



SENATE BILL No. 722

October 5, 1995, Introduced by Senators DUNASKISS, YOUNG, CISKY, BERRYMAN, BYRUM, EMMONS, HOFFMAN, SCHUETTE, SHUGARS, STILLE, STEIL, GAST, HART, VAUGHN, SCHWARZ, DINGELL, NORTH, BENNETT, MILLER, GOUGEON and STALLINGS and referred to the Committee on Technology and Energy.

A bill to amend sections 101, 102, 202, 203, 207, 208, 210, 213, 301, 303, 304, 307, 308, 309a, 310, 311, 312, 316, 401, 603, 604, and 605 of Act No. 179 of the Public Acts of 1991, entitled "Michigan telecommunications act," being sections 484.2101, 484.2102, 484.2202, 484.2203, 484.2207, 484.2208, 484.2210, 484.2213, 484.2301, 484.2303, 484.2304, 484.2307, 484.2308, 484.2309a, 484.2310, 484.2311, 484.2312, 484.2316, 484.2401, 484.2603, 484.2604, and 484.2605 of the Michigan Compiled Laws; to add sections 203a, 304a, 304b, 312a, 317, 318, 319, 320, 321, and 404 and article 3a; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 101, 102, 202, 203; 207, 208, 210, 213,
2 301, 303, 304, 307, 308, 309a, 310, 311, 312, 316, 401, 603, 604,
3 and 605 of Act No. 179 of the Public Acts of 1991, being

1 sections 484.2101, 484.2102, 484.2202, 484.2203, 484.2207,
2 484.2208, 484.2210, 484.2213, 484.2301, 484.2303, 484.2304,
3 484.2307, 484.2308, 484.2309a, 484.2310, 484.2311, 484.2312,
4 484.2316, 484.2401, 484.2603, 484.2604, and 484.2605 of the
5 Michigan Compiled Laws, are amended and sections 203a, 304a,
6 304b, 312a, 317, 318, 319, 320, 321, and 404 and article 3a are
7 added to read as follows:

8 Sec. 101. (1) This act shall be known and may be cited as
9 the "Michigan telecommunications act".

10 (2) THE PURPOSE OF THIS ACT IS TO DO ALL OF THE FOLLOWING:

11 (A) ENSURE THAT EVERY PERSON HAS ACCESS TO BASIC RESIDENTIAL
12 TELECOMMUNICATION SERVICE.

13 (B) ALLOW COMPETITION TO DETERMINE THE AVAILABILITY, PRICES,
14 TERMS, AND OTHER CONDITIONS OF PROVIDING UNREGULATED TELECOMMUNI-
15 CATION SERVICES.

16 (C) RESTRUCTURE REGULATION TO FOCUS ON PRICE AND QUALITY OF
17 SERVICE AND NOT ON THE PROVIDER. RELY MORE ON EXISTING STATE AND
18 FEDERAL LAW REGARDING ANTITRUST, CONSUMER PROTECTION, AND FAIR
19 TRADE TO PROVIDE SAFEGUARDS FOR COMPETITION AND CONSUMERS.

20 (D) ENCOURAGE THE INTRODUCTION OF NEW SERVICES, THE ENTRY OF
21 NEW PROVIDERS, THE DEVELOPMENT OF NEW TECHNOLOGIES, AND INCREASE
22 INVESTMENT IN THE TELECOMMUNICATION INFRASTRUCTURE IN THIS STATE
23 THROUGH INCENTIVES TO PROVIDERS TO OFFER THE MOST EFFICIENT SERV-
24 ICES AND PRODUCTS.

25 (E) TO IMPROVE THE OPPORTUNITIES FOR ECONOMIC DEVELOPMENT
26 AND THE DELIVERY OF ESSENTIAL SERVICES INCLUDING EDUCATION AND
27 HEALTH CARE.

1 (F) STREAMLINE THE PROCESS FOR SETTING AND ADJUSTING THE
2 RATES FOR REGULATED SERVICES THAT WILL ENSURE EFFECTIVE RATE
3 REVIEW AND REDUCE THE COSTS AND LENGTH OF HEARINGS TRADITIONALLY
4 ASSOCIATED WITH RATE CASES.

5 (G) ENCOURAGE THE USE OF EXISTING EDUCATIONAL TELECOMMUNICA-
6 TION NETWORKS AND NETWORKS ESTABLISHED BY OTHER COMMERCIAL PRO-
7 VIDERS AS BUILDING BLOCKS FOR A COOPERATIVE AND EFFICIENT STATE-
8 WIDE EDUCATIONAL TELECOMMUNICATION SYSTEM.

9 Sec. 102. As used in this act:

10 (a) "Access" means ~~the provision of~~ access to a local
11 exchange network for the purpose of enabling a provider to origi-
12 nate or terminate ~~telecommunications service~~ TELECOMMUNICATION
13 SERVICES within the LOCAL exchange. EXCEPT FOR AN END-USER OF
14 COMMON LINE SERVICES, ACCESS DOES NOT INCLUDE ACCESS TO A PERSON
15 WHO IS NOT A PROVIDER.

16 (B) "ALTERNATIVE OPERATOR SERVICE" OR "AOS" MEANS AN OPERA-
17 TOR SERVICE THAT IS SEPARATE FROM THE OPERATOR SERVICE PROVIDED
18 BY A PROVIDER OF A REGULATED LOCAL EXCHANGE OR TOLL SERVICE.

19 (C) ~~(b)~~ "Basic local exchange service" means the provision
20 of an access line and usage within a local calling area for the
21 transmission of high-quality 2-way interactive switched voice or
22 data communication.

23 (D) ~~(c)~~ "Commission" means the Michigan public service
24 commission.

25 (E) ~~(d)~~ "Contested case" or "case" means a proceeding as
26 defined in section 3 of the administrative procedures act of

1 1969, Act No. 306 of the Public Acts of 1969, being section
2 24.203 of the Michigan Compiled Laws.

3 (F) ~~(e)~~ "Educational institution" means a public educa-
4 tional institution or a private non-profit educational institu-
5 tion approved by the department of education ~~in this state~~
6 ~~authorized~~ to provide a program of primary, secondary, or higher
7 education or a nonprofit association or consortium whose primary
8 purpose is education. A nonprofit association or consortium
9 under this subdivision shall consist of 2 or more of the
10 following:

11 (i) Public educational institutions.

12 (ii) Nonprofit educational institutions approved by the
13 department of education.

14 (iii) The state board of education.

15 (iv) Telecommunication providers.

16 (v) A nonprofit association of educational institutions or
17 consortium of educational institutions.

18 (G) ~~(f)~~ "Exchange" means 1 or more contiguous central
19 offices and all associated facilities within a geographical area
20 in which local exchange ~~telecommunications~~ TELECOMMUNICATION
21 services are offered by a provider.

22 (H) ~~(g)~~ "Handicapper" means a person who has 1 or more of
23 the following physical characteristics:

24 (i) Blindness.

25 (ii) Inability to ambulate more than 200 feet without having
26 to stop and rest during any time of the year.

(iii) Loss of use of 1 or both legs or feet.

(iv) Inability to ambulate without the prolonged use of a wheelchair, walker, crutches, braces, or other device required to aid mobility.

(v) A lung disease from which the person's expiratory volume for 1 second, when measured by spirometry, is less than 1 liter, or from which the person's arterial oxygen tension is less than 60 mm/hg of room air at rest.

(vi) A cardiovascular disease from which the person measures between 3 and 4 on the New York heart classification scale, or from which a marked limitation of physical activity causes fatigue, palpitation, dyspnea, or anginal pain.

(vii) Other diagnosed disease or disorder including, but not limited to, severe arthritis or a neurological or orthopedic impairment that creates a severe mobility limitation.

(I) ~~-(h)-~~ "Information services" or "enhanced services" means the offering of a capability for generating, acquiring, storing, transforming, processing, retrieving, utilizing, or making available information that is conveyed by telecommunications. Information SERVICES or enhanced services ~~-does-~~ DO not include the use of such capability for the management, control, or operation of a telecommunications system or the management of a telecommunications service.

(J) "INTER-LATA PROHIBITION" MEANS THE PROHIBITIONS ON THE OFFERING OF INTER-EXCHANGE OR INTER-LATA SERVICE CONTAINED IN THE MODIFICATION OF FINAL JUDGMENT ENTERED PURSUANT TO A CONSENT DECREE IN UNITED STATES V AMERICAN TELEPHONE AND TELEGRAPH CO.,

1 552 F. SUPP. 131 (D.D.C. 1982) AND IN THE CONSENT DECREE APPROVED
2 IN UNITED STATES V GTE CORP. 603 F. SUPP. 730 (D.D.C. 1984).

3 (K) ~~(i)~~ "LATA" means the local access and transport area
4 as defined in United States v American Telephone and Telegraph
5 Co., 569 F. Supp. 990 (D.D.C. 1983).

6 (L) ~~(j)~~ "License" means a license issued pursuant to this
7 act. ~~or a certificate of convenience and necessity issued, or~~
8 ~~other authority granted, to a provider before January 1, 1992.~~

9 (M) ~~(k)~~ "Line" or "access line" means the medium over
10 which a telecommunication user connects into the local exchange.

11 (N) ~~(l)~~ "Local calling area" means a geographic area
12 encompassing 1 or more local communities as described in maps,
13 tariffs, or rate schedules filed with and approved by the
14 commission.

15 (O) ~~(m)~~ "Local directory assistance" means the provision
16 by telephone of a listed telephone number within the caller's
17 area code.

18 (P) ~~(n)~~ "Local exchange rate" means the monthly rate,
19 including all necessary and attendant charges, imposed for basic
20 local exchange service to customers.

21 (Q) "OPERATOR SERVICE" MEANS A TELECOMMUNICATION SERVICE
22 THAT INCLUDES AUTOMATIC OR LIVE ASSISTANCE TO A PERSON TO ARRANGE
23 FOR COMPLETION AND BILLING OF A TELEPHONE CALL ORIGINATING WITHIN
24 THIS STATE THAT IS SPECIFIED BY THE PERSON THROUGH A METHOD OTHER
25 THAN 1 OF THE FOLLOWING:

26 (i) AUTOMATIC COMPLETION WITH BILLING TO THE TELEPHONE FROM
27 WHICH THE CALL ORIGINATED.

1 (ii) COMPLETION THROUGH AN ACCESS CODE OR A PROPRIETARY
2 ACCOUNT NUMBER USED BY THE PERSON, WITH BILLING TO AN ACCOUNT
3 PREVIOUSLY ESTABLISHED WITH THE PROVIDER BY THE PERSON.

4 (iii) COMPLETION IN ASSOCIATION WITH DIRECTORY ASSISTANCE
5 SERVICES.

6 (R) "PAYPHONE SERVICE" MEANS A TELEPHONE CALL PROVIDED FROM
7 A PUBLIC, SEMIPUBLIC, OR INDIVIDUALLY OWNED AND OPERATED TELE-
8 PHONE THAT IS AVAILABLE TO THE PUBLIC AND IS ACCESSED BY THE
9 DEPOSITING OF COIN OR CURRENCY OR BY OTHER MEANS OF PAYMENT AT
10 THE TIME THE CALL IS MADE.

11 (S) ~~(o)~~ "Person" means an individual, corporation, part-
12 nership, association, governmental entity, or any other legal
13 entity.

14 (T) ~~(p)~~ "Reasonable rate" or "just and reasonable rate"
15 means a rate that is not inadequate, excessive, UNREASONABLE, or
16 discriminatory. ~~as determined by the commission.~~ A RATE IS
17 INADEQUATE IF IT IS LESS THAN THE TOTAL SERVICE LONG RUN INCRE-
18 MENTAL COST OF PROVIDING THE SERVICE.

