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Senate Bill 1342 (Substitute S-3 as reported by the Committee of the Whole)

Sponsor: Senator Mike Rogers

Committee: Technology and Energy

CONTENT

The bill would amend the Michigan Telecommunications Act (MTA) to specify that the average response time by a provider of basic local exchange service to a service outage report from a customer could not exceed 36 hours for any given month. A basic local exchange service provider would have to file a report with the Public Service Commission (PSC) by the fifth day of any month that the average response time to a service outage report from a customer exceeded 36 hours for the preceding month.

In addition to any other penalties allowed under the bill or the MTA, after notice and a hearing, a provider that violated the 36-hour average response time could be fined up to \$1 million by the PSC following the promulgation of rules to implement the bill. In determining whether a provider had violated the bill, the PSC could take into account delays caused by events beyond the provider's control.

If a customer's service were reported or otherwise found to be out of service and the outage remained for more than 24 hours, the provider would have to make the following adjustment to the customer's next bill, by giving a credit equal the prorated amount of the customer's monthly service rate for the time of service outage. If the outage were for 72 hours or more, the customer also would have to receive a credit equal to three times the prorated amount of the customer's monthly service rate for any time of service outage that was over 72 hours. A provider that violated the customer credit requirements would be subject to the MTA's general penalty provisions (MCL 484.2601).

The bill also would create the "Telecommunication Customer Education Fund" within the State Treasury. The State Treasurer would have to credit to the Fund all revenue received under the bill. The PSC would have to administer the Fund and use it to educate customers receiving telecommunication services in Michigan regarding customers' rights under the MTA.

Proposed MCL 484.2309c

Legislative Analyst: P. Affholter

FISCAL IMPACT

This bill would allow the Public Service Commission to assess a fine of up to \$1 million for a provider that did not meet the requirements of the bill. This bill would increase revenue to the State if any providers were found to be in violation.

Date Completed: 9-26-00

Fiscal Analyst: M. Tyszkiewicz

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Analysis available @ <http://www.michiganlegislature.org>

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.