

HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 636

A bill to amend 1991 PA 179, entitled  
"Michigan telecommunications act,"  
by amending sections 103, 304, 310, 313, 317, 320, and 502 (MCL  
484.2103, 484.2304, 484.2310, 484.2313, 484.2317, 484.2320, and  
484.2502), sections 103, 304, 313, and 502 as amended by 2011 PA  
58, section 310 as amended by 2009 PA 182, section 317 as amended  
by 2005 PA 235, and section 320 as added by 1995 PA 216.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 103. (1) Except as otherwise provided in this act, this  
2 act shall not be construed to prevent any person from providing  
3 telecommunication services in competition with another  
4 telecommunication provider.

5           (2) The commission shall ~~submit an annual report describing~~

1 ~~the status of competition in telecommunication services in this~~  
2 ~~state, including, but not limited to, the~~ **MAINTAIN A PUBLICLY**  
3 **AVAILABLE DATABASE OF PROVIDERS IN EACH EXCHANGE THAT ARE LICENSED**  
4 **TO OR OTHERWISE PROVIDE** toll and local exchange service markets in  
5 this state. ~~The report required under this section shall be~~  
6 ~~submitted to the governor and the house and senate standing~~  
7 ~~committees with oversight of telecommunication issues.~~

8 (3) A provider shall submit to the commission all information  
9 requested by the commission necessary for the preparation **AND**  
10 **MAINTENANCE** of the ~~annual report~~ **DATABASE** under this section.

11 ~~—— (4) Subsections (2) and (3) do not apply after the commission~~  
12 ~~issues its annual report under subsection (2) in 2013.~~

13 Sec. 304. (1) A call made to a local calling area adjacent to  
14 the caller's local calling area is considered a local call and  
15 shall be billed as a local call. Effective December 31, 2007, a  
16 call made to a called party who is not located within the  
17 geographic area of the caller's local calling area or an adjacent  
18 local calling area as defined by the commission's order in case  
19 numbers U-12515 and U-12528, dated February 5, 2001, is not a local  
20 call if the tariff, **SERVICE GUIDE, OR SIMILAR DOCUMENT CONTAINING**  
21 **THE TERMS AND CONDITIONS** of the provider originating the call does  
22 not classify the call as a local call.

23 (2) A provider of basic local exchange service with less than  
24 10,000 end-users in this state may determine that their total  
25 service long run incremental cost is the same as that of a provider  
26 with more than 250,000 end-users.

27 Sec. 310. (1) Except as provided by this section, the

1 commission shall not review or set the rates for toll access  
2 services.

3 (2) A provider of toll access services shall set the rates for  
4 intrastate switched toll access services at rates that do not  
5 exceed the rates allowed for the same interstate services by the  
6 federal government and shall use the access rate elements for  
7 intrastate switched toll access services that are in effect for  
8 that provider and are allowed for the same interstate services by  
9 the federal government. Eligible providers shall comply with this  
10 subsection as of the date established for the commencement of the  
11 operation of the restructuring mechanism under subsection (9).  
12 Providers other than eligible providers shall not charge intrastate  
13 toll access service rates in excess of those rates in effect as of  
14 July 1, 2009 and shall reduce the differential, if any, between  
15 intrastate and interstate switched toll access service rates in  
16 effect as of July 1, 2009 in no more than 5 steps of at least 20%  
17 each of the differential on the following dates: January 1, 2011;  
18 January 1, 2012; January 1, 2013; January 1, 2014; and January 1,  
19 2015. Providers may agree to a rate that is less than the rate  
20 allowed by the federal government.

21 (3) Two or more providers that each have less than 250,000  
22 access lines may agree to joint toll access service rates and  
23 pooling of intrastate toll access service revenues.

24 (4) A provider of toll access services shall make available  
25 for intrastate access services any technical interconnection  
26 arrangements, including colocation required by the federal  
27 government for the identical interstate access services.

1 (5) A provider of toll access service, whether under tariff or  
2 contract, shall offer the services under the same rates, terms, and  
3 conditions, without unreasonable discrimination, to all providers.  
4 All pricing of special toll access services and switched access  
5 services, including volume discounts, shall be offered to all  
6 providers under the same rates, terms, and conditions.

7 (6) If a toll access service rate is reduced, then the  
8 provider receiving the reduced rate shall reduce its rate to its  
9 customers by an equal amount. The commission may investigate and  
10 ensure that the provider has complied with this subsection.

11 (7) In order to restructure intrastate switched toll access  
12 service rates, there is hereby established in the department of  
13 ~~energy, labor, and economic growth~~ **LICENSING AND REGULATORY AFFAIRS**  
14 an intrastate switched toll access rate restructuring mechanism as  
15 a separate interest-bearing fund. The state treasurer shall direct  
16 the investment of the restructuring mechanism. Money in the  
17 restructuring mechanism shall remain in the restructuring mechanism  
18 at the close of the fiscal year and shall not revert to the general  
19 fund.

