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MICHIGAN PUBLIC SERV
FILED
JUN 07 2001
COMMISSION

June 7, 2001

Ms. Dorothy Wideman
Executive Secretary
Michigan Public Service Commission
6545 Mercantile Way
Lansing, MI 48909

Re: In the Matter of the Complaint of Covenant House Michigan and Great Lakes Telecom Against American Telephone & Telegraph Company, et al
MPSC Case No. U-12759

Dear Secretary Wideman:

Enclosed for filing are Exceptions to Proposal for Decision of Covenant House Michigan and Great Lakes Telecom, Inc. and Proof of Service.

Thank you.

Sincerely yours,

HONIGMAN MILLER SCHWARTZ AND COHN LLP

Frederick M. Baker, Jr.

FMB/als
Enclosures
cc (w/encls): Mr. Anthony J. LeVasseur
Mr. John J. Reidy, III
Mr. Michael Nickerson
Honorable James N. Rigas

MI... AN PUBLIC SERVICE COMMISSION
FILED
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STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the Matter of the Complaint of COVENANT HOUSE MICHIGAN and GREAT LAKES TELECOM, INC. against AMERICAN TELEPHONE AND TELEGRAPH COMPANY (a/k/a AT&T Corp., AT&T, Inc.), TELEPORT COMMUNICATIONS GROUP, INC. (a/k/a Teleport Communications, TCG Detroit, and TCG Detroit Holdings, I, Inc.)	)	MPSC Case No. U-12759

PROOF OF SERVICE

Anne Scherman, being first duly sworn, deposes and says that on the 7th day of June, 2001, a copy of Exceptions to Proposal for Decision of Covenant House Michigan and Great Lakes Telecom, Inc., were served (as specifically indicated on attached list) upon the individuals listed on the attached List of Parties via first class mail, proper postage affixed, addressed and deliverable as captioned above.

Anne Scherman

Anne Scherman

Subscribed and sworn to before me
this 7th day of June, 2001

Frederick M. Baker, Jr.

Frederick M. Baker, Jr., Notary Public
Ingham County, Michigan
My Commission Expires: 11/02/04

LIST OF PARTIES

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The documents were served via first class mail on 2/28/01.

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STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the Matter of the Complaint of COVENANT HOUSE MICHIGAN and GREAT LAKES TELECOM, INC. against AMERICAN TELEPHONE AND TELEGRAPH COMPANY (a/k/a AT&T Corp., AT&T, Inc.), TELEPORT COMMUNICATIONS GROUP, INC. (a/k/a Teleport Communications, TCG Detroit, and TCG Detroit Holdings, I, Inc.)	)	MPSC Case No. U-12759

EXCEPTIONS TO PROPOSAL FOR DECISION
OF
COVENANT HOUSE MICHIGAN AND GREAT LAKES TELECOM, INC

Frederick M. Baker, Jr. (P25415)
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INTRODUCTION

Covenant House Michigan ("Covenant House") and Great Lakes Michigan, Inc. ("Great Lakes") (collectively, Complainants) submit these exceptions to the Proposal for Decision ("PFD") issued in this case on May 24, 2001, by the Administrative Law Judge Honorable James N. Rigas ("ALJ").

The ALJ's recitals of the parties' arguments and summary of the record and exhibits in his PFD are, in most respects, thorough and accurate. They reflect a sound grasp of the parties' contentions and reasonably accept most of the important factual claims advanced by Complainants. Complainants differ, however, with some of the ALJ's factual findings and, in two significant instances, with his application of the provisions of the Michigan Telecommunications Act, MCL 484.2101,et seq.; MSA 22.1469(101) et seq.(the "MTA") to the facts established by the record.

Although the ALJ correctly noted, PFD at 3, that "the burden of proving a case filed under this act is with the party filing the application or complaint," and correctly recognized that the "preponderance of the evidence" standard applies to this burden of proof, PFD at 9, 21, the ALJ apparently failed to recognize that, with respect to the first set of claims, those arising prior to April of 2000, when Covenant House was responsible for its own telecommunications services under accounts 01, 02, and 03, as described at PFD, p. 5, the specific violations summarized in Exhibit C-1, at page 8, are detailed in the monthly memoranda and spread sheets submitted to Respondent and contained in Exhibit C-1. Exhibit C-1 comprises 121 pages, of which page 8 is but one. Contrary to the ALJ's conclusion, which is based solely upon an examination of one page of Exhibit C-1, the spreadsheet at page 8, Complainants did "adequately establish a record which specifically identifies actions by Respondents that constitute...specific violation[s] of the MTA." PFD at 9.

Second, Complainants agree with the ALJ's finding that, with respect to the second set of claims described in the PFD at p. 9, relating to the new account 04 established when Great Lakes assumed responsibility for Covenant House's telecommunications services arrangements, and Respondent's relentless and admittedly erroneous billing for unordered remote call forwarding services, Respondents violated Section 502(1)(c) of the MTA. Complainants disagree, however, with the ALJ's interpretation of Section 507(1) of the MTA and his conclusion that no violation of Section 507(1), as so interpreted, has been demonstrated. PFD at 13.

Great Lakes ordered remote call forwarding on only nine of Covenant House's lines. In response to this written order, Respondent instituted remote call forwarding services on 85 of Covenant House's lines, and persisted, month after month, in billing for that service on all 85 lines, even after, according to its own witnesses, attempts were made to cancel that service on the lines for which it had not been ordered. AT&T continued to bill each line, at $14.75 per month, for almost a year, and, for the reasons described within, Complainants submit that such conduct constituted a violation of Section 507(1), which prohibits a telecommunications provider to "include or add optional services in an end-user's telecommunications service package without the express oral or written authorization of the end-user," i.e., "cramming." Such conduct was not, as the ALJ concluded, merely a violation of Section 502(1)(c) of the MTA, prohibiting a provider of telecommunication service to charge an end-user for service provided after the effective date of service cancellation. PFD at 13.

This difference in interpretation and application of the MTA produces a substantial difference in the remedy to which Complainants are entitled, because only a violation of MTA

Section 507(1) authorizes the remedies provided by MTA Section 506(2), which include higher fines than those authorized by MTA Section 601, under which the ALJ has recommended relief, and the payment of a portion of the fines assessed directly to the customer who suffers the violation of Section 507.

With respect to the third claim Complainants asserted, described at PFD p. 13, Complainants except to the finding that Respondents' course of conduct, its contract form, its contract drafting procedures, and its statements to Great Lakes (1) were not confusing, misleading, and did not cause a probability of confusion or misunderstanding concerning the legal rights, obligations and remedies of Covenant House, and (2) that Respondents did not make statements or representations regarding the terms and conditions of the telecommunications services to be provided that were false, misleading, or deceptive, within the meaning of MTA Sections 502(1)(a) and (h).

Finally, Complainants disagree with the ALJ's finding that "no evidence has been presented in this case to establish that Complainants have suffered any economic harm for which they should be made whole pursuant to the provisions of the MTA."

EXCEPTIONS

I. COMPLAINANTS ESTABLISHED BY A PREPONDERANCE OF THE EVIDENCE THE AMOUNTS OF THE CREDITS TO WHICH COVENANT HOUSE WAS ENTITLED ON ACCOUNTS 01, 02, AND 03 AND THE SPECIFIC ACTIONS CONSTITUTING SPECIFIC VIOLATIONS OF THE MTA, ENTITLING COMPLAINANTS TO RELIEF ON THIS CLAIM.