19 (U) ~~(q)~~ "Residential customer" means a person to whom
20 telecommunication services are furnished predominantly for per-
21 sonal or domestic purposes at the person's dwelling.

22 (V) ~~(r)~~ "Special access" means the provision of access,
23 other than switched access, to a local exchange network for the
24 purpose of enabling a provider to originate or terminate telecom-
25 munication service within the exchange, including the use of
26 local private lines.

1 (W) ~~(s)~~ "Telecommunication provider" or "provider" means a
 2 person who for compensation provides 1 OR MORE telecommunication
 3 services. ~~, or 1 or more of the unregulated services described~~
 4 ~~in section 401.~~

5 (X) ~~(t)~~ "Telecommunication services" includes regulated
 6 and unregulated services offered to customers for the transmis-
 7 sion of 2-way interactive communication and associated usage.

8 (Y) ~~(u)~~ "Toll service" means the transmission of 2-way
 9 interactive switched communication between local calling areas.
 10 Toll service does not include individually negotiated contracts
 11 for similar telecommunication services or wide area telecommuni-
 12 cations service.

13 (Z) "TOTAL SERVICE LONG RUN INCREMENTAL COST" MEANS, GIVEN
 14 CURRENT SERVICE DEMAND, 1 OF THE FOLLOWING:

15 (i) THE TOTAL FORWARD-LOOKING COST OF A TELECOMMUNICATION
 16 SERVICE, OR RELEVANT GROUP OF SERVICES, THAT WOULD BE REQUIRED TO
 17 OFFER THE SERVICE USING LEAST COST TECHNOLOGY THAT CAN BE IMPLE-
 18 MENTED WITH CURRENT TECHNOLOGY.

19 (ii) THE TOTAL COST THAT THE PROVIDER WOULD INCUR IF THE
 20 PROVIDER WERE TO INITIALLY OFFER THE SERVICE OR GROUP OF
 21 SERVICES.

22 (AA) ~~(v)~~ "Wide area telecommunications service" or "WATS"
 23 means the transmission of 2-way interactive switched communica-
 24 tion over a dedicated access line.

25 Sec. 202. In addition to the other powers and duties pre-
 26 scribed by this act, the commission shall do all of the
 27 following:

1 ~~(a) Establish a program to monitor the level of~~
2 ~~telecommunications subscriber connection within each exchange in~~
3 ~~the state, and report to the legislature the results of its moni-~~
4 ~~toring and any actions it has taken or recommends be taken to~~
5 ~~maintain and increase subscriber connections. The report made~~
6 ~~pursuant to this subdivision shall be included in the~~
7 ~~commission's report required under subdivision (f).~~

8 ~~(b) Establish by order the manner and form in which tele-~~
9 ~~communication providers of regulated services within the state~~
10 ~~keep accounts, books of accounts, records, and memoranda. The~~
11 ~~commission requirements under this subdivision shall not be in~~
12 ~~conflict with or in addition to any regulations covering the same~~
13 ~~subject matter made by the federal government.~~

14 (A) ~~(c)~~ Require by order that a provider of a regulated
15 service, including access, make available for public inspection
16 and file with the commission a schedule of the provider's rates,
17 services, and conditions of service, including access provided by
18 contract.

19 (B) ~~(d)~~ Establish by order the quality of service for each
20 regulated telecommunication service offered in this state. ~~The~~
21 ~~initial order under this subdivision shall be issued not later~~
22 ~~than January 1, 1993. Each provider shall maintain the quality~~
23 ~~of service required on December 31, 1991 until the initial order~~
24 ~~is entered.~~

25 (C) ~~(e)~~ Preserve the provision of high quality basic local
26 exchange service.

1 ~~(f) Issue a report to the legislature and governor on or~~
2 ~~before January 1, 1994. The report shall include all of the~~
3 ~~following.~~

4 ~~(i) A review of commission decisions and actions involving~~
5 ~~significant telecommunication issues from the immediately preced-~~
6 ~~ing 2 years and a description of all pending cases.~~

7 ~~(ii) A description of the changes and trends in the telecom-~~
8 ~~munications industry, including, but not limited to, the number,~~
9 ~~type, and size of providers offering telecommunication services,~~
10 ~~what services and providers are subject to regulation, telecom-~~
11 ~~munication technologies in place and under development, varia-~~
12 ~~tions in the geographic availability of services, prices for~~
13 ~~services, penetration levels of subscriber access to local~~
14 ~~exchange service in each exchange, and issues related to basic~~
15 ~~local exchange service.~~

16 ~~(iii) The status of compliance by providers and the commis-~~
17 ~~sion with the requirements of this act.~~

18 ~~(iv) The effects and the projected effects of regulatory~~
19 ~~policies and practices on telecommunication providers, services,~~
20 ~~and customers.~~

21 ~~(v) The status of market share concentration, availability~~
22 ~~of alternative services, patterns of price leadership, patterns~~
23 ~~of prices, financial viability of providers, and all barriers to~~
24 ~~competition.~~

25 ~~(vi) Recommendations for legislation.~~

1 ~~(vii) The feasibility of establishing a local calling area~~
2 ~~for residential customers which is 25 miles in all directions~~
3 ~~from the person's dwelling.~~

4 ~~(viii) A method that will determine the long run total~~
5 ~~incremental cost pricing for each component of the local exchange~~
6 ~~network and access services.~~

7 ~~(ix) Other information or analysis that the commission is~~
8 ~~required to provide by this act or the commission considers~~
9 ~~important to provide the legislature regarding~~
10 ~~telecommunications.~~

11 ~~(x) The technological and economical impact of the implemen-~~
12 ~~tation of INTRA LATA + plus dialing parity within LATAs.~~

13 Sec. 203. (1) Upon receipt of an application or complaint
14 filed ~~pursuant to a provision of~~ UNDER this act, or on its own
15 motion, the commission may conduct an investigation, hold hear-
16 ings, and issue its findings and order ~~in accordance with~~ UNDER
17 the contested hearings provisions of the administrative proce-
18 dures act of 1969, Act No. 306 of the Public Acts of 1969, being
19 sections 24.201 to 24.328 of the Michigan Compiled Laws.

20 (2) ~~The commission shall require uniform filing standards~~
21 ~~for a case commenced under this section.~~ An application OR
22 COMPLAINT filed under this ~~act~~ SECTION shall contain all infor-
23 mation, testimony, exhibits, or other documents and information
24 on which the person intends to rely to support the application OR
25 COMPLAINT. Applications OR COMPLAINTS that do not meet the
26 requirements of this subsection shall be dismissed or suspended

1 pending the receipt by the commission of the required
2 information.

3 (3) The burden of proving a case filed under this act shall
4 be with the party filing the application or complaint.

5 (4) ~~-(3)-~~ The IN A CONTESTED CASE UNDER THIS SECTION, THE
6 commission ~~shall have the power to~~ CAN administer oaths, cer-
7 tify ~~to~~ all official acts, and ~~to~~ compel the attendance of
8 witnesses and the production of papers, books, accounts, docu-
9 ments, and testimony.

10 (5) ~~-(4)-~~ Except as otherwise provided in ~~subsection~~
11 SUBSECTIONS (2) AND (6), the commission shall issue a final order
12 in a case filed under this ~~act~~ SECTION within 150 days from the
13 date the application or complaint is filed.

14 (6) If a hearing is ~~held, the commission shall have an~~
15 ~~additional 60 days to issue its final order~~ REQUIRED, THE APPLI-
16 CANT OR COMPLAINANT SHALL PUBLISH A NOTICE OF HEARING AS REQUIRED
17 BY THE COMMISSION WITHIN 7 DAYS OF THE DATE THE APPLICATION OR
18 COMPLAINT WAS FILED. THE FIRST HEARING SHALL BE HELD WITHIN 10
19 DAYS AFTER THE DATE OF THE NOTICE. IF A HEARING IS HELD, THE
20 COMMISSION SHALL HAVE 180 DAYS FROM THE DATE THE APPLICATION OR
21 COMPLAINT WAS FILED TO ISSUE ITS FINAL ORDER. IF THE PRINCIPAL
22 PARTIES OF RECORD AGREE THAT THE COMPLEXITY OF ISSUES INVOLVED
23 REQUIRES ADDITIONAL TIME, THE COMMISSION MAY HAVE UP TO 210 DAYS
24 FROM THE DATE THE APPLICATION OR COMPLAINT WAS FILED TO ISSUE ITS
25 FINAL ORDER.

26 (7) ~~-(5)-~~ An order of the commission shall be subject to
27 review as provided by section 26 of Act No. 300 of the Public

1 Acts of 1909, being section 462.26 of the Michigan Compiled
2 Laws.

3 ~~(6) Before commencing a hearing under this section, the~~
4 ~~commission may attempt alternative means of resolving a dispute~~
5 ~~under its jurisdiction.~~

6 (8) IF A COMPLAINT IS FILED UNDER THIS SECTION BY A PROVIDER
7 AGAINST ANOTHER PROVIDER, THE PROVIDER OF SERVICE SHALL NOT DIS-
8 CONTINUE SERVICE DURING THE PERIOD OF THE CONTESTED CASE, INCLUD-
9 ING THE ALTERNATIVE DISPUTE PROCESS, IF THE PROVIDER RECEIVING
10 THE SERVICE HAS POSTED A BOND OR AN IRREVOCABLE LETTER OF CREDIT
11 IN AN AMOUNT DETERMINED BY THE COMMISSION.

12 SEC. 203A. (1) FOR A PERIOD OF 30 DAYS AFTER THE DATE AN
13 APPLICATION OR COMPLAINT IS FILED UNDER SECTION 203, THE PARTIES
14 SHALL ATTEMPT ALTERNATIVE MEANS OF RESOLVING THE COMPLAINT.

15 (2) ANY ALTERNATIVE MEANS THAT WILL RESULT IN A RECOMMENDED
16 SETTLEMENT MAY BE USED THAT IS AGREED TO BY THE PRINCIPAL PARTIES
17 OF RECORD, INCLUDING, BUT NOT LIMITED TO, SETTLEMENT CONFERENCES,
18 MEDIATION, AND OTHER INFORMAL DISPUTE RESOLUTION METHODS. IF THE
19 PARTIES CANNOT AGREE ON ANY ALTERNATIVE MEANS, THEN THE COMMIS-
20 SION SHALL ORDER MEDIATION. WITHIN THE 30-DAY PERIOD REQUIRED
21 UNDER SUBSECTION (1), A RECOMMENDED SETTLEMENT SHALL BE MADE TO
22 THE PARTIES.

23 (3) WITHIN 7 DAYS AFTER THE DATE OF THE RECOMMENDED SETTLE-
24 MENT, EACH PARTY SHALL FILE WITH THE COMMISSION A WRITTEN ACCEP-
25 TANCE OR REJECTION OF THE RECOMMENDED SETTLEMENT. IF THE PARTIES
26 ACCEPT THE RECOMMENDATION, THEN THE RECOMMENDATION SHALL BECOME
27 THE FINAL ORDER IN THE CONTESTED CASE UNDER SECTION 203.

1 (4) IF A PARTY REJECTS THE RECOMMENDED SETTLEMENT, THEN THE
2 APPLICATION OR COMPLAINT SHALL PROCEED TO A CONTESTED CASE HEAR-
3 ING UNDER SECTION 203.

4 (5) THE PARTY THAT REJECTS THE RECOMMENDED SETTLEMENT SHALL
5 PAY THE OPPOSING PARTY'S ACTUAL COSTS OF PROCEEDING TO A CON-
6 TESTED CASE HEARING, INCLUDING ATTORNEY FEES, UNLESS THE FINAL
7 ORDER OF THE COMMISSION IS MORE FAVORABLE TO THE REJECTING PARTY
8 THAN THE RECOMMENDED SETTLEMENT UNDER THIS SECTION. A FINAL
9 ORDER IS CONSIDERED MORE FAVORABLE IF IT IS GREATER THAN 10% OF
10 THE MONETARY RELIEF SOUGHT BY THE REJECTING PARTY.