20 (8) An eligible provider is entitled to receive monthly  
21 disbursements from the restructuring mechanism as provided in  
22 subsection (11) in order to recover the lost intrastate switched  
23 toll access service revenues resulting from rate reductions under  
24 subsection (2).

25 (9) The restructuring mechanism shall be administered by the  
26 commission. The restructuring mechanism shall be established and  
27 shall begin operation ~~within 270 days after the effective date of~~

1 ~~the amendatory act that added this subsection.~~ **BY SEPTEMBER 13,**  
2 **2010.** Subject to the preceding sentence, the commission shall  
3 establish the date for commencing the operation of the  
4 restructuring mechanism and shall notify the participants in the  
5 restructuring mechanism at least 30 days in advance of that date.  
6 The commission shall recover its actual costs of administering the  
7 restructuring mechanism from assessments collected for the  
8 operation of the restructuring mechanism.

9 (10) The commission shall establish the procedures and  
10 timelines for organizing, funding, and administering the  
11 restructuring mechanism. The commission shall report to the  
12 legislature and the governor annually regarding the administration  
13 of the restructuring mechanism. The report shall include the total  
14 amount of money collected from contributing providers, the total  
15 amount of money disbursed from the restructuring mechanism annually  
16 to each eligible provider, the costs of administration, and any  
17 other information considered relevant by the commission. **THE REPORT**  
18 **SHALL ALSO IDENTIFY ANY DUPLICATIVE COSTS OR REVENUES THAT ARE**  
19 **ALREADY BEING RECOVERED BY ELIGIBLE PROVIDERS THROUGH FEDERAL**  
20 **ACCESS RECOVERY CHARGES OR THE CONNECT AMERICA FUND. IF THE**  
21 **COMMISSION IDENTIFIES DUPLICATIVE RECOVERY, THE COMMISSION SHALL**  
22 **NOTIFY THE FEDERAL COMMUNICATIONS COMMISSION AND ALL CONTRIBUTING**  
23 **PROVIDERS. ANY DUPLICATIVE RECOVERY IDENTIFIED BY THE COMMISSION IS**  
24 **NOT EXEMPT FROM PUBLIC DISCLOSURE UNDER SECTION 210. BEGINNING WITH**  
25 **THE FIRST REPORT FOLLOWING THE RECALCULATION REQUIRED UNDER**  
26 **SUBSECTION (16), THE ANNUAL REPORT SHALL INCLUDE RECOMMENDATIONS**  
27 **FOR ALTERING THE RESTRUCTURING MECHANISM, BASED ON THE RESULTS OF**

1 THE RECALCULATION AND THE STATE AND FEDERAL REGULATIONS IN EFFECT  
2 AT THE TIME, TO ENSURE THAT THE RESTRUCTURING MECHANISM IS STILL  
3 ACHIEVING THE PURPOSES FOR WHICH IT WAS ORIGINALLY ESTABLISHED. Any  
4 company-specific information pertaining to access lines, switched  
5 toll access services minutes of use, switched toll access demand  
6 quantities, contributions, and intrastate ~~telecommunications~~  
7 **TELECOMMUNICATION** services revenues submitted to the commission  
8 under this subsection are confidential commercial or financial  
9 information and exempt from public disclosure ~~pursuant to~~ **UNDER**  
10 section 210.

11 (11) The initial size of the restructuring mechanism shall be  
12 calculated as follows:

13 (a) ~~Within 60 days of the effective date of the amendatory act~~  
14 ~~that added this subsection~~ **BY FEBRUARY 15, 2010** each eligible  
15 provider shall submit to the commission information and all the  
16 supporting documentation that establishes the amount of the  
17 reduction in annual intrastate switched toll access revenues ~~which~~  
18 **THAT** will result from the reduction in rates required in subsection  
19 (2). The reduction shall be calculated for each eligible provider  
20 as the difference between intrastate and interstate switched toll  
21 access service rates in effect as of July 1, 2009, multiplied by  
22 the intrastate switched access minutes of use and other switched  
23 access demand quantities for the calendar year 2008.

24 (b) The commission shall compute the size of the initial  
25 restructuring mechanism disbursements for each eligible provider  
26 and shall inform each eligible provider of that computation within  
27 60 days after receiving the information and supporting

1 documentation from the eligible providers under subdivision (a).

2 (12) The restructuring mechanism shall be created and  
3 supported by a mandatory monthly contribution by all providers of  
4 retail intrastate ~~telecommunications~~ **TELECOMMUNICATION** services and  
5 all providers of commercial mobile service. Interconnected voice  
6 over internet protocol services shall not be considered an  
7 intrastate ~~telecommunications~~ **TELECOMMUNICATION** service for the  
8 purposes of this section and interconnected voice over internet  
9 protocol service providers shall not be required to pay, directly  
10 or indirectly, the mandatory monthly contributions established in  
11 this subsection. A provider of ~~telecommunications~~ **TELECOMMUNICATION**  
12 services to a provider of interconnected voice over internet  
13 protocol services shall not pay a mandatory monthly contribution  
14 related to those interconnected voice over internet protocol  
15 services or attempt to pass through any mandatory monthly  
16 contributions, directly or indirectly, to a provider of  
17 interconnected voice over internet protocol services. Nothing in  
18 this act grants the commission authority over commercial mobile  
19 service providers or voice over internet protocol service providers  
20 except as is strictly necessary for administration of the  
21 restructuring mechanism.

