equipment limitations, number availability, customer permission, and payment of the tariffed referral charge, if any.

(2) When additions or changes in plant or any other provider operations necessitate changing telephone numbers to a group of customers, the provider shall give reasonable notice to all affected customers even though the additions or changes may be coincidental with a directory issue.

PART 4. ENGINEERING

R 484.41 Construction and engineering standards.

Rule 41. Except as otherwise authorized by the commission or pursuant to applicable regulations adopted by a municipality, a provider's telecommunication facilities and physical plant shall be designed, engineered, constructed, maintained, and operated so as to do all of the following:

(a) Comply with the provisions of R 460.813.

(b) Comply with standards that are generally accepted by the telecommunication industry.

(c) Accommodate the public.

(d) Prevent interference with or from services furnished by other public utilities, if feasible.

R 484.42 Electromagnetic interference; coordination efforts; standard; adoption by reference.

Rule 42. The telecommunication facilities and physical plant of a provider of basic local exchange service shall be designed in accordance with industry standards to prevent electromagnetic interference from alternating current power systems. The provider shall engage in prior coordination with power utilities in the area before placing new plant or making major changes in existing plant likely to be affected by the power utility's facilities. The coordination efforts shall be governed by American national standard institute standard ANSI/IEEE 776 entitled "Guide for Inductive Coordination of Electrical Supply and Communications Lines," (1993), which is adopted by reference in these rules and which is available for purchase from the Michigan Public Service Commission, P.O. Box 30221, Lansing, Michigan 48909, or from the American National Standard Institute, 11 West 42nd Street, 13th Floor, New York, New York 10036 ((212)642-4900), at a cost as of the time of adoption of these rules of $80.00.

R 484.43 Grounding of transmission facilities.

Rule 43. A provider shall consult and coordinate its activities with existing electric and natural gas utilities and other companies having transmission or distribution facilities in the general vicinity of planned telecommunication facility construction before construction to minimize the occurrence of voltage and grounding problems.

R 484.44 Emergency operations.

Rule 44. (1) A provider shall make reasonable arrangements to cope with all of the following situations:

(a) Emergency power interruptions.

(b) Unusual and prolonged increases in traffic on its lines.

(c) Illnesses of its personnel.

(d) Fires.

(e) Storms.

(f) Other emergencies.

(2) A provider shall inform its employees about procedures to be followed in an emergency to prevent or minimize the interruption or impairment of telecommunication services.

(3) Each of a provider's central offices shall be equipped with no less than 3 hours of peak load battery reserve if permanent auxiliary emergency power is installed or not less than 4 hours of battery reserve if permanent auxiliary emergency power is not installed. In any event, a provider shall ensure that mobile power units are available to be delivered and connected to a central office within 4 hours of any power outage or within the hours of the battery reserve, whichever is greater, at locations without permanent auxiliary emergency power.

(4) A provider shall have current written emergency procedures that are directed at the prompt restoration of telephone service during abnormal conditions.

PART 5. MAINTENANCE

R 484.51 Maintenance of plant and equipment.

Rule 51. (1) A provider shall adopt and pursue a maintenance program designed to achieve efficient operation of its system which permits the rendering of safe, adequate, and continuous service.

(2) Maintenance shall include keeping all plant and equipment in safe and serviceable repair. At a minimum, a provider shall do all of the following:

(a) Repair or replace broken, damaged, or deteriorated parts.

(b) Readjust adjustable apparatus and equipment that is found to be in unsatisfactory operating condition.

(c) To the extent practicable, correct all of the following electrical faults:

(i) Leakage or poor insulation.

(ii) Noise induction.

(iii) Cross talk.

(iv) Poor transmission characteristics.

R 484.52 Customer repair requests.

Rule 52. (1) A provider shall do all of the following:

(a) Provide for the receipt of customer repair requests at all hours.

(b) Make a full and prompt investigation of all complaints.

(c) Render reasonable assistance to the customer to identify a cause for the outage or other trouble.

(d) Maintain an accurate record of repair requests by telephone number or circuit number, as appropriate, that includes all of the following information:

(i) Appropriate identification of the customer or service affected.

(ii) The time, date, and nature of the report.

(iii) The action taken to clear the repair request or satisfy the complaint.

(iv) The date and time of repair clearance or other disposition.

(2) A provider shall maintain adequate personnel to answer customers' repair calls within a monthly average of 25 seconds. A provider shall take corrective action and submit a written report to the commission if its monthly average rate for answering customers' repair calls exceeds 25 seconds for 3 consecutive months.

(3) A provider shall arrange to clear all repair requests of an emergency nature at all hours consistent with the needs of customers and the safety of the provider's personnel.

(4) Unless the customer agrees to alternative arrangements, a provider shall arrange to clear nonemergency service repair requests within a monthly average clearing time of 36 hours or less. A provider shall take corrective action and submit a written report to the commission if its monthly average clearing time exceeds 36 hours for three consecutive months.

(5) A provider shall submit to the commission annually, a quarterly summary of customer repeat trouble reports. A provider shall maintain detailed information regarding customer repeat trouble reports on a monthly basis for review by the commission or its staff.

(6) A record required by subrule (1)(d) of this rule shall be available to the commission or its staff upon request. The record shall be retained as specified in R 484.22.

R 484.53 Inspections and tests.

Rule 53. A provider shall adopt a written program that includes periodic and routine testing and inspecting of all of the following:

(a) Interoffice trunking, both before and after being placed in service.

(b) Central office switching and billing equipment.

R 484. 54 Planned service interruptions.

Rule 54. If a service interruption is necessary to perform work on a line or other equipment, then a provider shall perform the work in a manner that will cause minimal inconvenience to its customers. If it is reasonably anticipated that the service interruption will be for more than 15 minutes, then the provider shall schedule the work at a time that will cause the least inconvenience to its customers. The provider shall provide emergency service, as required, for the duration of a planned service interruption.

PART 6. QUALITY OF SERVICE

R 484.61 General practices.

Rule 61. (1) A provider shall employ prudent management and engineering practices, including the use of reliable procedures for forecasting future demand for service. It shall conduct studies and maintain records to determine whether regulated telecommunication services will meet all of the standards set forth in R 484.1 to R 484.67.

(2) A provider shall have sufficient equipment for providing high quality telephone service and shall employ an adequate operating force at all times.

R 484.62 Level of service measurements; commission notification.