11 (6) IF THE RECOMMENDATION IS NOT ACCEPTED UNDER
12 SUBSECTION (3), THE INDIVIDUAL COMMISSIONERS SHALL NOT BE
13 INFORMED OF THE RECOMMENDED SETTLEMENT UNTIL THEY HAVE ISSUED
14 THEIR FINAL ORDER UNDER SECTION 203.

15 (7) AN ATTEMPT TO RESOLVE A CONTESTED CASE UNDER THIS SEC-
16 TION IS EXEMPT FROM THE REQUIREMENTS OF SECTION 203 AND ACT
17 NO. 306 OF THE PUBLIC ACTS OF 1969, BEING SECTIONS 24.201 TO
18 24.328 OF THE MICHIGAN COMPILED LAWS.

19 (8) THIS SECTION SHALL NOT EXTEND OR TOLL THE TIME WITHIN
20 WHICH THE COMMISSION IS REQUIRED TO ISSUE ITS FINAL ORDER UNDER
21 SECTION 203.

22 Sec. 207. The commission shall determine the manner in
23 which local directory assistance service TO THE END USER is to be
24 regulated under this act. The regulations shall include both
25 rates and quality of service.

26 Sec. 208. (1) ~~Where~~ IF a competitive market for a
27 regulated telecommunication service exists in this state, A

1 PROVIDER MAY FILE WITH the commission ~~, by adopting policies and~~
2 ~~entering orders, may provide for and exercise flexibility in its~~
3 ~~regulation of that service. The commission shall retain author-~~
4 ~~ity to rescind or amend any policy or order issued pursuant to~~
5 ~~this section~~ TO CLASSIFY THE SERVICE AS A COMPETITIVE SERVICE.

6 (2) ~~Upon application by a service provider, the commission~~
7 ~~may deregulate a service of that provider if the commission finds~~
8 ~~through a review pursuant to section 203 that~~ IF THE competition
9 among providers of ~~that~~ THE service is sufficient to protect
10 the public interest, THE SERVICE SHALL BE DEREGULATED.

11 (3) IF THE COMMISSION FINDS THE SERVICE TO BE COMPETITIVE
12 BUT THAT THE COMPETITION IS NOT SUFFICIENT TO PROTECT THE PUBLIC
13 INTEREST, THE COMMISSION SHALL PROVIDE FOR AND EXERCISE FLEXIBI-
14 LITY IN ITS REGULATION.

15 (4) A SERVICE IS COMPETITIVE UNDER THIS SECTION IF FOR AN
16 IDENTIFIABLE CLASS OR GROUP OF CUSTOMERS IN AN EXCHANGE, GROUP OF
17 EXCHANGES, OR OTHER CLEARLY DEFINED GEOGRAPHICAL AREA, THE SERV-
18 ICE, ITS FUNCTIONAL EQUIVALENT, OR A SUBSTITUTE SERVICE IS AVAIL-
19 ABLE FROM MORE THAN 1 PROVIDER.

20 (5) A PROVIDER SHALL GIVE NOTICE TO ITS CUSTOMERS IF A SERV-
21 ICE IS TO BE CLASSIFIED AS COMPETITIVE. THE NOTICE SHALL BE
22 INCLUDED IN OR ON THE BILL OF EACH AFFECTED CUSTOMER OF THE PRO-
23 VIDER NOT LESS THAN 90 DAYS BEFORE THE EFFECTIVE DATE OF THE
24 CLASSIFICATION.

25 (6) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (7), THE
26 SERVICE CLASSIFICATION UNDER THIS SECTION SHALL TAKE EFFECT 90
27 DAYS FROM THE DATE OF THE NOTICE REQUIRED BY SUBSECTION (5).

1 (7) UPON RECEIVING A COMPLAINT, THE COMMISSION MAY REQUIRE A
2 FILING UNDER SECTION 203 TO REVIEW A COMPETITIVE CLASSIFICATION
3 AND ISSUE AN ORDER APPROVING, MODIFYING, OR REJECTING THE
4 CLASSIFICATION.

5 (8) EXCEPT AS OTHERWISE PROVIDED BY THIS ACT, THE COMMISSION
6 OR A LOCAL UNIT OF GOVERNMENT DOES NOT HAVE AUTHORITY OVER A
7 SERVICE CLASSIFIED AS COMPETITIVE UNDER THIS SECTION.

8 (9) A PROVIDER OF A SERVICE CLASSIFIED AS COMPETITIVE UNDER
9 THIS SECTION SHALL NOT BE CONSIDERED A PUBLIC UTILITY SUBJECT TO
10 STATE OR LOCAL AUTHORITY IN THE PROVISION OF THE CLASSIFIED
11 SERVICE. THIS SUBSECTION SHALL NOT BE CONSTRUED TO LIMIT ANY
12 RIGHTS NECESSARY TO PROVIDE THE COMPETITIVE SERVICE THAT THE PRO-
13 VIDER WOULD HAVE IF IT WAS A PUBLIC UTILITY.

14 (10) THIS SECTION SHALL NOT LIMIT A LOCAL UNIT OF
15 GOVERNMENT'S RIGHT TO REVIEW AND APPROVE A PROVIDER'S USE OF A
16 RIGHT-OF-WAY, EASEMENT, OR OTHER PUBLIC PLACE. ANY FEE OR
17 ASSESSMENT MADE BY A LOCAL UNIT OF GOVERNMENT SHALL NOT EXCEED
18 THE ACTUAL COSTS TO THE LOCAL UNIT OF GOVERNMENT IN APPROVING AND
19 MAINTAINING A PROVIDER'S USE OF THE RIGHT-OF-WAY, EASEMENT, OR
20 PUBLIC PLACE.

21 Sec. 210. (1) ~~Trade~~ EXCEPT UNDER THE TERMS OF A MANDATORY
22 PROTECTIVE ORDER, TRADE secrets and commercial or financial
23 information submitted ~~pursuant to the provisions of~~ UNDER this
24 act are exempt from the freedom of information act, Act No. 442
25 of the Public Acts of 1976, being sections 15.231 to 15.246 of
26 the Michigan Compiled Laws. ~~, if such secrets and information~~

1 ~~would be exempt under section 13(1)(g) of Act No. 442 of the~~
 2 ~~Public Acts of 1976, except for the following:~~

3 ~~(a) Secrets and information may be exempt under this section~~
 4 ~~even if they are submitted as a condition of receiving a govern-~~
 5 ~~mental benefit other than a contract or license, or submitted in~~
 6 ~~the course of an investigation to insure compliance with the pro-~~
 7 ~~visions of this act.~~

8 ~~(b) A protective order entered in a contested case proceed-~~
 9 ~~ing may exempt secrets and information during the pendency of the~~
 10 ~~contested case proceeding.~~

11 ~~(2) Nothing in this section affects the commission's~~
 12 ~~authority to issue protective orders or precludes a party to a~~
 13 ~~proceeding before the commission from obtaining discovery of~~
 14 ~~information pursuant to law or procedure applicable to such~~
 15 ~~proceedings. IF INFORMATION IS DISCLOSED PURSUANT TO A MANDATORY~~
 16 ~~PROTECTIVE ORDER, THEN THE INFORMATION MAY BE INCLUDED IN THE~~
 17 ~~COMMISSION'S EVIDENTIARY RECORD IF ADMISSIBLE AND REMAINS~~
 18 ~~CONFIDENTIAL.~~

19 (3) THERE IS A REBUTTABLE PRESUMPTION THAT COST STUDIES,
 20 CUSTOMER USAGE DATA, MARKETING STUDIES, AND CONTRACTS BETWEEN
 21 PROVIDERS ARE TRADE SECRETS OR COMMERCIAL OR FINANCIAL INFORMA-
 22 TION PROTECTED UNDER SUBSECTION (1). THE BURDEN OF REMOVING THE
 23 PRESUMPTION UNDER THIS SUBSECTION IS WITH THE PARTY SEEKING TO
 24 HAVE THE INFORMATION DISCLOSED.

25 Sec. 213. (1) ~~The~~ NO LATER THAN JULY 1, 1996, THE commis-
 26 sion ~~may~~ SHALL promulgate rules ~~or issue orders~~ for the
 27 implementation and administration of this act ~~pursuant to~~ UNDER

1 the administrative procedures act of 1969, Act No. 306 of the
2 Public Acts of 1969, being sections 24.201 to 24.328 of the
3 Michigan Compiled Laws.

4 (2) EFFECTIVE JULY 1, 1996, THE FOLLOWING ADMINISTRATIVE
5 RULES SHALL NOT APPLY TO TELECOMMUNICATION PROVIDERS OR TELECOM-
6 MUNICATION SERVICES:

7 (A) ELECTRIC POWER AND COMMUNICATION LINES: R 460.581 TO
8 R 460.592.

9 (B) INTERSTATE TELEPHONE SERVICES AND FACILITIES:
10 R 460.1951 TO R 460.1968.

11 (C) FILING PROCEDURES FOR COMMUNICATIONS COMMON CARRIERS
12 TARIFFS: R 460.2051 TO R 460.2057.

13 (D) CONSUMER STANDARDS AND BILLING PRACTICES, RESIDENTIAL
14 TELEPHONE SERVICE: R 460.2211 TO R 460.2279.

15 (E) UNIFORM SYSTEMS OF ACCOUNTS FOR CLASS A AND CLASS B
16 TELEPHONE COMPANIES: R 460.9041 AND R 460.9059.

17 Sec. 301. (1) A telecommunication provider ~~not possessing~~
18 ~~a license on January 1, 1992~~ shall not provide basic local
19 exchange service in this state, ~~until it has obtained~~ WITHOUT a
20 license ISSUED from the commission pursuant to this act.

21 ~~(2) Except as provided in subsection (3), a license granted~~
22 ~~to a telecommunications provider of basic local exchange service~~
23 ~~before January 1, 1992 shall remain in full force and effect, and~~
24 ~~the carriers need not apply for a new license in order to con-~~
25 ~~tinue offering or providing service to the extent authorized in~~
26 ~~the license or this act.~~

1 ~~(3) The commission shall review, modify, and establish the~~
2 ~~terms of any license issued to a telecommunications provider of~~
3 ~~basic local exchange service before January 1, 1992 in order to~~
4 ~~ensure its conformity with the requirements of this act.~~

5 (2) ~~(4)~~ Pending the determination of an application for a
6 license, the commission without notice and hearing may issue a
7 temporary license for a period not to exceed 1 year. ~~in cases of~~
8 ~~emergency to assure maintenance of adequate service or to serve~~
9 ~~particular customers and may exempt from the requirements of this~~
10 ~~act temporary services or operations when the exemption would be~~
11 ~~in the public interest.~~

12 Sec. 303. (1) The commission may alter or amend the geo-
13 graphic area of a license, grant a competing license, or autho-
14 rize the sale or transfer of a license to another person. ~~upon~~
15 ~~a finding that an alteration, amendment, license, sale, or trans-~~
16 ~~fer would be in the public interest.~~

17 (2) A telecommunication provider shall not provide basic
18 local exchange service to customers or end-users located within
19 another telecommunication provider's licensed service area except
20 through interconnection arrangements ~~consented to by the license~~
21 ~~holder or as approved by the commission pursuant to section 203-~~
22 AS PROVIDED BY THIS ACT.