22 (13) ~~Within 60 days of the effective date of the amendatory~~  
23 ~~act that added this subsection, BY FEBRUARY 15, 2010,~~ each  
24 contributing provider shall report its 2008 intrastate retail  
25 ~~telecommunications~~ **TELECOMMUNICATION** services revenues to the  
26 commission. Notwithstanding anything in subsection (12), if the  
27 federal communications commission determines that interconnected

1 voice over internet protocol services may be subject to state  
2 regulation for universal services purposes, the commission may open  
3 a proceeding to determine who is required to participate in a  
4 universal service fund.

5 (14) The initial contribution assessment percentage shall be a  
6 uniform percentage of retail intrastate ~~telecommunications~~  
7 **TELECOMMUNICATION** services revenues determined by projecting the  
8 total amount necessary to cover the initial intrastate switched  
9 toll access rate restructuring mechanism disbursement levels for 12  
10 months, including projected cash reserve requirements, actual and  
11 projected administrative costs, and projected uncollectible  
12 contribution assessments, divided by the 2008 calendar year total  
13 retail intrastate ~~telecommunications~~ **TELECOMMUNICATION** services  
14 revenues in this state, less projected uncollectible revenues,  
15 reported to the commission. The commission shall issue an order  
16 establishing the initial calculation of the contribution assessment  
17 percentage ~~within 150 days of the effective date of the amendatory~~  
18 ~~act that added this subsection.~~ **BY MAY 16, 2010.** The commission may  
19 increase or decrease the contribution assessment on a quarterly or  
20 other basis as necessary to maintain sufficient funds for  
21 disbursements.

22 (15) Each contributing provider shall remit to the commission  
23 on a monthly basis an amount equal to its intrastate retail  
24 ~~telecommunications~~ **TELECOMMUNICATION** services revenues, less  
25 uncollectible revenues, multiplied by the contribution assessment  
26 percentage determined under subsection (14), according to a time  
27 frame established by the commission. These contributions shall



1 continue until the end of the period for which eligible providers  
2 are entitled to receive monthly disbursements from the  
3 restructuring mechanism under subsections (11) and (16).

4 (16) The commission shall recalculate the size of the  
5 restructuring mechanism for each eligible provider ~~4 years from the~~  
6 ~~date the initial restructuring mechanism becomes operational~~  
7 ~~pursuant to subsection (9) and again 4 years thereafter.~~ **ON MARCH**  
8 **13, 2018.** The recalculation process shall be as follows:

9 (a) The restructuring mechanism shall be recalculated ~~each~~  
10 ~~time~~ as the difference between the intrastate switched toll access  
11 rates in effect as of July 1, 2009 and the interstate switched toll  
12 access rates in effect at the time of the recalculation, multiplied  
13 by the intrastate switched toll access minutes of use and other  
14 switched access demand quantities for the calendar year 2008.

15 (b) The recalculated restructuring mechanism shall be further  
16 adjusted during the ~~first~~ recalculation by the percentage change,  
17 if any, in the number of access lines in service for each eligible  
18 provider from December 31, 2008 to December 31 of the year  
19 immediately preceding the year in which the adjustment is made.

20 ~~— (c) The recalculated restructuring mechanism shall be adjusted~~  
21 ~~during the second recalculation by the percentage change, if any,~~  
22 ~~in the number of access lines in service for each eligible provider~~  
23 ~~from December 31 of the year of the first recalculation to December~~  
24 ~~31 of the year immediately preceding the second recalculation.~~

25 (C) ~~(d)~~ Each eligible provider is entitled to receive monthly  
26 disbursements from the restructuring mechanism for a period of no  
27 more than 12 years from the date the restructuring mechanism is

1 established under subsection (9), at which time the restructuring  
2 mechanism shall cease to exist.

3 (D) THE COMMISSION SHALL REDUCE THE AMOUNT OF THE MONTHLY  
4 DISBURSEMENT TO AN ELIGIBLE PROVIDER FROM THE RESTRUCTURING  
5 MECHANISM ON A PRO RATA BASIS FOR EACH EXCHANGE IN WHICH THE  
6 PROVIDER DISCONTINUES BASIC LOCAL EXCHANGE SERVICE UNDER SECTION  
7 313. A REDUCTION UNDER THIS SUBSECTION IS EFFECTIVE ON THE DATE OF  
8 THE DISCONTINUANCE OF SERVICE.