Rule 62. Upon request of the commission or its staff, a provider shall make measurements to determine the level of service for each item included in this part. A provider shall notify the commission or its staff in conformity with the requirements of R 484.24 of measurements and summaries of any of the applicable items included in this part that have been generated by the provider. A provider shall retain records as specified in R 484.21 and R 484.22.

R 484.63 Service order commitments; rate of met commitments.

Rule 63. A provider shall perform adequate scheduling so as to provide service to a customer at a mutually agreed upon time. On a monthly basis, 90% of the commitments to customers with respect to the date of installation of primary basic local exchange service shall be met. A provider shall take corrective action and submit a written report to the commission if a rate of met commitments falls below 90% for 3 consecutive months. Customer-caused delay or customer-missed appointments shall not be figured into the rate of met commitments.

R 484.64 Local directory assistance; answer time.

Rule 64. As applicable to providers who provide local directory assistance to customers or other providers, calls requesting local directory assistance shall be answered within 10 seconds. A provider shall take corrective action and submit a written report to the commission if its average answer time per month for local directory assistance calls is more than 10 seconds for 3 consecutive months.

Rule 484.65 Customer trouble reports; rate.

Rule 65. (1) A provider shall maintain service so that the average monthly rate of initial customer trouble reports in any wire center area is not more than 6 per 100 access lines per month, exclusive of all of the following:

(a) Reports concerning interexchange calls.

(b) Trouble found in equipment that is not the provider's.

(c) Nonregulated customer premises equipment or inside wiring.

(2) For the purpose of administering this rule, each party line customer shall be considered to have 1 local access line. Multiple trouble reports that are attributable to a common cause or defect shall not be aggregated. Rather, a separate report shall be counted for each customer line reported in trouble.

(3) A provider shall take corrective action and shall submit a written report to the commission if a customer trouble report rate is more than 6 per 100 access lines per month in a wire center area for 3 consecutive months.

R 484.66 Customer line transmission requirements.

Rule 66. Industry standards shall determine the design criteria for all customer loops, exclusive of the inside wire and customer premises equipment, as follows:

(a) Loss - The customer loop loss shall be less than 8.5 decibels when measured to a milliwatt reference. A provider shall take corrective action and report to the commission pursuant to R 484.24 if a customer loop loss is more than 8.5 decibels.

(b) Current - The customer loop shall have more than 20 milliamperes of circuit current when measured at the network interface. A provider shall take corrective action and report to the commission pursuant to R 484.24 if a customer loop current is less than 20 milliamperes.

(c) Noise - The customer loop shall have a circuit noise level of less than 20 decibels-reference noise calibration. A provider shall take corrective action and report to the commission pursuant to R 484.24 if a customer loop noise level is more than 20 decibels-reference noise calibration.

R 484.67 Interoffice trunk transmission requirements.

Rule 67. Interoffice trunks shall have a transmission loss within plus or minus 3.6 decibels of the engineered measured loss. A provider shall take corrective action and report to the commission pursuant to R 484.24 if a reading is outside plus or minus 3.6 decibels.

Attachment C

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter, on the Commission's own motion, to establish quality of service standards for regulated telecommunications services under the Michigan Telecommunications Act.	Case No. U-10063

At the September 11, 1992 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. Steven M. Fetter, Chairman
Hon. Ronald E. Russell, Commissioner
Hon. John L. O'Donnell, Commissioner

ORDER ESTABLISHING QUALITY OF SERVICE STANDARDS

I.

HISTORY OF PROCEEDINGS

The Michigan Telecommunications Act, 1991 PA 179 (Act 179), MCL 484.2101 et seq., requires the Commission to establish quality of service standards for regulated telecommunications services offered in this state. On February 12, 1992, the Commission commenced this proceeding to review proposed quality of service standards patterned after the service guidelines that were adopted by the Commission's October 1, 1990 order in Case No. U-9316.

Comments were received from Sprint Communications Company, Limited Partnership (Sprint), the Telephone Association of Michigan (TAM), Attorney General Frank J. Kelley (Attorney General), Barry County Telephone Company (Barry County), Michigan Centrex

Association (MCA), AT&T Communications of Michigan, Inc. (ATTCOM), and the American Association of Retired Persons (AARP).

II.

DISCUSSION

The Commission's original proposal consisted of two documents. One document covered standards for basic local exchange service and access service.[1] The other document covered toll service.[2] TAM and ATTCOM suggest that the Commission combine the two documents into a single, unified set of standards. Both TAM and ATTCOM argue that the thrust of Act 179 is to regulate services, not providers. Accordingly, they believe that a single set of standards applicable to all regulated telephone services should be adopted.

The Commission finds that having only one document covering all quality of service issues has merit. However, the Commission remains convinced that the standards for basic local exchange service and access service should be kept separate from the standards for toll service.

The Commission is also persuaded that, in order to avoid confusion, the terms defined in the standards for quality of service should be equally applicable to all regulated services. To this end, the Commission has reorganized the documents published with its February 12, 1992 order into a three-part document. Part I contains definitions that are applicable to all

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[1]The standards applicable to basic local exchange and access services, which are provided by local exchange carriers (LECs), are referred to as the LEC standards.

[2]The standards applicable to toll service, which is provided by interexchange carriers (IXC), are referred to as the IXC standards.

regulated telecommunications services. Part II concerns quality of service standards for basic local exchange service and access service. Part III concerns quality of service standards for toll service.

Combining the separate standards proposed in the February 12, 1992 order into a single standard requires a certain amount of renumbering in order to avoid confusion. However, to simplify the review process, the Commission will retain the original numbering system for the purposes of this order.[3]

TAM and ATTCOM also suggest revisions that are related to the emphasis that Act 179 places on the regulation of services, not providers. The Commission agrees that these changes should be incorporated. However, due to their volume and the lack of any significant controversy over their adoption, the Commission will not discuss these proposed changes individually.

Another group of revisions are related to Sprint's argument that the scope of these standards should be minimized in order to allow the competitive forces that exist in the marketplace for telecommunications services to fashion quality of service standards for toll service. Sprint believes that the high level of competition among interexchange carriers makes it appropriate for the Commission to refrain from adopting any quality of service standards. Sprint's cites several sections, including IXC 302, 303, 305, 402, 501, and 600, as examples of standards that could be eliminated.

[3]To facilitate comparison of the separate standards originally proposed by the Commission with the unified set of standards adopted by the Commission, which is attached to this order as Attachment A, the Commission has prepared a cross-referencing guide, which is attached to this order as Attachment B.

