

**SUBSTITUTE FOR
HOUSE BILL NO. 5280**

A bill to prohibit the switching of a customer's telecommunications provider without the authorization of the customer; to prescribe the powers and duties of certain state agencies and officials; and to provide for penalties.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "Michigan slamming prohibition act".

3 Sec. 2. As used in this act:

4 (a) "Commission" means the Michigan public service commis-
5 sion in the department of consumer and industry services.

6 (b) "Customer" means a person to whom telecommunications
7 services are furnished.

8 (c) "Person" means an individual, corporation, partnership,
9 association, governmental entity, or any other legal entity.

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1 (d) "Telecommunications provider" or "provider" means a
2 person that provides 1 or more telecommunications services for
3 compensation.

4 (e) "Telecommunications services" or "services" includes
5 regulated and unregulated intrastate services offered to custom-
6 ers for the transmission of 2-way, interactive communications and
7 associated usage.

8 Sec. 3. (1) A customer of a telecommunications provider
9 shall not be switched to another provider without the authoriza-
10 tion of the customer.

11 (2) The commission shall promulgate rules to ensure that a
12 customer of a telecommunications provider is not switched to
13 another provider without the customer's oral authorization, writ-
14 ten confirmation, or confirmation through an independent third
15 party of the customer's intent to make a switch and has approved
16 the specific details of the switch. The rules promulgated under
17 this act shall require that all providers comply with the regula-
18 tions established by the federal communications commission on
19 verification procedures for the switching of a customer's tele-
20 communications provider.

21 Sec. 4. (1) A customer who has been switched to another
22 provider in violation of this act, a provider who has been
23 removed as a customer's provider without the customer's authori-
24 zation, or the commission on its own motion may file a complaint
25 with the commission under this act.

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1 (2) Hearings held under this act shall be held in the same
2 manner as a proceeding under section 203 of the Michigan
3 telecommunications act, 1991 PA 179, MCL 484.2203.

4 (3) If after notice and hearing the commission finds that a
5 person has violated this act or a rule promulgated under this
6 act, the commission shall order remedies and penalties to protect
7 and make whole customers and other persons who have suffered dam-
8 ages as a result of the violation, including, but not limited to,
9 1 or more of the following:

10 (a) The person to pay a fine for the first offense of not
11 less than \$1,000.00 or more than \$20,000.00 per day that the
12 person is in violation of this act. For the second and any sub-
13 sequent offense, to pay a fine of not less than \$2,000.00 or more
14 than \$40,000.00 per day that the person is in violation of this
15 act.

16 (b) A refund to the customer of any collected excessive
17 rates.

18 (c) If the person is a licensee under the Michigan telecom-
19 munications act, 1991 PA 179, MCL 484.2101 to 484.2604, that the
20 person's license may be revoked for a pattern of violations of
21 this act.

22 (d) Cease and desist orders.