NEWS RELEASE

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LANSING, February 1. The Michigan Public Service Commission today dismissed Ameritech Michigan's application for a determination that directory assistance services provided to Ameritech Michigan's customers are competitive and therefore no longer subject to Commission regulation. The Commission concluded that Ameritech Michigan had not obtained approval of a directory assistance cost study prior to filing its application, as required by the Michigan Telecommunications Act. The Commission did, however, move to streamline future directory assistance tariff filings.

Today's order reiterated that telecommunications service providers must perform cost studies that encompass the company's entire network and assign the same costs as inputs to various services without regard to the type of sale or customer using each service rather than making piecemeal changes. Allowing Ameritech Michigan to revise its cost model, inputs, and assumptions for a directory assistance-specific cost study would contravene the cost study established in a previously approved case.

"We expect Ameritech Michigan to make those revisions and submit a directory assistance cost study within 30 days, and revised tariffs on any affected wholesale services should be filed at that time," said Chairman Laura Chappelle. "Approval of the directory assistance study will be required before Ameritech Michigan may file another request for a competitive determination."

In light of the Commission's review in this case, however, it found that increasing competition for directory assistance since 1992 warrants changes in the Commission's level of regulatory oversight of directory assistance. While the Commission determined that directory assistance continues to be a regulated service and providers must file tariffs for these services, beginning 60 days from today's order, providers may file tariffs with changes to customers' rates 30 days before the effective date without undergoing a hearing. Tariffs reflect the services that the company will offer, the prices and identify the area in which it will offer the services. The

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Commission reserves the right to investigate any proposed changes in directory assistance rates or service deemed excessive, unreasonable or discriminatory. The Commission also warned that it is not disposed to accept any filings that totally eliminate the free call allowances or waivers for persons unable to use printed directories.

Ameritech Michigan is a subsidiary of SBC Communication, is headquartered in San Antonio, Texas.

The MPSC is an agency within the Department of Consumer and Industry Services.

Case No. U-13007
February 1, 2002
(Ameritech Michigan's application for a competitive determination on Directory Assistance dismissed)