The Legislature has specifically charged the Commission with the duty to adopt quality of service standards. The Commission is not persuaded that it would be in the public interest to refrain from adopting quality of service standards for toll service in anticipation that competition between providers may adequately protect customers. While the Commission hopes that competition will result in service that exceeds the minimum standards adopted by this order, the Commission is not convinced that, absent the adoption of minimum standards, users of telecommunications service will be adequately protected. Therefore, the Commission finds that Sprint's argument should be rejected.

Having addressed comments that are applicable to many different sections, the Commission now turns to the individual comments, which must be considered on a section-by-section basis.

Section 100 - Terms

Both the proposed LEC and IXC standards begin with a section that defines a variety of terms applicable to regulated telecommunications services. Some differences exist between the LEC and IXC definitions. The original LEC proposal defined 22 terms; the IXC proposal defined only 12.

The Commission finds that these separate definitional sections should be combined, renumbered, and applied to all regulated telecommunications services. In addition, the Commission finds that a number of other suggested changes should be adopted.

TAM points out that Act 179 contains several definitions that differ from the definitions in the proposed standards. TAM believes that the definitions of these terms in Act 179 should replace the conflicting definitions proposed by the Commission.

With one exception, the Commission agrees.[4] The lone exception involves the definition of a "line." The statutory definition, taken from Section 102(k) of Act 179, simply defines a line as "the medium over which a telecommunications user connects into the local exchange." This definition is too narrow for quality of service purposes. Accordingly, the Commission finds that the proposed definition should be retained.

TAM also suggests that the definition of "switched access," which appears in both LEC 101.20 and IXC 101.9, should be revised. However, because the statutory definition of "access" has been incorporated and because TAM's suggestion merely grafts the word "switched" into that definition, the Commission finds that the definition of "switched access" should be deleted.

ATTCOM believes that the final sentence in the definition of "customer trouble report," which appears in both LEC 101.10 and IXC 101.5, should be deleted. The sentence provides that a separate report shall be counted for each trunk reported in trouble. ATTCOM insists that this requirement is impractical because IXCs do not track customer trouble reports for toll services by trunks reported in trouble. ATTCOM cites two reasons for its position. First, it argues that a customer using regulated toll service is not assigned a dedicated trunk. Second, ATTCOM believes that even if trunks could be dedicated, not all problems encountered might be associated with trunks.

The Commission finds that ATTCOM's concern should be addressed. Moreover, the Commission finds that ATTCOM's comments regarding IXC 101.5 illustrate a difficulty that

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[4]The Commission notes that there is an issue in Case No. U-10064 regarding the relationship of the statutory definition of "access" contained in Section 102(a) of Act 179 and the meaning of the term "access services." The Commission's adoption of the statutory definition of "access" in this proceeding is not intended and should not be interpreted to be a definitive resolution of the issue pending in Case No. U-10064.

is inherent in the combination of the separate LEC and IXC standards. LEC 101.10 is virtually identical to IXC 101.05, except that LEC 101.10 refers to a "line" rather than a "trunk." Furthermore, although LEC 602.7 specifically addresses customer trouble reports, the IXC standards contain a comparable provision.

The Commission finds that ATTCOM's concern with the final sentence of IXC 101.5 should be met by deleting it from the definition. The Commission finds that it is more appropriate to incorporate the concept in LEC 602.7, which addresses customer trouble reports.

Section 201 - Location of Records

TAM suggests that LEC 201, which requires providers to make their records available to the Commission, should be rewritten to limit its application to records that are related to the provision of regulated telecommunications services.

ATTCOM suggests that a sentence should be added to IXC 201 to protect trade secrets and other commercial or financial information contained in an IXC's records and reports.

The Attorney General argues that the Commission should go beyond the recordkeeping requirements in Section 201 and mandate specific filing and reporting requirements for carriers. According to the Attorney General, actual performance data should be filed with the Commission on a periodic basis.

The Commission finds that Section 201 should be revised. First, Section 201 no longer refers to the location of records, but their availability. Additionally, the remainder of Section 201 should be rewritten to incorporate the concerns expressed by TAM and ATTCOM. In so doing, the Commission finds that language should be added to clarify that disputes regarding the disclosure exemption provision will be resolved by the Commission on a case-by-case basis. However, the Commission disagrees with the Attorney General's recommendation to implement mandatory reporting requirements. As proposed, Section 201 provides that the Staff will have access to all reports necessary to ensure compliance with the quality of service standards. The Commission is not persuaded that additional mandatory reporting requirements are advisable.

Section 202 - Retention of Records

Sprint argues that IXC 202, which requires that records be kept in summary form for three years and in detail for the immediate past 12 months, should be revised. Sprint points out that it has no business need to keep certain performance measurement details for more than six months and that it routinely purges this information due to the cost of maintaining it. Sprint prefers that the Commission amend Section 202 to reflect the industry practice of maintaining detailed network performance data for six months, detailed customer installation control data for three months, and data on billing accuracy for three months. Sprint believes that these changes would give the Commission sufficient information and relieve IXCs of the burden and expense of storing information that serves no commercial purpose.

On the other hand, the Attorney General recommends that providers should be required to maintain detailed documentation for three years.

The Commission finds that the recommendations made by Sprint and the Attorney General to change the record retention requirements set forth in Section 202 should be rejected. It is reasonable to require providers to maintain detailed records for 12 months and summaries for three years. However, the Commission finds that it is unnecessary to require the providers to maintain detailed records for three years as proposed by the Attorney General. Accordingly, both recommendations are rejected.

Section 203 - Reports

ATTCOM contends that IXC 203.1, which deals with the obligation to keep service performance records in sufficient detail to permit review, should be amended to clarify that only "toll" service is affected by this provision and to change the focus so that the rule permits an IXC to facilitate its own review process. ATTCOM insists that its proposed revisions are consistent with Act 179 and the utilization of surveillance levels[5] to monitor performance, which is embodied in Section 602.

The Attorney General suggests a different approach. As noted in the discussion regarding Section 201, the Attorney General would require all providers to file actual performance data with the Commission.

The Commission finds that these suggestions should be rejected. The Commission disagrees that Section 203.1 should be tailored to meet the needs of carriers. Rather, records should be kept in a manner to facilitate review by all interested parties. Additionally, for the reasons set forth in the discussion regarding Section 201, the Commission finds the Attorney General's request for imposition of annual reporting requirements should be rejected.