23 (3) ~~Before substantially altering the nature or scope of~~
24 ~~the basic local exchange services authorized under a license, the~~
25 ~~provider of the basic local exchange service shall apply for a~~
26 ~~new license for the alterations or additions pursuant to this~~
27 ~~act~~ THE SALE OR TRANSFER OF SHARES OF STOCK OF A PROVIDER OF

1 BASIC LOCAL EXCHANGE SERVICE IS NOT A SALE OR TRANSFER OF A
2 LICENSE OR A DISCONTINUANCE OF SERVICE.

3 Sec. 304. ~~(1) Pursuant to the provisions of this section,~~
4 ~~the commission shall approve for each provider any alterations in~~
5 ~~the local exchange rates.~~

6 ~~(2) A provider of basic local exchange service shall set the~~
7 ~~initial rates to be charged under this act for the service on or~~
8 ~~before January 1, 1992 and file the rates with the commission.~~
9 ~~The rates shall not be greater than the monthly or usage rates~~
10 ~~allowed for basic local exchange service as of December 31,~~
11 ~~1991.~~

12 ~~(3) The rates established under subsection (2) shall take~~
13 ~~effect January 1, 1992.~~

14 (1) ~~(4)~~ The rates for basic local exchange service shall
15 be just and reasonable. ~~as determined by the commission.~~

16 (2) ~~(5)~~ A provider may alter its rates for basic local
17 exchange services ~~upon notice to the commission. The notice to~~
18 ~~the commission of a rate alteration shall be accompanied with~~
19 ~~sufficient documentary support that the rate alteration is just~~
20 ~~and reasonable. After consulting with providers, the commission~~
21 ~~shall establish either by rule or order the documentation to be~~
22 ~~required under this subsection.~~ BY 1 OR MORE OF THE FOLLOWING:

23 (A) FILING WITH THE COMMISSION NOTICE OF A DECREASE, DIS-
24 COUNT, OR OTHER RATE REDUCTION IN A BASIC LOCAL EXCHANGE RATE. A
25 RATE ALTERATION UNDER THIS SUBDIVISION SHALL BECOME EFFECTIVE
26 WITHOUT COMMISSION REVIEW OR APPROVAL.

1 (B) FILING WITH THE COMMISSION NOTICE OF AN INCREASE IN A
 2 BASIC LOCAL EXCHANGE RATE THAT DOES NOT EXCEED 1% LESS THAN THE
 3 CONSUMER PRICE INDEX. UNLESS THE COMMISSION DETERMINES THAT THE
 4 RATE ALTERATION EXCEEDS THE ALLOWED INCREASE UNDER THIS SUBDIVI-
 5 SION, THE RATE ALTERATION SHALL TAKE EFFECT 90 DAYS FROM THE DATE
 6 OF THE NOTICE REQUIRED UNDER SUBSECTION (3). AS USED IN THIS
 7 SUBDIVISION, "CONSUMER PRICE INDEX" MEANS THE MOST RECENT
 8 REPORTED ANNUAL AVERAGE PERCENTAGE INCREASE IN THE DETROIT CON-
 9 SUMER PRICE INDEX FOR ALL ITEMS FOR THE PRIOR 12-MONTH PERIOD BY
 10 THE UNITED STATES DEPARTMENT OF LABOR.

11 (C) FILING WITH THE COMMISSION AN APPLICATION TO INCREASE A
 12 BASIC LOCAL EXCHANGE RATE IN AN AMOUNT GREATER THAN THAT ALLOWED
 13 UNDER SUBDIVISION (B). THE APPLICATION SHALL BE ACCOMPANIED WITH
 14 SUFFICIENT DOCUMENTARY SUPPORT THAT THE RATE ALTERATION IS JUST
 15 AND REASONABLE. THE COMMISSION SHALL MAKE A DETERMINATION WITHIN
 16 THE 90-DAY PERIOD PROVIDED FOR IN SUBSECTION (5) OF 1 OF THE
 17 FOLLOWING:

18 (i) THAT THE RATE ALTERATION IS JUST AND REASONABLE.

19 (ii) THAT A FILING UNDER SECTION 203 IS NECESSARY TO REVIEW
 20 THE RATE ALTERATION.

21 ~~{3} Notice to customers OF A RATE ALTERATION is required~~
 22 ~~and shall be published in a newspaper of general circulation in~~
 23 ~~the service area to be affected within a reasonable time period~~
 24 ~~after the notice for a rate alteration is provided to the~~
 25 ~~commission,~~ FOR A RATE ALTERATION UNDER SUBSECTION (2)(B) OR (C)
 26 AND SECTION 304A and shall be included in or on the bill of each
 27 affected customer of the provider ~~in the next billing~~ NOT LESS

1 THAN 90 DAYS BEFORE THE EFFECTIVE DATE OF THE RATE ALTERATION.

2 ~~The notice shall be written in plain, nontechnical, and easily~~
3 ~~understood terms and shall contain a title that includes the name~~
4 ~~of the provider and the words "NOTICE OF POSSIBLE RATE CHANGE".~~
5 ~~The notice published in a newspaper shall be printed in not less~~
6 ~~than 18 point boldfaced type and the body of the notice shall be~~
7 ~~surrounded by a black border that is not less than 1/2 of an inch~~
8 ~~from the body of the notice.~~

9 (4) The notice REQUIRED UNDER SUBSECTION (3) shall contain
10 at least all of the following information:

11 (a) A statement that the customer's rate may change.

12 (b) An estimate of the amount of the annual change for the
13 typical residential customer that would result ~~if the rate~~
14 ~~alteration is approved by the commission~~ BY THE RATE CHANGE.
15 ~~The estimate shall be printed in a type style and size that are~~
16 ~~distinct from and larger than the type style and size of the body~~
17 ~~of the notice.~~

18 (c) A statement that a customer ~~who desires to~~ MAY comment
19 on ~~the rate alteration or who desires the~~ OR RECEIVE complete
20 details of the rate alteration ~~may call or write~~ BY CALLING OR
21 WRITING the commission. The statement ~~required under this~~
22 ~~subdivision~~ shall also include the telephone number and address
23 of the commission. ~~and a statement that complete~~ COMPLETE
24 details of the rate alteration will be provided free of charge to
25 the customer ~~and~~ at the expense of the provider.

26 (5) ~~(6)~~ Except as otherwise provided in ~~subsection (9)~~
27 SUBSECTIONS (2) AND (6), an altered BASIC local exchange rate

~~1 that does not exceed 1% less than the consumer price index~~
~~2 shall take effect 90 days from the date of the notice required by~~
~~3 subsection (5) (3). A rate that exceeds 1% less than the con-~~
~~4 sumer price index shall require the provider to file for approval~~
~~5 by the commission pursuant to section 203. As used in this sub-~~
~~6 section "consumer price index" means the most recent reported~~
~~7 annual average percentage increase in the Detroit consumer price~~
~~8 index for all items for the prior 12 month period by the United~~
~~9 States department of labor and as certified by the commission. A~~
~~10 provider shall be allowed only 1 rate alteration filing under~~
~~11 this subsection during any 12 month period.~~

~~12 (7) The monthly local exchange rate for residential custom-~~
~~13 ers of providers with 250,000 or more access lines shall not be~~
~~14 greater than the rates allowed on December 31, 1991 for the~~
~~15 period of January 1, 1992 to December 31, 1993 and the local~~
~~16 exchange rate for all residential customers in the state shall be~~
~~17 1 of the following at the option of the customer:~~

~~18 (a) A flat rate allowing personal and domestic outgoing~~
~~19 calls up to 400 calls per month. Calls in excess of 400 per~~
~~20 month may be charged at an incremental rate as set by the pro-~~
~~21 vider pursuant to subsections (5) and (6). A person who has~~
~~22 reached the age of 60 years or more, who is handicapped, or who~~
~~23 is voluntarily providing a service for an organization classified~~
~~24 by the internal revenue service as a section 501(c)(3) or (19)~~
~~25 organization, or a congressionally chartered veterans organiza-~~
~~26 tion or their duly authorized foundations, is exempt from the 400~~
~~27 calls per month limitation and may receive a flat rate allowing~~

~~1 unlimited calls per month. A person 60 years of age or more
2 shall not be charged a rate greater than the flat rate charged
3 other residential customers for 400 calls. The rates for persons
4 who have reached the age of 60 years or more, shall not be
5 increased during the period of January 1, 1992 to December 31,
6 1995.~~

~~7 (b) A rate determined by the time duration of service usage
8 or the distance between the points of service origination and
9 termination.~~

~~10 (c) A rate determined by the number of times the service is
11 used.~~

~~12 (d) A rate that includes 1 or more of the rates allowed by
13 this subsection.~~

~~14 (8) Either by a complaint filed by an affected party or on
15 the commission's own motion at any time prior to the rate alter-
16 ation taking effect, the commission may require a filing as pro-
17 vided in section 203 to review a rate set pursuant to subsection
18 (5) and after the review issue an order approving, modifying, or
19 rejecting the rate alteration including, but not limited to, a
20 refusal of collected excessive rates, including interest on the
21 rates.~~

~~22 (9) The commission shall hold a public hearing within 45
23 days from the date of the notice required by subsection (5) and
24 issue an order within the 90 day period provided for in subsec-
25 tion (6) finding 1 of the following.~~

~~26 (a) That the rate alteration is just and reasonable.~~

1 ~~(b) That a filing under section 203 should be commenced~~
2 ~~pursuant to subsection (8).~~

3 ~~(c) That there is a likelihood that the proposed rate alter-~~
4 ~~ation is not just and reasonable and order a stay of the rate~~
5 ~~alteration pending a review of the rate under this section.~~

6 ~~(+0) In determining if a filing under section 203 should be~~
7 ~~commenced pursuant to subsection (8), the commission shall con-~~
8 ~~sider all public comments received pursuant to subsection (5) and~~
9 ~~only review 1 or more of the following.~~

10 ~~(a) Cost allocations to basic local exchange services.~~

11 ~~(b) Competition.~~

12 ~~(c) Network quality, improvement, and maintenance.~~

13 ~~(d) Changes in costs of providing the service.~~

14 ~~(e) Expenditures between affiliated entities of the provider~~
15 ~~and the provider.~~

16 ~~(+1) For providers with less than 15,000 access lines, the~~
17 ~~commission shall promulgate rules to streamline the rate review~~
18 ~~process applicable to such providers.~~

19 (6) UPON RECEIVING A COMPLAINT OR PURSUANT TO A DETERMINA-
20 TION UNDER SUBSECTION (2)(C), THE COMMISSION MAY REQUIRE A FILING
21 UNDER SECTION 203 TO REVIEW A PROPOSED RATE ALTERATION UNDER
22 SUBSECTION (2)(C). THE COMMISSION'S FINAL ORDER MAY APPROVE,
23 MODIFY, OR REJECT THE RATE ALTERATION.

24 (7) IN REVIEWING A RATE ALTERATION UNDER SUBSECTION (6), THE
25 COMMISSION SHALL CONSIDER ONLY 1 OR MORE OF THE FOLLOWING:

26 (A) COST ALLOCATIONS TO BASIC LOCAL EXCHANGE SERVICES.

1 (B) COMPETITION.

2 (C) NETWORK QUALITY, IMPROVEMENT, AND MAINTENANCE.

3 (8) A PROVIDER SHALL BE ALLOWED ONLY 1 RATE INCREASE DURING
4 ANY 12-MONTH PERIOD.

5 (9) A PROVIDER SHALL NOT MAKE A RATE ALTERATION UNDER THIS
6 SECTION UNTIL THE RATE HAS BEEN RESTRUCTURED UNDER SECTION 304A.

7 SEC. 304A. (1) UPON FILING WITH AND THE APPROVAL OF THE
8 COMMISSION, A BASIC LOCAL EXCHANGE PROVIDER SHALL RESTRUCTURE ITS
9 RATES FOR BASIC LOCAL EXCHANGE, TOLL, AND ACCESS SERVICES TO
10 ENSURE THAT THE RATES ARE NOT LESS THAN THE TOTAL SERVICE LONG
11 RUN INCREMENTAL COST OF PROVIDING EACH SERVICE.

