

## POINTS OF VIEW

## Here's to Comerica's 150th

For those of us with long memories and sentimental hearts, the last quarter century has been a rough time for Michigan institutions.

Remember Vernors ginger ale? In my memory, Vernors was the essential ingredient for a proper ginger ale float. I still recall being driven by my parents to the big green and yellow plant on Woodward, while being instructed about just why Vernors was so much better than Canada Dry.

Sadly, Vernors has been gone for a long time.

More recently, Stroh's got sold to Heileman and Miller. My childhood memories of beer and Ernie Harwell announcing the ball games on the radio run from Goebel (also disappeared) to Stroh's. I don't listen to baseball much any more, but I always bought Stroh for sentiment's sake and because Peter Stroh and his family were exemplars of what good, decent, locally responsible people ought to be.

And by now everybody who isn't taking intensive German lessons knows full well that what we used to know as Chrysler is now something called DaimlerChrysler.

The old names, very often associated with old families, aren't much with us any longer.

Which is why it's nice to celebrate a business with a solid name that's intensely focused on Michigan, that looks like it'll be around for a while and that has helped countless local businesses. I'm referring to Comerica, the oldest and largest bank in Michigan, that will celebrate its 150th anniversary on Friday.

Originally chartered in 1849 as the Detroit Savings Fund Institute and then better known as the Detroit Bank & Trust, Comerica assumed its present name in 1982. In 1992, Comerica merged with Manufacturers National Corp.

The merger was difficult. The "reds" (old Comerica employees) were interlarded with the "blues" (ex-Manufacturers staffers) in such a way as to perpetuate for years the competition between the two.

The stock price fell, and for a time Comerica looked as though it would be taken over and move out of Michigan in just the same way that the National Bank of Detroit got taken over and moved to Chicago by First Chicago-NBD Bank Corp.

But CEO Eugene Miller (a "red") and President Mike Monahan (a "blue") moved quickly. They eliminated poor risk loans, expanded branches throughout the region and redeployed their capital. The stock responded and has now appreciated so much as to make Comerica nearly takeover-proof.

Having an independent, well-managed bank with a solid focus on providing banking services to Michigan businesses and households is vitally



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important to the future of our state. Though the folks at First Chicago-NBD will deny it till the cows come home, that bank has no more particular interest in Michigan than it has in any other state.

It's too bad. But that's life, and that's what happens when a big local company gets merged with a bigger nonlocal company and moves away.

But not (so far) at Comerica. The bank has been one of the most civic-minded corporations in the entire southeastern Michigan region, generous in its donations to charities and forthcoming in its willingness to assign top executives to worthwhile causes. Coupled with its excellent business performance, that's an outstanding record for any company, locally based or not.

Here's a tall, cold one (a Stroh's, of course) hoisted to Comerica's 150th. I hope they'll be a solid, Michigan-oriented company for many, many years to come.

Phil Power is chairman of HomeTown Communications Network Inc., the company that owns this newspaper. He welcomes your comments, either by voice mail at (734) 953-2047, Ext. 1880, or by e-mail: ppower@ecconline.com

## Ameritech is still at it

My knuckles are still raw from the last beating inflicted on Ameritech Michigan, the unfriendly telephone company that loves to fire people and tie them up in court with interminable appeals.

Duty calls, however, because Ameritech is still at it, this time losing before the Michigan Public Service Commission and the state Court of Appeals. The court opinion is 10 pages of legalisms. In sum, the terms "misleading," "false," "deceptive" and "anti-competitive" pop up with frightening frequency.

The unanimous, bipartisan Feb. 12 opinion is signed by Stephen Markman and Robert Young Jr. (Engler appointees) and Helene White (Clinton's designee for a federal slot). It finds that "Ameritech sent a misleading and anti-competitive bill insert to its customers in violation of the Michigan Telecommunications Act." That's fascinating because insiders say Ameritech's lobbyists drafted the act.

In December 1995, we all received an insert in our Ameritech bills headlined "DON'T GET SLAMMED." Slamming is the practice of some long-distance providers of billing you for services you never ordered. The insert invited us to fill out a form to avoid slamming for "long-distance or other telecommunications services."

Here the plot thickens. The notice doesn't differentiate between inter-LATA (long distance) and intra-LATA (local area code calls for which we pay long-distance rates).

Sprint complained to the MPSC. It seems that on Jan. 1, 1996, competition was to be allowed for intra-LATA calls. The bill insert "does not remind customers that Ameritech Michigan was required to implement intra-LATA to dialing parity for 10 percent of its customers on January 1, 1996 and that local service would soon be available from other providers," MPSC said.

Here's the trick: If you signed the slammer protection notice, you couldn't authorize Sprint, MCI or AT&T to be your short long-distance provider. The competitors would be unable to inform Ameritech that you wanted a change. You would have to notify Ameritech yourself to make a change.

MPSC ruled that the competitors feared Ameritech "will delay requests from customers to change providers and that it will use the contact as an opportunity to try to dissuade the customer from leaving Ameritech." (There's ample evidence that Ameritech Michigan understood the bill insert to be anti-competitive and intended it to have that effect.)

MPSC ordered Ameritech to make remedies, including a corrective bill insert and



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easier changes in service providers. MPSC also sought to send the case file to the attorney general "for review of possible action under the Michigan Consumer Protection Act." (It will be fun to see if Attorney General Jennifer Granholm remembers her "I'll take your case" political speech and prosecutes Ameritech vigorously.)

Ameritech's lawyers threw up all sorts of arguments, every one of which was shot down by the Court of Appeals. One was Ameritech's customer survey purporting to show that customers correctly understood the insert. MPSC found the survey "self-serving and unrealistic," having "fundamental flaws due to the nature of the questions, the tone of the interviews and people excluded from the sample." The court agreed.

The court also rejected Ameritech's defense of "free speech," saying, "False, deceptive or misleading advertising is subject to restraint."

Will Ameritech fold its tent like a good corporate citizen, stop the appeals, obey the MPSC order and take its punishment from the attorney general like a man? Its behavior in other cases suggests Ameritech will appeal forever.

If Ameritech appeals, then I propose the stockholders not be stuck with the legal bill. The lawyers' costs should come from President Bob Cooper's bonus and salary.

Misleading. Deceptive. False. Anticompetitive. Ameritech.

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