Modifications to Section 203.2, which deals with situations that require carriers to report service interruptions to the Commission, have been suggested by ATTCOM, Sprint, and the Attorney General. The comments are all aimed at reducing the uncertainty that exists because Section 203.2, as proposed, relies on a vague trigger mechanism that is tied to the disruption of a "substantial number" of a carrier's customers. ATTCOM argues that interexchange carriers should be allowed to use the methodology and reporting thresholds used

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[5]A performance level below a given point, which would indicate a need for investigative or corrective action by the provider, if experienced on a continuing basis.

for compliance and reporting to the Federal Communications Commission (FCC), which were adopted on February 13, 1992 in FCC Docket No. 91-273. Sprint agrees with ATTCOM's suggestion, but adds that if the Commission declines to adopt this approach, it should nevertheless more precisely quantify how many customers would have to be affected by a service outage in order to trigger the reporting requirements.

The Attorney General urges the Commission to find that a carrier must report all events that disrupt the service of the lesser of 25% or 2,000 of an exchange's access lines for one hour or longer. The Attorney General believes that the notification should be given within 90 minutes of the disruption. Additionally, he maintains that a final comprehensive report of the disruption should be filed with the Commission within 30 days.

The Commission agrees with the concept, but not all of the details, suggested by the Attorney General. The Commission finds that the reporting requirement should be triggered by the disruption of the lesser of 25% or 2,000 of the access lines of an exchange for one hour or longer and that an immediate report to the Commission Staff (Staff) should be made within 90 minutes during normal business hours or within 90 minutes after the start of the next business day, if the disruption occurs in the evening or on a weekend or a holiday. Additionally, the Commission finds that a report of the disruption should be filed within 30 days, as suggested by the Attorney General.

The Commission finds that the reporting requirement for IXCs should be triggered by a different standard. An IXC should report all disruption or developments affecting major trunking routes between Michigan cities with a population of 50,000 or more or that isolate an exchange for one hour or longer.

Section 204 - Data to be filed with the Commission

TAM insists that LEC 204.1, which addresses the filing of tariffs, should be amended to delete the requirement that tariffs should be filed in accordance with orders issued by the Commission. ATTCOM maintains that IXC 204.1 should be deleted in its entirety because it is superfluous given the requirements of Act 179 and various Commission orders regarding the filing of tariffs.

The Commission finds that the comments submitted by TAM and ATTCOM regarding Section 204.1 should be rejected. Section 202(c) of Act 179 provides the Commission with authority "to require by order that a provider of a regulated service, including access, make available for public inspection and file with the Commission a schedule of the provider's rates, services and conditions of service, including access provided by contract." Accordingly, the Commission is not persuaded that Section 204.1 should be modified or deleted.

TAM suggests that LEC 204.2, which requires carriers to provide, upon request by the Commission or its Staff, summaries, records, or other information deemed necessary to carry out the Commission's responsibilities should be revised to clarify that the information provided pursuant to this section should be in furtherance of the Commission's responsibility to review the quality of service of regulated telecommunications services.

ATTCOM agrees with TAM and adds that the words "and subject to the disclosure exemption provisions of Section 201, supra," should be added.

The Commission agrees with the reasoning behind the recommendations made by TAM and ATTCOM concerning Section 204.2 and finds that these changes should be adopted.

Section 301 - Rate and Special Charges Information

TAM suggests that LEC 301.1, which deals with providing customers with an explanation of available rates, should be amended to clarify that the explanations given should be related to regulated telecommunications services.

In its comments, Barry County complains that the language is too broad and could lead to enormous expenditures. Barry County suggests that rather than being required to provide "any" information and assistance necessary to accommodate requests by customers, only "reasonable access to" this information should be required.

The Commission agrees with the recommendations by TAM and Barry County. Section 301.2 should be limited to regulated telecommunications services and should obligate carriers to provide reasonable access to information and assistance necessary to allow a customer to obtain the most economical telecommunications service available.

ATTCOM proposes that IXC 301.2, which requires a carrier to provide a customer with an estimate of charges if the price is not specified in the company's tariffs and is levied on the basis of actual cost, should be deleted in its entirety because it does not concern toll service.

The Commission disagrees. Under certain circumstances, special charges might occur in relation to toll service.

IXC Section 302 - Customer Point of Contact

ATTCOM maintains that IXC 302 should be modified by the insertion of the word "toll" in order to clarify that the services mentioned in that section are limited to regulated toll services.

The Commission agrees that this change should be incorporated.

Section 303 - Customer Billing

In his comments, the Attorney General argues that Section 303.1, which specifies the manner by which carriers should render their customer's bills, should be revised to include a requirement that bills should include detailed itemization of all charges, including local service charges.

ATTCOM maintains that Section 303.1 should be revised to clarify that an IXC is only responsible for bills to customers covering toll services provided by the IXC.

The Commission agrees that the clarification suggested by ATTCOM should be adopted. However, the Commission finds that the additional requirements posed by the Attorney General should be rejected because they are not currently required and because the information is available upon request. However, the Commission finds that itemization of a customer's bill for local services should be automatically printed on a customer's initial bill and on the first bill following any revision that changes the customer's charges for local services.

Barry County suggests that Section 303.3, which requires appropriate tariff adjustments to be made to a customer's bill for a service outage of more than 24 hours, should be modified to require a billing adjustment only if the customer remains out of service for 24 "business" hours. Barry County also argues that a refund should not impose a cost greater than the amount refunded. Further, it maintains that refunds should not be required if the restoration of service is prevented due to weather conditions or lack of access to a customer's premises.

The Commission disagrees. Barry County's proposed revision drastically changes the scope of the adjustment allowed to an out-of-service customer and eliminates most of the incentive that a provider has to restore services promptly. Accordingly, it is rejected.

The AARP argues that Section 303.3 should also provide that if a carrier fails to automatically credit a customer's bill for a prolonged outage, a penalty equal to the amount of the customer's monthly bill should be imposed.

The Commission is not persuaded that the AARP's suggestion is reasonable or necessary to assure compliance.

Section 304 - Public Information

Barry County argues that Section 304, which details the information that must be made available to the public upon request, should be clarified to provide LECs with reasonable compensation for copying costs and to avoid wasteful requests for paper.

The Commission disagrees. The information covered by Section 304 is vital to some customers and is not so voluminous as to cause a hardship. Therefore, the Commission finds that Barry County's recommendation should be rejected.

