

Michigan Public Service Commission

Staff Report

Results of 2nd Competitive Market Conditions Survey

May 23, 2001

Case No. U-12320

The Michigan Public Service Commission Staff conducted a 2nd Information/Data Request of Ameritech Michigan and all licensed Competitive Local Exchange Carriers (CLECs), which included incumbent local exchange carriers (ILECs) that also operate as CLECs in Michigan. This survey was sent out to the 167 licensed CLECs in the state of Michigan as of March 9, 2001. The survey was sent out to the companies on March 31, 2001 with a response date of May 1, 2001. The data collected was for the calendar year ending December 31, 2000. This information was gathered to assist the Michigan Public Service Commission in furthering its evaluation of the state of local competition in Michigan.

The original survey vehicle was developed through a collaborative process set forth in the Commission's order in docket U-12320 in 2000. This survey requested some information that the companies considered confidential. The results of some portions of this survey are reported as total group numbers to maintain the confidentiality of the individual company numbers.

Attachment A is a chart that indicates the number of lines attributed to CLECs in Michigan as submitted by the CLECs responding to this survey. Of the 167 CLECs that the survey was mailed to, 69 companies filed a response with 37 of those companies reporting that they are actually providing service today, and of this group 10 CLECs are providing service to both residential and business customers. Of that group of 37 that report that they are providing service, 31 CLECs have reported actual line counts as of 12/31/00 (the companies with no line activity have just begun to offer service with no line activity to report for 2000). Ameritech also reported the same type of counts from information they have pertaining to the number of lines that they resell to the CLECs (Attachment B). There is a large discrepancy between what Ameritech reports and what the CLECs report. This can be attributed to what Ameritech estimates as the number of lines that the CLECs provide over their own facilities and what the CLECs report as actual.

From the data compiled through this survey (Attachment A), staff has found that the number of lines provided by CLECs (including over their own facilities) is 446,164. Staff has prepared a chart of the number of access lines provided by all of the incumbent local telephone companies in Michigan as provided through an industry publication (Attachment C). This indicates that the number of lines provided in Michigan (ILECs including Ameritech and CLECs) is 6,901,813. The number of CLEC lines compared to total lines represents 6.47%. Ameritech's share is 78.20% while GTE's share is 11.70%. The small independent telephone companies represent 3.63% of the total lines in Michigan. The survey responses indicate that the geographic areas covered by CLEC lines encompass the Detroit, Grand Rapids, Lansing, Saginaw and Upper Peninsula LATAs with the majority of the competitive lines being provided in the Detroit LATA. From the data that Ameritech provides, 64% of the competitive lines are provided in the Detroit area, 22% of the competitive lines are provided in the Grand Rapids area, 5.5% of the lines are provided in the Lansing area, 7.3% of the lines are provided in the Saginaw area and 1.3% of the lines are provided in the Upper Peninsula area.

Staff reviewed Ameritech's charts of resold lines to CLECs to verify which companies may have line activity and attempted to obtain line counts from all of the viable CLECs. Staff has determined that those companies not responding to the survey mainly comprised a group of newly licensed CLECs that are not yet providing service, CLECs that were licensed but are no longer in business or are companies with negligible line counts. From staff's review, we have determined that the majority of the viable CLECs have reported through this survey process.

**Competitive Market Conditions
2nd Information/Data Request
CLEC Access Line Data
For the Period Ending Dec. 31, 2000
As Reported by CLECs**

1. Lines Served via Resale of ILECs service	83,601
2. Lines Served via Unbundled Network Facilities	135,133
3. Lines Served via UNE Platform	20,479
4. Other Dedicated LEC Access Lines	<u>37,702</u>
5. Total via ILEC Facilities (Lines 1 + 2 + 3 + 4)	276,915
6. Lines Served via CLEC Own Facilities	149,129
7. xDSL Lines	<u>20,120</u>
8. Total Lines Served (Lines 5 + 6 + 7)	446,164

*This survey was sent to 167 companies with CLEC licenses in Michigan as of March 9, 2001, including ILECs with CLEC licenses.

**This information is collected from the 31 CLECs that reported any line activity. The rest of the reporting group reported no lines.

