

June 9, 2006

Via E-File

Mary Jo Kunkle
Executive Secretary
Michigan Public Service Commission
6545 Mercantile Way
Lansing, MI 48911

**Re: In the matter, on the Commission's own motion, to implement the provisions of
Section 310a of 2005 PA 235.
MPSC Case No. U-14899**

Dear Ms. Kunkle:

Enclosed for filing in the above-referenced case is the public version of the *Response of AT&T Michigan And AT&T Communications of Michigan, Inc., to The Request For Information on Implementation of Primary Basic Local Exchange Service.*

If you should have any questions, please contact me.

Very truly yours,



William J. Champion III

WJC:jkt
Enclosures

LANSING 34060-31 376589v1

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission's own motion,)
to implement the provisions of Section 310a of) Case No. U-14899
2005 PA 235.)

PUBLIC VERSION

**RESPONSE OF AT&T MICHIGAN AND AT&T COMMUNICATIONS OF
MICHIGAN, INC., TO THE REQUEST FOR INFORMATION ON
IMPLEMENTATION OF PRIMARY BASIC LOCAL EXCHANGE SERVICE**

AT&T Michigan and AT&T Communications of Michigan, Inc. (hereinafter the "AT&T Carriers") submit this joint response to the Michigan Public Service Commission's ("Commission") request for information regarding the implementation of primary basic local exchange service ("PBLES") by carriers in Michigan. On May 25, 2006, the Commission opened this docket to receive information from providers of basic local exchange service of all steps taken to make PBLES available to the public, including "programming changes, training of personnel, and any customer notices or advertisements for this service." Order, Case No. U-14899, p. 2 (May 25, 2006). Additionally, the Commission ordered each provider of PBLES to indicate the number of customers receiving PBLES on May 1, 2006. The AT&T Carriers are both providers of residential basic local exchange service in Michigan and, therefore, have both complied with the requirements to make PBLES available to Michigan residential customers in their respective service territories. This response provides additional details on those offers pursuant to the Commission's request.

BACKGROUND

On November 21, 2005, Governor Jennifer M. Granholm signed 2005 PA 235 amending the Michigan Telecommunications Act (“MTA”). The amended MTA includes a provision requiring that providers “licensed under this act shall offer primary basic local exchange service to each residential customer within the provider’s service area where the provider is offering residential basic local exchange service.” MCL §484.2301a. The Legislature provided a definition for PBLES, which established the following specific requirements:

“Primary basic local exchange service” means the provision of 1 primary access line to a residential customer for voice communication and shall include all of the following:

- (i) Not fewer than 100 outgoing calls per month.
- (ii) Not less than 12,000 outgoing minutes per month.
- (iii) Unlimited incoming calls.

MCL §484.2102(y). The MTA also establishes the particular means by which providers establish the initial rate for PBLES:

The rates for primary basic local exchange service shall be just and reasonable. Each provider shall set the initial rates for primary basic local exchange service to be effective no later than April 1, 2006. Except as provided under section 310a or a higher rate approved by the commission under subsection (2)(d), the initial rates may not exceed the rates for the lowest calling plan that includes a limited number of outgoing calls of the provider in place before the rates are set under this subsection. If a provider does not offer a calling plan with a limited number of outgoing calls, the provider shall set the initial rate for primary basic local exchange service which shall be just and reasonable and may be subject to Commission review.

MCL §484.2304(1).

In an order issued December 20, 2005 in Case No. U-14731, the Commission required all providers of residential basic local exchange service to file tariffs for PBLES with the Commission no later than January 19, 2006. Order, Case No. U-14731, p. 2 (Dec. 20, 2005).

The Commission required that carriers file their PBLES tariffs in the same manner that all tariffs are filed with the Commission, but that the tariffs must reflect an effective date of April 1, 2006. Id. Moreover, the Commission ordered carriers to include an indication of the statutory provisions it used to set its PBLES rate and to “provide an evidentiary basis for finding that the rate is just and reasonable.” Id. The AT&T Carriers have both complied with the Commission’s orders and have filed tariffs which have been accepted by the Commission Staff.