LEC Section 305 - Customer Deposits

In its comments, TAM argues that LEC 305, which deals with customer deposits for communication services, should be deleted in its entirety. TAM believes that this is not a quality of service standard, and it argues that this subject is already covered by applicable laws, rules, and Commission regulations.

The Commission agrees with TAM that customer deposits are not a quality of service issue and that LEC 305 should be deleted, which will necessitate renumbering remaining sections of this chapter.

The AARP argues that Section 303.3 should also provide that if a carrier fails to automatically credit a customer's bill for a prolonged outage, a penalty equal to the amount of the customer's monthly bill should be imposed.

The Commission is not persuaded that the AARP's suggestion is reasonable or necessary to assure compliance.

Section 304 - Public Information

Barry County argues that Section 304, which details the information that must be made available to the public upon request, should be clarified to provide LECs with reasonable compensation for copying costs and to avoid wasteful requests for paper.

The Commission disagrees. The information covered by Section 304 is vital to some customers and is not so voluminous as to cause a hardship. Therefore, the Commission finds that Barry County's recommendation should be rejected.

LEC Section 305 - Customer Deposits

In its comments, TAM argues that LEC 305, which deals with customer deposits for communication services, should be deleted in its entirety. TAM believes that this is not a quality of service standard, and it argues that this subject is already covered by applicable laws, rules, and Commission regulations.

The Commission agrees with TAM that customer deposits are not a quality of service issue and that LEC 305 should be deleted, which will necessitate renumbering remaining sections of this chapter.

preclude a carrier from offering superior service or mean that a customer will not consider a carrier's exceptional performance to be a service differentiator.

Section 306 - Voluntary Suspension

TAM argues that Section 306, which deals with voluntary suspension of telecommunications service, should be deleted in its entirety because it is the definition of a service offering, not a quality standard.

The Commission agrees with TAM's analysis and finds that LEC 306 should be deleted.

Section 307 - Directories

TAM recommends that Section 307, which deals with directories, should be deleted in its entirety. According to TAM, although Act 179 addresses the provision of an annual printed directory to each customer, this requirement is not a service that should be regulated by the Commission. TAM stresses that these standards should be applied to only regulated telecommunications services.

The Commission disagrees. Because Section 309(1) of Act 179 requires a provider of basic local exchange service to provide an annual printed telephone directory to each customer at no additional charge, the Commission is convinced that the provision of printed telephone directories should be covered by these quality of service standards.

In his comments, the Attorney General argues that Section 307.3, which requires that certain information be included in a directory, should specifically address 9-1-1 and dual party relay services. According to the Attorney General, information on 9-1-1 and dual party relay services should be conspicuously displayed in the front of all directories.

The Commission agrees with the Attorney General's recommendations. While the existing language in Section 307.1 is arguably broad enough to include information regarding 9-1-1, it does no harm to ensure the publication of this information by specifically mentioning it in the quality of service standards. Additionally, the Commission is persuaded that information regarding dual party relay services should also be incorporated to ensure the public's awareness of this option.

Barry County maintains that Section 307.1 should be repunctuated in order to clarify that LECs are not required to list the telephone numbers of public telephones in directories. The Commission agrees.

Barry County also maintains that Section 307.6, which deals with dual name listings, should be separated from this proceeding and considered in another docket due to the many ramifications caused by the proposal. The Commission disagrees. Apparently, Barry County believes that the requirement that it provide dual name listings at no additional cost relieves all customers from the obligation to pay for extra directory listings. This is inaccurate. The free dual name listing provision is applicable only to persons having the same surname and is limited to the inclusion of only one additional name on the original listing line. Accordingly, Barry County's position on this issue is rejected.

Barry County also argues that Section 307.8, which specifies that when a customer's telephone number is changed, the LEC shall intercept all calls to the former number for a minimum period of three months and give the calling party the customer's new number, is contrary to an existing tariff provision. According to Barry County, it currently has a tariff allowing it to charge for the same service that Section 307.8 will require LECs to provide free of charge.

The Commission finds that Barry County's comments are not well taken. Adoption of Section 307.8 will only render Barry County's existing tariff charge inapplicable for the initial three months of the service. Subsequently, Barry County may charge for the service, as provided in its tariffs.

Section 308 - Complaints and Appeals

TAM argues that Section 308, which concerns complaints and appeals, should be revised to delete reference to the manner by which a carrier shall direct its personnel to handle customer complaints. TAM insists that the internal procedures of a carrier regarding the handling of complaints is not a regulated telecommunications service to which quality of service standards need apply. Additionally, TAM recommends that, because the current industry practice for answering complaints received from the Commission or its Staff is "within 10 days," that standard should be adopted rather than the 5-day period provided for in the proposed standards.

The Commission agrees with TAM that the existing time period for responding to inquiries regarding complaints received from the Commission or the Staff should remain at 10 days. However, for the reasons set forth in the earlier discussion regarding IXC 305, the Commission is not convinced that an LEC should be relieved of its responsibility to involve its supervisory personnel in the complaint process.

Section 401 - Construction

ATTCOM argues that Section 401, which deals with engineering and plant construction, should be revised to delete reference to R 460.813 of the Michigan Administrative Code. According to ATTCOM, it is unclear how reference to R 460.813 is applicable. Further, ATTCOM suggests that the reference to the exchange carriers' standards should be deleted because those standards are not accredited by the American National Standards Institute, Inc.

(ANSI). ATTCOM believes that its suggested revisions allow the use of new and innovative technology, which will improve the quality and reliability of total services.

The Commission finds that ATTCOM concerns are not well taken. R 460.813 specifically adopts the 1990 edition of the National Electrical Safety Code published by ANSI as the applicable standards for construction and maintenance of telecommunications lines and facilities.[6] Additionally, the Commission believes reference to the exchange carriers' standards is appropriate because many of those standards are generally accepted by the industry.

IXC 402 & LEC 404 - Emergency Operation

IXC 402 and LEC 404 deal with emergency operations. These sections are the subject of several comments. The MCA believes that carriers currently will not give out information concerning the priorities for restoration of service. The MCA insists that customers should have the ability to discover their priority for restoration.

The Commission finds that MCA's concern is covered by existing tariff provisions. All carriers currently have a telecommunications service priority tariff.[7]

The AARP raises two concerns regarding emergency operations. First, it argues that LEC 404.1, which requires carriers to make reasonable provisions to meet emergency power inter-

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[6]The ANSI updates the National Electrical Safety Code every three years. In the future the Commission intends to follow its existing practice of revising R 460.813 to adopt the most recent edition of the National Electrical Safety Code.

