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Synopsis of the Order

1. *History of the Application.* On June 19, 2003, Michigan Bell filed an application with the Commission, pursuant to section 271 of the Telecommunications Act of 1996, to provide in-region, interLATA service in the state of Michigan.

2. *The State Commission's Evaluation.* The Michigan Public Utilities Commission (Michigan Commission), following an extensive review process, advised the Commission that Michigan Bell has taken the statutorily required steps to open its local markets to competition. Consequently, the Michigan Commission recommended that the Commission approve Michigan Bell's in-region, interLATA entry in its evaluation and comments in this proceeding.

3. *The Department of Justice's Evaluation.* The Department of Justice filed its evaluation on July 16, 2003, expressing concerns about Michigan Bell's wholesale billing, line splitting, and data reliability. The Department of Justice ultimately stated that because of serious concerns about wholesale billing, it could not support the application based on the current record, but noted that the Commission might be able to resolve these billing issues prior to conclusion of its review.

4. *Compliance with Section 271(c)(1)(A).* In order for the Commission to approve a BOC's application to provide in-region, interLATA services, a BOC must first demonstrate that it satisfies the requirements of either section 271(c)(1)(A) (Track A) or section 271(c)(1)(B) (Track B). The Commission concludes that Michigan Bell satisfies the requirements of Track A in Michigan. This decision is based on the interconnection agreements Michigan Bell has implemented with competing carriers in Michigan and the number of carriers that provide local telephone exchange service, either exclusively or predominantly over their own facilities, to residential and business customers.

Primary Issues in Dispute

5. *Evidentiary Case—Data Reliability.* The Commission finds that Michigan Bell's data are, on the whole, reliable and accurate, based on the evidence in

the record, including two independent, third-party audits of Michigan Bell's performance data. The Commission finds, therefore, that the commercial performance data submitted by Michigan Bell form an adequate evidentiary basis on which the Commission can render judgments regarding Michigan Bell's satisfaction of the competitive checklist.

6. *Checklist Item 2—Unbundling Network Elements.* Based on the record, the Commission finds that Michigan Bell provides "nondiscriminatory access to network elements in accordance with the requirements of sections 251(c)(3) and 252(d)(1)" of the Act in compliance with checklist item 2. The Commission also concludes that Michigan Bell provides nondiscriminatory access to combinations of unbundled network elements (UNE combinations) in compliance with the Commission's rules. Based on the evidence in the record, the Commission also finds that Michigan Bell's charges for UNEs made available to other telecommunications carriers are just, reasonable, and nondiscriminatory in compliance with checklist item 2. The Commission finds that the Michigan Commission followed basic TELRIC principles and that the Michigan Commission worked diligently to set UNE rates at TELRIC levels.

7. *Access to Operations Support Systems.* Based on the evidence in the record, the Commission finds that Michigan Bell is providing competitors nondiscriminatory access to OSS in compliance with checklist item 2. Pursuant to its analysis, the Commission finds that Michigan Bell provides nondiscriminatory access to its OSS—the systems, databases, and personnel necessary to support network elements or services. Nondiscriminatory access to OSS ensures that new entrants have the ability to order service for their customers and communicate effectively with Michigan Bell regarding basic activities such as placing orders and providing maintenance and repair services for customers. The Commission finds that, for each of the primary OSS functions (pre-ordering, ordering, provisioning, maintenance and repair, and billing, as well as change management), Michigan Bell provides access to its OSS in a manner that enables competing carriers to perform the functions in substantially the same time and manner as Michigan Bell does or, if no appropriate retail analogue exists within Michigan Bell's systems, in a manner that permits competitors a meaningful opportunity to compete. In particular, the Commission, assessing the totality of the circumstances, finds

that Michigan Bell's evidence regarding billing demonstrates that competitive LEC concerns reflect only isolated instances or errors typical of high-volume carrier-to-carrier commercial billing, rather than systemic problems. The Commission thus finds that the allegations raised about billing in this record do not warrant a finding of checklist noncompliance because Michigan Bell's billing processes provide competitors a meaningful opportunity to compete. In addition, regarding specific areas for which the Commission identifies issues with Michigan Bell's OSS performance—line loss notification reports and billing completion notices—the Commission finds that these problems do not demonstrate overall discriminatory treatment or are not sufficient to warrant a finding of checklist noncompliance.

8. *Checklist Item 4—Unbundled Local Loops.* Based on the evidence in the record, the Commission concludes that Michigan Bell provides unbundled local loops in accordance with the requirements of section 271 and Commission rules. The Commission's conclusion is based on its review of Michigan Bell's performance for all loop types, which include voice-grade loops, xDSL-capable loops, digital loops, and high-capacity loops, as well as the Commission's review of Michigan Bell's processes for hot cut provisioning, line sharing and line splitting. With respect to issues related to Michigan Bell's line splitting processes, the Commission finds that a BOC is not required to have in place processes for all possible line splitting scenarios at the time of its application if the BOC is working with competing LECs in a state collaborative to develop appropriate procedures. Because Michigan Bell is working with competitive LECs to develop such processes in Michigan, the Commission finds that these issues do not warrant a finding of checklist noncompliance.

9. *Checklist Item 7—Access to 911/E911 and Operator Services/Directory Assistance.* Section 271(c)(2)(B)(vii) of the Act requires a BOC to provide "[n]ondiscriminatory access to 911 and E911 services." A BOC must provide competitors with access to its 911 and E911 services in the same manner that it provides such access to itself, *i.e.*, at parity. Specifically, the BOC "must maintain the 911 database entries for competing LECs with the same accuracy and reliability that it maintains the database entries for its own customers." The Commission finds that Michigan Bell provides nondiscriminatory access to 911 and E911 services. Section 271(c)(2)(B)(vii) also requires a BOC to provide nondiscriminatory access to