The ALJ found as follows, with respect to the first claim:

> The MTA provides that Covenant House bears the burden to proof. The record shows that in March 1999 Covenant House had succeeded in securing credits for all but $189 in claims attributable to certain handset non-delivery and related line charges that Covenant House has now withdrawn. The writer finds that at this point in time Respondents and Covenant House are in virtual agreement on the status of original accounts 01, 02 and 03. The record also tends to show that billing system errors in these accounts continued after this time. It appears that these errors may have included billing for lines ordered disconnected and voicemail for which disconnection had been requested.
>
> Complainants rely upon Exhibit C-1 to support this first set of claims. The Administrative Law Judge cannot determine the factual support for these claims from this exhibit. Respondents have demonstrated that the total amount of unwarranted credits claimed by Covenant House, the total service charges accruing on these credits and any other amounts attributable to the withdrawn portion of the complain, or claims for refunds involving services which were in fact provided at the customer's request, cannot be determined from Exhibit C-1, page 8. Covenant House asserts claims as of April 1, 2000, totaling $2,406. The Administrative Law Judge finds that this amount represents an amount that Covenant House refused to pay, but has since admitted includes claims for credits that were voluntarily withdrawn during the hearing. Complainants have not identified with any specificity which amounts are still in dispute.
>
> The Administrative Law Judge finds that Complainants have failed to demonstrate by a preponderance of the evidence that Respondents have violated the cited provisions of the MTA. What Complainants have relied upon with regard to this set of claims is a spreadsheet which shows only differences in billing computations. Complainants have failed to adequately establish a record which specifically identifies actions by Respondents that constitute any specific violation of the MTA. Consequently, the Administrative Law Judge recommends that the Commission dismiss this set of claims.

PFD at 8-9 (emphasis added).

Covenant House agrees that, as the ALJ found, the total amount of the unwarranted charges and credits claimed "cannot be determined from Exhibit C-1, page 8." Complainants disagree, however, with the ALJ's finding that, despite his finding that the billing errors occurred, relief must be denied, and the claim dismissed, because "Complainants have not identified with any specificity which amounts are still in dispute." Id. In fact, Covenant House identified with painstaking and tedious specificity which amounts are still in dispute.

What appears to have escaped the ALJ's notice is that Exhibit C-1, page 8, is merely the final spreadsheet summarizing the 121 pages of monthly spreadsheets and memos that Mr. Sevelis testified he provided to Respondents, and which Respondents admitted having received. What also appears to have escaped the ALJ is that, as the undisputed testimony established, the amounts in dispute were reconciled in March of 1999, when AT&T finally succeeded, after six months, in granting credits for those disputed amounts. At that time, as Exhibit C-1, p. 63, reflects, Covenant House asserted claims for only $189.43 in credits that AT&T had refused to grant, out of the total amount that had been in dispute since September of 1998.

As Exhibit C-1 reflects, at pp. 116 and 117, Covenant House asserted a claim for charges for lines that had been ordered disconnected, and that were unusable because handsets had not been received to enable Covenant House to use them. At the hearing, Covenant House waived the amounts claimed as credits for those lines, when it was explained (and conceded by Covenant House) that AT&T (1) was not responsible for the delivery of handsets, (2) regarded charges for lines that were unusable because handsets were unavailable as proper, and (3) had properly reflected a reduction in charges for lines ordered disconnected on the effective date of disconnection. TR 133. As Exhibit C-1 reflects, at pp. 119 ($166 on "questioned cost" line, reflecting total of 10 "disconnect" lines listed on that page, referencing specific line numbers), p. 120 (reflecting $8.01 "disconnect" claim), and p. 121 (reflecting $7.98 "disconnect" claim), those disputed charges, aggregating $181, were denied by AT&T when it performed the March 1999 adjustment to grant the other credits Covenant House had claimed. (These 11 lines are specifically referenced at Exhibit C-1, p. 104, as the 11 lines that had been request to be disconnected in August, which are referred to in Exhibit C-1 at p. 116 [sic—10 lines], to which there were also small monthly service charges added. See, e.g. Exhibit C-1, p. 97, referencing a $1.22 service charge relating to past due charges. As Exhibit C-1 at p. 63 reflects, by March 1, 1999, when, after six months of efforts to obtain adjustments claimed, Covenant House finally succeeded in obtaining those adjustments, the outstanding disputed amount had been reduced to $189.43.

It was this specific amount, relating to billings for lines "not in service" because handsets had not been delivered and partial credits for lines for which disconnection had been requested, that Covenant House initially mistakenly believed it was entitled to credit for, but which Covenant House waived at the hearing. Thus, it is possible to determine from Exhibit C-1 the specific amount that was waived at the hearing.

Going forward, however, after March 1999, when, as the ALJ found, the billing errors continued, AT&T failed to correct the billing of the same charges it had agreed should be adjusted, so that they began to accumulate again. Thus, despite credits for unwanted voicemail having been granted in March 1999, Exhibit C-1 reflects, at p. 61, that the same voicemail charges continued to accrue on three lines (which are specifically identified in Note a to that spreadsheet at lines 7044, 7045, and 7047). Exhibit C-1, p. 66. Charges continued to accrue monthly for voicemail and disconnected lines. See Exhibit C-1, p. 50 ($17.65 for voicemail ordered disconnected; $29.27 for disconnected lines in June 1999, which Mr. Sevelis continued to protest on behalf of Covenant House. See Exhibit C-1, pp. 44, 45 (accompanying the protest with spreadsheets detailing the charges disputed). This occurred again in July 1999, see Exhibit C-1, p. 43 (the same voicemail and disconnected line charges are shown, specifically identifying the lines involved; and additional disputed charges were shown, such as the incorrect service order charge for line 8002 in the amount of $43.23, Exhibit C-1, p. 42, and charges for disconnected lines 7024 and 7033 in the amount of $29.45. Exhibit C-1, p. 41. This occurred again in August 1999 ($29.45 for lines 7024 and 7033, and charges for the voicemail on three lines in the amount of $17.65 and charges for disconnected lines 7057/7070, in the amount of $29.27. Exhibit C-1, pp. 38, 39. The same continuing improper billings are reflected at Exhibit C-1, pp. 35, 32, 29, and 24, for September through December 1999, and a running tally of the credits being claimed is reflected at Exhibit C-1, p. 21. Covenant House continued to dispute disconnected voicemail charges in January 2000, and also disputed an unexplained service charge in the amount of $66.71. Exhibit C-1, pp. 17, 19. Covenant House also provided AT&T with a running tally of the total charges disputed as of that date, $436.42. Exhibit C-1, p. 16. Similar disputed charges are reflected at Exhibit C-1, pp. 14, 12, including a new disputed charge on line 2000 in the total amount of $756.33. Exhibit C-1, pp. 9-12. This final spreadsheet, for the month of April, documented the charges that were then in dispute as of April 1, 2000 and was accompanied by a <u>summary</u> spreadsheet aggregating all of the disputed charges that had accrued since the date of the corrections and adjustments to Covenant House's account in March of 1999. <u>Exhibit C-1, p. 8, then reflecting total credits due of $2,406.65, simply aggregates all of the specific disputed charges that had accumulated since the parties had agreed</u> (with the exception of the $189 adjustment AT&T denied in March 1999) on all adjustments that were due for credits claimed between September 1998 and March 1999.

The total credits claimed for the three Covenant House accounts reflected on Exhibit C-1, p. 8, include not only the total of the disputed charges detailed (by line, service, and account), on the spreadsheets submitted to AT&T monthly by Mr. Sevelis between March 1999 and April

2000, but also include a billing (for one month only) on the 01, 02, and 03 accounts for 85 lines of call forwarding at $14.75 per line per month, a feature that had been requested only on six of the lines for the 01, 02, and 03 accounts. Thus, Exhibit C-48, at Bates page no. 529, reflects a request for a total of nine lines to be equipped with call forwarding, six of which related to the old 01, 02, and 03 accounts. That service was to begin on February 21, 2000, at the East Side address, and on April 6 and April 13, at the Job Development Center and Southwest Community Service Center. Those nine lines of call forwarding were ordered by Great Lakes in February 2000, to accompany the Covenant House move to its new headquarters in March 2000, and those charges were included on the final billing of the 01, 02, and 03 accounts for April 2000, before the accounts were (supposedly) "cut over" into the newly created 04 account, after which time the remote call forwarding charges appeared on the billing for the 04 account statement, and continued to mount monthly on 76 unordered lines at the rate of $14.75 per line from May 2000 through the date of the hearing in March 2001 (a total of 11 months). See Exhibit C-49, June 1, 2000 invoice for account 04, reflecting the nine lines on which remote call forwarding had been ordered, and the additional 76 lines for which unordered call forwarding charges were billed. This overcharge for the months of March and late February (as to lines 7050 and 7021), see Exhibit C-48, Bates page 529, and April (as to lines 7066, 7060, 8000, and 8003), is explained at Exhibit C-1, p. 3.

