

MPSC offers plan to hold down phone rates with AT&T breakup

By Suzie Rollins Singer
staff writer

Three members of the Michigan Public Service Commission (MPSC) today are on their way to Washington to offer Congress a plan to break up American Telephone & Telegraph Co. without doubling or tripling Michigan's local phone rates.

"We have specific suggestions to allow AT&T to have competition without a rate increase," MPSC chairman Eric Schneidewind said Thursday in Farmington Hills.

During a hearing on the Orchard Ridge campus of Oakland Community College, MPSC members explained their plan to the public and solicited their opinions. Most responses were favorable.

AMONG TERMS of the settlement reached by AT&T and the U.S. Justice Department in a landmark anti-trust case, AT&T is to divest itself of Michigan Bell Telephone Co. and 21 other subsidiaries.

Key to the rate problem is that the settlement prevents AT&T from using income from Yellow Pages advertising, long-distance calls and equipment sales to subsidize local service.

Instead, the settlement would force Michigan Bell to seek a rate hike to make up for the lost subsidy.

"AT&T could spin off Michigan Bell," said Schneidewind, "but leave the revenues from the Yellow Pages, equipment leasing and intra-state calling with Michigan Bell, instead of with AT&T as proposed."

"This plan would give the local systems the ability to make money, and Michigan Bell wouldn't have to ask us (PSC) for rate increases," he added.

A "TELECOMMUNICATIONS Competition and Regulation Bill" (S. 808) was passed by the U.S. Senate 90-4 in October and is scheduled for debate in the House of Representatives this spring.

If the Senate Bill is implemented as written, the present one-party resident monthly rate in the Observer & Eccentric area is estimated to rise from the current \$10.63 to \$23.62. In addition, calls from Plymouth to Ann Arbor would change from local to long-distance.

The PSC wants to modify the consent decree to leave income from Yellow Pages advertising, long-distance and equipment sales with the subsidiaries like Michigan Bell.

"This leaves the profitable parts of the venture with the locals, where it belongs," Schneidewind said.

Schneidewind is scheduled to testify Feb. 2 before the House telecommunications subcommittee.

"I am looking forward to testifying before Congress," he said. "It is important for our lawmakers to understand what the consent decree could mean to telephone customers in Michigan: Rates could double or triple, service could deteriorate, and Michigan Bell could be left in a form unrecognizable today."

Commissioner Matthew McLogan said that both Michigan senators, Democrats Don Riegle and Carl Levin, supported the bill, but may not have realized its impact.

"Riegle has already said he wouldn't vote for the bill today," McLogan added.

MOST PUBLIC comments at the hearing were from presidents of out-state independent phone companies, whose customers' rates would probably triple if the settlement became effective.

They commended MPSC for its efforts in pushing for modification, noting that many of their customers might be forced to discontinue telephone service altogether.

A few local phone customers asked the commissioners what they could do to block AT&T's plans.



Receiving award

J.P. McCarthy of WJR radio will receive a Humanitarian of the Year award at the March of Dimes Sweetheart Ball, Feb. 13 at the Westin Hotel in the Renaissance Center. McCarthy is being honored for his work on many charitable events, including the annual celebrity golf tournament for the Police Athletic League. Tickets are \$100 per person, with funds going to the March of Dimes. The ball begins with cocktails at 6:30 p.m. and includes dinner and dancing. For tickets, call 864-6000.

Commercial lenders see glimmer of hope

Although there were glimmers of hope as the year ended, 1981 was the most difficult year in memory for the commercial mortgage market, according to Citicorp Real Estate, Inc. (CREI).

In its year-end benchmark survey, CREI, a commercial mortgage banker and construction lender with offices in 13 cities, said it was the second straight year of limited funds and tough terms for the nation's apartment and commercial developers.

Highlights of the report:

- Life insurance companies, the major national lenders in this market,

were hurt almost all year long by heavy policy loans and by reduced cash flows in their pension fund accounts. The pension funds had shifted their investment to the short-term market.

- Total mortgage commitments from national lenders on apartments and commercial projects dropped to an estimated \$16 billion from 1980's \$20 billion and from the \$37 billion average of 1977-79.

- Nearly half of the dollars committed by life insurance companies have been on major office buildings, in the \$70 million and up range.

