

**SUBSTITUTE FOR
HOUSE BILL NO. 5721**

[A bill to amend 1991 PA 179, entitled
"Michigan telecommunications act,"
by amending sections 101, 103, 201, 203, 203a, 213, 302, 303,
304, 310, 312, 502, 503, 506, and 601 (MCL 484.2101, 484.2103,
484.2201, 484.2203, 484.2203a, 484.2213, 484.2302, 484.2303,
484.2304, 484.2310, 484.2312, 484.2502, 484.2503, 484.2506 and
484.2601), sections 101, 203, 213, 303, 304, 310, 312 and 601 as
amended and sections 203a, 502, and 503 as added by 1995 PA 216 and
section 506 as added by 1998 PA 259 and by adding sections 214,
316a, 507, and 701; and to repeal acts and parts of acts.]

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 101. (1) This act shall be known and may be cited as
2 the "Michigan telecommunications act".

3 (2) The purpose of this act is to do all of the following:

4 (a) Ensure that every person has access to JUST, REASONABLE,
5 AND AFFORDABLE basic residential telecommunication service.

1 (b) Allow and encourage competition to determine the
2 availability, prices, terms, and other conditions of providing
3 telecommunication services.

4 (c) Restructure regulation to focus on price and quality of
5 service and not on the provider. ~~Rely more on~~ SUPPLEMENT
6 existing state and federal law regarding antitrust, consumer pro-
7 tection, and fair trade to provide ADDITIONAL safeguards for com-
8 petition and consumers.

9 (d) Encourage the introduction of new services, the entry of
10 new providers, the development of new technologies, and increase
11 investment in the telecommunication infrastructure in this state
12 through incentives to providers to offer the most efficient serv-
13 ices and products.

14 (e) Improve the opportunities for economic development and
15 the delivery of essential services including education and health
16 care.

17 (f) Streamline the process for setting and adjusting the
18 rates for regulated services that will ensure effective rate
19 review and reduce the costs and length of hearings
20 ~~traditionally~~ associated with rate cases.

21 (g) Encourage the use of existing educational telecommunica-
22 tion networks and networks established by other commercial pro-
23 viders as building blocks for a cooperative and efficient state-
24 wide educational telecommunication system.

25 (h) Ensure effective review and disposition of disputes
26 between telecommunication providers.

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3

1 (I) AUTHORIZE ACTIONS TO ENCOURAGE THE DEVELOPMENT OF A
2 COMPETITIVE TELECOMMUNICATION INDUSTRY.

3 Sec. 103. (1) Except as otherwise provided in this act,
4 this act shall not be construed to prevent any person from pro-
5 viding telecommunication services in competition with another
6 telecommunication provider.

7 (2) THE COMMISSION SHALL SUBMIT AN ANNUAL REPORT DESCRIBING
8 THE STATUS OF COMPETITION IN TELECOMMUNICATION SERVICES IN THIS
9 STATE, INCLUDING, BUT NOT LIMITED TO, THE TOLL AND LOCAL EXCHANGE
10 SERVICE MARKETS IN THIS STATE. THE REPORT REQUIRED UNDER THIS
11 SECTION SHALL BE SUBMITTED TO THE GOVERNOR AND THE HOUSE AND
12 SENATE STANDING COMMITTEES WITH OVERSIGHT OF TELECOMMUNICATION
13 ISSUES.

14 Sec. 201. (1) ~~The~~ EXCEPT AS OTHERWISE PROVIDED BY THIS
15 ACT, THE Michigan public service commission shall have the juris-
16 diction and authority to administer this act AND ALL FEDERAL
17 TELECOMMUNICATIONS LAWS, RULES, ORDERS, AND REGULATIONS THAT ARE
18 DELEGATED TO THE STATE.

19 (2) ~~In administering this act, the commission shall be~~
20 ~~limited to the powers and duties prescribed by this act.~~ THE
21 COMMISSION SHALL EXERCISE ITS JURISDICTION AND AUTHORITY CONSIS-
22 TENT WITH THIS ACT AND ALL FEDERAL TELECOMMUNICATIONS LAWS,
23 RULES, ORDERS, AND REGULATIONS.