Admittedly, it requires patience to track the specific charges and specific disputed amounts through the exhibits that were submitted, but Exhibit C-1 speaks eloquently for itself and will reward that patience if the charges are tracked through it and are calculated with reference to Exhibit C-49 and Exhibit C-48. Exhibit C-1, p. 8, reflects Covenant House's best effort to track through the maze of AT&T billing errors and summarize, to the best of its ability, the total amount of the specific overcharges on specific lines that it consistently disputed by submitting monthly spreadsheets quantifying exactly what charges were disputed, what services had not been ordered, and what lines were involved.

Once the amount waived at the hearing, relating to the only disputed charges that remained unadjusted in March 1999 (for lines unusable because no handsets were available or partial credits for lines that had been ordered disconnected that AT&T believed were properly billed according to its billing practices), and the $2,406 shown at Exhibit C-1, p. 8, is reduced by the amount of the adjustments waived at the hearing ($189.86), Covenant House submits, the record does specifically identify the "actions by Respondents that constitute any specific violation of the MTA." Covenant House claimed, and the ALJ correctly found (PFD at p. 8), that "billing system errors in these accounts continued after [March 1999]."

Mr. Minnis confirmed that the billing errors continued after the March 1999 adjustment and that he had attempted unsuccessfully to grant Covenant House the same credits on account 01, 02, and 03 that Covenant House claimed at the hearing! He did so in May 2000. TR 382. Thus, certainly AT&T had no difficulty identifying the specific charges for which credits were due. Yet it failed to grand those credits despite Mr. Minnis' efforts to obtain them! The ALJ correctly found that "these errors may have included billing for lines ordered disconnected and voicemail for which disconnection had been requests." In addition, as Exhibit C-1 reflects at p. 3, AT&T instituted improper remote call forwarding charges on account 01, 02, and 03, for 76 lines for which it had not been ordered in March and April of 2000, before the cut over to the new 04 account, where those charges continued to accrue beginning in May of 2000. See Exhibit C-49, June 1, 2000, invoice for account 04.

Covenant House submits that, contrary to the findings on this claim in the PFD, it did carry its burden of proof of establishing a violation of MTA Section 502(1)(c), i.e., that Respondents charged Covenant House for services provided after the effective date of service cancellation, as to the voicemail, disconnected line, and other specific charges itemized in the monthly memos and spreadsheets Exhibit C-1, that the charges accrued after the March 1999 adjustment, and that Respondents violated Section 502(1)(b) by charging Covenant House for the final month of the 01, 02, and 03 accounts for remote call forwarding on 76 lines for which it had not been ordered. Moreover, for the reason indicated in the argument within, as to the 76 lines of remote call forwarding charges billed to account 01, 02, and 03 before the cut over to account 04 in May 2000 (see Exhibit C-49), Respondents also violated MTA Section 507(1), by including or adding optional services (remote call forwarding charges) in Covenant House's service package for accounts 01, 02, 03, before the cut over to account 04, in March and April of 2000.

That this is so is particularly obvious because the testimony clearly established that Mr. Minnis admitted that the credits Covenant House claimed at the hearing were warranted on account 01, 02, 03, and that he had attempted to obtain them once again in May 2000, but failed in his efforts to do so. He did so more than a year after the March 1999 credits were granted. It is also appropriate to find such violations when, as Ms. Jensen testified, her requests for the specific monthly spreadsheet information contained in Exhibit C-1, which were in AT&T's possession, were ignored by Mr. Minnis, thus preventing her from granting any credits that she could not verify solely from the summary spreadsheet provided to her by Mr. Apostoleris, which is the same as the summary spreadsheet in Exhibit C-1, pp. 7-8. TR 175-176, 177, 178. Had that information been provided to Ms. Jensen when she requested it from Mr. Minnis, the credits would have been granted, as Mr. Minnis' testimony that he had attempted to secure them confirms.

The PFD's findings on this claim are clearly erroneous and should be rejected.

II. RESPONDENTS' IMPOSITION OF REMOTE CALL FORWARDING CHARGES ON 76 LINES FOR WHICH THAT SERVICE WAS NOT ORDERED CONSTITUTES A CRAMMING VIOLATION UNDER SECTION 507(1).

At the outset, Complainants must observe that any contention that the undisputedly improper billing of remote call forwarding services on 76 lines (at the rate of $14.75 per line) was "inadvertent" is demonstrably incorrect. The undisputed testimony, by Respondents' own witness, Mr. Minnis, established beyond any doubt that he attempted to stop that billing no later than September 2000, which is confirmed beyond any doubt by reference to Exhibit C-48. In his change order form, Mr. Minnis clearly stated that, as the order for remote call forwarding services submitted to Respondents by Mr. Apostoleris included in that exhibit at Bates p. 529 confirms, the "customer should only be billed for nine lines of remote call forwarding." He further states that "all other numbers should be removed." Finally, he states: "Customer requires credit for balance falsely billed in total of $1,682.64 (this includes back billing for July, August & September invoicing)." Exhibit C-48, Bates page 528. Yet, it was undisputed at the hearing in March 2001, that the billing for remote call forwarding charges continued through the date of the hearing!

Moreover, it is also clear that the ALJ incorrectly found that this violation "began with the July 2000 billings," and only "occurred in each of these nine months" from July through the date of hearing. PFD at 13. In fact, the testimony and exhibits clearly establish that Covenant

House stopped paying AT&T when it received its May 3, 2000 bill reflecting these charges after they were billed (for one month) to the 01, 02, and 03 accounts before the cutover to the new 04 account, where they continued to appear. TR 134, LL 13-21. See also, Exhibit C-1, p. 3. Covenant House was billed for unordered remote call forwarding charges beginning in May 2000, when the old 01, 02, and 03 accounts were cut over to the new 04 account, which is established beyond any doubt by Exhibit C-49, the 04 account statement bearing the invoice date 6-1-00, and reflecting all of the unordered remote call forwarding charges on 76 lines that Great Lakes and Covenant House both attempted to correct for nearly a year before Respondents finally admitted, at the hearing, that they were improper, and that credits would be granted.[1]

The ALJ rejected Staff's position that monthly multiple violations of Section 507(1) were established by the undisputed evidence of repeated and intentional (not inadvertent) billing of unordered remote call forwarding charges, and that each monthly bill containing these multiple violations constitutes a distinct violation of Section 507(1). The ALJ also rejected Staff's recommendation that the penalty for these violations be imposed for July 2000 (and, for the reasons indicated above, Covenant House contends, also for May and June) under Section 601(b), with the penalty for violations from August 2000 to the present to be governed by Section 506(2)(a).

[1] Although it is not a matter of record, Covenant House notes, and moves to reopen the record to reflect, that, contrary to the representation made at the hearing that credits would be granted for all of the improper remote call forwarding charges that Respondents admitted had been assessed improperly on the 76 lines, and that these credits would be reflected on a "future statement," in fact only $6,593.45 in remote call forwarding charges had been credited to Covenant House's account on Covenant House's 5-1-01 invoice for only 41 lines for a period of only 10.5 months. Thus, the saga continues. A copy of the May 2001 Covenant House invoice is attached as an exhibit to these exceptions. Unless this Commission corrects AT&T's continued dysfunctional efforts to correct this admitted error, Covenant House will have no alternative but to file yet another complaint.

Staff's recommendation is, Covenant House submits, appropriate and correct. Once the amendments to the MTA adding Section 507 took immediate effect, on July 17, 2000,[2] Section 507 applied to the remote call forwarding violations that admittedly occurred in this case.

Section 507(1) provides:

> A telecommunications provider shall not include or add optional services in an end-user's telecommunications service package without the express oral or written authorization of the end-user. (Emphasis added).

As amended by 2000 PA 295, MTA Section 506(2)(a) and (c) provide:

> (2) If the Commission finds that a person has violated Section 505 or 507 or an order issued under Section 505 or 507, the Commission shall order remedies and penalties to protect and make whole end-users and other persons who have suffered damages as a result of the violation, including, but not limited to, one or more of the following:
>
> (a) Order a person to pay a fine for the first offense of not less than $20,000 or more than $30,000. For a second and any subsequent offense, the Commission shall order the person to pay a fine of not less than $30,000 or more than $50,000. If the Commission finds that the second or any of the subsequent offenses were knowingly made in violation of Section 505 or 507, the Commission shall order the person to pay a fine of not more than $70,000. Each switch made in violation of Section 505 or service added in violation of 507 shall be a separate offense under this subdivision.
>
> ***
>
> (c) Order a portion between 10% to 50% of the fine assessed under subdivision (a) be paid directly to the customer who suffered the violation of Section 505 or 507. (Emphasis added).