Pendleton
OUR ANNUAL SALE
STILL IN PROGRESS

SAVE UP TO
60%

ON ALL MENS AND LADIES VIRGIN WOOL SPORTSWEAR
Many Items Left

NAWROT INC. PENDLETON SHOPS

FAIRLANE TOWN CENTER DEARBORN, MI 48126 593-4911
23044 CHERRY HILL DEARBORN, MI 48124 565-0977
470 FOREST ST. PLYMOUTH, MI 48170 459-0448
147 PIERCE ST. BIRMINGHAM, MI 48011 645-2260

SAUNAS
• CUSTOM BUILT AND PRE-AB
• DO-IT-YOURSELF Assembly KITS

The relaxing and cleansing experience of dry heat bath saunas can now be yours for an affordable price. CALL FOR A FREE ESTIMATE

ROBERTS
32750 Northwestern Farmington Hills

RUB Rottenstone and lots of lemon oil on a perfume-stained dresser. Repeat if necessary. Oils and ends disappear fast when you use a low-cost Observer & Eccentric Classified Ad.

Selig Leather Swivel Tilt Chair and Matching Ottoman
Now on Sale \$499
Reg. \$680

MID-WINTER SALE SPECIAL
12 units available for immediate delivery

Towne and Country Interiors

Dearborn 7300 Michigan Ave. east of Telegraph 563-5400
Bloomfield Hills 2000 Woodward and Snow Lane 855-2622
Rochester Hills 1100 Rockledge Rd. in Westchester Mall 652-3500
Open daily 10 AM - 6 PM. Use our convenient home Visor MasterCard.

2 bridges to be replaced

Two Oakland County bridges will be replaced, the Michigan Department of Transportation announced recently.

The Long Lake Road bridge over the Rouge River is on the replacement list. Its estimated cost is \$171,400. Also slated is the Island Park Drive bridge over Lake Oakland. Its cost is estimated at \$53,000.

Federal and state funds pay 90 percent of the construction costs with the local governmental agency paying the remaining 10 percent. Work on the bridges is expected to begin late this year or in 1983.

ALL CROSS COUNTRY

SKIS, BOOTS, POLES, BINDINGS
ON SALE
15 TO 50% OFF

Bavarian Village
SKI SHOPS

- BLOOMFIELD HILLS 338-0803
- ANN ARBOR 973-9340
- LIVONIA/REDFORD 534-8200
- 2540 Woodward at South Lake Road west of I-575 242-1471
- 3336 Waltham Rd. 333-5360
- 14211 Telegraph at E. 14 Mile 485-1600
- 4951 Motor access from Greenbelt Valley 487-2528
- BIRMINGHAM 844-5930
- MT. CLEMENS 463-5382
- PLYMOUTH 459-0448
- 101 Township St. corner of Pershing 487-2528
- FARMINGTON HILLS 553-8356
- EAST DETROIT 778-7020
- FARMINGTON 477-2528
- 27847 Orchard Lake Rd. at 12 Mile 770-2100
- 2701 Key Road between 28 and 30 Mile 487-2528

SALE THRU SATURDAY, FEB. 6 WHILE QUANTITIES LAST

DON'T FORGET!
M.B.A. Open House
Oakland University

Make an investment in your future. Look into the Master of Business Administration program at Oakland University designed for nonbusiness & business majors.

Thursday, Feb. 4, 1982
3:00 pm to 7:00 pm
Verner Hall Fourth Floor Conference Room

School of Economics and Management
Oakland University
Rochester, Michigan 48063

For further information, call (313) 377-3287.

ENERGY.

We can't afford to waste it.

Winter Special
Blow-In INSULATION SPECIAL

1000 Sq. Ft. \$285
1" R-14 Fiberglass

JONES INSULATION SUPPLIES
26111 LANNY'S • NOV. • 248-6800

DID YOU KNOW . . .

that Elaine Kissel, the hypnotherapist so famous for her success in helping people achieve permanent control of their weight also helps people sleep better, stop smoking, relax and cope better with stress? Did you know that Elaine relieves people of pain and sexual dysfunction . . . helps people gain confidence . . . get better grades in school . . . improve their sports performance, plus teaches self hypnosis?

Elaine is so good at helping people make important and meaningful changes in their lives she has earned a reputation that's the envy of all her peers. She also has her own radio program on WCAR every Monday morning (1090 on your AM dial) at eight o'clock. Give Elaine a call today, she can help you overcome your problem and achieve your goals.

The Elaine Kissel Hypnosis Center, 569-7121.

Lee Thornton

Masters Degree, Michigan State University
Doctorate, Northwestern University...Mass Communications.
Lee Thornton—an outstanding career in Broadcasting.
Lee Thornton—CBS News correspondent.
Assignments: the White House, Iran, Egypt.
Lee Thornton—Reporter, Anchor, Journalist.

JOINS Joe Glover

EYEWITNESS NEWS at 11

2
WJBK TV2