9 (17) The money received and administered by the commission for  
10 the support and operation of the restructuring mechanism created by  
11 ~~the amendatory act that created this subsection~~ 2009 PA 182 shall  
12 not be used by the commission or any department, agency, or branch  
13 of the government of this state for any other purpose, and that  
14 money is not subject to appropriation, allocation, assignment,  
15 expenditure, or other use by any department, agency, or branch of  
16 the government of this state.

17 (18) If the federal government adopts intercarrier  
18 compensation reforms or takes any action that causes or requires a  
19 significant change in interstate switched toll access service  
20 rates, the commission may initiate, or any interested party may  
21 file an application for, a proceeding ~~pursuant to~~ UNDER section 203  
22 within 60 days of that action to determine whether any  
23 modifications to the size, operation, or composition of the  
24 restructuring mechanism are warranted. During the pendency of that  
25 proceeding, the requirement in subsection (2) for eligible  
26 providers to set intrastate switched toll access service rates  
27 equal to interstate switched toll access service shall be

1 temporarily suspended by those providers. Intrastate access rates  
2 may not be increased above the levels that exist at the time of the  
3 suspension. Following notice and hearing, upon a showing of good  
4 cause, the commission may stop or place certain conditions on the  
5 temporary suspension.

6 (19) If the federal government changes the federal universal  
7 service contribution methodology so that it is not based on a  
8 percentage of total interstate ~~telecommunications~~**TELECOMMUNICATION**  
9 services revenues, the commission shall modify the contribution  
10 methodology for the restructuring mechanism to be consistent with  
11 the federal methodology. The commission shall initiate a proceeding  
12 to modify the contribution methodology for the restructuring  
13 mechanism and to establish a reasonable time period for transition  
14 to the new contribution methodology.

15 (20) Disputes arising under this section may be submitted to  
16 the commission for resolution ~~pursuant to~~**UNDER** sections 203 and  
17 204.

18 (21) If any contributing provider subject to this section  
19 fails to make the required contributions or fails to provide  
20 required information to the commission, the commission shall  
21 initiate an enforcement proceeding under section 203. If the  
22 commission finds that a contributing provider has failed to make  
23 contributions or to perform any act required under this section, a  
24 contributing provider ~~shall be~~**IS** subject to the remedies and  
25 penalties under section 601.

26 (22) Eligible providers and contributing providers shall  
27 provide information to the commission that is required for the

1 administration of the restructuring mechanism. Company-specific  
2 information pertaining to access lines, switched toll access  
3 services minutes of use, switched toll access demand quantities,  
4 contributions, and intrastate ~~telecommunications~~ **TELECOMMUNICATION**  
5 services revenues submitted to the commission under this subsection  
6 is confidential commercial or financial information and exempt from  
7 public disclosure ~~pursuant to~~ **UNDER** section 210.

8 (23) As used in this section:

9 (a) "Commercial mobile service" means that term as defined in  
10 section 332(d)(1) of the telecommunications act of 1996, 47 USC  
11 332.

12 (b) "Contributing provider" means an entity required to pay  
13 into the restructuring mechanism.

14 (c) "Eligible provider" means an incumbent local exchange  
15 carrier as defined in section ~~251~~ **251(H)** of the telecommunications  
16 act of 1996, 47 USC 251, that as of January 1, 2009 had rates for  
17 intrastate switched toll access services higher than its rates for  
18 the same interstate switched toll access services, and that  
19 provides the services and functionalities identified by rules of  
20 the federal communications commission described at 47 CFR  
21 54.101(a).

22 (d) "Interconnected voice over internet protocol service"  
23 means that term as defined in 47 CFR 9.3.

24 (e) "Restructuring mechanism" means the intrastate switched  
25 toll access rate restructuring mechanism established in this  
26 section.

27 Sec. 313. (1) A telecommunication provider that provides

1 either basic local exchange or toll service, or both, shall not  
2 discontinue either service to an exchange unless 1 or more  
3 alternative providers for toll service, or 2 or more alternative  
4 providers for basic local exchange service, are furnishing a  
5 comparable voice service to the customers in the exchange. A  
6 comparable voice service includes any 2-way voice service offered  
7 through any form of technology that is capable of placing and  
8 receiving calls from a provider of basic local exchange service,  
9 including voice over internet protocol services and wireless  
10 services.

11 (2) A telecommunication provider proposing to discontinue a  
12 regulated service to an exchange shall file a notice of the  
13 discontinuance of service with the commission, publish the notice  
14 in a newspaper of general circulation within the exchange, provide  
15 notice to each of its customers within the exchange by first-class  
16 mail or within customer bills, and provide other reasonable notice  
17 as required by the commission.

18 (3) Within 60 days after the date of publication or receipt of  
19 the notice required by subsection (2), a person or other  
20 telecommunication provider affected by a discontinuance of services  
21 by a telecommunication provider may apply to the commission to  
22 determine if the discontinuance of service is authorized under this  
23 act. Within 90 days after the date of publication of the notice  
24 required by subsection (2), the commission may, in response to a  
25 request or on its own initiative, commence a proceeding to  
26 determine if the discontinuance of service is authorized under this  
27 act. The commission has 180 days from the date any proceeding is

1 initiated under this subsection to issue its final order. A  
2 provider shall not discontinue service unless it has provided at  
3 least 60 days' notice to each customer after a commission order has  
4 been issued under this subsection or after the last day for  
5 initiating a proceeding under this subsection.