[7]The telecommunications services priority tariff provision for Michigan Bell Telephone Company is located in Tariff M.P.S.C. No. 25, Part X 7.1 et seq.; for GTE North Incorporated in Tariff M.P.S.C. No. 25, Section 6, No. 3 et seq.; for ATTCOM in Tariff M.P.S.C. No. 1, Section 8.0.3; for companies that belong to the Michigan Exchange Carriers Association in Tariff M.P.S.C. No. 25, Part X 10 et seq.

ruptions, should be revised to require that at least one public access phone for every 500 households be available for use in the event of household telephone failures. Additionally, the AARP argues that for every 10,000 customers there should be a public alternative routing mechanism, such as a centrally-located cellular phone station.

The Commission finds the suggestions made by the AARP regarding LEC 404.1 are not appropriate. The AARP's recommendations go far beyond the scope of LEC 404.1 and require the installation and maintenance of permanent facilities.

ATTCOM argues that IXC 404.2, which specifies precautions to avoid power outages at central offices, should not specify a minimum number of hours for battery reserve. According to ATTCOM, specifying a minimum number of hours could stifle innovation and the development of new technologies and systems. ATTCOM believes that carriers should be directed to equip their offices with "adequate battery reserve" and that they should be required to maintain records of their power supply, including battery reserve times, which would be made available to the Commission for inspection. ATTCOM also believes that the requirement that a mobile power unit should be delivered and connected to a central office within four hours should be deleted.

The Commission disagrees with ATTCOM's suggestions. Nothing in the language of IXC 402.2 prevents a carrier from developing new technologies. The Commission views the establishment of quality of service standards as an evolving process that should be revisited periodically in order to address new issues and technologies. Accordingly, if a better technology for reserve power is developed, the Commission will consider a request to incorporate it into these standards. Additionally, the Commission continues to believe that the capability to deliver a mobile power unit to a central office within no more than four hours is a reasonable requirement. Accordingly, ATTCOM's suggested revisions to IXC 402.2 are rejected.

The AARP argues that Section 404.3, which requires an LEC to have written emergency procedures, should be amended to provide for constant in-state service responses by qualified persons. The Commission disagrees. The location of persons responding to reports of telephone failures is not relevant. Their response time is relevant.

Section 406 - Grounding of Transmission Facilities

TAM argues that LEC 406, which deals with the grounding of transmission facilities, should be deleted in its entirety because voltage and grounding concerns are addressed in Sections 401 and 405 of the LEC standards.

The Commission disagrees. LEC 406 contains a requirement that an LEC should coordinate its activities with those of existing electric and natural gas utilities in its general vicinity. Because nothing in Sections 401 and 405 deals precisely with this issue, the Commission finds that LEC 406 should not be deleted.

Section 501 - Maintenance of Plant and Equipment

Both TAM and ATTCOM contend that Section 501.2, which deals with maintenance of plant and equipment, should be revised. TAM believes that Section 501.2 should be amended through deletion of the words "but not be limited to" that appear before a list of examples. ATTCOM would restrict the standard by the addition of the words "carrying traffic," which would avoid the need for a carrier to maintain non-working plant and equipment.

The Commission finds that the suggestions made by TAM and ATTCOM should be rejected. TAM's suggested deletion would mean that maintenance would be limited to the three examples set forth in Section 501.2, which would be too restrictive. The examples cited in the standard are not intended to be a complete listing. Additionally, ATTCOM's suggestion should be rejected because non-working facilities should be maintained in order to keep them available in case of emergency or to meet future growth.

Section 502 - Customer Repair Requests

Section 502, which deals with customer repair requests, prompted a number of suggestions and comments. The Attorney General suggests that this section should be rewritten to impose detailed recordkeeping responsibilities on carriers.

The Commission disagrees. The existing language in Section 502.1 requires carriers to make a full and prompt investigation of all complaints and maintain an adequate record of the repair requests, which must include appropriate identification of the customer, the time, date, and nature of the report, the action taken to clear the repair request or satisfy the complaint, and the date and time of repair clearance or other disposition. The Commission is not persuaded that more detailed information is required.

The AARP argues that Section 502.1 should impose an obligation on LECs to assist customers to identify the cause of an outage.

The Commission finds that this suggestion is reasonable and that it should be adopted because this assistance could lead to the correction of an obvious problem that is not readily apparent to a customer.

ATTCOM suggests that IXC 502.1 should be amended to clarify that the standard relates to toll service.

The Commission agrees that ATTCOM's recommendation is appropriate.

With regard to IXC 502.2, ATTCOM argues that reference to customer point of contact location should be deleted from both the title and the text. According to ATTCOM, this change is needed to clarify that the section applies only to repair requests and does not include other customer calls, such as billing inquiries. In addition, ATTCOM maintains that the specification of a 20-second objective for answering calls for repair service is unnecessary and should be deleted. Citing the competitive market for toll service, ATTCOM insists that the customer is in the best position to determine what is proper.

The Commission disagrees with ATTCOM's comments. The Commission remains convinced that IXCs should be responsive within a specific time frame for all incoming calls. The Commission finds that the 20-second standard is appropriate and should be retained.

Both the Attorney General and the AARP suggest substantive changes to Section 502.4, which provides specific time frames for clearing out-of-service repair requests. As proposed, Section 502.4a provides that 80% of out-of-service trouble requests reported during normal business hours should be cleared within 24 hours. Section 502.4b provides that 80% of out-of-service trouble requests reported on weekends and holidays should be cleared within 48 hours. The Attorney General insists that at least 90% of all out-of-service repair requests should be cleared in 24 hours during normal business days and within 48 hours on weekends and holidays. If necessary, the Attorney General believes that the 90% standard should be phased in.

The AARP argues that carriers should have an employee available to clear 80% of out-of-service requests within 9 hours regardless of whether the out-of-service is reported on a normal business day, a weekend, or a holiday.

The Commission finds that the recommendation of the Attorney General to require at least 90% of all out-of-service repair requests should be cleared in 24 hours during normal business hours and within 48 hours on weekends and holidays is reasonable and should be adopted. However, the Commission finds that the AARP's recommendation to shorten the repair response time to 9 hours is not reasonable and should be rejected.

TAM suggests stylistic changes to both Section 502.4a and 502.4b. The Commission finds that TAM's suggestions clarify these sections without making any substantive changes. Accordingly, the Commission finds TAM's suggestions should be incorporated.