RESPONSE TO COMMISSION REQUEST FOR INFORMATION

A. The AT&T Carriers Have Taken Numerous Steps to Make PBLES Available

Both AT&T Carriers have created new Call Plan 100 (“CP100”) service offers, which are contained in the carriers’ publicly available tariffs and are available to Michigan residential customers. These CP100 offers comply with the requirements established by the Legislature for PBLES. The AT&T Carriers’ CP100 tariffs were dated April 1, 2006, and the offers have been available since that date. Tariff pages for these offers are attached as Exhibit A (AT&T Michigan) and Exhibit B (AT&T Communications of Michigan, Inc.).

The AT&T Carriers have not eliminated any of the other current residential local exchange offers existing at the time that CP100 was first made available. The AT&T Carriers’ Call Plan 50 and Call Plan Unlimited offers remain in the carriers’ tariffs and remain available to Michigan residential consumers.

1. The AT&T Carriers Implemented The Necessary System Changes And Programming Necessary to Allow Customer To Order CP100

AT&T Michigan: In order to correctly implement the programming and billing changes necessary to introduce its new CP100 call plan, AT&T Michigan was required to adopt certain interim system solutions within its Information Technology (“IT”) environment. Modern

telecommunications carriers operate complicated and interrelated customer care, billing, and provisioning systems, all of which are necessary to provide even the most basic services to customers. These systems and the overall IT environment are subject to strict change management policies, which often require several months of planning and preparatory activities prior to the implementation of new products or pricing. Because of the short time frame in which to create the CP100 offer within its systems, AT&T Michigan was not able to initially implement a permanent Call Plan 100 offering within its systems to meet the April 1, 2006 deadline. Instead, it used a temporary solution that packaged 50 additional calls with its current Call Plan 50 offering to create a Call Plan 100 offering. This temporary solution will be used until the permanent offer is created within AT&T Michigan's systems. The temporary Call Plan 100 provides all of the required terms and conditions necessary for PBLES, and the fact that this is an interim solution, from an IT perspective, is largely transparent to the end user.

AT&T Michigan has been implementing the necessary systems changes to provide a permanent system capability to offer CP100, and it expects that this permanent offer, a new class of service ("COS"), will be available in August 2006. During the time period from April 1, 2006 to the effective date of the permanent solution, customers ordering CP100 will receive a billing invoice showing a service identified as "Call Plan 100." The monthly Call Plan 100 recurring rate will be listed after that entry. A description of the Call Plan 100 service will be listed on two indented lines: "Call Plan 50" and "Additional Calls Totaling 100."

As part of the implementation plan to offer Call Plan 100 using an interim methodology, AT&T Michigan provided specific training to its sales representatives regarding the interim methodology for provisioning orders for the service. AT&T Michigan sales representatives were instructed on how to respond to requests for Call Plan 100 prior to the implementation of the

permanent COS offer. They were also provided with a description of the service and the rates as filed in AT&T Michigan's tariff. During the interim time frame, sales representatives were instructed to issue an order for the uniquely developed package, which included the existing Call Plan 50 and an optional calling plan which effectively provides the subscriber with a 100 call allowance (before any overage charges are applied).

Once the permanent class of service is constructed within the AT&T IT environment, customers with the interim solution package will be converted to the standard Call Plan 100 COS. The conversion to the permanent COS for existing Call Plan 100 customers will be transparent to the customer. All customer service sales representatives will be retrained prior to the conversion on how to provision orders for new requests for the permanent CP100 Class of Service.

AT&T Communications of Michigan, Inc.: AT&T Communications of Michigan, Inc., used its standard change management intervals to create its CP100 offer. All necessary billing, order provisioning, and systems changes necessary to provide the PBLES/CP100 offer were implemented successfully prior to April 1, 2006.

2. The AT&T Carriers Have Provided Training To Their Sales Representatives.

Both AT&T Carriers have provided affirmative training to their customer service representatives to respond to customer inquiries regarding PBLES.