6 (4) Discontinuance of basic local exchange service under this  
7 section by an incumbent local exchange carrier does not affect the  
8 requirements of that incumbent local exchange carrier under federal  
9 law **AND THIS ACT**. As used in this subdivision, "incumbent local  
10 exchange carrier" means that term as defined in section 251(h) of  
11 the telecommunications act of 1996, 47 USC 251. **THIS SECTION DOES**  
12 **NOT CREATE, RESTRICT, OR EXPAND THE COMMISSION'S JURISDICTION AND**  
13 **AUTHORITY FOR ANY OF THE FOLLOWING:**

14 (A) THE JURISDICTION AND AUTHORITY ESTABLISHED UNDER SECTION  
15 201.

16 (B) THE JURISDICTION AND AUTHORITY TO CARRY OUT THE  
17 COMMISSION'S OBLIGATIONS TO ENFORCE THE RIGHTS, DUTIES, AND  
18 OBLIGATIONS OF AN ENTITY THAT ARE ESTABLISHED IN SECTIONS 251 AND  
19 252 OF THE TELECOMMUNICATIONS ACT OF 1996, 47 USC 251 AND 252, AND  
20 ANY APPLICABLE AGREEMENT OR WHOLESALE TARIFF OR STATE LAW, RULE,  
21 REGULATION, OR ORDER RELATED TO WHOLESALE RIGHTS, DUTIES, AND  
22 OBLIGATIONS, INCLUDING, BUT NOT LIMITED TO, INTERCONNECTION AND  
23 EXCHANGE VOICE TRAFFIC.

24 (C) THE JURISDICTION AND AUTHORITY TO REGULATE SWITCHED ACCESS  
25 RATES, TERMS, AND CONDITIONS, INCLUDING THE IMPLEMENTATION OF  
26 FEDERAL OR STATE LAW CONCERNING INTERCARRIER COMPENSATION.

27 (5) SUBSECTIONS (1) TO (3) DO NOT APPLY AFTER DECEMBER 31,

1 2016. BEGINNING JANUARY 1, 2017, A TELECOMMUNICATION PROVIDER THAT  
2 PROVIDES BASIC LOCAL EXCHANGE OR TOLL SERVICE MAY DISCONTINUE THAT  
3 SERVICE IN AN EXCHANGE BY DOING EACH OF THE FOLLOWING:

4 (A) AT THE SAME TIME AS FILING A PETITION UNDER SECTION 214 OF  
5 THE TELECOMMUNICATIONS ACT OF 1996, 47 USC 214, ALL OF THE  
6 FOLLOWING:

7 (i) FILE A NOTICE OF THE PROPOSED DISCONTINUANCE OF SERVICE  
8 WITH THE COMMISSION.

9 (ii) PUBLISH A NOTICE OF THE PROPOSED DISCONTINUANCE OF SERVICE  
10 IN A NEWSPAPER OF GENERAL CIRCULATION WITHIN THE EXCHANGE.

11 (iii) PROVIDE NOTICE OF THE PROPOSED DISCONTINUANCE OF SERVICE  
12 TO EACH OF THE TELECOMMUNICATION PROVIDER'S CUSTOMERS WITHIN THE  
13 EXCHANGE BY FIRST-CLASS MAIL OR WITHIN CUSTOMER BILLS.

14 (iv) PROVIDE NOTICE OF THE PROPOSED DISCONTINUANCE OF SERVICE  
15 TO ANY INTERCONNECTING TELECOMMUNICATION PROVIDERS BY FIRST-CLASS  
16 MAIL OR OTHER NOTICE PERMITTED UNDER THE TERMS OF THE  
17 INTERCONNECTION AGREEMENT BETWEEN THE PROVIDERS.

18 (B) UPON APPROVAL OF THE FEDERAL COMMUNICATIONS COMMISSION TO  
19 DISCONTINUE SERVICE, AT LEAST 90 DAYS BEFORE DISCONTINUING SERVICE,  
20 ALL OF THE FOLLOWING:

21 (i) FILE A NOTICE OF THE DISCONTINUANCE OF SERVICE WITH THE  
22 COMMISSION.

23 (ii) PUBLISH A NOTICE OF THE DISCONTINUANCE OF SERVICE IN A  
24 NEWSPAPER OF GENERAL CIRCULATION WITHIN THE EXCHANGE.

25 (iii) PROVIDE NOTICE OF THE DISCONTINUANCE OF SERVICE TO EACH OF  
26 THE TELECOMMUNICATION PROVIDER'S CUSTOMERS WITHIN THE EXCHANGE BY  
27 FIRST-CLASS MAIL OR WITHIN CUSTOMER BILLS.