The ALJ agreed with Respondents, apparently, that Section 507(1) does not authorize a finding of a violation based on how many "lines" are involved in an unordered service, because

[2] See 2000 PA 295.

Section 507 uses the term "services," rather than "lines." The ALJ apparently accepted Respondents' argument, at least in part, reasoning as follows:

> The record shows that when Covenant House relocated its headquarters, it ordered remote call forwarding as part of the telecommunications service package. The Administrative Law Judge agrees with Respondents that cramming involves the intentional inclusion or addition of optional services in the end-users telecommunications service package that the end-user did not request or authorize. Consequently, the Administrative Law Judge finds that no violation of Section 507(1) has been demonstrated. What has been shown is that an error in billing an account for an optional service took place.
>
> The record also shows that in June of 2000 Respondents' Project Manager, Mr. Minnis, placed an order to remove the charges from all Covenant House lines for which call forwarding services were not desired. Respondents have argued that due to a system glitch billing for these services continued after cancellation had been requested. The Administrative Law Judge finds that this conduct by Respondents constitutes a violation of Section 502(1)(c) of the MTA. Respondents have continued to charge Covenant House for a service after the effective date the service was cancelled. This violation began with July 2000 billings and continued through the time of the hearing. The writer is persuaded that a violation occurred in each of these 9 months.

Thus, the ALJ reasons that, because (as Exhibit C-48, Bates page 529 reflects) Covenant House had ordered remote call forwarding on nine lines, Respondents were free to respond, with impunity under Section 507, by instituting remote call forwarding on 85 lines, bill Covenant House monthly at the rate of $14.75 per line, persist in doing so for nearly a year, and then come before this Commission, admit that it had done so advertently for at least all months after September of 2000, when Mr. Minnis attempted to stop the "false billing"(see Exhibit C-49), claim that the problem was "due to a system glitch," and be exposed to liability only for having failed to "cancel" a service after cancellation had been requested, a violation of only Section

502(1)(c), for which a much smaller fine is assessable, to no part of which Covenant House would have any right to a share under Section 506(2)(c).

The ALJ overlooks the indisputable fact that the service was never ordered on those 76 lines, and thus the service never should have had to be cancelled, the circumstance that Section 502(1)(c) was intended to remedy.

Covenant House submits that staff's interpretation is the correct one. Covenant House did not order the "service" of remote call forwarding on the 76 lines to which that "service" was added. Covenant House at no time requested cancellation of the "service" it ordered, that is, remote call forwarding on the nine lines it specified when it ordered remote call forwarding service. As Exhibits C-48, Bates page 529, 530-531 and Exhibit C-49 demonstrate, Covenant House has never requested cancellation of the remote call forwarding "service" it ordered.

MTA Section 102(dd) provides:

> "Telecommunication services" or "services" includes regulated and unregulated services offered to customers for the transmission of two-way interactive communication and associated usage. A telecommunications service is not a public utility service.

Thus, the term "services," as defined by the MTA and used in Section 507(1), clearly encompasses remote call forwarding, which is an "unregulated service offered to customers for the transmission of two-way interactive communication and associated usage." Remote call forwarding allows a call placed to one number to be forwarded to, and received at, another number, at which the call can be answered, resulting in two-way interactive communication. It is clearly an "optional" service within the meaning of Section 507(1). It was clearly added to Covenant House's "telecommunications service package," which, as ordered, included only nine lines of remote call forwarding.

It is obvious that a "<u>service</u>" can be provided by a telecommunications provider only on a "line." Covenant House's "telecommunications service package," <u>as ordered</u>, consisted of <u>nine lines of remote call forwarding</u>. Respondents added the optional service of remote call forwarding on 76 additional lines, thereby adding optional services in an end-user's telecommunications service package. Respondents have never, to this day, explained how they determined to add 76 lines worth of remote call forwarding optional services to Covenant House's telecommunications service package, which, as ordered, consisted of only nine lines of remote call forwarding service. Nor have Respondents ever explained, other than by reference to a "system glitch," how, even after themselves attempting to correct this erroneous addition of optional services to 76 lines, more than <u>octupling</u> the "telecommunications service package" Covenant House ordered, it continued to bill for that expanded telecommunications service package, at the rate of $14.75 per line, for seven additional months after its own failed attempt to correct this error!

Covenant House never ordered the optional service of remote call forwarding on the 76 lines to which Respondents added that optional service without Covenant House's express oral or written authorization. It was, therefore, not merely seeking "cancellation of a service" it had <u>ordered</u>, it was seeking to have <u>optional services it had never authorized orally or in writing deleted</u> from its telecommunications service package, optional services that AT&T added to Covenant House's telecommunications service package <u>without</u> Covenant House's <u>oral or written authorization</u>. That is a classic case of cramming unordered optional service.

Covenant House submits that, precisely because <u>a service can be delivered only over a line</u>, it was not necessary for the legislature to state the obvious by referring to "lines" when it enacted MTA Section 507(1).

There can be no doubt that, if, rather than establishing a new, single account, for all of its lines at 4 locations, Covenant House had, instead, established separate accounts for each line at each of its four separate locations, ordering remote call forwarding on only one line at only one of those locations, a violation of 507(1) would result if Respondents had added remote call forwarding to every line, under every account, at every location Covenant House had. The "telecommunications service packages" of hypothetical accounts 2 through 1019 would certainly have had an optional service added to them without the express oral or written authorization of the end-user, if the service had been ordered only with respect to hypothetical account 1. The outcome, Covenant House submits, should not be different merely because all of Covenant House's 1019 lines at its four locations were, at its request, consolidated for billing purposes in a single account. The plain and simple fact is that AT&T added optional services to Covenant House's telecommunications service package without Covenant House's oral or written authorization, and then continued, month after month, relentlessly to bill for those optional services, which were added to 76 lines!

Covenant House submits that the ALJ's interpretation of Section 507 is incorrect, and that Staff's is correct. Accordingly, multiple violations of Section 507(1) occurred as to each line with each monthly billing for those added, optional, unordered services, and the initial violations should be fined at the rate of not less than $20,00 pursuant to Section 506(2)(a), and the second and subsequent violations should be fined at the rate of not less than $30,000.

Moreover, because the violations were clearly "knowingly made" in violation of Section 507, at least after September 2000, when Mr. Minnis alerted AT&T's customer service group and billing group that the Covenant House account had been "falsely billed" for unordered remote call forwarding services, the second and subsequent offenses after that date are subject to a maximum of $70,000, rather than the $50,000 maximum otherwise applicable under Section 506(2)(a).

Finally, Covenant House and Great Lakes submit, they are entitled to receive a percentage of between 10% and 50% of the fines assessed, pursuant to Section 506(2)(c), because Respondents' violation clearly arises under 507(1).

The Commission should reject the ALJ's interpretation of Section 507 and frame the relief to which Covenant House is so clearly entitled with reference to Section 507, rather than Section 502(1)(c), as the ALJ recommends.

III. RESPONDENTS' REPRESENTATIVES MADE STATEMENTS AND REPRESENTATIONS, INCLUDING THE OMISSION OF MATERIAL INFORMATION, REGARDING THE RATES, TERMS, OR CONDITIONS OF PROVIDING NUMBER BLOCK SERVICES THAT WERE FALSE, MISLEADING, AND DECEPTIVE WITHIN THE MEANING OF MTA SECTION 502(1)(a) AND RESPONDENTS' CONTRACT FORMS AND DRAFTING AND NEGOTIATION PROCEDURES CAUSED A PROBABILITY OF CONFUSION OR MISUNDERSTANDING AS TO THE LEGAL RIGHTS, OBLIGATIONS, AND REMEDIES OF COVENANT HOUSE UNDER MTA SECTION 502(1)(h).