ATTCOM argues that IXC 502.4 and 502.5 should be deleted in their entirety. ATTCOM insists that the concept of "out-of-service repair requests" is not defined in the standards and has no relevance to toll service. Further, because Section 502.5 refers to Section 502.4, ATTCOM believes it is superfluous and should be deleted.

The Commission finds that the concept "out-of-service" is self-explanatory and needs no definition. Further, despite ATTCOM's insistence to the contrary, the Commission finds that Sections 502.4 and 502.5 do have relevance to toll service and that these sections should not be deleted from the IXC standards.

The Attorney General argues that Section 502.6, which requires carriers to keep their commitments to customers should be strengthened and should contain more detailed language. According to the Attorney General, the Commission should adopt a standard requiring carriers to meet at least 90% of their commitments regarding maintenance and repairs, except for customer-caused delays and natural disasters affecting large groups of customers.

As drafted, Section 502.6 would require a carrier to keep all commitments to customers unless the customers are timely notified of changes. Further, it provides that if unusual repairs are required or factors preclude the prompt clearing of reported trouble, reasonable efforts should be made to notify affected customers of the situation. The Commission finds the proposed standard is appropriate and should be adopted with one revision. The Commission agrees that a provider should not schedule appointments that it cannot keep, knowing that it can comply with the quality of service standards if it later gives timely notice to the customer that the appointment must be rescheduled. Accordingly, the Commission finds that a provider must keep at least 90% of its originally scheduled appointments. If unable to keep such an appointment, the carrier must give prior notice to the customer and must reschedule the appointment.

Section 503 - Inspections and Tests

TAM argues that Section 503, which deals with inspections and tests, should be rewritten. It would replace vague language describing the manner by which carriers should prepare written tests and inspection programs with a new standard. TAM believes that written programs for testing and inspections should be developed "with reference to manuals provided by the manufacturers of the equipment."

The Commission agrees with TAM's comment. Adhering to the recommendations provided by the manufacturers of the equipment to be tested and inspected is a reasonable methodology for achieving the objectives of Section 503.1.

Barry County believes Section 503.1 will lead to needless written reports, which it considers to be "a wasteful use of resources."

The Commission disagrees with Barry County. Section 503.1 does not require detailed written reports, but rather a written program for testing and inspections. Accordingly, Barry County's complaint is not well taken.

The Commission also notes that ATTCOM commented on IXC 503.1 in order to point out obvious typographical errors that need to be corrected. The Commission agrees that these corrections should be incorporated.

Section 504 - Service Interruptions

TAM recommends that Section 504, which deals with service interruptions, should be amended to change the circumstances under which a carrier shall attempt to notify an affected customer in advance of an interruption necessitated for the purpose of working on lines or equipment. The proposed standard would require a carrier to notify customers in advance if it reasonably expects the interruption to last more than 5 minutes. TAM suggests that the trigger for the prior notification requirement should be 15 minutes. TAM explains that its central office computer programs typically take between 5 and 15 minutes to "re-boot." Accordingly, it suggests that it would be appropriate to adopt the 15 minute standard for notifying affected customers when this type of service interruption is expected to occur.

The Commission agrees. The change suggested by TAM is reasonable in light of the circumstances and would obviate the necessity of notifying all customers whenever the carrier's central office computer programs need to be changed or re-booted.

Section 601 - General Practices

ATTCOM contends that Section 601.1, which governs general quality of service practices, should be revised to clarify that it applies to toll service and to recognize that studies and records help the IXC to achieve quality, but are not alone sufficient to assure quality levels.

The Commission agrees. ATTCOM's suggestions are consistent with the purpose of the quality of service standards and should be adopted.

In commenting on Section 601.2, which requires LECs to make traffic studies and maintain records to determine if sufficient equipment and adequate operating forces are provided at all times, Barry County cites its comments regarding Section 503.1 pertaining to its dislike of written reports.

The Commission does not agree that the mere possibility that Barry County will have to prepare a written report is a sufficient reason to delete this section. Rather, the Commission finds that requiring a carrier to make traffic studies and to maintain records is essential to the carrier's ability to determine the adequacy of its operating force and the sufficiency of its equipment. Accordingly, Barry County's comments regarding Section 601.2 are rejected.

TAM suggests that Section 601.3, which concerns the requirement that each LEC provide at least one public coin telephone per exchange in response to a customer request, should be held in abeyance pending resolution of the issue in Case No. U-10049. Barry County also argues that Section 601.3 should be revised to allow it to refrain from installing a public coin telephone so long as the threat of vandalism exists. Citing the possibility that the cost of coin phone repairs might drive up its charge for basic local repair service by as much as 50¢ per line per month, Barry County argues that Section 601.3 should provide for a mechanism to exempt telephone companies in rural areas from this requirement. Finally, the AARP repeats its argument that LECs should be required to provide at least one public coin phone for every 500 households in an exchange and that the phones be located within a reasonable geographic distance of all customers.

The Commission finds that the recommendations made by TAM, Barry County, and the AARP should be rejected. The Commission continues to believe that it is reasonable to require LECs to provide at least one public coin telephone per exchange for use by customers.

Further, the Commission is not convinced that rural telephone users should have less access to public coin phones than citizens residing in more populated areas of the state. The Commission also finds that requiring LECs to install at least one public coin telephone for every 500 households is unreasonable because it drastically expands their current obligation to provide one public coin phone per exchange and because the current standard has not been shown to be a problem. The Commission finds that the existing standard is appropriate and should be continued.

Section 602 - Service Objectives and Surveillance Levels

TAM's comments regarding Section 602, which addresses service objectives and surveillance levels, involve substituting the word "standard" for the word "guideline." The Commission finds that this revision is appropriate and that it should be incorporated for this section and elsewhere in the standards as appropriate.

ATTCOM states that Section 602.1, which deals with measurements taken to determine levels of service and reports to be submitted to the Commission and its Staff, should be rewritten to clarify that this section applies to measurements and summaries already generated by an IXC and that it does not require the creation of additional materials in response to specific requests. Additionally, ATTCOM contends that this section should reference the previously-discussed disclosure exemptions contained in Section 201.

The Commission agrees that ATTCOM's comments regarding Section 602.1 are reasonable and should be adopted.

Both ATTCOM and Sprint argue that IXC 602.2 should be deleted in its entirety because it does not apply to toll service.