Business Lines	319,261	72%	(25 CLECs)
Residential Lines	<u>126,903</u>	<u>28%</u>	<u>(16 CLECs)</u>
Total Lines	446,164		(10 CLECs – both)

**Competitive Market Conditions
2nd Information/Data Request
CLEC Access Line Data
For the Period Ending Dec. 31, 2000
As Reported by Ameritech**

1. Lines Served via Resale of Ameritech's Service	147,218
2. Lines Served via Unbundled Network Facilities	103,926
3. Lines Served via UNE Platform	8,268
4. Total Lines Served via Ameritech Facilities (Lines 1 + 2 + 3)	259,412
5. Estimated Lines Served via CLEC Own Facilities*	648,988
6. xDSL Lines	<u>18,918</u>
7. Total Lines Served (Lines 4 + 5 + 6)	927,318

*Ameritech estimates lines served via CLEC own facilities (non-DSL) based on CLEC interconnection in service trunks times 2.75 (estimated lines supported per trunk) minus unbundled loops.

ACCESS LINE INFORMATION
For Michigan Telephone Companies for 2000
As Reported in TAM 2001 Directory

Company Name	Res. Lines	Bus. Lines	Public	Total Access Lines
1. Ace Telephone Company	5,049	1,037	15	6,101
2. Allendale Telephone Company	7,904	0	0	7,904
3. Ameritech	3,464,827	1,885,687	46,991	5,397,505
4. Baraga Telephone Company	3,897	1,578	63	5,538
5. Barry County Telephone	6,876	1,453	3	8,332
6. Blanchard Telephone	1,304	184	5	1,493
7. Bloomingdale Telephone	1,939	344	10	2,293
8. Carr Telephone	2,015	85	4	2,104
9. CenturyTel, Inc.	90,781	25,633	1,073	117,487
10. Chapin Telephone Company	743	36	0	779
11. Chippewa County Telephone	1,204	359	3	1,566
12. Climax Telephone Company	1,148	646	6	1,800
13. CTS Metro	810	5,569	0	6,379
14. Deerfield Farmers' Telephone	2,406	431	0	2,837
15. Drenthe Telephone Company	639	131	4	774
16. Frontier Communications of Michigan	22,200	4,200	200	26,600
17. GTE Systems (incl. Alltel)/ Verizon *	611,834	188,903	6,758	807,495
17. Hiawatha Telephone Company	4,753	1,651	122	6,526
18. Kaleva Telephone Company	2,082	383	33	2,498
19. Lennon Telephone Company	1,783	271	0	2,054
20. Midway Telephone Company	765	111	7	883
21. Ogden Telephone Company	420	50	0	470
22. Ontonagon County Telephone	3,137	1,307	31	4,475
23. Pigeon Telephone Company	2,768	935	9	3,712
24. Sand Creek Telephone Company	1,094	172	1	1,267
25. Springport Telephone Company	1,669	208	0	1,877
26. TDS Telecom/Augusta	3,850	1,300	0	5,150
27. TDS Telecom/Chatham	2,650	450	0	3,100
28. TDS Telecom/Millington	5,400	1,050	0	6,450
29. TDS Telecom/Perry	5,125	1,200	0	6,325
30. TDS Telecom/Sanford	4,125	900	0	5,025
31. Upper Peninsula Telephone	6,293	751	26	7,070

Company Name	Res. Lines	Bus. Lines	Public	Total Access Lines
32. Waldron Telephone Company	523	117	5	645
33. Westphalia Telephone Company	884	248	3	1,135
34. Winn Telephone Company	650	145	6	801
Total Access Lines	4,272,897	2,127,380	55,372	6,455,649

* Access line numbers for GTE/Verizon (including Alltel) obtained from a phone call to GTE/ Verizon. GTE/Verizon is no longer a part of TAM and so their lines are not reported in the TAM Directory.

Ameritech Lines	5,397,505	78.20%
GTE/Verizon Lines	807,495	11.70%
Independent Telco Lines	250,649	3.63%
CLEC Lines	446,164	6.47%
Total Lines in Michigan	6,901,813	100.00%