Complainants would note, first, two inaccuracies in the PFD's recital of the arguments and evidence. First, at page 18, the PFD states that Complainants contended "that, after securing Mr. Apostoleris' agreement to commit Covenant House to the highest standard MARC agreement, Mr. Taylor submitted the form necessary to claim his commission on the Covenant House contract (Exhibit C-56)." In fact, Mr. Taylor submitted that form nine days before Mr. Apostoleris committed Covenant House to the $15,000 MARC. So eager was Mr. Taylor to secure his commission that he claimed it before the January 14, 2000, contract had been signed. TR 439; Exhibit C-56. In doing so he included in the revenue on which his commission would be calculated the same number block charges he failed to mention when he answered yes to Mr. Apostolaris' repeated question: Does this contract reflect the total charge?

Second, contrary to the recital at page 19, Mr. Taylor did not testify that he "specifically told Mr. Apostoleris that the $340 charge for the T-1 DID trunk did not include the number blocks," when Mr. Aposotoleris questioned him about the total charge. In fact, Mr. Taylor was able to testify only that he "thought" he "probably" had so informed Mr. Apostoleris. TR 450.

The ALJ concluded, with respect to Complainants' third claim relating to the number block charges, as follows:

> After carefully reviewing the positions of the parties and the record made in this proceeding the Administrative Law Judge has determined the Complainants have failed to demonstrate by a preponderance of the evidence that Respondents' billing for number block charges constituted violations of Sections 502(1)(a) and (1)(h) of the MTA. Complainants have relied upon the fact that Mr. Taylor answered yes to Mr. Apostoleris' question whether the charges shown in the contract tariff attached to the contract were the "total charges," that Mr. Taylor failed to mention in his response that the contract and the contract tariff did not include charges for number blocks, and that paragraph 3 of the January 2000 Agreement states that "the contract price and any related terms and conditions for the local services are set forth in the attached contract tariff." The writer finds that this is not sufficient to establish that Respondents' course of conduct, contract form, and contract drafting procedure, were confusing, misleading, and caused a probability of confusion of misunderstanding concerning the legal rights, obligations and remedies of Covenant House, and the Respondents, through its representative, made statements or representations regarding the terms and the conditions of the telecommunications services to be provided that were false, misleading, or deceptive.
>
> In addition to these facts, the record shows that Mr. Apostoleris had been given a written quote that indicated a charge of $340 for the T-1 trunk alone, with an additional charge of $180 per month for 800 DID numbers; that Mr. Apostoleris knew that the trunk charge listed in the contract covers the T-1 only and not DID numbers; and that Mr. Apostoleris was never told that the $340 trunk charge included DID number blocks. It was also shown that

> in reviewing the January agreement with Mr. Taylor, Mr. Apostoleris wrote on the document to identify which of several services he was buying. In light of the fact that Mr. Apostoleris claims expertise in the industry and owns his own telecommunications company, the Administrative Law Judge finds that it would have been reasonable to expect the Mr. Apostoleris would specifically inquire at the time whether the charge for number blocks was being reduced or waived from those stated in the November Agreement.
>
> Furthermore, the Local Services Agreement stated that the terms and conditions governing the respective rights and obligations of the parties to the Agreement are to be derived from the Local Services Agreement, the Contract Tariff and the Applicable Tariffs. Under these circumstances, the Administrative Law Judge finds that if Great Lakes, acting as an agent for Covenant House, did not understand that in executing the January agreement it was continuing the commitment of Covenant House to number block charges agreed to in the November agreement, it cannot be said that this was the result of Respondents' statements or representations, including the omission of material information, regarding the rates, terms, or conditions of providing the number block services, that were false misleading, or deceptive, within the meaning of Section 502(1)(a) of the MTA, or that Respondents' form agreements caused a probability of confusion or a misunderstanding as to the legal rights, obligations, or remedies within the meaning of Section 502(1)(h) of the MTA. The Administrative Law Judge therefore recommends that the Commission dismiss this set of claims.

In essence, the PFD concludes that no MTA violation occurred because, given his awareness that AT&T had quoted a number block charge <u>in the past</u>, during an earlier phase of negotiations, was never affirmatively told that the $340 trunk charge <u>included</u> DID number blocks, and could have determined, by careful study of the contract terms, that the contract and contract tariff did not include charges for number blocks, it would have been reasonable, in light of his "expertise in the industry" for Mr. Apostoleris to inquire specifically whether the charge for number blocks was being reduced or waived when he executed the second agreement. In so concluding, the PFD fails to take into account the following facts:

- The significance of the undisputed testimony by Mr. Taylor, Respondents' representative, himself, that Mr. Apostoleris repeatedly questioned him throughout the negotiations and discussions before executing the January 14, 2000 agreement whether the charges shown in the contract tariff attached to the contract were the "total charges."
- Mr. Taylor's testimony that he answered that question affirmatively, and did not include in this response any specific reference to the fact that the contract and contract tariff did not include fixed, monthly, recurring charges for services not shown in the contract, such as number blocks.
- The undisputed fact that the first contract (prepared manually by Mr. Taylor) did contain a reference to DID number block charges, yet the second January 14 contract contained no such reference, because it was impossible, under AT&T's procedures for preparing contracts with a MARC to include such charges in drafting the agreement.
- Mr. Taylor's testimony confirming that he went over the January 14 contract line by line with Mr. Apostoleris to calculate the "real rates" noted by hand in the contract by Mr. Apostoleris and affirmed, repeatedly, in response to Mr. Apostoleris' questioning, that the January 14 contract reflected the "total price."
- The admission by Mr. Kiefer, AT&T's own representative, and Mr. Taylor's supervisor, that the failure to articulate clearly the product price break down for the services being ordered created the "confusion." Exhibit C-46. Mr. Kiefer actually stated in Exhibit C-46 that DID numbers are "not a tariff

product," a statement Respondents attempted to retract and explain away in Mr. Kiefer's pre-filed testimony.

- Exhibit C-56, establishing that Mr. Taylor applied for his commission compensation on the Covenant House MARC contract nine days before it was executed, and that, in applying for his commission, he listed total monthly charges of $1,900 per month, including the monthly number block charges! Exhibit C-56. Clearly, Mr. Taylor was well aware, yet failed to reveal to Mr. Apostoleris in the face of repeated questioning about whether the contract reflected the "total price," that his commission would be paid on the basis of anticipated monthly revenues of $1,900, including number block charges that he never disclosed to Mr. Apostoleris in response to his repeated questions about the "total package."
- The fact that, as a fixed, tariffed, monthly recurring charge, just like the fixed, tariffed, monthly recurring charge for at T-1 trunk, there was no rationale for excluding the fixed, monthly, recurring, tariffed charge for number blocks from the written agreement, other than to avoid disclosing it to the customer.
- The undisputed testimony by Respondents' own witness that a T-1 trunk is never sold without number blocks, because without number blocks a DID T-1 trunk is useless. TR 456.
- The undisputed testimony by Mr. Apostoleris that, based on the same industry experience that caused the ALJ to conclude he should have known number block charges would be incurred, he knew number block charges were negotiable, because he has negotiated number block charges of as little at

$0.02 per number, and also has negotiated reduced T-1 trunk charges to offset the cost of number blocks. TR 231, 241, 262. It was thus not necessary, based on his experience, for AT&T to "waive" number block charges explicitly; it was enough to constitute a misrepresentation or misleading conduct, Complainants submit, for Mr. Taylor to answer affirmatively when questioned whether the January 14 contract reflected the "total price."

- The undisputed testimony, by both Mr. Apostoleris and Mr. Taylor, that the November agreement including a DID number block charge was intended as an interim agreement, entered into solely for the purpose of commencing the provisioning of the T-1 service, which both parties intended to replace with a final agreement after further negotiations concerning whether Covenant House would enter into a minimum annual revenue commitment and, if so, at what level. TR 223-224, 230-231, 415, 421, 422.
- The fact that, despite the absence of any difficulty on AT&T's part in documenting number block charges internally, as when it documents commission and billing revenue on which commission would be calculated, Exhibit C-56, its contract preparation software for the lucrative agreements containing a MARC literally does not permit the inclusion of a number block charge in the contract.
- Number block charges are not regulated by the Public Service Commission, as AT&T admitted, and therefore are negotiable as a matter of law, confirming Mr. Apostoleris' testimony that that was his experience.