24 Sec. 203. (1) Upon receipt of an application or complaint
25 filed under this act, or on its own motion, the commission may
26 conduct an investigation, hold hearings, and issue its findings
27 and order under the contested hearings provisions of the

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1 administrative procedures act of 1969, ~~Act No. 306 of the Public~~
2 ~~Acts of 1969, being sections 24.201 to 24.328 of the Michigan~~
3 ~~Compiled Laws~~ 1969 PA 306, MCL 24.201 TO 24.328.

4 (2) IF A COMPLAINT FILED UNDER THIS SECTION ALLEGES FACTS
5 THAT WARRANT EMERGENCY RELIEF, THE COMPLAINANT MAY REQUEST AN
6 EMERGENCY RELIEF ORDER. ON THE DATE OF FILING, THE COMPLAINT AND
7 REQUEST FOR EMERGENCY RELIEF SHALL BE HAND-DELIVERED TO THE
8 RESPONDENT AT ITS PRINCIPAL PLACE OF BUSINESS IN MICHIGAN. THE
9 COMMISSION SHALL ALLOW 5 BUSINESS DAYS FOR A FILING IN RESPONSE
10 TO THE REQUEST FOR EMERGENCY RELIEF. THE COMMISSION SHALL REVIEW
11 THE COMPLAINT, THE REQUEST FOR EMERGENCY RELIEF, THE RESPONSE,
12 AND ALL SUPPORTING MATERIALS AND DETERMINE WHETHER TO DENY THE
13 REQUEST FOR EMERGENCY RELIEF OR TO CONDUCT AN INITIAL EVIDENTIARY
14 HEARING. THE INITIAL EVIDENTIARY HEARING SHALL BE CONDUCTED
15 WITHIN 5 BUSINESS DAYS FROM THE DATE OF THE NOTICE OF HEARING AND
16 THE COMMISSION SHALL ISSUE AN ORDER GRANTING OR DENYING THE
17 REQUEST FOR EMERGENCY RELIEF. AN ORDER FOR EMERGENCY RELIEF MAY
18 REQUIRE A PARTY TO ACT OR REFRAIN FROM ACTION TO PROTECT [
19 COMPETITION.

20] ANY ACTION REQUIRED BY AN ORDER FOR EMERGENCY
21 RELIEF SHALL BE TECHNICALLY FEASIBLE AND ECONOMICALLY REASONABLE
22 AND THE RESPONDENT SHALL BE GIVEN A REASONABLE PERIOD OF TIME TO
23 COMPLY WITH THE ORDER. AT THE HEARING FOR EMERGENCY RELIEF, THE
24 RESPONDENT HAS THE BURDEN OF SHOWING THAT THE ORDER IS NOT TECH-
25 NICALLY FEASIBLE AND NOT ECONOMICALLY REASONABLE. [IF THE COMMISSION
FINDS THAT EXTRAORDINARY CIRCUMSTANCES EXIST THAT WARRANT EXPEDITED
REVIEW BEFORE THE COMMISSION'S ISSUANCE OF A FINAL ORDER, IT SHALL
SET A SCHEDULE PROVIDING FOR THE ISSUANCE OF A PARTIAL FINAL ORDER
AS TO ALL OR PART OF THE ISSUES FOR WHICH EMERGENCY RELIEF WAS
GRANTED WITHIN 90 DAYS OF THE ISSUANCE OF THE EMERGENCY RELIEF
ORDER.]

26 (3) AN ORDER FOR EMERGENCY RELIEF MAY BE GRANTED UNDER
27 SUBSECTION (2) IF THE COMMISSION FINDS ALL OF THE FOLLOWING:

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1 (A) THAT THE PARTY HAS DEMONSTRATED EXIGENT CIRCUMSTANCES
2 THAT WARRANT EMERGENCY RELIEF.

3 (B) THAT THE PARTY SEEKING RELIEF WILL LIKELY SUCCEED ON THE
4 MERITS.

