

SUBSTITUTE FOR
SENATE BILL NO. 788

A bill to amend 1991 PA 179, entitled
"Michigan telecommunications act,"
by amending section 316 (MCL 484.2316), as amended by 1995 PA
216; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 316. (1) The commission shall require each provider of
2 residential basic local exchange service to offer certain low
3 income customers the availability of basic local exchange service
4 AND ACCESS SERVICE at ~~a rate below the regulated rate~~ REDUCED
5 RATES AS DESCRIBED IN SUBSECTIONS (2) AND (3).
6 (2) ~~The basic local exchange~~ EXCEPT AS PROVIDED UNDER
7 SUBSECTIONS (3) AND (4), THE rate REDUCTIONS for low income cus-
8 tomers ~~, except for as provided in subsection (3),~~ shall be
9 ~~20% or \$4.00~~ AT A MINIMUM, 20% OF THE BASIC LOCAL EXCHANGE RATE
10 OR \$8.25, which shall be inclusive of any federal contribution,

SB 788, As Passed Senate, November 13, 1997

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1 whichever is greater. ~~, below the regulated rate. To qualify~~
2 ~~for the reduced rate under this subsection, the person's annual~~
3 ~~income shall not exceed 150% of the federal poverty income stan-~~
4 ~~dards as determined by the United States office of management and~~
5 ~~budget and as approved by the state treasurer.~~

6 (3) ~~The basic local exchange rate for~~ IF THE low income
7 ~~customers~~ CUSTOMER IS 65 years of age or more, THE RATE
8 REDUCTION shall be ~~25% or \$4.00~~ AT A MINIMUM, 25% OF THE BASIC
9 LOCAL EXCHANGE RATE OR \$8.25, which shall be inclusive of any
10 federal contribution, whichever is greater. ~~, below the regu-~~
11 ~~lated rate.~~

12 (4) THE TOTAL REDUCTION UNDER SUBSECTION (2) OR (3) SHALL
13 NOT EXCEED 100% OF ALL END-USER COMMON LINE CHARGES AND THE BASIC
14 LOCAL EXCHANGE RATE.

15 (5) TO QUALIFY FOR THE REDUCED RATE UNDER THIS SECTION, THE
16 PERSON'S ANNUAL INCOME SHALL NOT EXCEED 150% OF THE FEDERAL POV-
17 ERTY INCOME STANDARDS AS DETERMINED BY THE UNITED STATES OFFICE
18 OF MANAGEMENT AND BUDGET AND AS APPROVED BY THE STATE TREASURER.

19 (6) ~~(4)~~ The commission shall establish a rate for each
20 subscriber line of a provider to allow the provider to recover
21 costs incurred under this section.

22 (7) ~~(5)~~ The commission shall take necessary action to
23 notify the general public of the availability of lifeline serv-
24 ices including, but not limited to, public service announcements,
25 newspaper notices, and such other notice reasonably calculated to
26 reach those who may benefit from the services.

27 (8) THIS SECTION IS REPEALED EFFECTIVE JUNE 1, 1999.