- Mr. Kiefer's testimony that, in his view, the correct answer to the question of whether the contract discloses a customer's total price would be "yes, that's your total charge," but "only for the services spelled out clearly in the contract." TR 360-361. Such testimony confirms the inherent duplicity of AT&T in negotiating and contracting with Great Lakes for the Covenant House contract in this case, and of its contract negotiation procedures and practices.

Complainants submit that, in light of AT&T's failure to present any testimony that even once, in response to the repeated question, "Is this my total price?," any representative of AT&T ever responded by indicating that it was not in fact, the total price, and that additional charges would be imposed for number blocks, at the very least there was a preponderance of evidence establishing that AT&T caused a probability of confusion or misunderstanding as to Covenant House's legal rights, obligations, or remedies under MTA Section 502(1)(h), or made statements or representations, "including the omission of material information," regarding the rates, terms, or conditions of providing the number block services that were false, misleading, or deceptive within the meaning of MTA Section 502(1)(a).

The ALJ's recommendation that this claim should be dismissed ought to be rejected.

IV. COMPLAINANTS ADDUCED AMPLE EVIDENCE ESTABLISHING THAT THEY SUFFERED ECONOMIC HARM FOR WHICH THEY SHOULD BE MADE WHOLE PURSUANT TO MTA SECTION 601, IN ADDITION TO THE CREDITS TO WHICH THEY ARE ENTITLED FOR THE DISPUTED CHARGES.

On this issue, The PFD states in its entirety as follows:

> Finally, turning to the issue of economic harm, Complainants have alleged that they have experienced such harm. The Administrative Law Judge finds that no evidence has been presented in this case to establish that Complainants have suffered any economic harm for which they should be made whole pursuant to the provisions of the MTA. The Administrative Law Judge therefore recommends that this portion of the Complaint be dismissed.

PFD, at 24.

It is unclear whether, in so finding, the Administrative Law Judge intended to include denial of any remedy for the overcharges for remote call forwarding services and the billings encompassed by the first claim, discussed above, for disputed charges that Covenant House refused to pay. If so, however, it is clear that, in this respect, the ALJ erred. Given the undisputed testimony, by AT&T's own witness, Mr. Minnis, that he was aware of the continued erroneous charges of accounts 01, 02, and 03, and that he initiated requests to adjust those accounts to delete the balances on them still outstanding when they were rolled over into account 04, and ordered them corrected in May of 2000, it is clear that those balances should be written off or adjusted, not only for the reasons set forth in the exceptions set forth under Argument 1, above, but because AT&T has admitted, through its own witness that those corrections are required to accounts 01, 02, and 03. TR 379, LL 11-14, 381, LL 15-25. The testimony clearly established that, despite these requests, the balances remained uncorrected as of the date of hearing, even though they are incorrect and should have been written off. TR 381, LL 24-25, TR 382, L 1, 10-16, 21-24, and TR 383, LL 1-3.

With respect to the remote call forwarding charges on the 76 lines for which they were improperly imposed, it is obvious that Covenant House has been subjected to economic harm unless and until those erroneous charges are removed from its bill. Given AT&T's admission, through its counsel, at the hearing, that those charges were incorrect and would be credited at some future time, but have not, as yet, been completely removed from Covenant House's bill, despite that representation, relief is also warranted with respect to these charges. Among the powers this Commission possesses under MTA Section 601(c) is the power to order a refund of any collected excessive rates, and the power, under MTA 601(e) to issue cease and desist orders.

Covenant House may not be denied the relief to which it is entitled on the ground that it has refused to pay these improper charges. If a "refund" is not the appropriate relief, then a cease and desist order requiring AT&T to stop billing Covenant House for these admittedly incorrect charges is the appropriate relief, and such charges clearly constitute economic harm within the meaning of MTA Section 601, which provides that "the Commission shall order remedies and penalties to protect and make whole rate payers and other persons who have suffered an economic loss as a result of the violation…."

Finally, with respect to the component of economic harm resulting from time expended by Complainants in an effort to correct the violations clearly established on this record, the testimony in this case clearly establishes that both Covenant House and Mr. Apostoleris have been obliged to spend, respectively, over 100 hours and over 60 hours in efforts to obtain correction of the consequences of the prohibited conduct established on the record in this case. TR 124-125, 208-209. Those totals certainly increased after the filing of the pre-filed direct testimony in this case, and include the time spent preparing for and participating in discovery, deposition, and the trial in this case. The total amount of time expended, and the total amount of economic loss to Complainants cannot be quantified without a post-hearing proceeding, because, under the scope of cross-examination rule, it was not possible to supplement the pre-filed testimony to establish the total extent of the economic harms Complainants have suffered as a result of the violations in this case and the time, money, and effort they have been obliged to expend to obtain correction of those violations. Counsel for AT&T chose not to inquire into this aspect of Complainants' claims at the hearing, thereby foreclosing the offering of further testimony on these points. Nevertheless, the record is replete with evidence that Complainants have sustained economic harm, including not only the attorney fees that the ALJ recommends be awarded to them, but also the economic harms resulting from the efforts they have been obliged to devote to obtaining correction of the violations so clearly established on this record.

As the Commission held in In the Matter of the Complaint of Great Lakes Telecom, Inc. against Ameritech Corporation and Ameritech Michigan, Case No. U-10898 (4-10-96):

> The Commission finds it of no importance that the calculation of the harm to Great Lakes is not found on the record. As a practical matter, it would not be possible for the record to provide those amounts because the injury to Great Lakes continues until Ameritech Michigan restores the FGA service and Great Lakes' attorneys have concluded their work on this Complaint. The act authorized the Commission to make Great Lakes whole, and the Commission so orders. If the parties are unable to agree on the amount that Ameritech Michigan owes Great Lakes, the ALJ shall conduct a hearing on the remedy. (Emphasis added).

The ALJ's conclusion that "no evidence has been presented in this case to establish that Complainants have suffered any economic harm" is simply and clearly incorrect and contradicted by the record. His conclusion on this issue must, therefore, be rejected.

RELIEF

For the reasons set forth in the foregoing arguments, Complainants respectfully request that this Commission reject the findings and conclusions to which exceptions have been made, adopt the arguments and conclusions set forth in the foregoing exceptions, and, as so amended, otherwise adopt and accept the recommendations set forth in the proposal for decision. His conclusion on this issue must, therefore, be rejected.

Respectfully Submitted,
Honigman Miller Schwartz and Cohn LLP

Dated June 7, 2001

by: Frederick M. Baker, Jr. (P25415)
222 N. Washington Square, Ste. 400
Lansing, MI 48933
(517) 377-0716

AT&T

AT&T - Return Mail Center
P.O. Box 10077
MESA, AZ 85216-0077

Invoice

CUSTOMER COPY

ACCOUNT NUMBER:	CVNT -CVNT04
INVOICE DATE:	05/01/01
INVOICE NUMBER:	3344522
PAYMENT DUE:	$ 20,939.83
PAYMENT DUE BY:	05/31/01

30.2.2384 3 AT 0.669 83273F
GREG SEVELIS
COVENANT HOUSE
2959 MARTIN LUTHER KING BLVD
DETROIT MI 48208-2475

PLEASE SEND PAYMENT TO:

AT&T
P.O. BOX 10226
NEWARK, NJ 07193-0226

PREVIOUS BALANCE	$ 26,413.86
PAYMENTS RECEIVED THROUGH 04/30/01	$ 0.00
TOTAL PAST DUE	$ 26,413.86
CURRENT CHARGES	$ 5,474.03-
TOTAL AMOUNT DUE	$ 20,939.83

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MESA, AZ 85216-0077

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Invoice Summary

COMPANY:	COVENANT HOUSE
ACCOUNT NUMBER:	CVNT -CVNT04
INVOICE DATE:	05/01/01
INVOICE NUMBER:	3344522

REFERENCE PAGES	PRODUCT GROUP	NEW ACTIVITY	CONTINUING ACTIVITY	USAGE	TAXES/ SURCHARGES	TOTAL CURRENT CHARGES
	INVOICE SUMMARY					
0003-0003	USAGE SUMMARY					
0004-0004	SWITCHED SERVICES - DETROIT	$ 6,581.93-				$ 6,581.93-
0005-0007	SWITCHED SERVICES - DETROIT		$ 697.75	$ 671.21		$ 1,368.96
0008-0008	SWITCHED SERVICES - DETROIT				$ 261.06-	$ 261.06-
	SUBTOTAL INVOICE SUMMARY	$ 6,581.93-	$ 697.75	$ 671.21	$ 261.06-	$ 5,474.03-
0003-0008	TOTAL CURRENT CHARGES	$ 6,581.93-	$ 697.75	$ 671.21	$ 261.06-	$ 5,474.03-