12 (2) THE PROVIDER MAY DETERMINE WHEN EACH RATE IS RESTRUC-
13 TURED AND MAY PHASE IN THE RATE RESTRUCTURING UNTIL JANUARY 1,
14 2000. AFTER JANUARY 1, 2000, THE PROVIDER'S RATES FOR BASIC
15 LOCAL EXCHANGE, TOLL, AND ACCESS SERVICES SHALL NOT BE LESS THAN
16 THE TOTAL SERVICE LONG RUN INCREMENTAL COST FOR EACH SERVICE.

17 (3) THE RATE RESTRUCTURING MAY INCLUDE, BUT IS NOT LIMITED
18 TO, 1 OR MORE OF THE FOLLOWING:

19 (A) TOUCHTONE CAPABILITY AND ASSOCIATED CHARGES INTO BASIC
20 LOCAL EXCHANGE SERVICES AT RATE LEVELS NO GREATER THAN THE SUM OF
21 THE CURRENT BASIC LOCAL EXCHANGE SERVICE RATES AND THE TOUCHTONE
22 SERVICE RATES. RESIDENTIAL CUSTOMERS WITH ROTARY DIAL SERVICE
23 MAY RETAIN SUCH SERVICE AT THEIR CURRENT RATE.

24 (B) WITHIN BASIC LOCAL EXCHANGE RATES, ALL OR PART OF THE
25 EXISTING RATE ELEMENTS AND CHARGES FOR OTHER SERVICES THAT ARE
26 DESIGNED TO RECOVER THE COSTS ASSOCIATED WITH THE LOCAL EXCHANGE
27 NETWORK.

1 (C) RESTRUCTURE EXISTING BASIC LOCAL EXCHANGE RATES TO
2 REFLECT THE EXISTING VARIATIONS IN COSTS TO PROVIDE BASIC LOCAL
3 EXCHANGE SERVICES BASED UPON DIFFERENCES IN GEOGRAPHIC AREAS,
4 CLASSES OF CUSTOMERS, CALLING PATTERNS AND VOLUMES, TECHNOLOGY,
5 AND OTHER FACTORS.

6 (4) THE COMMISSION SHALL HAVE 45 DAYS FROM THE DATE OF A
7 FILING UNDER THIS SECTION TO REVIEW THE PROPOSED RATE RESTRUCTUR-
8 ING TO ENSURE THAT THE RATES ARE NOT LESS THAN THE TOTAL SERVICE
9 LONG RUN INCREMENTAL COSTS OF THE SERVICE, OR THAT THE RATE
10 RESTRUCTURING BRINGS RATES THAT ARE BELOW SUCH COSTS CLOSER TO
11 THE COSTS.

12 (5) IF THE COMMISSION DOES NOT COMPLETE ITS REVIEW WITHIN
13 THE 45-DAY PERIOD REQUIRED UNDER SUBSECTION (4), THE RATE
14 RESTRUCTURING IS CONSIDERED APPROVED UNDER THIS SECTION. THE
15 BASIC LOCAL EXCHANGE PROVIDER MAY IMPLEMENT THE RESTRUCTURED
16 RATES 10 DAYS FOLLOWING COMMISSION APPROVAL OR THE END OF THE
17 PERIOD PROVIDED FOR COMMISSION REVIEW, WHICHEVER IS EARLIER.

18 (6) FOR THE PURPOSES OF THIS SECTION AND THE ACT, PROVIDERS
19 WITH LESS THAN 250,000 ACCESS LINES MAY DETERMINE TOTAL SERVICE
20 LONG RUN INCREMENTAL COST THROUGH PREPARATION OF A COST STUDY OR
21 MAY DETERMINE THAT THEIR TOTAL SERVICE LONG RUN INCREMENTAL COST
22 IS THE SAME AS THAT OF A PROVIDER WITH MORE THAN 250,000 ACCESS
23 LINES.

24 SEC. 304B. THE BASIC LOCAL EXCHANGE RATE FOR ALL RESIDEN-
25 TIAL CUSTOMERS SHALL BE BASED ON 1 OF THE FOLLOWING AT THE OPTION
26 OF THE CUSTOMER UNLESS IT IS NOT TECHNOLOGICALLY FEASIBLE:

1 (A) A FLAT RATE ALLOWING PERSONAL AND DOMESTIC OUTGOING
2 CALLS UP TO 200 CALLS PER MONTH PER LINE. CALLS IN EXCESS OF 200
3 PER MONTH MAY BE CHARGED AT AN INCREMENTAL RATE AS SET BY THE
4 PROVIDER UNDER SECTION 304. IF A CUSTOMER HAS MORE THAN 1 LINE,
5 THE ALLOWABLE CALLS UNDER THIS SUBDIVISION SHALL BE THE AGGREGATE
6 OF ALL THE LINES REGARDLESS FROM WHICH LINE THE CALLS ORIGINATE.

7 (B) A RATE DETERMINED BY THE TIME DURATION OF SERVICE USAGE
8 OR THE DISTANCE BETWEEN THE POINTS OF SERVICE ORIGINATION AND
9 TERMINATION.

10 (C) A RATE DETERMINED BY THE NUMBER OF TIMES THE SERVICE IS
11 USED.

12 (D) A RATE THAT INCLUDES 1 OR MORE OF THE RATES ALLOWED BY
13 THIS SECTION.

14 Sec. 307. (1) Educational institutions shall have the
15 authority to own, construct, and operate a telecommunication
16 system or to purchase telecommunication services or facilities
17 from an entity capable of providing the service or facility. ~~It~~
18 ~~is the purpose of this section to encourage the use of existing~~
19 ~~telecommunications networks and networks established by other~~
20 ~~commercial providers as building blocks for a cooperative and~~
21 ~~efficient statewide system.~~

22 (2) Educational institutions ~~described in subsection (1)~~
23 that provide telecommunication services offered in subsection (3)
24 shall not be subject to regulation under this act OR BY ANY OTHER
25 GOVERNMENTAL UNIT. ~~However, an educational institution shall~~
26 ~~not sell excess capacity in competition with a telecommunication~~

1 ~~provider except as provided for under the authority of the~~
2 ~~federal communications commission.~~

3 (3) ~~Educational~~ EXCEPT AS PROVIDED IN SUBSECTION (6),
4 EDUCATIONAL institutions may only ~~provide~~ SELL telecommunica-
5 tion services required for, or useful in, the instruction and
6 training, INCLUDING WORKER TRAINING, of students and other people
7 utilizing the institution's services, the conducting of research,
8 or the operation of the institution. ~~Such~~ THE services shall
9 not be considered basic local exchange services as long as they
10 are used for the instruction and training of students and other
11 people utilizing the institution's education services, the con-
12 ducting of research, or the operation of the institution.
13 Educational institutions may initiate and maintain cooperative
14 arrangements with telecommunication providers without the insti-
15 tutions being subject to ~~sections 301 and 303 of~~ this act.

16 (4) ~~If allowed by federal law or federal court order, upon~~
17 UPON the request of an educational institution, telecommunication
18 providers may provide to an educational institution services for
19 the transmission of interactive data and video communications
20 between the institution's facilities or to the homes of students
21 or employees of the institution, regardless of whether the
22 exchanges are in the same or different LATAs.

23 (5) The rates for services provided to an educational insti-
24 tution by a provider under this section shall be determined by an
25 open bid process. Bids made to provide services under this sec-
26 tion shall ~~include all appropriate related costs~~ NOT BE LESS

1 THAN THE TOTAL SERVICE LONG RUN INCREMENTAL COSTS OF PROVIDING
2 THE SERVICE.

3 (6) IF AN EDUCATIONAL INSTITUTION HAS EXCESS CAPACITY, IT
4 MAY SELL THE EXCESS CAPACITY SUBJECT TO BOTH OF THE FOLLOWING:

5 (A) THE AMOUNT OF CAPACITY SOLD SHALL NOT EXCEED 25% OF THE
6 INSTITUTION'S TOTAL CAPACITY.

7 (B) THE CAPACITY SHALL NOT BE SOLD BELOW THE TOTAL SERVICE
8 LONG RUN INCREMENTAL COST OF THE PROVIDER OF BASIC LOCAL EXCHANGE
9 SERVICE IN THE SERVICE AREA OF THE EDUCATIONAL INSTITUTION.

10 Sec. 308. (1) Basic local exchange or access rates or pro-
11 ceeds from the sale, lease, or transfer of rate acquired assets
12 shall not be used, directly or indirectly, to subsidize or offset
13 the costs of other products or services offered by the provider
14 or an affiliate of the provider by providing such other products
15 or services at less than ~~long run~~ THE TOTAL SERVICE LONG RUN
16 incremental cost.

17 (2) A provider of basic local exchange service shall not
18 sell or transfer capital assets used to provide the service for
19 an amount less than the fair market value to any other provider
20 or affiliated entity for the purpose of providing an unregulated
21 service.

22 (3) A provider of basic local exchange service shall notify
23 the commission when it transfers, in whole or in part, substan-
24 tial assets, functions or employees associated with basic local
25 exchange service to an affiliated entity, indicating the identity
26 of the affiliated entity, description of the transaction and the
27 impact on basic local exchange service. ~~After consultation with~~

~~1 interested parties, the commission shall specify by order the~~
~~2 form and manner in which notification will be required under this~~
~~3 subsection.~~

4 (4) In an investigation under this section or ~~pursuant to~~
 5 UNDER section 203, the commission shall have the authority to
 6 review the books and accounts of both the provider and affiliated
 7 entities of the provider.

8 Sec. 309a. ~~If allowed by federal law, a~~ A provider of
 9 basic local exchange service may provide cable television
 10 service.

11 ~~B. ACCESS SERVICE~~

12 B. TOLL ACCESS SERVICE

13
 14 Sec. 310. (1) Except as provided by this ~~section~~ ACT, the
 15 commission shall not review or set the rates for TOLL access
 16 services.

17 ~~(2) Rates for access services in effect as of December 31,~~
 18 ~~1991 shall remain in effect until new rates are set by the pro-~~
 19 ~~vider or the commission as provided by this section.~~

20 (2) ~~(3)~~ Except as otherwise provided in subsection ~~(7)~~
 21 (5), a provider of TOLL access services shall set the rates for
 22 TOLL access services. The rates set by a provider of TOLL access
 23 services shall not exceed the rates allowed for the same inter-
 24 state services by the federal government except as otherwise
 25 ordered by the commission.

26 ~~(4) From January 1, 1992 until such time a final order is~~
 27 ~~issued by the federal communications commission in common carrier~~
 28 ~~docket 91-213, charges for delivery and receipt of traffic of the~~

1 ~~same type between end offices and a facility of an interexchange~~
2 ~~carrier shall be equal per unit of the traffic delivered or~~
3 ~~received.~~

4 (3) ~~-(5)-~~ Two or more providers that each have less than
5 250,000 access lines may agree to joint TOLL access rates and
6 pooling of intrastate TOLL access revenues.

7 (4) ~~-(6)-~~ A provider of TOLL access services shall make
8 available for intrastate access services any technical intercon-
9 nection arrangements, including colocation required by the fed-
10 eral government for the identical interstate access services.

11 (5) ~~-(7)-~~ If the affected parties cannot agree to ~~an~~ A
12 TOLL access rate, then 1 or more of the parties may apply to the
13 commission for resolution under section 203. The commission may
14 set the TOLL access rate under this subsection.