5 (C) THAT THE PARTY WILL SUFFER IRREPARABLE HARM IN ITS ABIL-
6 ITY TO SERVE CUSTOMERS IF EMERGENCY RELIEF IS NOT GRANTED.

7 (D) THAT THE ORDER IS NOT ADVERSE TO THE PUBLIC INTEREST.

8 (4) THE COMMISSION MAY REQUIRE THE COMPLAINANT TO POST A
9 BOND IN AN AMOUNT SUFFICIENT TO MAKE WHOLE THE RESPONDENT IN THE
10 EVENT THAT THE ORDER FOR EMERGENCY RELIEF IS LATER FOUND TO HAVE
11 BEEN ERRONEOUSLY GRANTED.

12 (5) AN ORDER FOR EMERGENCY RELIEF SHALL EXPIRE UPON THE

13 [SOONER OF ANY OF THE FOLLOWING:

(A) NINETY DAYS AFTER ITS ISSUANCE.

(B) ISSUANCE OF THE COMMISSION'S PARTIAL ORDER.

(C)] AN EARLIER DATE SET BY THE

14 COMMISSION. [NOTWITHSTANDING THIS SUBSECTION, THE COMMISSION MAY
EXTEND THE EMERGENCY RELIEF ORDER TO A DATE NO LATER THAN THE DATE
ON WHICH THE FINAL ORDER IN THE PROCEEDING IS ISSUED.]

15 (6) AN ORDER GRANTING OR DENYING EMERGENCY RELIEF UNDER SUB-
16 SECTION (2) SHALL BE SUBJECT TO IMMEDIATE REVIEW IN THE COURT OF
17 APPEALS AS A MATTER OF RIGHT BY THE PARTY AGGRIEVED. THE REVIEW
18 SHALL BE DE NOVO AND SHALL COMPLY WITH MICHIGAN COURT RULE
19 7.211(C)(6). THE COURT MAY STAY AN ORDER GRANTING EMERGENCY
20 RELIEF UPON THE POSTING OF A BOND OR OTHER SECURITY IN AN AMOUNT
21 AND ON TERMS SET BY THE COURT. REGARDLESS OF WHETHER AN APPEAL
22 IS MADE UNDER THIS SUBSECTION, THE COMMISSION SHALL PROCEED WITH
23 THE CASE AND ISSUE A FINAL ORDER AS OTHERWISE REQUIRED UNDER THIS
24 SECTION.

25 (7) ~~-(2)-~~ An application or complaint filed under this sec-
26 tion shall contain all information, testimony, exhibits, or other
27 documents and information WITHIN THE PERSON'S POSSESSION on which

1 the person intends to rely to support the application or
2 complaint. Applications or complaints that do not meet the
3 requirements of this subsection shall be dismissed or suspended
4 pending the receipt by the commission of the required
5 information. IF THE COMPLAINANT OR APPLICANT REQUIRES INFORMA-
6 TION IN THE POSSESSION OF THE RESPONDENT, NOT WITHIN THE
7 COMPLAINANT'S OR APPLICANT'S POSSESSION, THE COMMISSION MAY ALLOW
8 A REASONABLE OPPORTUNITY FOR DISCOVERY TO ALLOW THE COMPLAINANT
9 OR APPLICANT TO PROVIDE ALL RELEVANT INFORMATION, TESTIMONY,
10 EXHIBITS, OR OTHER DOCUMENTS ON WHICH THE COMPLAINANT OR APPLI-
11 CANT INTENDS TO RELY TO SUPPORT ITS APPLICATION OR COMPLAINT.

12 (8) ~~-(3)-~~ The burden of proving a case filed under this act
13 ~~shall be~~ IS with the party filing the application or
14 complaint.

15 (9) ~~-(4)-~~ In a contested case under this section, the com-
16 mission can administer oaths, certify all official acts, and
17 compel the attendance of witnesses and the production of papers,
18 books, accounts, documents, and testimony.

19 (10) ~~-(5)-~~ Except as otherwise provided in ~~subsections (2)~~
20 ~~and (6)~~ THIS SECTION, the commission shall issue a final order
21 in a case filed under this section within 90 days from the date
22 the application or complaint is filed.

