



Romney Building, 10th Floor
Lansing, Michigan 48909
Phone: 517/373-6466

EXTEND LIFELINE SERVICES SUNSET

House Bill 4418

Sponsor: Rep. Judson Gilbert II

Committee: Energy and Technology

Complete to 5-3-99

A SUMMARY OF HOUSE BILL 4418 AS INTRODUCED 3-18-99

The Telecommunications Act requires telecommunications carriers to offer reduced rates to low income customers (commonly referred to as the "lifeline" program, which is required by federal regulations). The carriers are reimbursed with a combination of federal and state funding. In order to qualify for the reduced rate, a person's annual income may not exceed 150 percent of the federal poverty level. The reduced rate for basic local exchange service and access service must be at least 20 percent of the basic local exchange rate or \$8.25, including any federal contribution, whichever is greater. For low income customers 65 years old or older, the rate reduction must be at least 25 percent of the basic local exchange rate or \$8.25, including any federal contribution, whichever is greater. In addition, the total reduction under these provisions may not exceed 100 percent of all end-user common line charges and the basic local exchange rate.

The current lifeline provisions contain a sunset provision which will automatically repeal that section of the act on June 1, 1999. The bill would amend the act to extend the sunset provision until January 1, 2001.

MCL 484.2316

House Bill 4418 (5-3-99)

Analyst: W. Flory

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.