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BILL ANALYSIS



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House Bill 4283 (Substitute H-3 as passed by the House)

Sponsor: Representative John Pappageorge

House Committee: Energy and Technology

Senate Committee: Technology and Energy

Date Completed: 10-29-03

CONTENT

The bill would amend the Michigan Telecommunications Act to require a telecommunication provider to provide shut-off protection to a qualifying customer who experienced a reduction in household income through a call to active duty status in the military.

Under the bill, "qualifying customer" would mean all of the following:

- A residential household where the income was reduced because the customer of record, or the customer's spouse, was called to active military service by the President of the United States or the Governor of Michigan during a time of declared national or State emergency or war.
- Assistance was needed by the residential household to maintain telecommunication service.
- The residential household notified the provider of the need for assistance and provided verification of the call to active duty status.

The bill would prohibit a telecommunication provider from discontinuing basic local exchange telecommunication service to the residence of a qualifying customer who filed for shut-off protection. A qualifying customer could apply for shut-off protection by notifying the provider that he or she was in need of assistance caused by a reduction in household income due to a call to active duty status. A provider could request verification of the call to active duty status, as well as verification of the customer's household income reduction. A provider also could require restrictions or elimination of calling features or toll service as a condition of granting a qualifying customer's request for shut-off protection.

A qualifying customer could receive shut-off protection for up to 90 days. Upon application, the provider could grant one or more extensions. A qualifying customer would have to notify the provider of the end of the call to active duty status as soon as it was known.

The bill specifies that shut-off protection would not void or limit the qualifying customer's obligation to pay for services received during the assistance period, unless waived by the provider.

A provider would have to do both of the following within 48 hours of receiving all information requested of the qualifying customer:

- Create a repayment plan requiring minimum monthly payments that allowed the qualifying customer to pay any past due amounts over a reasonable time period of up to one year.
- Provide a qualifying customer with information regarding any governmental, provider, or other assistance programs.

The bill provides that it would not affect or amend any Michigan Public Service Commission (PSC) rules or orders pertaining to billing standards. If a qualifying customer did not follow the provider's terms and conditions, the provider would have to follow procedures set forth in the PSC's billing standards for basic residential telecommunication service.

Proposed MCL 484.2314a

Legislative Analyst: Julie Koval

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Maria Tyszkiewicz

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.