23 (11) ~~-(6)-~~ If EXCEPT AS PROVIDED FOR A HEARING INVOLVING A
24 REQUEST FOR EMERGENCY RELIEF, IF a hearing is required, the
25 applicant or complainant shall publish a notice of hearing as
26 required by the commission within 7 days of the date the
27 application or complaint was filed or as required by the

1 commission. The first hearing shall be held within 10 days after
2 the date of the notice. If a hearing is held, the commission
3 shall have 180 days from the date the application or complaint
4 was filed to issue its final order. If the principal parties of
5 record agree that the complexity of issues involved requires
6 additional time, the commission may have up to 210 days from the
7 date the application or complaint was filed to issue its final
8 order. IF THE APPLICATION OR COMPLAINT IS SUBJECT TO SECTION
9 203A, THE COMMISSION SHALL HAVE AN ADDITIONAL 45 DAYS TO ISSUE
10 ITS FINAL ORDER.

11 (12) ~~-(7)-~~ An order of the commission shall be subject to
12 review as provided by section 26 of ~~Act No. 300 of the Public~~
13 ~~Acts of 1909, being section 462.26 of the Michigan Compiled Laws~~
14 1909 PA 300, MCL 462.26.

15 (13) ~~-(8)-~~ If a complaint is filed under this section by a
16 provider against another provider, the provider of service shall
17 not discontinue service during the period of the contested case,
18 including the alternative dispute process, if the provider
19 receiving the service has posted a surety bond, provided an
20 irrevocable letter of credit, or provided other adequate security
21 in an amount and on a form as determined by the commission.

22 (14) EXCEPT IF THERE IS A REQUEST FOR EMERGENCY RELIEF UNDER
23 THIS SECTION, IF THE COMPLAINT FILED UNDER THIS SECTION INVOLVES
24 AN INTERCONNECTION DISPUTE BETWEEN PROVIDERS, THE COMMISSION
25 SHALL REQUIRE THE PARTIES TO UTILIZE THE ALTERNATIVE DISPUTE PRO-
26 CESS UNDER SECTION 203A.

1 (15) IN ADDITION TO ANY OTHER RELIEF PROVIDED BY THIS ACT,
2 THE COMMISSION OR A PARTY MAY SEEK TO COMPEL COMPLIANCE WITH A
3 COMMISSION ORDER BY PROCEEDINGS IN MANDAMUS, INJUNCTION, OR BY
4 OTHER APPROPRIATE CIVIL REMEDIES IN THE CIRCUIT COURT OR OTHER
5 COURT OF PROPER JURISDICTION.

6 (16) THE AMENDATORY ACT THAT ADDED THIS SUBSECTION DOES NOT
7 AMEND, ALTER, OR LIMIT ANY CASE OR PROCEEDING COMMENCED BEFORE
8 THE EFFECTIVE DATE OF THIS SUBSECTION.

9 Sec. 203a. (1) For all complaints involving a dispute of
10 \$1,000.00 or less, A DISPUTE UNDER SECTION 203(14), or at the
11 option of the complainant, for a period of 45 days after the date
12 the complaint is filed under section 203, the parties shall
13 attempt alternative means of resolving the complaint.

14 (2) Any alternative means that will result in a recommended
15 settlement may be used that is agreed to by the principal parties
16 of record, including, but not limited to, settlement conferences,
17 mediation, and other informal dispute resolution methods. If the
18 parties cannot agree on an alternative means within 20 days after
19 the date the complaint is filed, the commission shall order
20 mediation. Within the 45-day period required under subsection
21 (1), a recommended settlement shall be made to the parties.

22 (3) Within 7 days after the date of the recommended settle-
23 ment, each party shall file with the commission a written accep-
24 tance or rejection of the recommended settlement. If the parties
25 accept the recommendation, then the recommendation shall become
26 the final order in the contested case under section 203.

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1 (4) If a party rejects the recommended settlement, then the
2 application or complaint shall proceed to a contested case
3 hearing under section 203.