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AT&T

Enhanced Switched Services

SUMMARY OF USAGE

COMPANY:	COVENANT HOUSE
ACCOUNT NUMBER:	CVNT -CVNT04
INVOICE DATE:	05/01/01
INVOICE NUMBER:	3344522

USAGE PERIOD 04/01/01 - 04/30/01

CALL CATEGORY	*DAY* CALLS	*DAY* MINUTES	*EVENING* CALLS	*EVENING* MINUTES	*NIGHT* CALLS	*NIGHT* MINUTES	TOTAL CALLS	TOTAL MINUTES		CHARGES/ PLAN
LOCAL	5,671	28,303			2,626	10,851	8,297	39,154	$	663.76
INTRALATA	8	11			1	0	9	11	$	1.15
DIRECTORY ASSISTANCE	14	0					14	0	$	6.30
TOTAL CHARGES	5,693	28,314	0	0	2,627	10,851	8,320	39,165	$	671.21

AT&T

Enhanced Switched Services

DETAIL OF NEW ACTIVITY

COMPANY:	COVENANT HOUSE
ACCOUNT NUMBER:	CVNT -CVNT04
INVOICE DATE:	05/01/01
INVOICE NUMBER:	3344522

SWITCHED SERVICES - DETROIT METRO AREA

LOCATION TELEPHONE NUMBER	CUSTOMER ORDER NO.	ORDER NO.	SERVICE TYPE	RETRO DATES	ASSOCIATED RECURRING	NON-RECURRING AMOUNT
4329 CENTRAL AVE						
825-8001		696605	REMOTE CALL FORWARDING	06/16-04/30	14.75	154.88-
825-8002		696636	REMOTE CALL FORWARDING	06/16-04/30	14.75	154.88-
825-8003		696686	REMOTE CALL FORWARDING	06/16-04/30	14.75	154.88-
825-8003		696714	REMOTE CALL FORWARDING	06/16-04/30	14.75	154.88
825-8004		696760	REMOTE CALL FORWARDING	06/16-04/30	14.75	154.88-
825-8005		696822	REMOTE CALL FORWARDING	06/16-04/30	14.75	154.88-
825-8008		697340	REMOTE CALL FORWARDING	06/16-04/30	14.75	154.88-
825-8009		697419	REMOTE CALL FORWARDING	06/16-04/30	14.75	154.88-
825-8010		697569	REMOTE CALL FORWARDING	06/16-04/30	14.75	154.88-
825-8011		697705	REMOTE CALL FORWARDING	06/16-04/30	14.75	154.88-
825-8012		697922	REMOTE CALL FORWARDING	06/16-04/30	14.75	154.88-
825-8013		698207	REMOTE CALL FORWARDING	06/16-04/30	14.75	154.88-
825-8014		698259	REMOTE CALL FORWARDING	06/16-04/30	14.75	154.88-
825-8015		698298	REMOTE CALL FORWARDING	06/16-04/30	14.75	154.88-
825-8016		698319	REMOTE CALL FORWARDING	06/16-04/30	14.75	154.88-
825-8017		698365	REMOTE CALL FORWARDING	06/16-04/30	14.75	154.88-
825-8018		698414	REMOTE CALL FORWARDING	06/16-04/30	14.75	154.88-
825-8019		698449	REMOTE CALL FORWARDING	06/16-04/30	14.75	154.88-
825-8020		698496	REMOTE CALL FORWARDING	06/16-04/30	14.75	154.88-
825-8021		698545	REMOTE CALL FORWARDING	06/16-04/30	14.75	154.88-
825-8022		698634	REMOTE CALL FORWARDING	06/16-04/30	14.75	154.88-
825-8023		941361	REMOTE CALL FORWARDING	06/16-04/30	14.75	154.88-
SUBTOTAL NEW ACTIVITY FOR LOCATION 4329 CENTRAL AVE						$ 3,097.60-
5690 CECIL						
825-7051		694570	REMOTE CALL FORWARDING	06/16-04/30	14.75	154.88-
825-7052		694577	REMOTE CALL FORWARDING	06/16-04/30	14.75	154.88-
825-7054		694590	REMOTE CALL FORWARDING	06/16-04/30	14.75	154.88-
825-7055		694598	REMOTE CALL FORWARDING	02/01-04/30	14.75	398.25-
825-7056		694602	REMOTE CALL FORWARDING	06/16-04/30	14.75	154.88-
825-7058		694666	REMOTE CALL FORWARDING	06/16-04/30	14.75	154.88-
825-7059		694738	REMOTE CALL FORWARDING	06/16-04/30	14.75	154.88-
825-7061		694865	REMOTE CALL FORWARDING	06/16-04/30	14.75	154.88-
825-7062		695019	REMOTE CALL FORWARDING	06/16-04/30	14.75	154.88-
825-7063		695231	REMOTE CALL FORWARDING	06/16-04/30	14.75	154.88-
825-7064		695418	REMOTE CALL FORWARDING	06/16-04/30	14.75	154.88-
825-7065		695645	REMOTE CALL FORWARDING	06/16-04/30	14.75	154.88-
825-7067		695895	REMOTE CALL FORWARDING	06/16-04/30	14.75	154.88-
825-7068		696007	REMOTE CALL FORWARDING	06/16-04/30	14.75	154.88-
825-7069		696071	REMOTE CALL FORWARDING	06/16-04/30	14.75	154.88-
825-7070		696276	REMOTE CALL FORWARDING	06/16-04/30	14.75	154.88-
825-7071		696314	REMOTE CALL FORWARDING	06/16-04/30	14.75	154.88-
825-7072		696335	REMOTE CALL FORWARDING	06/16-04/30	14.75	154.88-
825-7073		696359	REMOTE CALL FORWARDING	06/16-04/30	14.75	154.88-
825-7074		696379	REMOTE CALL FORWARDING	06/16-04/30	14.75	154.88-
825-7075		696415	REMOTE CALL FORWARDING	06/16-04/30	14.75	154.88-
SUBTOTAL NEW ACTIVITY FOR LOCATION 5690 CECIL						$ 3,495.85-
3300 JEFFRIES (FRWY)						
463-2000		0	E911 SURCHARGE			11.52
SUBTOTAL NEW ACTIVITY FOR LOCATION 3300 JEFFRIES (FRWY)						$ 11.52
TOTAL NEW ACTIVITY FOR SWITCHED SERVICES - DETROIT ENHANCED SWITCHED SERVICES						$ 6,581.93-

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Enhanced Switched Services

DETAIL OF CONTINUING ACTIVITY	
COMPANY:	COVENANT HOUSE
ACCOUNT NUMBER:	CVNT -CVNT04
INVOICE DATE:	05/01/01
INVOICE NUMBER:	3344522

SWITCHED SERVICES - DETROIT METRO AREA

SERVICE PERIOD 05/01/01 - 05/31/01

LOCATION TELEPHONE NUMBER	SERVICE TYPE	USER	CURRENT QUANTITY		RECURRING AMOUNT
4151 SEMINOLE					
825-7000	REMOTE CALL FORWARDING	GREG SEVELIS	1		14.75
825-7021	REMOTE CALL FORWARDING	GREG SEVELIS	1		14.75
825-7023	REMOTE CALL FORWARDING	GREG SEVELIS	1		14.75
825-7025	REMOTE CALL FORWARDING	GREG SEVELIS	1		14.75
825-7050	REMOTE CALL FORWARDING	GREG SEVELIS	1		14.75
SUBTOTAL CONTINUING ACTIVITY FOR LOCATION 4151 SEMINOLE			5	$	73.75
4329 CENTRAL AVE					
825-8000	REMOTE CALL FORWARDING	GREG SEVELIS	1		14.75
825-8003	REMOTE CALL FORWARDING	GREG SEVELIS	1		14.75
SUBTOTAL CONTINUING ACTIVITY FOR LOCATION 4329 CENTRAL AVE			2	$	29.50
5690 CECIL					
825-7060	REMOTE CALL FORWARDING	GREG SEVELIS	1		14.75
825-7066	REMOTE CALL FORWARDING	GREG SEVELIS	1		14.75
SUBTOTAL CONTINUING ACTIVITY FOR LOCATION 5690 CECIL			2	$	29.50
3300 JEFFRIES (FRWY)					
463-2000	DID NUMBER BLOCKS ADD'L 10	GREG SEVELIS	98		220.50
463-2000	DID NUMBER BLOCKS FIRST 20	GREG SEVELIS	1		4.50
463-2000	DID/DOD	GREG SEVELIS	1		340.00
SUBTOTAL CONTINUING ACTIVITY FOR LOCATION 3300 JEFFRIES (FRWY)			100	$	565.00
SUBTOTAL CONTINUING ACTIVITY FOR SWITCHED SERVICES - DETROIT				$	697.75