1 (iv) PROVIDE NOTICE TO ANY INTERCONNECTING TELECOMMUNICATION  
2 PROVIDERS BY FIRST-CLASS MAIL OR OTHER NOTICE PERMITTED UNDER THE  
3 TERMS OF THE INTERCONNECTION AGREEMENT BETWEEN THE PROVIDERS.

4 (6) AFTER JANUARY 1, 2017, AND ONLY IN AN AREA IN WHICH A  
5 TELECOMMUNICATION PROVIDER EITHER HAS GIVEN NOTICE OF A PROPOSED  
6 DISCONTINUANCE OF SERVICE UNDER SUBSECTION (5) OR HAS DISCONTINUED  
7 SERVICE WITHIN THE PREVIOUS 90 DAYS, A CUSTOMER OF THAT PROVIDER OR  
8 ANY INTERCONNECTING TELECOMMUNICATION PROVIDER MAY REQUEST THE  
9 COMMISSION TO INVESTIGATE THE AVAILABILITY OF COMPARABLE VOICE  
10 SERVICE WITH RELIABLE ACCESS TO 9-1-1 AND EMERGENCY SERVICES TO  
11 THAT CUSTOMER OR A CUSTOMER OF AN INTERCONNECTING TELECOMMUNICATION  
12 PROVIDER. IF THE COMMISSION, AFTER CONDUCTING AN INVESTIGATION TO  
13 LAST NO LONGER THAN 180 DAYS REGARDING THE AVAILABILITY OF  
14 COMPARABLE VOICE SERVICE WITH RELIABLE ACCESS TO 9-1-1 AND  
15 EMERGENCY SERVICES, DETERMINES THAT THE FEDERAL COMMUNICATIONS  
16 COMMISSION FAILED TO MAKE A FINDING THAT THE PRESENT AND FUTURE  
17 PUBLIC CONVENIENCE AND NECESSITY IS NOT ADVERSELY AFFECTED OR HAS  
18 NOT ADEQUATELY ADDRESSED THE ISSUE, THE COMMISSION SHALL DECLARE BY  
19 ORDER THAT AN EMERGENCY EXISTS IN AN AREA IN THIS STATE THAT IS NOT  
20 SERVED BY AT LEAST 1 VOICE SERVICE PROVIDER OFFERING COMPARABLE  
21 VOICE SERVICE WITH RELIABLE ACCESS TO 9-1-1 AND EMERGENCY SERVICES  
22 THROUGH ANY TECHNOLOGY OR MEDIUM AND SHALL CONDUCT A REQUEST FOR  
23 SERVICE PROCESS TO IDENTIFY A WILLING PROVIDER OF COMPARABLE VOICE  
24 SERVICE WITH RELIABLE ACCESS TO 9-1-1 AND EMERGENCY SERVICES IN  
25 THAT AREA, INCLUDING THE CURRENT PROVIDER. A PROVIDER SHALL NOT BE  
26 REQUIRED TO PARTICIPATE IN THE REQUEST FOR SERVICE PROCESS. THE  
27 WILLING PROVIDER MAY UTILIZE ANY FORM OF TECHNOLOGY THAT IS CAPABLE



Senate Bill No. 636 (H-2) as amended March 11, 2014

1 OF PROVIDING COMPARABLE VOICE SERVICE WITH RELIABLE ACCESS TO 9-1-1  
2 AND EMERGENCY SERVICES, INCLUDING VOICE OVER INTERNET PROTOCOL  
3 SERVICES AND WIRELESS SERVICES. IF THE COMMISSION DETERMINES THAT  
4 ANOTHER PROVIDER IS NOT CAPABLE OF PROVIDING COMPARABLE VOICE  
5 SERVICE WITH RELIABLE ACCESS TO 9-1-1 AND EMERGENCY SERVICES IN  
6 THAT AREA, THE COMMISSION SHALL ISSUE AN ORDER REQUIRING THE  
7 CURRENT TELECOMMUNICATION PROVIDER TO PROVIDE COMPARABLE VOICE  
8 SERVICE WITH RELIABLE ACCESS TO 9-1-1 AND EMERGENCY SERVICES IN  
9 THAT AREA UTILIZING ANY FORM OF TECHNOLOGY THAT THE COMMISSION  
10 DETERMINES IS CAPABLE OF PROVIDING COMPARABLE VOICE SERVICE WITH  
11 RELIABLE ACCESS TO 9-1-1 AND EMERGENCY SERVICES, INCLUDING VOICE  
12 OVER INTERNET PROTOCOL SERVICES AND WIRELESS SERVICES, UNTIL  
13 ANOTHER WILLING PROVIDER IS AVAILABLE. AN INTRASTATE UNIVERSAL  
14 SERVICE FUND UNDER SECTION 316A SHALL NOT BE CREATED OR USED TO  
15 COMPENSATE OR FUND A WILLING PROVIDER OR CURRENT TELECOMMUNICATION  
16 PROVIDER TO PROVIDE SERVICE UNDER THIS SECTION. AS USED IN THIS  
17 SUBSECTION:

18 (A) "COMPARABLE VOICE SERVICE" INCLUDES ANY 2-WAY VOICE  
19 SERVICE OFFERED THROUGH ANY FORM OF TECHNOLOGY, INCLUDING VOICE  
20 OVER INTERNET PROTOCOL SERVICES AND WIRELESS SERVICES, THAT IS  
21 CAPABLE OF PLACING CALLS TO AND RECEIVING CALLS FROM A PROVIDER OF  
22 BASIC LOCAL EXCHANGE SERVICE.