4 (5) The party that rejects the recommended settlement shall
5 pay the opposing party's actual costs of proceeding to a con-
6 tested case hearing, including attorney fees, unless the final
7 order of the commission is more favorable to the rejecting party
8 than the recommended settlement under this section. A final
9 order is considered more favorable if it differs by 10% or more
10 from the recommended settlement in favor of the rejecting party.

11 (6) If the recommendation is not accepted under
12 subsection (3), the individual commissioners shall not be
13 informed of the recommended settlement until they have issued
14 their final order under section 203.

15 (7) An attempt to resolve a contested case under this sec-
16 tion is exempt from the requirements of section 203 and the
17 administrative procedures act of 1969, ~~Act No. 306 of the Public~~
18 ~~Acts of 1969, being sections 24.201 to 24.328 of the Michigan~~
19 ~~Compiled Laws~~ 1969 PA 306, MCL 24.201 TO 24.328.

20 (8) This section shall not extend or toll the time within
21 which the commission is required to issue its final order under
22 section 203.

23 Sec. 213. (1) ~~No later than July 1, 1996, [SUBJECT TO SECTION~~
24 ~~201, the] commis-~~
25 ~~sion shall~~ MAY promulgate rules ~~for the implementation and~~
26 ~~administration of this act~~ under the administrative procedures
27 ~~act of 1969, Act No. 306 of the Public Acts of 1969, being~~
~~sections 24.201 to 24.328 of the Michigan Compiled Laws~~ 1969 PA

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1 306, MCL 24.201 TO 24.328 [.

2]

3 (2) Except as provided in subsection (3), effective
4 September 1, 1996, the following administrative rules shall not
5 apply to telecommunication providers or telecommunication
6 services:

7 (a) Electric power and communication lines: R 460.581 to
8 R 460.592.

9 (b) Intrastate telephone services and facilities:
10 R 460.1951 to R 460.1968.

11 (c) Filing procedures for communications common carriers
12 tariffs: R 460.2051 to R 460.2057.

13 (d) Consumer standards and billing practices, residential
14 telephone service: R 460.2211 to R 460.2279.

15 (e) Uniform systems of accounts for class A and class B
16 telephone companies: R 460.9041 and R 460.9059.

17 (3) If the Michigan supreme court rules that sections 45 and
18 46 of the administrative procedures act of 1969, ~~Act No. 306 of~~
19 ~~the Public Acts of 1969, being sections 24.245 and 24.246 of the~~
20 ~~Michigan Compiled Laws 1969 PA 306, MCL 24.245 AND 24.246, are~~
21 ~~unconstitutional, and a statute requiring legislative review of~~
22 ~~administrative rules is not enacted within 90 days after the~~
23 ~~Michigan supreme court ruling, the commission shall not promul-~~
24 ~~gate rules under this act. Subsection (2) does not apply if the~~
25 ~~commission is prohibited from promulgating rules under this~~
26 ~~subsection.~~

[SEC. 214. (1) THE COMMISSION SHALL ISSUE ORDERS THAT ASSIGN
THE TELEPHONE DIGITS 2-1-1 TO COMMUNITY RESOURCE INFORMATION AND
REFERRAL ANSWERING POINTS ESTABLISHED UNDER SUBSECTION (3) AND
PRESCRIBE APPROPRIATE INTERCONNECTION ORDERS TO CARRY OUT THE INTENT
OF THIS SECTION.

(2) EACH PROVIDER OF BASIC LOCAL EXCHANGE SERVICE IN THIS STATE
SHALL ASSIGN THE TELEPHONE NUMBER 2-1-1 ONLY TO A COMMUNITY RESOURCE
INFORMATION AND REFERRAL ANSWERING POINT ESTABLISHED UNDER
SUBSECTION (3).