AT&T Michigan: Beginning on March 27, 2006, sales representatives who field Michigan customers inquiries were trained on the new Call Plan 100 in small groups by members of their Call Center's leadership team. During the training, handouts were provided. Sales representatives could use these handouts as a quick reference, in addition to their standard reference tools, to efficiently process requests once the new plan went into effect on April 1,

2006. The training objectives were to inform sales representatives about the launch of Call Plan 100, provide a description of the plan including rates, and educate sales representatives on how to process orders for this new class of service. The target audience for this training was any sales representative who assists a Michigan residential customer in the Consumer business unit. This included sales representatives in the four primary business offices which handle Michigan calls, as well as other offices who may assist with overflow calls.

In support of the training on its CP100, AT&T Michigan created Methods & Procedures ("M&P") that described the new service with appropriate rate information, interim ordering process, and bill samples. The service representatives' handbook, an online reference guide, was updated with these new procedures as of March 31, 2006.

Service representatives were provided additional written training on April 4, 2006 that again reiterated the process for inputting orders placed for Call Plan 100. The communication outlined the necessary steps that representatives were to take to avoid any order errors. Service representatives were informed via an additional written training of the order processing again on April 12, 2006. Representatives were provided additional training on April 26, 2006 to reinforce the process for responding to requests for Call Plan 100.

As of June 8, 2006, the AT&T Executive Appeals Center has not received any customer complaints with regard to any aspects of Call Plan 100 service. Separately, AT&T Michigan has been made aware of a few instances where customers encountered difficulties in placing an order for Call Plan 100. These difficulties appear to relate to the recentness of the introduction of the CP100 offer.

In order to minimize the likelihood of ordering problems going forward, on May 5, 2006, AT&T Michigan implemented mandatory service representative retraining. The service

representatives' online reference tool was updated to provide additional search pages for Michigan Call Plan 100. The intent was to provide an easier and faster means to locate information about the plan. Additionally, an "urgent" Call Plan 100 communication was sent to the Communications and Support Managers for AT&T Michigan's Call Centers requiring the redistribution of communication to service representatives and managers. Internal "Train-the-Trainer" sessions were also held for additional leader-led training.

The retraining effort was initiated on May 5, 2006 and completed on May 9, 2006. In addition to reviewing information from the first leader-led training, this effort also focused on educating service representatives on where to locate information on a new service in their reference tools, as well as how to process a request for the service. The target audience for this training was any service representative that could assist a Michigan residential customer in the Consumer business unit. As mentioned above, this included service representatives in the four primary business offices which handle Michigan calls, as well as other offices who may assist with overflow calls.

During the week of May 29, 2006, AT&T Michigan conducted a second round of follow up training and coaching in specific locations identified as needing additional training reinforcement. The processes and training for the interim plan developed for Call Plan 100 will continue to be monitored by local call center management. Any training or coaching issues identified during those contact observations will be addressed immediately. Finally, as noted previously, the implementation team responsible for the rollout of the permanent CP100 solution will implement standard communications and training as necessary to ensure that the permanent solution is implemented effectively.

AT&T Communications of Michigan, Inc.: AT&T Communications of Michigan, Inc., is not currently actively marketing residential local exchange services to mass market customers in Michigan. Nonetheless, AT&T Communications has implemented, within its ordering and provisioning systems, the capability for its dedicated service representatives to offer customers its CP100 product. New Call Plan 100 orders are only likely to occur when current or former customers contact AT&T Communications of Michigan, Inc., to resolve an issue or inquire about their current or a new service. AT&T Communications of Michigan, Inc.'s service ordering systems have been updated to include all the requisite ordering information necessary for representatives to process customer orders for CP100. AT&T Communications of Michigan, Inc., is unaware of any customer complaints regarding the availability of CP100.

3. Customer Notice

Through their publicly filed tariffs, the AT&T Carriers have provided public notice for the availability of its PBLES/CP100 plan offer. The AT&T Carriers tariffs are also available online via the Commission's website, at the following URL: <http://www.dleg.state.mi.us/mpsc/comm/clec/tarfindx.htm>.

4. Number of Customer Requests For PBLES Since Passage of The Act

The Commission has requested that carriers provide evidence of the number of customer requests for PBLES since the passage of Act 235 of 2005. The AT&T Carriers do not track this information and, therefore, are unable to comply with this request.

B. The Number of Customers Who Have Ordered PBLES is Increasing

Since the implementation of their PBLES offers on April 1, 2006, the AT&T Carriers have seen moderate order activity for their CP100 products. The following section provides

confidential information to the Commission regarding the number of customers who have been provisioned with the CP100 plan since April 1, 2006.