15 (6) ~~-(8)-~~ A provider of TOLL access, whether under tariff or
16 contract, shall offer ~~such~~ THE services under the same rates,
17 terms and conditions, without unreasonable discrimination, to all
18 providers and customers. All pricing of special TOLL access
19 services, including volume discounts, shall be offered to all
20 providers and customers under the same rates, terms, and
21 conditions. For purposes of this subsection, volume discounts on
22 switched access shall be considered unreasonable discrimination.

23 ~~-(9)- An alteration in rates for intrastate subscriber line~~
24 ~~charges or end user line charges to basic local exchange custom-~~
25 ~~ers shall be approved by the commission as provided in section~~
26 ~~304.~~

1 (7) IF A TOLL ACCESS RATE IS REDUCED UNDER SECTION 304A,
 2 THEN THE PROVIDER RECEIVING THE REDUCED RATE SHALL REDUCE THE
 3 RATE TO ITS CUSTOMERS BY AN EQUAL AMOUNT.

4 Sec. 311. (1) A telecommunication provider of both basic
 5 local exchange service and toll service shall impute to itself
 6 its prices of special TOLL access and switched access for the use
 7 of essential facilities it uses in the provision of toll, WATS,
 8 or other service for which TOLL access is a component. The im-
 9 putation of prices shall be in the aggregate on a service by serv-
 10 ice basis.

11 (2) All other providers of intrastate special TOLL access,
 12 switched TOLL access services, toll, or WATS shall impute to
 13 themselves in the aggregate on a service by service basis their
 14 individual cost of special or switched TOLL access or its equiva-
 15 lent in their pricing. ~~The commission shall resolve any dispute~~
 16 ~~that may arise under this section.~~

17 (3) Telecommunication services that utilize special or
 18 switched TOLL access shall be made available for resale by the
 19 telecommunication provider offering the service.

20 Sec. 312. (1) Except as provided by this ~~section~~ ACT, the
 21 commission shall not review or set the rates for toll service.

22 ~~(2) The rates for residential and business intra LATA toll~~
 23 ~~service shall not be greater than the rates allowed on~~
 24 ~~December 31, 1991 for the period of January 1, 1992 to~~
 25 ~~December 31, 1995. The commission may approve a rate higher than~~
 26 ~~that allowed by this subsection if access rates are increased~~
 27 ~~during the period of January 1, 1992 to December 31, 1995.~~

1 (2) ~~-(3)-~~ A provider of toll service ~~shall~~ MAY charge the
2 same rate for the service on its routes of similar distance.
3 ~~within the state unless otherwise authorized by the commission.~~
4 ~~This section does not prohibit volume discounts or discounts in~~
5 ~~promotional offerings if the provider meets the requirements of~~
6 ~~section 311.~~

7 (3) ~~-(4)-~~ The commission shall require that toll service is
8 universally available ~~on a nondiscriminatory basis~~ to all per-
9 sons within the state.

10 (4) ~~-(5)-~~ Adjacent exchange toll calling plans as ordered by
11 the commission on June 19, 1991 shall remain in effect under this
12 act until altered by order of the commission. ~~Not later than~~
13 ~~April 1, 1992, a~~ A provider of toll service shall implement an
14 optional discount plan for calling to exchanges within 20 miles
15 of a customer's home exchange. The plan shall not violate the
16 conditions delineated in the commission's order in case number
17 U-9153, dated September 26, 1989. ~~Notwithstanding any other~~
18 ~~provision of this act, a provider may not increase the rates for~~
19 ~~this service without the approval of the commission.~~

20 SEC. 312A. (1) EFFECTIVE JANUARY 1, 1996, IF A WAIVER TO
21 THE INTER-LATA PROHIBITIONS HAS BEEN GRANTED FOR A SPECIFIC SERV-
22 ICE AREA AND THE SERVICE AREA HAS 1 OR MORE PROVIDERS OF LOCAL
23 EXCHANGE SERVICE, THE PROVIDER OF BASIC LOCAL EXCHANGE SERVICE
24 SHALL PROVIDE 1+INTRA-LATA TOLL DIALING PARITY WITHIN THE SERVICE
25 AREA THAT IS SUBJECT TO THE WAIVER. THIS SUBSECTION DOES NOT
26 APPLY TO A CITY WITH A POPULATION OF 1,000,000 OR MORE.

1 (2) EXCEPT AS PROVIDED IN SUBSECTION (1), UNTIL THE
2 INTER-LATA PROHIBITIONS ARE REMOVED FOR PROVIDERS OF BASIC LOCAL
3 EXCHANGE SERVICE, A PROVIDER OF BASIC LOCAL EXCHANGE SERVICE IS
4 NOT REQUIRED TO PROVIDE 1+INTRA-LATA TOLL DIALING PARITY. IF THE
5 INTER-LATA PROHIBITIONS ARE REMOVED, THEN A PROVIDER OF BASIC
6 LOCAL EXCHANGE SERVICE SHALL OFFER TO OTHER PROVIDERS
7 1+INTRA-LATA TOLL PARITY.

8 Sec. 316. (1) The commission shall require each provider of
9 residential basic local exchange service to offer certain low
10 income customers AND PERSONS 65 YEARS OF AGE OR MORE the avail-
11 ability of basic local exchange service at a rate below the regu-
12 lated rate.

13 (2) THE BASIC LOCAL EXCHANGE RATE FOR LOW INCOME CUSTOMERS
14 SHALL BE 20% BELOW THE REGULATED RATE. TO QUALIFY FOR THE
15 REDUCED RATE UNDER THIS SUBSECTION, THE PERSON'S ANNUAL INCOME
16 SHALL NOT EXCEED 150% OF THE FEDERAL POVERTY LEVEL.

17 (3) THE BASIC LOCAL EXCHANGE RATE FOR PERSONS 65 YEARS OF
18 AGE OR MORE SHALL BE 10% BELOW THE REGULATED RATE. IF A PERSON
19 ~~ACCEPTS THE~~ REDUCED RATE UNDER THIS SUBSECTION, THEN THE NUMBER
20 ~~OF CALLS ALLOWED~~ UNDER THE FLAT RATE SHALL BE 35.

21 (4) ~~IF A CUSTOMER~~ IS ELIGIBLE TO RECEIVE A REDUCED RATE
22 UNDER BOTH SUBSECTIONS (2) AND (3), THE CUSTOMER SHALL RECEIVE
23 ONLY 1 OF THE REDUCED RATES, AT THE OPTION OF THE CUSTOMER.

24 (5) ~~-(2)-~~ The commission shall establish a rate for each
25 subscriber line of a provider to allow the provider to recover
26 costs incurred under this section.

1 ~~(3) The commission by order shall determine which customers~~
2 ~~qualify for the special rate under this section.~~

3 (6) ~~(4)~~ The commission shall take necessary action to
4 notify the general public of the availability of lifeline serv-
5 ices including, but not limited to, public service announcements,
6 newspaper notices, and such other notice reasonably calculated to
7 reach those who may benefit from the services.

8 G. ALTERNATIVE OPERATOR SERVICES

9
10 SEC. 317. (1) THE COMMISSION SHALL ADOPT OPERATING REQUIRE-
11 MENTS FOR ALTERNATIVE OPERATOR SERVICES. THE REQUIREMENTS SHALL
12 INCLUDE THE FOLLOWING:

13 (A) THAT AN AOS SHALL FURNISH EACH ENTITY WITH WHICH THE AOS
14 CONTRACTS TO PROVIDE OPERATOR SERVICE A STICKER, CARD, OR OTHER
15 FORM OF INFORMATION FOR EACH TELEPHONE THAT HAS ACCESS TO THE
16 OPERATOR SERVICE. THE INFORMATION SHALL INCLUDE THE NAME OF THE
17 ALTERNATIVE OPERATOR SERVICE PROVIDER, A TOLL-FREE CUSTOMER SERV-
18 ICE TELEPHONE NUMBER, AND A STATEMENT THAT CHARGES IMPOSED BY THE
19 ALTERNATIVE OPERATOR SERVICE MAY BE OBTAINED BY CALLING THE
20 TOLL-FREE TELEPHONE NUMBER. THE ALTERNATIVE OPERATOR SERVICE
21 PROVIDER SHALL REQUIRE BY CONTRACT THAT THE ENTITY RECEIVING THE
22 INFORMATION DISPLAY THE INFORMATION ON OR NEAR EACH OF THE TELE-
23 PHONES THAT HAS ACCESS TO THE SERVICE.

24 (B) PRIOR TO THE CONNECTION OF EACH ALTERNATIVE OPERATOR
25 SERVICE CALL, DO ALL OF THE FOLLOWING:

26 (i) ANNOUNCE THE ALTERNATIVE OPERATOR SERVICE PROVIDER'S
27 NAME.

1 (ii) QUOTE, AT THE CALLER'S REQUEST AND WITHOUT CHARGE, THE
2 RATE AND ANY OTHER FEES OR SURCHARGES APPLICABLE TO THE CALL
3 CHARGED BY THE ALTERNATIVE OPERATOR SERVICE.

4 (C) ALLOW A CALLER TO THE ALTERNATIVE OPERATOR SERVICE TO
5 CHOOSE THE CARRIER OF HIS OR HER CHOICE BY DOING EITHER OF THE
6 FOLLOWING:

7 (i) AFTER INFORMING THE CALLER THAT THE RATES FOR THE CALL
8 MAY NOT REFLECT THE RATES FOR A CALL FROM THE LOCATION OF THE
9 CALLER AND RECEIVING THE CALLER'S CONSENT, TRANSFER THE CALLER TO
10 THE CARRIER OF HIS OR HER CHOICE WITHOUT CHARGE.

11 (ii) INSTRUCT THE CALLER HOW TO REACH HIS OR HER CARRIER OF
12 CHOICE BY DIALING THE CARRIER'S 950, 1-800, OR 10-XXX ACCESS
13 METHOD.

14 (D) ALLOW CALLERS TO THE ALTERNATIVE OPERATOR SERVICE TO
15 REACH EMERGENCY SERVICES WITHOUT CHARGE.

16 (2) A PERSON SHALL NOT PROVIDE ALTERNATIVE OPERATOR SERVICES
17 IN THIS STATE WITHOUT FIRST REGISTERING WITH THE COMMISSION. THE
18 REGISTRATION SHALL INCLUDE THE FOLLOWING INFORMATION:

19 (A) THE NAME OF THE PROVIDER.

20 (B) THE ADDRESS OF THE PROVIDER'S PRINCIPAL OFFICE.

21 (C) IF THE PROVIDER IS NOT LOCATED IN THIS STATE, THE
22 ADDRESS OF THE REGISTERED OFFICE AND THE NAME OF THE REGISTERED
23 AGENT AUTHORIZED TO RECEIVE SERVICE OF PROCESS IN THIS STATE.

24 (D) ANY OTHER INFORMATION THAT THE COMMISSION MAY REQUIRE.

25 (3) THE REGISTRATION SHALL BE ACCOMPANIED WITH A REGISTRA-
26 TION FEE OF \$100.00.

1 (4) THE REGISTRATION IS EFFECTIVE IMMEDIATELY UPON FILING
2 WITH THE COMMISSION AND THE PAYMENT OF THE REGISTRATION FEE AND
3 SHALL REMAIN IN EFFECT FOR 1 YEAR FROM ITS EFFECTIVE DATE.

4 (5) A REGISTRATION MAY BE RENEWED FOR 1 YEAR BY FILING WITH
5 THE COMMISSION A RENEWAL REGISTRATION ON A FORM PROVIDED BY THE
6 COMMISSION AND THE PAYMENT OF A RENEWAL FEE OF \$100.00.