The Commission agrees. Toll service is not provided on a service order basis and toll providers depend on LECs for installing nearly all access lines and for changing the preferred interexchange carrier code for services using switch access.

The Attorney General recommends that several specific and comprehensive quality of service standards should be added to LEC 602.2. The Attorney General maintains that Section 602.2 should include standards for missed appointments for maintenance and repairs and for the installation of primary telephone service. The Attorney General also believes that the Commission should require that 90% of primary service order installations be completed within three working days. Additionally, the Attorney General would require LECs to file reports with the Commission regarding all "held orders" exceeding 30 days.

The Commission agrees with most of the Attorney General's recommendations, which are not unduly burdensome. Accordingly, the Commission finds sufficient justification for adoption of the recommendations proposed by the Attorney General. However, the Commission will not require the filing of an annual report regarding orders held for over 30 days. Rather, as originally proposed, that information should be made available to the Commission or its Staff upon request.

TAM and ATTCOM both recommend that Section 602.4, which covers operator-handled calls, should be deleted because, pursuant to Act 179, operator services are no longer subject to the Commission's regulations.

The Commission agrees that LEC 602.4a and IXC 602.4 should be deleted in order to be consistent with the deregulation of operator services pursuant to Act 179. However, the Commission believes that LEC 602.4b should be retained because, pursuant to Section 309(1) of Act 179, a provider of basic local exchange service is still required to provide customers with local directory assistance.[8]

The Attorney General maintains that Section 602.5b, which concerns local dial service, should be revised to require a local call completion rate of 99%, with a surveillance rate of 97.9%, instead of the 97% completion and 92% surveillance rates proposed.

The Commission disagrees. The enhanced surveillance and completion rates proposed by the Attorney General do not appear to be justified and could impose an unnecessary burden.[9]

TAM argues that the objective of constructing a network that would permit 97% of all switched access calls on incoming trunks to be connected without encountering blockages or equipment irregularities, which appears in Section 602.6, should be deleted because it is not possible to measure incoming trunks. The Commission agrees that TAM's recommendation should be adopted.

The Attorney General argues that Section 602.6 should be revised to impose a switched access completion rate of 99%, with a surveillance level of 97.9%. The Commission finds that the Attorney General's recommendation should not be adopted because it is not convinced that there is sufficient justification for the proposed change.

The Attorney General also proposes that Section 602.7, which governs standards for customer trouble reports, should be revised to require service to be maintained by the LEC

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[8]Deletion of Section 602.4 renders moot the AARP's recommendation that LECs should be required to provide customer access at all times to a live operator located within the state.

[9]The Commission agrees that the typographical error in Section 602.5 that is pointed out in TAM's comments should be corrected.

so that customer trouble reports in any exchange do not exceed 4 trouble reports per month with a surveillance level of 7 per 100 access lines.

The AARP argues that the Section 602.7 standards are too low. Specifically, the AARP believes that the standard for surveillance should be 5 or less trouble reports per 100 access lines per month.

The Commission is not persuaded that the proposed standard, which requires an exchange to be maintained so that customer trouble reports do not exceed 6 per 100 access lines per month with a surveillance level of 8 trouble reports per 100 access lines per month, should be changed to the levels proposed by either the Attorney General or the AARP.

Miscellaneous

In his comments, the Attorney General argues that, to ensure obedience to the quality of service standards, the Commission should make its licensing and certification decisions dependent upon compliance with the standards. The Attorney General argues that carriers should be placed on probation for up to two years to allow the Commission to review their ability to comply with the standards prior to obtaining a permanent license or certification. Additionally, the Attorney General argues that the Commission should subject carriers to decertification and penalties if there are substantial violations of the standards. According to the Attorney General, substantial violations should be deemed to occur when quality of service is frequently provided on a surveillance level basis for various individual standards. Additionally, the Attorney General maintains that the Commission should also consider significant or unusual individual violations as a basis for decertification or the imposition of a penalty.

The Commission finds that the Attorney General's suggestions do have some merit. Despite a reluctance to predetermine the existence and the length of a probationary period that would be automatically imposed on all applicants for a telecommunications license, the Commission agrees that it is appropriate to consider a provider's past and future ability to deliver high quality service to its customers. Further, the Commission agrees that substantial and continuing violations of the quality of service standards and also significant or unusual individual occurrences should be taken into consideration in determining a remedy or penalty pursuant to Section 601 or a licensing issue pursuant to Sections 301, 302, and 303 of Act 179.

The Attorney General also proposed several other concepts. His proposals include a data transmission performance standard and special tariff provisions that would require credits or rebates to customers if a carrier is unable to provide service in accordance with established criteria. The Attorney General's service guarantee credit tariff proposal would require a carrier to provide credit for one month of business or residential local service if the customer was out of service in excess of 24 hours. The Attorney General's maintenance service incentive and rebate plan would require a rebate of 20% of the monthly local service charge to be paid to all business and residential customers if their central office experiences customer trouble rates equal to twice the established minimum standard for several consecutive months.[10]

The Commission finds that all of the Attorney General's other recommendations for the inclusion of additional quality of service standards and tariffs should be rejected at this time. Act 179 has been in effect for less than one year and the Commission is still involved in the implementation of its provisions. The Commission finds that it would be more appropriate

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[10]The Attorney General's rebate plan would be implemented when customer trouble reports exceed twice the level established in LEC 602.7 for 3 consecutive months for central offices with more than 3,000 access lines and for a 5 consecutive months for central offices with fewer than 3,000 lines.

to revisit the Attorney General's concerns at a later date after substantial experience has been garnered regarding the effectiveness of the proposed standards. At that time, the Commission will be better able to determine whether any of the Attorney General's refinements should be adopted.

The Commission FINDS that:

a. Jurisdiction is pursuant to 1991 PA 179, MCL 484.2101 et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; and the Commission's Rules of Practice and Procedure, R 460.17101 et seq.

b. Quality of service standards for regulated telecommunications services offered in Michigan should be established pursuant to Act 179.

THEREFORE, IT IS ORDERED that the standards for quality of service for regulated telecommunications services offered in the state of Michigan, Attachment A to this order, are adopted and shall be immediately effective.

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

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

MICHIGAN PUBLIC SERVICE COMMISSION

/s/ Steven M. Fetter
Chairman

(S E A L)

/s/ Ronald E. Russell
Commissioner

/s/ John L. O'Donnell
Commissioner

By its action of September 11, 1992.

/s/ Dorothy Wideman
Its Executive Secretary