AT&T Michigan: The numbers of AT&T Michigan customers who are subscribing to Call Plan 100 is as follows: **[BEGIN CONFIDENTIAL]**

XXXXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXXX

[END CONFIDENTIAL]

AT&T Communications of Michigan, Inc.: The numbers of AT&T Communications of Michigan, Inc., customers who are subscribing to Call Plan 100 is as follows: **[BEGIN CONFIDENTIAL]**

XXXXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXXX

[END CONFIDENTIAL]

Respectfully submitted,
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and

DICKINSON WRIGHT PLLC

A handwritten signature in black ink, appearing to read "William J. Champion III". The signature is stylized with a large, sweeping "W" and a distinct "M" at the end.

By: _____
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Dated: June 9, 2006

LANSING 34060-31 376588v1

MPSC CASE NO. U-14899

EXHIBIT A

**TO AT&T MICHIGAN'S
RESPONSE TO REQUEST FOR INFORMATION**

PRIMARY BASIC LOCAL EXCHANGE SERVICE - RESIDENCE SERVICE

(N)

A customer is allowed one primary access line. Each primary access line consists of the following call plan.

Call Plan 100

1. No additional charge applies for outgoing local calls up to the 100 outgoing call allowance per month.
2. This outgoing call allowance is applied per access line, per month. Unused calls, or calls over the allowance, may not be carried over or applied against another month's allowance.
3. Each outgoing local call in excess of this allowance is billed at \$.0660.
4. Call Plan 100 is available for voice use only.
5. Call Plan 100 has an unlimited incoming call allowance.
6. Call Plan 100 has a 12,000 monthly minutes of outgoing use restriction.

EXCHANGE RATES

Following are monthly rates for Call Plan 100

Description	Access Areas							
	A	B1	B2	C1	C2	C3	C4	C5
Call Plan 100	\$12.35	\$12.80	\$12.80	\$12.65	\$12.65	\$12.65	\$12.65	\$12.65 (N)

Issued under authority of 1991 PA 179 as amended.

Issued: January 19, 2006

Effective: April 1, 2006

By Robin M. Gleason, Vice President - State Regulatory
Detroit, Michigan

MPSC CASE NO. U-14899

EXHIBIT B

**TO AT&T MICHIGAN'S
RESPONSE TO REQUEST FOR INFORMATION**

SECTION 5 - CONSUMER SERVICE DESCRIPTIONS

5.7 AT&T RESIDENTIAL BASIC LOCAL CALLING PLANS

D. Primary Basic Local Exchange Service - Call Plan 100

(N)

Consumers electing this option may make local calls within the Local Calling area up to the 100 call allowance at no additional charge. The call allowance is applied per primary line, per month. The rate for Call Plan 100 is found in Section 6.5. Each call within the Local Service Area in excess of the call allowance is subject to additional local message charges, as specified in Section 6.5.

If a customer selects Primary Basic Local Exchange Service Call Plan 100 for one access line of his multiline account and another Call Plan for the remainder of the lines at one location, the allowable calls shall not be the aggregate of all access lines. Unused calls may not be carried over to another month or transferred to another line of the multiline account.

Call Plan 100 is available for voice use only.

Call Plan 100 contains an unlimited incoming call allowance, and a 12,000 monthly minutes of outgoing use restriction.

(N)

Issued under authority 2005 PA 235 and the Order issued by the MPSC on December 20, 2005 in Case U-14731.

Issued: February 13, 2006

Effective: April 1, 2006

District Manager
Chicago, IL

SECTION 6 - CONSUMER RATES

6.5 AT&T Residential Basic Local Calling Plans (cont'd)

Primary Basic Local Exchange Service	Primary Access Line	Add'l Access Line	Each Add'l Message Charge
Call Plan 100, per month - 100 outgoing call allowance - 12,000 outgoing minutes restriction - unlimited incoming call allowance - voice calls only	\$19.75	NA	\$.0600

(N)

(N)

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December 20, 2005 in Case U-14731.

Issued: February 13, 2006

Effective: April 1, 2006

District Manager
Chicago, IL