7 (6) EXCEPT AS OTHERWISE AUTHORIZED BY THE COMMISSION, A PRO-
8 VIDER SHALL NOT CHARGE A RATE FOR ALTERNATIVE OPERATOR SERVICES
9 OR TOLL SERVICE THAT IS GREATER THAN 200% OF THE STATE AVERAGE
10 RATE FOR OPERATOR OR TOLL SERVICE BY PROVIDERS OF REGULATED TOLL
11 SERVICE.

12 (7) A PROVIDER SHALL NOT DISCONTINUE BASIC LOCAL EXCHANGE
13 SERVICE FOR FAILURE BY A PERSON TO PAY AN AOS CHARGE.

14 (8) IN ADDITION TO ANY OTHER PENALTY UNDER THIS ACT, A
15 PERSON WHO IS CHARGED FOR THE USE OF AN ALTERNATIVE OPERATOR
16 SERVICE OR IS DENIED ACCESS TO EMERGENCY SERVICES IN VIOLATION OF
17 THIS SECTION MAY BRING A CIVIL ACTION AGAINST THE AOS TO RECOVER
18 ACTUAL DAMAGES OR \$250.00, WHICHEVER IS GREATER, PLUS ALL REASON-
19 ABLE ATTORNEY FEES.

20 H. PAYPHONE SERVICES

21
22 SEC. 318. (1) A PROVIDER OF PAYPHONE SERVICE SHALL NOT SUB-
23 SIDIZE ITS PAYPHONE SERVICE DIRECTLY OR INDIRECTLY BY CHARGING
24 PAYPHONE SERVICE RATES THAT ARE LESS THAN THE TOTAL SERVICE LONG
25 RUN INCREMENTAL COST OF PROVIDING THE SERVICE.

26 (2) A PROVIDER OF BASIC LOCAL EXCHANGE SERVICE SHALL NOT
27 DISCRIMINATE IN FAVOR OF ITS PAYPHONE SERVICE OVER SIMILAR
28 SERVICES OFFERED BY ANOTHER PROVIDER.

1 (3) A PROVIDER OF PAYPHONE SERVICE SHALL COMPLY WITH ALL
2 NONSTRUCTURAL SAFEGUARDS ADOPTED BY THE FEDERAL COMMUNICATIONS
3 COMMISSION FOR PAYPHONE SERVICE.

4 SEC. 319. (1) THE COMMISSION SHALL DETERMINE THE RATE THAT
5 A PROVIDER OF TOLL SERVICE IS TO COMPENSATE A PROVIDER OF PAY-
6 PHONE SERVICE FOR CALLS MADE ON A PAYPHONE OF THE PROVIDER THAT
7 UTILIZES THE TOLL SERVICE AND AVOIDS CUSTOMER DIRECT COMPENSATION
8 TO THE PROVIDER OF THE PAYPHONE SERVICE.

9 (2) THE RATE OF COMPENSATION DETERMINED UNDER SUBSECTION (1)
10 SHALL BE BASED ON A PER-MINUTE BASIS AND SHALL BE AT THE TOTAL
11 SERVICE LONG RUN INCREMENTAL COST OF PROVIDING THE PAYPHONE
12 SERVICE.

13 (3) UNTIL A DETERMINATION CAN BE MADE UNDER SUBSECTION (1),
14 THE TOLL SERVICE PROVIDER SHALL COMPENSATE THE PROVIDER OF THE
15 PAYPHONE SERVICE ON A PER-CALL BASIS IN THE AMOUNT OF 25 CENTS
16 FOR EACH INTER-LATA CALL AND 10 CENTS FOR EACH INTRA-LATA CALL.

17 (4) A PROVIDER OF PAYPHONE SERVICE SHALL NOT RECEIVE COMPEN-
18 SATION UNDER THIS SECTION UNLESS THE PROVIDER HAS REGISTERED
19 UNDER SECTION 320.

20 SEC. 320. (1) EXCEPT FOR A LICENSED PROVIDER OF BASIC LOCAL
21 EXCHANGE SERVICE, A PERSON SHALL NOT PROVIDE PAYPHONE SERVICE IN
22 THIS STATE WITHOUT FIRST REGISTERING WITH THE COMMISSION. THE
23 REGISTRATION SHALL INCLUDE ALL OF THE FOLLOWING INFORMATION:

24 (A) THE NAME OF THE PROVIDER.

25 (B) THE ADDRESS AND TELEPHONE NUMBER OF THE PROVIDER'S PRIN-
26 CIPAL OFFICE.

1 (C) IF THE PROVIDER IS NOT LOCATED IN THIS STATE, THE
2 ADDRESS AND TELEPHONE NUMBER OF THE REGISTERED OFFICE AND THE
3 NAME AND TELEPHONE NUMBER OF THE REGISTERED AGENT AUTHORIZED TO
4 RECEIVE SERVICE OF PROCESS IN THIS STATE.

5 (D) THE SPECIFIC LOCATION OF EACH PAYPHONE IN MICHIGAN OWNED
6 OR OPERATED BY THE PROVIDER.

7 (2) THE REGISTRATION SHALL BE ACCOMPANIED BY A REGISTRATION
8 FEE OF \$100.00.

9 (3) THE REGISTRATION IS EFFECTIVE IMMEDIATELY UPON FILING
10 WITH THE COMMISSION AND THE PAYMENT OF THE REGISTRATION FEE AND
11 SHALL 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 (5) THE COMMISSION SHALL ESTABLISH A 1-800 TOLL-FREE NUMBER
16 THAT CAN BE DIALED TO REPORT TO THE COMMISSION A PAYPHONE THAT IS
17 INOPERATIVE. THE 1-800 NUMBER SHALL BE CONSPICUOUSLY DISPLAYED
18 BY THE PROVIDER ON OR NEAR EACH PAYPHONE.

19 (6) IF THE COMMISSION RECEIVES A REPORT PURSUANT TO
20 SUBSECTION (5), IT SHALL IMMEDIATELY NOTIFY THE PROVIDER OF THE
21 INOPERATIVE PAYPHONE.

22 I. REGULATED RATES

23

24 SEC. 321. EXCEPT AS OTHERWISE PROVIDED BY THIS ACT, A PRO-
25 VIDER OF A REGULATED TELECOMMUNICATION SERVICE SHALL NOT CHARGE A
26 RATE FOR THE SERVICE THAT IS LESS THAN THE TOTAL SERVICE LONG RUN
27 INCREMENTAL COST OF PROVIDING THE SERVICE.

ARTICLE 3A

INTERCONNECTION OF TELECOMMUNICATION PROVIDERS WITH THE BASIC
LOCAL EXCHANGE SERVICE

SEC. 351. UNTIL JANUARY 1, 2000, THIS ARTICLE DOES NOT
APPLY TO PROVIDERS OF BASIC LOCAL EXCHANGE SERVICE WITH LESS THAN
250,000 ACCESS LINES.

SEC. 352. UNTIL JANUARY 1, 1997, THE RATES OF A PROVIDER OF
BASIC LOCAL EXCHANGE SERVICE FOR INTERCONNECTION UNDER THIS ARTI-
CLE SHALL BE AT THE PROVIDER'S TOTAL SERVICE LONG RUN INCREMENTAL
COST OF PROVIDING THE SERVICE.

SEC. 353. THE COMMISSION SHALL ISSUE A REPORT AND MAKE REC-
OMMENDATIONS TO THE LEGISLATURE AND THE GOVERNOR ON OR BEFORE
JANUARY 1, 1998 INVOLVING THE ISSUES, SCOPE, TERMS, AND CONDI-
TIONS OF INTERCONNECTION OF TELECOMMUNICATION PROVIDERS WITH THE
BASIC LOCAL EXCHANGE SERVICE.

A. JOINT MARKETING

SEC. 354. UNTIL INTER-LATA PROHIBITIONS ARE REMOVED FOR
PROVIDERS OF BASIC LOCAL EXCHANGE SERVICE, A PROVIDER OF BASIC
LOCAL EXCHANGE SERVICE SHALL NOT DO ANY OF THE FOLLOWING:

(A) JOINTLY MARKET, DIRECTLY OR INDIRECTLY, THE BASIC LOCAL
EXCHANGE SERVICE OR A LOCAL EXCHANGE SERVICE THAT HAS BEEN UNBUN-
DLED OR MADE AVAILABLE FOR RESALE WITH AN INTER-LATA TOLL
SERVICE.

(B) OFFER THE BASIC LOCAL EXCHANGE SERVICE TOGETHER WITH AN
INTER-LATA TOLL SERVICE OR CONDITION A RATE FOR BASIC LOCAL
EXCHANGE SERVICE ON THE CUSTOMER ALSO ORDERING AN INTER-LATA TOLL
SERVICE.

1 (C) DISCRIMINATE AGAINST PROVIDERS OF TOLL SERVICE BY NOT
2 MAKING AVAILABLE CUSTOMER NAMES AND ADDRESSES THAT ARE AVAILABLE
3 TO AN AFFILIATE OF THE BASIC LOCAL EXCHANGE PROVIDER.

4 B. SERVICE UNBUNDLING

5
6 SEC. 355. (1) NO LATER THAN JULY 1, 1996, A PROVIDER OF
7 BASIC LOCAL EXCHANGE SERVICE SHALL UNBUNDLE AND SEPARATELY PRICE
8 EACH SERVICE OFFERED BY THE PROVIDER AND ALLOW OTHER PROVIDERS
9 INTERCONNECTION WITH SUCH SERVICES ON A NONDISCRIMINATORY BASIS.

10 (2) UNBUNDLED SERVICES AND POINTS OF INTERCONNECTION SHALL
11 INCLUDE AT A MINIMUM THE LOOP AND THE SWITCH PORT.

12 (3) A PROVIDER OF LOCAL EXCHANGE SERVICE SHALL ALLOW AND
13 PROVIDE FOR VIRTUAL CO-LOCATION WITH OTHER PROVIDERS AT OR NEAR
14 THE PREMISES OF THE PROVIDER OF LOCAL EXCHANGE SERVICE OF EQUIP-
15 MENT NECESSARY FOR EFFICIENT INTERCONNECTION OF THE UNBUNDLED
16 SERVICES. PROVIDERS MAY ENTER INTO AN AGREEMENT THAT ALLOWS FOR
17 CO-LOCATION ON OTHER TERMS AND CONDITIONS THAN PROVIDED UNDER
18 THIS SUBSECTION.

19 C. RESALE OF LOCAL EXCHANGE SERVICE

20
21 SEC. 357. (1) A PROVIDER OF LOCAL EXCHANGE SERVICE SHALL
22 MAKE AVAILABLE FOR RESALE ALL BASIC LOCAL EXCHANGE SERVICES THAT
23 ON JULY 1, 1996 IT IS OFFERING TO ITS RETAIL CUSTOMERS. RESALE
24 SHALL BE PROVIDED ON A WHOLESALE BASIS.

25 (2) A PROVIDER OF LOCAL EXCHANGE SERVICE MAY INCLUDE IN ITS
26 WHOLESALE TARIFFS ANY USE OR CLASS OF CUSTOMER RESTRICTIONS IT
27 INCLUDES IN ITS RETAIL TARIFFS.

1 (3) A PROVIDER OF LOCAL EXCHANGE SERVICE IS NOT REQUIRED TO
2 OFFER FOR RESALE EITHER OF THE FOLLOWING:

3 (A) A PACKAGE OF SERVICES WHERE BASIC LOCAL EXCHANGE SERVICE
4 IS JOINTLY MARKETING OR COMBINED WITH OTHER SERVICES, OR FOR ANY
5 PROMOTIONAL OR DISCOUNTED OFFERING OF BASIC LOCAL EXCHANGE
6 SERVICE.

7 (B) SERVICES FOR WHICH THE PROVIDER DOES NOT HAVE EXISTING
8 FACILITIES IN PLACE TO SERVE THE INTENDED END USER, OR ANY SERV-
9 ICE OFFERED FOR THE FIRST TIME SUBSEQUENT TO MARCH 1, 1996.

