STATE OF MICHIGAN
DEPARTMENT OF ATTORNEY GENERAL

WILLIAM J. RICHARDS
Deputy Attorney General

P.O. BOX 30736
LANSING, MICHIGAN 48909

JENNIFER MULHERN GRANHOLM
ATTORNEY GENERAL

December 14, 2001

Ms. Dorothy Wideman
Executive Secretary
Michigan Public Service Commission
6545 Mercantile Way
Lansing, MI 48911

Dear Ms. Wideman:

RE: Ameritech Michigan, MPSC Case No. U-13007

Enclosed for filing in the above matter is the original and four copies of the **Attorney General's Replies to Exceptions to the Proposal for Decision,** together with Proof of Service.

Very truly yours,

Orjiakor N. Isiogu
Assistant Attorney General
Special Litigation Division
6520 Mercantile Way, Suite 2
Lansing, MI 48911
(517) 373-1123

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

PROOF OF SERVICE

Ameritech Michigan
MPSC Case No. U-13007

The undersigned certifies that a copy of the **Attorney General's Replies to Exceptions to the Proposal for Decision** 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 14th day of December, 2001.

Lois E. Gruesbeck

Ameritech Michigan
Mr. John M. Dempsey
Ms. Jennifer L. Frye
Dickinson Wright PLLC
215 S. Washington Square
Suite 200
Lansing, MI 48933-1816
email: jdempsey@dickinson-wright.com
email: jfrye@dickinson-wright.com

AT&T and TCG Detroit
Mr. Arthur J. LeVasseur
Mr. George Hogg Jr.
Fischer Franklin & Ford
3500 Guardian Building
500 Griswold Street
Detroit, MI 48226
email: artlev@voyager.net

Mr. John J. Reidy III
AT&T Communications, Inc.
222 West Adams
Suite 1500
Chicago, IL 60606
email: jjreidy@att.com

Michigan Pay Telephone Association
Mr. Leland R. Rosier
Clark Hill, PLC
2455 Woodlake Circle
Okemos MI 48864-5941
email: lrosier@clarkhill.com

XO Michigan, Inc.
Mr. Michael S. Ashton
Fraser Trebilcock Davis & Foster, PC
1000 Michigan National Tower
Lansing, MI 48933
email: mashton@ftdf.com

WorldCom
Mr. Albert Ernst
Ms. Christine Mason Soneral
Dykema Gossett
800 Michigan National Tower
Lansing, MI 48933
email: aernst@dykema.net
email: cmason@dykema.net
email: jbeachnau@dykema.net

Mr. James R. Denniston
WorldCom
205 N. Michigan Avenue
Suite 3700
Chicago, IL 60601
email: James.Denniston@wcom.com

Telecommunications Ass'n of Michigan
Mr. Gary L. Field
Loomis, Ewert, Parsley, Davis & Gotting
232 S. Capitol Avenue, Suite 1000
Lansing, MI 48933
email: glfield@loomislaw.com

MPSC Staff
Mr. Michael A. Nickerson
Assistant Attorney General
Public Service Division
6545 Mercantile Way, Ste. 15
Lansing, MI 48933
email: nickersonm@ag.state.mi.us
[ID MAIL]

Administrative Law Judge
Honorable George Schankler
Administrative Law Judge
Michigan Public Service Commission
6545 Mercantile Way, Suite 14
Lansing, MI 48911
email: george.schankler@cis.state.mi.us
[ID MAIL]

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the application of
Ameritech Michigan for a determination
that directory assistance services provided
to end-users are competitive services under
the Michigan Telecommunications Act.
_____/

Case No. U-13007

ATTORNEY GENERAL'S
REPLIES TO EXCEPTIONS TO THE PROPOSAL FOR DECISION

JENNIFER M. GRANHOLM
Attorney General

Orjiakor N. Isiogu (P42788)
Assistant Attorney General
Special Litigation Division
6520 Mercantile Way, Suite 2
Lansing, MI 48911
(517) 373-1123

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Case No. U-13007

ATTORNEY GENERAL'S
REPLIES TO EXCEPTIONS TO THE PROPOSAL FOR DECISION

Attorney General Jennifer M. Granholm files the following replies to exceptions pursuant to the schedule established in this proceeding by Administrative Law Judge (ALJ) George Schankler. On November 16, 2001, the ALJ issued his Proposal for Decision (PFD) in this case. Subsequently, on December 6, 2001, MCImetro Access Transmission Services, LLC (a WorldCom Company, hereafter referred to as WorldCom), and Ameritech Michigan filed exceptions to the PFD. The Michigan Pay Telephone Association (MPTA) filed a conditional exception to the PFD.

In his PFD, the ALJ recommended, among other things, that the Michigan Public Service Commission (MPSC) should find that directory assistance (DA) services provided to Ameritech Michigan end-users are not competitive. In addition, the PFD recommended that should the MPSC be inclined to find that DA services are competitive, Ameritech Michigan should be required to file a revised cost study that is consistent with the MPSC Staff's recommendations. Ameritech Michigan takes exception to the PFD's recommendations with respect to the

competitiveness of DA service and the necessity for a compliant cost study. Specifically, Ameritech Michigan argues that the PFD erroneously made the following findings:

1. that print directories did not constitute actual competition for DA;

2. that internet DA did not constitute a functional equivalent to the type of DA provided by Ameritech Michigan to its end-users to be considered actual competition;

3. that telephone DA provided by third parties does not constitute actual competition, and

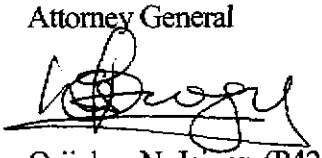
4. that wireless services do not provide a service that constitutes a functional equivalent of the DA service provided to Ameritech Michigan's end-users to be considered a viable competition.

Contrary to Ameritech Michigan's assertion, the conclusions reached by the PFD are correct and fully supported by the record in this case. Ameritech Michigan's arguments with respect to the so-called alternative DA service are specious. As the Attorney General stated in her initial brief, the DA market is simply not sufficiently mature as to justify being declared

competitive pursuant to Section 207 of the Michigan Telecommunications Act. Based on the evidence presented in the case, the PFD properly concluded that Section 208(3)(a) has not been satisfied. Therefore, Ameritech Michigan's exceptions to the PFD should be rejected.

Respectfully submitted,

JENNIFER M. GRANHOLM
Attorney General



Orjiakor N. Isiogu (P42788)
Assistant Attorney General
Special Litigation Division
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