23 (B) "EMERGENCY SERVICES" MEANS SERVICES PROVIDED TO THE PUBLIC  
24 BY POLICE, FIRE, AMBULANCE, OR OTHER FIRST RESPONDERS.

25 (C) "RELIABLE ACCESS TO 9-1-1" MEANS [THE RULES, REGULATIONS, AND  
26 GUIDELINES SET FORTH IN THE FCC TRIALS ORDER, INCLUDING ALL APPENDICES,  
27 THAT PROVIDE COMPARABLE AND RELIABLE CONSUMER ACCESS TO EMERGENCY

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 1 SERVICES. ]

2 (D) "WILLING PROVIDER" MEANS A PROVIDER THAT VOLUNTARILY  
 3 PARTICIPATES IN THE REQUEST FOR SERVICE PROCESS.

4 (7) BEGINNING JANUARY 1, 2017, A TELECOMMUNICATION PROVIDER  
 5 THAT DISCONTINUES SERVICE UNDER THIS SECTION SHALL ADHERE TO ALL  
 6 RULES, REGULATIONS, AND GUIDELINES SET FORTH IN THE FCC TRIALS  
 7 ORDER, INCLUDING ALL APPENDICES, FOR EACH OF THAT TELECOMMUNICATION  
 8 PROVIDER'S EXCHANGES IN THIS STATE, WHETHER OR NOT THE  
 9 DISCONTINUANCE IS UNDERTAKEN PURSUANT TO AN OFFICIAL TRIAL UNDER  
 10 THE FCC TRIALS ORDER, EXCEPT THAT ALL NOTICES OR REPORTS TO BE  
 11 FILED WITH THE FEDERAL COMMUNICATIONS COMMISSION SHALL BE SUBMITTED  
 12 TO THE MICHIGAN PUBLIC SERVICE COMMISSION FOR ITS INFORMATION. THIS  
 13 SUBSECTION IS EFFECTIVE UNTIL THE FEDERAL COMMUNICATIONS COMMISSION  
 14 DETERMINES THE LEGAL AND POLICY FRAMEWORK AND ESTABLISHES THE  
 15 REQUIREMENTS FOR THE IP-TRANSITION INCLUDING EMERGENCY CONNECTIVITY  
 16 REQUIREMENTS THAT PROVIDE COMPARABLE AND RELIABLE CONSUMER ACCESS  
 17 TO EMERGENCY SERVICES. [

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 23 (8) AS USED IN THIS SECTION, "FCC TRIALS ORDER" MEANS THE ORDER OF  
 THE FEDERAL COMMUNICATIONS COMMISSION, GN DOCKET NOS. 13-5 AND 12-353,  
 ADOPTED JANUARY 30, 2014, AND ANY SUBSEQUENT ORDER OF THE FEDERAL  
 COMMUNICATIONS COMMISSION MODIFYING OR REVISING THAT ORDER THAT INCLUDES  
 EMERGENCY CONNECTIVITY REQUIREMENTS THAT PROVIDE COMPARABLE AND RELIABLE  
 CONSUMER ACCESS TO EMERGENCY SERVICES.]

24 Sec. 317. (1) An operator service provider shall not provide  
 25 operator services in this state without first registering with the  
 26 commission. The registration shall include the following  
 27 information:

1 (a) The name of the provider.

2 (b) The address of the provider's principal office.

3 (c) If the provider is not located in this state, the address  
4 of the registered office and the name of the registered agent  
5 authorized to receive service of process in this state.

6 (d) Any other information that the commission may require.

7 (2) The registration shall be accompanied with a registration  
8 fee of \$100.00.

9 (3) The registration is effective immediately upon filing with  
10 the commission and the payment of the registration fee. ~~and shall~~  
11 ~~remain in effect for 1 year from its effective date.~~

12 ~~—— (4) A registration may be renewed for 1 year by filing with~~  
13 ~~the commission a renewal registration on a form provided by the~~  
14 ~~commission and the payment of a renewal fee of \$100.00.~~

15 (4) ~~(5)~~ At no charge, an operator service provider shall  
16 immediately connect a person making an emergency call to an  
17 emergency responder service.

18 Sec. 320. (1) A person shall not provide payphone service in  
19 this state without first registering with the commission. The  
20 registration shall include all of the following information:

21 (a) The name of the provider.

22 (b) The address and telephone number of the provider's  
23 principal office.