10 (4) NO LATER THAN MARCH 1, 1996, EACH PROVIDER OF LOCAL
11 EXCHANGE SERVICE SHALL FILE TARIFFS WITH THE COMMISSION WHICH SET
12 FORTH THE WHOLESALE RATES, TERMS, AND CONDITIONS FOR BASIC LOCAL
13 EXCHANGE SERVICES. THE WHOLESALE RATES SHALL BE SET AT LEVELS NO
14 GREATER THAN THE PROVIDER'S CURRENT RETAIL RATES LESS THE
15 PROVIDER'S AVOIDED COSTS.

16 (5) AFTER JANUARY 1, 2000, WHOLESALE RATES SHALL NOT BE LESS
17 THAN THE PROVIDER'S TOTAL SERVICE LONG RUN INCREMENTAL COST OF
18 THE SERVICES.

19 D. NUMBER PORTABILITY

20
21 SEC. 358. (1) AS USED IN THIS SECTION, "NUMBER PORTABILITY"
22 MEANS THE CAPABILITY FOR A LOCAL EXCHANGE CUSTOMER AT A PARTICU-
23 LAR LOCATION TO CHANGE PROVIDERS OF BASIC LOCAL EXCHANGE SERVICE
24 WITHOUT ANY CHANGE IN THE LOCAL EXCHANGE CUSTOMER'S TELEPHONE
25 NUMBER, WHILE PRESERVING THE FULL RANGE OF FUNCTIONALITY THAT THE
26 CUSTOMER COULD OBTAIN BY CHANGING TELEPHONE NUMBERS.

27 (2) NO LATER THAN JANUARY 1, 1999, A PROVIDER OF BASIC LOCAL
28 EXCHANGE SERVICE SHALL PROVIDE NUMBER PORTABILITY.

1 (3) IF THE COMMISSION DETERMINES THAT IT IS ECONOMICALLY AND
2 TECHNOLOGICALLY FEASIBLE TO PROVIDE NUMBER PORTABILITY BEFORE THE
3 DATE REQUIRED UNDER SUBSECTION (2), THE COMMISSION SHALL ORDER
4 PROVIDERS OF BASIC LOCAL EXCHANGE SERVICE TO PROVIDE THE SERVICE
5 BEFORE THAT DATE.

6 (4) UNTIL NUMBER PORTABILITY IS AVAILABLE, A PROVIDER OF
7 BASIC LOCAL EXCHANGE SERVICE SHALL MAKE AVAILABLE TO OTHER PRO-
8 VIDERS DIRECT INWARD DIALING AND REMOTE CALL FORWARDING.

9 E. TERMINATION RATES

10

11 SEC. 359. (1) NO LATER THAN JULY 1, 1996, A PROVIDER OF
12 BASIC LOCAL EXCHANGE SERVICE SHALL ESTABLISH A RATE CHARGE FOR
13 OTHER PROVIDERS OF BASIC LOCAL EXCHANGE SERVICE FOR THE TERMINA-
14 TION OF LOCAL TRAFFIC ON THE NETWORK.

15 (2) THIS SECTION DOES NOT PROHIBIT PROVIDERS OF BASIC LOCAL
16 EXCHANGE SERVICE FROM ENTERING INTO AN AGREEMENT TO PROVIDE FOR
17 THE EXCHANGE OF LOCAL TRAFFIC ON OTHER TERMS AND CONDITIONS.

18 F. DIRECTORY ASSISTANCE

19

20 SEC. 360. (1) NO LATER THAN JULY 1, 1996, A PROVIDER OF
21 BASIC LOCAL EXCHANGE SERVICE SHALL ESTABLISH A RATE TO OTHER PRO-
22 VIDERS OF BASIC LOCAL EXCHANGE SERVICE FOR PROVIDING DIRECTORY
23 ASSISTANCE.

24 (2) THIS SECTION DOES NOT PROHIBIT PROVIDERS OF BASIC LOCAL
25 EXCHANGE SERVICE FROM ENTERING INTO AN AGREEMENT TO PROVIDE FOR
26 THE EXCHANGE OF PROVIDING DIRECTORY ASSISTANCE ON OTHER TERMS AND
27 CONDITIONS.

G. ATTACHMENT RATES

SEC. 361. (1) AS USED IN THIS SECTION:

(A) "ATTACHMENT" MEANS ANY WIRE, CABLE, FACILITY, OR OTHER APPARATUS INSTALLED UPON ANY POLE OR IN ANY DUCT OR CONDUIT, OWNED OR CONTROLLED, IN WHOLE OR IN PART, BY A PROVIDER.

(B) "USABLE SPACE" MEANS THE TOTAL DISTANCE BETWEEN THE TOP OF A UTILITY POLE AND THE LOWEST POSSIBLE ATTACHMENT POINT THAT PROVIDES THE MINIMUM ALLOWABLE GRADE CLEARANCE AND INCLUDES THE SPACE WHICH SEPARATES TELECOMMUNICATION AND POWER LINES.

(2) A PROVIDER SHALL ESTABLISH THE RATES, TERMS, AND CONDITIONS FOR ATTACHMENTS BY ANOTHER PROVIDER.

(3) THE RATES, TERMS, AND CONDITIONS SHALL BE JUST AND REASONABLE. A RATE SHALL BE JUST AND REASONABLE IF IT ASSURES THE PROVIDER RECOVERY OF NOT LESS THAN THE ADDITIONAL COSTS OF PROVIDING THE ATTACHMENTS, NOR MORE THAN AN AMOUNT DETERMINED BY MULTIPLYING THE PERCENTAGE OF THE TOTAL USABLE SPACE, OR THE PERCENTAGE OF THE TOTAL DUCT OR CONDUIT CAPACITY, WHICH IS OCCUPIED BY THE ATTACHMENT, BY THE SUM OF THE OPERATING EXPENSES AND ACTUAL CAPITAL COSTS OF THE PROVIDER ATTRIBUTABLE TO THE ENTIRE POLE, DUCT, OR RIGHT-OF-WAY.

(4) AN ATTACHING PROVIDER SHALL OBTAIN ANY NECESSARY AUTHORIZATION BEFORE OCCUPYING PUBLIC WAYS OR PRIVATE RIGHTS-OF-WAY WITH ITS ATTACHMENT.

H. IMPUTATION

1 SEC. 362. (1) THE RATE OF A PROVIDER OF LOCAL EXCHANGE
2 SERVICE IS SUBJECT TO SUBSECTION (2) IF ALL OF THE FOLLOWING
3 APPLY:

4 (A) THE PROVIDER HAS A SERVICE THAT COMPETES WITH A SERVICE
5 OF ANOTHER PROVIDER.

6 (B) THE OTHER PROVIDER UTILIZES A SERVICE, INCLUDING ANY
7 UNBUNDLED SERVICE ELEMENT OR FUNCTION, FROM THE PROVIDER OF LOCAL
8 EXCHANGE SERVICE THAT IS NOT AVAILABLE WITHIN THE RELEVANT MARKET
9 OR GEOGRAPHIC AREA FROM ANY OTHER PROVIDER OF LOCAL EXCHANGE
10 SERVICE.

11 (C) THE PROVIDER OF LOCAL EXCHANGE SERVICE USES THAT SAME
12 NONCOMPETITIVE SERVICE OR ITS FUNCTIONAL EQUIVALENT.

13 (2) THE RATE OF A TELECOMMUNICATION SERVICE SHALL EXCEED THE
14 SUM OF BOTH OF THE FOLLOWING:

15 (A) THE TARIFFED RATES, INCLUDING ACCESS, CARRIER COMMON
16 LINE, RESIDUAL INTERCONNECTION, AND SIMILAR CHARGES, FOR THE NON-
17 COMPETITIVE SERVICE OR ITS FUNCTIONAL EQUIVALENT THAT IS ACTUALLY
18 USED BY THE PROVIDER OF LOCAL EXCHANGE SERVICE, AS THOSE RATES
19 WOULD BE CHARGED A CUSTOMER FOR THE USE OF THAT SERVICE.

20 (B) THE TOTAL SERVICE LONG RUN INCREMENTAL COSTS OF ALL
21 OTHER COMPONENTS OF THE PROVIDER OF LOCAL EXCHANGE SERVICE.

22 I. CUSTOMER DATA BASE

23

24 SEC. 363. PROVIDERS OF BASIC LOCAL EXCHANGE SERVICE SHALL
25 ALLOW ACCESS BY OTHER PROVIDERS TO THEIR CUSTOMER DATA BASES
26 EITHER ON THE TERMS AND CONDITIONS AS THE PROVIDERS MAY AGREE OR
27 AS OTHERWISE ORDERED BY THE COMMISSION.

1 Sec. 401. (1) Except as otherwise provided by ~~section 305~~
 2 THIS ACT OR PREEMPTED BY FEDERAL LAW, the commission OR ANY OTHER
 3 GOVERNMENTAL UNIT shall not have authority over enhanced serv-
 4 ices, paging, cellular, mobile, and answering services, video,
 5 cable television, pay-per-view, shared tenant, private networks,
 6 financial services networks, radio and television, WATS, personal
 7 communication networks, municipally owned telecommunication
 8 system, 800 prefix services and the reselling of a telecommunica-
 9 tion service. ~~None of the~~ THE foregoing SERVICES shall NOT be
 10 considered ~~to be the provision~~ PART of basic local exchange
 11 service AND THE PROVIDERS OF SUCH SERVICES SHALL NOT BE CONSID-
 12 ERED A PUBLIC UTILITY IN THE PROVISION OF THE UNREGULATED
 13 SERVICE.

14 (2) SUBSECTION (1) SHALL NOT BE CONSTRUED TO LIMIT ANY
 15 RIGHTS NECESSARY TO PROVIDE THE UNREGULATED SERVICE THAT THE PRO-
 16 VIDER WOULD HAVE IF IT WAS A PUBLIC UTILITY.

17 (3) ~~(2)~~ Except as OTHERWISE provided ~~in sections 206,~~
 18 ~~305, 308, and 601~~ BY THIS ACT, the commission shall not have the
 19 authority over a telecommunication service not specifically pro-
 20 vided for in this act.

21 SEC. 404. A PROVIDER OF AN UNREGULATED TELECOMMUNICATION
 22 SERVICE SHALL NOT CHARGE A RATE FOR THE SERVICE THAT IS LESS THAN
 23 THE TOTAL SERVICE LONG RUN INCREMENTAL COST OF PROVIDING THE
 24 SERVICE.

25 Sec. 603. The following acts and parts of acts are
 26 repealed:

27 Year	Public Act	Section	Compiled Law
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<u>1 of Act</u>	<u>Number</u>	<u>Numbers</u>	<u>Sections (1979)</u>
2 1883	72		484.51
3 1913	206	1 to 3f	484.101 to 484.103f
4		4 to 11a	484.104 to 484.111a
5		12 to 14	484.112 to 484.114
6		19 to 24	484.119 to 484.124
7		26	484.126
8 1913	303		469.491 to 469.493
9			

10 (A) SECTIONS 207A, 212, 307A, AND 501 OF ACT NO. 179 OF THE
 11 PUBLIC ACTS OF 1991, BEING SECTIONS 484.2207A, 484.2212,
 12 484.2307A, AND 484.2501 OF THE MICHIGAN COMPILED LAWS.

13 (B) SECTION 3G OF ACT NO. 206 OF THE PUBLIC ACTS OF 1913,
 14 BEING SECTION 484.103G OF THE MICHIGAN COMPILED LAWS.

15 Sec. 604. This act is repealed effective January 1, ~~1996~~
 16 2000.

17 Sec. 605. This act shall take effect January 1, ~~1992~~
 18 1996.