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SFA**BILL ANALYSIS**

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Senate Bill 637 (Substitute S-1 as reported by the Committee of the Whole)
Sponsor: Senator Leon Stille
Committee: Technology and Energy

CONTENT

The bill would amend the Michigan Telecommunications Act to require all telecommunications services providers within Michigan that received Federal universal service support under the Federal Telecommunications Act, for services provided to eligible elementary and secondary schools, to provide those intrastate services at discounts equal to the discounts applicable for eligible interstate services.

Proposed MCL 484.2375

Legislative Analyst: P. Affholter

FISCAL IMPACT

The bill would have no State fiscal impact. It would reduce the cost of intrastate telecommunications services, including two-way interactive communications, internal connections, and Internet connections, to public and private nonprofit elementary and secondary schools.

Currently, the Federal Communications Commission (FCC) requires telecommunications providers to offer discounts to schools on interstate telecommunications services. The bill would require that the same discounts apply to intrastate services. Under the FCC order, the telecommunications service providers would be reimbursed by the Federal Universal Service Fund for the cost of discounts provided.

The value of discounts that would be received by schools is unknown. The schedule of discounts, however, is set by the FCC and provides discounts of 20% to 90%, with disadvantaged schools receiving higher discounts.

Date Completed: 7-1-97

Fiscal Analyst: E. Pratt
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