24 (c) If the provider is not located in this state, the address  
25 and telephone number of the registered office and the name and  
26 telephone number of the registered agent authorized to receive  
27 service of process in this state.

1 (d) The specific location of each payphone in this state owned  
2 or operated by the provider. Information required under this  
3 subdivision shall be made available to the local unit of government  
4 solely for the enforcement of the reporting, repairing, and  
5 replacement standards under subsection (8). The information  
6 required to be provided under this subsection ~~shall be~~ **IS**  
7 considered commercial information under section 210, and the  
8 information submitted ~~shall be~~ **IS** exempt from the freedom of  
9 information act, ~~Act No. 442 of the Public Acts of 1976, being~~  
10 ~~sections 15.231 to 15.246 of the Michigan Compiled Laws.~~ **1976 PA**  
11 **442, MCL 15.231 TO 15.246.**

12 (2) The registration shall be accompanied by a registration  
13 fee of \$100.00.

14 (3) The registration is effective immediately upon filing with  
15 the commission and the payment of the registration fee. ~~and shall~~  
16 ~~remain in effect for 1 year from its effective date.~~

17 ~~—— (4) A registration may be renewed for 1 year by filing with~~  
18 ~~the commission a renewal registration on a form provided by the~~  
19 ~~commission and the payment of a renewal fee of \$100.00.~~

20 (4) ~~(5)~~ The commission shall establish a toll-free number that  
21 can be dialed to report to the commission a payphone that is  
22 inoperative. The toll-free number shall be conspicuously displayed  
23 by the provider on or near each payphone.

24 (5) ~~(6)~~ If the commission receives a report ~~pursuant to~~ **UNDER**  
25 subsection ~~(5)~~, **(4)**, it shall immediately notify the provider of  
26 the inoperative payphone.

27 (6) ~~(7)~~ After consulting with providers of payphone service,

1 local units of government, and other interested parties, the  
2 commission shall promulgate rules or issue orders under section 213  
3 to establish and enforce quality standards in the providing of  
4 payphone service.

5 (7) ~~(8)~~—Except as provided in subsection ~~(9)~~, ~~(8)~~, a local  
6 unit of government shall not regulate payphone service.

7 (8) ~~(9)~~—A local unit of government may enforce the reporting,  
8 repairing, and replacement of inoperative payphones within its  
9 jurisdiction by adopting an ordinance that conforms to the  
10 standards established by the commission under subsection ~~(7)~~. ~~(6)~~.  
11 A local unit of government shall not impose standards greater than  
12 ~~these~~ **THOSE** established by the commission.

13 Sec. 502. (1) A provider of a basic local exchange service  
14 shall not do any of the following:

15 (a) Make a statement or representation, including the omission  
16 of material information, regarding the rates, terms, or conditions  
17 of providing a service that is intentionally false, misleading, or  
18 deceptive. As used in this subdivision, "material information"  
19 includes, but is not limited to, a good faith estimate of all  
20 applicable fees, taxes, and charges that will be billed to the end-  
21 user, regardless of whether the fees, taxes, or charges are  
22 authorized by state or federal law.

23 (b) Charge an end-user for a subscribed service for which the  
24 end-user did not make an initial affirmative order. Failure to  
25 refuse an offered or proposed subscribed service is not an  
26 affirmative order for the service.

27 (c) If an end-user has canceled a service, charge the end-user

1 for service provided after the effective date the service was  
2 canceled.

3 (d) Cause a probability of confusion or a misunderstanding as  
4 to the legal rights, obligations, or remedies of a party to a  
5 transaction by making an intentionally false, deceptive, or  
6 misleading statement or by failing to inform the customer of a  
7 material fact, the omission of which is deceptive or misleading.

8 (e) Represent or imply that the subject of a transaction will  
9 be provided promptly, or at a specified time, or within a  
10 reasonable time, if the provider knows or has reason to know it  
11 will not be so provided.

12 (f) Require the purchase of a regulated service of the  
13 provider as a condition of purchasing an unregulated service.

14 (g) If a bona fide dispute exists between a customer and the  
15 provider, disconnect the service to the customer ~~before the~~  
16 ~~resolution of that dispute.~~ **FOR NONPAYMENT OF THAT DISPUTED AMOUNT.**

17 (2) When the commission has authority to bring a proceeding  
18 for a violation of this section, the commission may accept an  
19 assurance of discontinuance of a method, act, or practice that is  
20 alleged to be unlawful under this section from the person who is  
21 alleged to have engaged, be engaging, or be about to engage in the  
22 method, act, or practice. The assurance of discontinuance is not an  
23 admission of guilt and shall not be introduced in any other  
24 proceeding. Unless rescinded by the parties or voided by the court  
25 for good cause, the parties to the assurance of discontinuance may  
26 enforce the assurance in circuit court. The assurance of  
27 discontinuance may include a stipulation for any of the following:

1           (a) The voluntary payment by the person for the cost of  
2 investigation.

3           (b) An amount to be held in escrow pending the outcome of an  
4 action.

5           (c) An amount for restitution to an aggrieved person.