CONTINUING ACTIVITY BY CHARGE CODE SUMMARY		RECURRING CHARGE	QUANTITY
REMOTE CALL FORWARDING	$	132.75	9
DID NUMBER BLOCKS ADD'L 10	$	220.50	98
DID NUMBER BLOCKS FIRST 20	$	4.50	1
DID/DOD	$	340.00	1
TOTAL	$	697.75	109

TOTAL CONTINUING ACTIVITY FOR ENHANCED SWITCHED SERVICES $ 697.75

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Enhanced Switched Services

DETAIL OF USAGE	
COMPANY:	COVENANT HOUSE
ACCOUNT NUMBER:	CVNT -CVNT04
INVOICE DATE:	05/01/01
INVOICE NUMBER:	3344522

LOCATION TELEPHONE NUMBER DATE	TIME	NUMBER	CITY	STATE	CALL PERIOD	MINUTES		USAGE CHARGES
SWITCHED SERVICES - DETROIT METRO AREA					USAGE PERIOD 04/01/01 - 04/30/01			
4151 SEMINOLE								
313-825-7025								
LOCAL SUMMARY					17	16:36	$	1.36
TOTAL FOR GREG SEVELIS					17	16:36	$	1.36
313-825-7000								
LOCAL SUMMARY					171	493:00	$	13.68
TOTAL FOR GREG SEVELIS					171	493:00	$	13.68
313-825-7023								
LOCAL SUMMARY					4	2:24	$	0.32
TOTAL FOR GREG SEVELIS					4	2:24	$	0.32
313-825-7027								
LOCAL SUMMARY					1	0:36	$	0.08
TOTAL FOR GREG SEVELIS					1	0:36	$	0.08
313-825-7050								
LOCAL SUMMARY					103	251:00	$	8.24
TOTAL FOR GREG SEVELIS					103	251:00	$	8.24
SUBTOTAL USAGE FOR LOCATION 4151 SEMINOLE					ENHANCED SWITCHED SERVICES		$	23.68
4329 CENTRAL AVE								
313-825-8000								
LOCAL SUMMARY					167	385:18	$	13.36
TOTAL FOR GREG SEVELIS					167	385:18	$	13.36
313-825-8003								
LOCAL SUMMARY					40	73:12	$	3.20
TOTAL FOR GREG SEVELIS					40	73:12	$	3.20
SUBTOTAL USAGE FOR LOCATION 4329 CENTRAL AVE					ENHANCED SWITCHED SERVICES		$	16.56
5690 CECIL								
313-825-7060								
LOCAL SUMMARY					7	7:30	$	0.56
TOTAL FOR GREG SEVELIS					7	7:30	$	0.56
313-825-7066								
LOCAL SUMMARY					81	194:24	$	6.48
TOTAL FOR GREG SEVELIS					81	194:24	$	6.48
SUBTOTAL USAGE FOR LOCATION 5690 CECIL					ENHANCED SWITCHED SERVICES		$	7.04
3300 JEFFRIES (FRWY)								
313-463-2000								
04/02	8:12A	313 555-1212	DIR ASST	MI				0.45
04/02	1:27P	313 555-1212	DIR ASST	MI				0.45
04/06	5:58P	313 555-1212	DIR ASST	MI				0.45
04/06	6:58P	313 555-1212	DIR ASST	MI				0.45
04/09	3:07P	313 555-1212	DIR ASST	MI				0.45
04/10	2:24P	313 555-1212	DIR ASST	MI				0.45
04/11	4:29P	313 555-1212	DIR ASST	MI				0.45
04/12	3:15P	313 555-1212	DIR ASST	MI				0.45
04/16	10:48A	313 555-1212	DIR ASST	MI				0.45
04/24	8:50A	313 555-1212	DIR ASST	MI				0.45
04/26	1:58P	313 555-1212	DIR ASST	MI				0.45

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Enhanced Switched Services

DETAIL OF USAGE	
COMPANY:	COVENANT HOUSE
ACCOUNT NUMBER:	CVNT -CVNT04
INVOICE DATE:	05/01/01
INVOICE NUMBER:	3344522

LOCATION TELEPHONE NUMBER DATE	TIME	NUMBER	CITY	STATE	CALL PERIOD	MINUTES		USAGE CHARGES
3300 JEFFRIES (FRWY)								
313-463-2000								
04/26	2:00P	313 555-1212	DIR ASST	MI				0.45
04/26	2:02P	313 555-1212	DIR ASST	MI				0.45
04/28	9:55A	313 555-1212	DIR ASST	MI				0.45
DIRECTORY ASSISTANCE SUMMARY				14			$	6.30
04/06	11:35P	248 722-4734	W BLOOMFLD	MI	N	0:18		0.03
04/09	4:46P	810 995-1347	WARREN	MI	D	1:18		0.13
04/10	12:46P	810 995-4118	WARREN	MI	D	3:42		0.38
04/10	1:03P	810 995-1812	WARREN	MI	D	0:18		0.03
04/12	11:59A	248 576-1334	PONTIAC	MI	D	0:30		0.05
04/16	1:15P	810 995-1347	WARREN	MI	D	1:42		0.17
04/17	1:18P	810 995-6071	WARREN	MI	D	1:06		0.11
04/19	4:58P	810 995-1347	WARREN	MI	N	1:54		0.19
04/23	11:56A	810 995-1347	WARREN	MI	D	0:36		0.06
INTRALATA SUMMARY				9		11:24	$	1.15
LOCAL SUMMARY				7706		37,730:06	$	616.48
TOTAL FOR GREG SEVELIS				7729		37,741:30	$	623.93
SUBTOTAL USAGE FOR LOCATION 3300 JEFFRIES (FRWY)					ENHANCED SWITCHED SERVICES		$	623.93

CALL SUMMARY

CALL TYPE	NPA	CALLS	MINUTES	CHARGES
LOCAL	313	8,297	39,154:06	663.76
LOCAL SUBTOTAL		8,297	39,154:06	663.76
DIRECTORY ASSISTANCE	313	14	0:00	6.30
DIRECTORY ASSISTANCE SUBTOTAL		14	0:00	6.30
INTRALATA	248	2	0:48	0.08
INTRALATA	810	7	10:36	1.07
INTRALATA SUBTOTAL		9	11:24	1.15
SUBTOTAL USAGE		8,320	39,165:30 $	671.21

TOTAL USAGE FOR ENHANCED SWITCHED SERVICES $ 671.21

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Enhanced Switched Services

PRODUCT SUMMARY

COMPANY:	COVENANT HOUSE
ACCOUNT NUMBER:	CVNT -CVNT04
INVOICE DATE:	05/01/01
INVOICE NUMBER:	3344522

SWITCHED SERVICES - DETROIT METRO AREA

CHARGE TYPE				CURRENT CHARGES
NEW ACTIVITY			$	6,581.93-
CONTINUING ACTIVITY			$	697.75
USAGE AMOUNT			$	671.21
TAXES/SURCHARGES				
DETROIT CITY UTILITY	$	261.06-		
SUBTOTAL TAXES/SURCHARGES FOR ENHANCED SWITCHED SERVICES			$	261.06-
TOTAL CHARGES FOR SWITCHED SERVICES - DETROIT ENHANCED SWITCHED SERVICES			$	5,474.03-