(3) THE COMMISSION SHALL DESIGNATE A COMMUNITY RESOURCE
INFORMATION AND REFERRAL ENTITY TO BE THE 2-1-1 ANSWERING POINT FOR
VARIOUS GEOGRAPHICAL AREAS WITHIN THIS STATE. IN MAKING ITS
DETERMINATION, THE COMMISSION SHALL CONSIDER ALL OF THE FOLLOWING:

(A) THE RECOMMENDATIONS OF THE MICHIGAN ALLIANCE FOR
INFORMATION AND REFERRAL SYSTEMS.

(B) WHETHER THE RELEVANT STATE-ENDORSED MULTIPURPOSE
COLLABORATIVE BODIES ARE IN AGREEMENT.

(C) WHETHER THE ENTITY HAS ESTABLISHED A FRAMEWORK TO ASSURE
THE PROVISION OF COVERAGE OF THE 2-1-1 TELEPHONE NUMBER 24 HOURS PER
DAY, 7 DAYS PER WEEK.

(D) WHETHER THE ENTITY MEETS 2-1-1 STANDARDS ADOPTED BY THE
MICHIGAN ALLIANCE FOR INFORMATION AND REFERRAL SYSTEMS.

(4) EACH COMMUNITY RESOURCE INFORMATION AND REFERRAL ENTITY
DESIGNATED BY THE COMMISSION TO BE THE 2-1-1 ANSWERING POINT FOR A
PARTICULAR GEOGRAPHICAL AREA WITHIN THE STATE SHALL ESTABLISH THE
FRAMEWORK TO PROVIDE SUFFICIENT RESOURCES TO OPERATE THE 2-1-1
TELEPHONE NUMBER 24 HOURS PER DAY, 7 DAYS PER WEEK.]

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1 Sec. 302. (1) After notice and hearing, the commission
2 shall approve an application for a license if the commission
3 finds both of the following:

4 (a) The applicant possesses sufficient technical, financial,
5 and managerial resources and abilities to provide basic local
6 exchange service to ~~every person~~ ALL RESIDENTIAL AND COMMERCIAL
7 CUSTOMERS within the geographic area of the license AND THAT THE
8 APPLICANT INTENDS TO PROVIDE SERVICE WITHIN 1 YEAR FROM THE DATE
9 THE LICENSE IS GRANTED.

10 (b) The granting of a license to the applicant would not be
11 contrary to the public interest.

12 (2) The commission shall retain a copy of all granted
13 licenses and make all information contained in the licenses
14 available to the public.

15 (3) Each provider granted a license shall retain a copy of
16 the license at its principal place of business and make the
17 license available for review to the public.

 [(4) THE COMMISSION HAS THE AUTHORITY TO APPROVE OR DENY A
PROPOSED ADDITION, ELIMINATION, OR MODIFICATION OF AN AREA CODE IN
THIS STATE. THE COMMISSION SHALL GIVE PUBLIC NOTICE AND SHALL
CONDUCT A PUBLIC HEARING IN THE AFFECTED GEOGRAPHIC AREA BEFORE AN
ADDITION, ELIMINATION, OR MODIFICATION OF AN AREA CODE IS MADE IN
THIS STATE.]

18 Sec. 303. (1) The commission may alter or amend the geo-
19 graphic area of a license, grant a competing license, or
20 ~~authorize the sale or transfer of a license to another person~~
21 REVOKE A LICENSE OF A PROVIDER IF WITHIN 2 YEARS FROM THE DATE
22 THE LICENSE WAS GRANTED THE PROVIDER HAS NOT MARKETED ITS SERV-
23 ICES TO ALL POTENTIAL CUSTOMERS OR HAS REFUSED TO PROVIDE SERV-
24 ICES TO CERTAIN CUSTOMERS.

25 (2) A telecommunication provider shall not provide basic
26 local exchange service to customers or end-users located within

1 another telecommunication provider's licensed service area except
2 through interconnection arrangements as provided by this act.

3 (3) The sale or transfer of shares of stock of a provider of
4 basic local exchange service is not a sale or transfer of a
5 license or a discontinuance of service.

6 Sec. 304. (1) Except as provided in section 304a, the rates
7 for basic local exchange service shall be just and reasonable.

8 (2) A provider may alter its rates for basic local exchange
9 services by 1 or more of the following:

10 (a) Filing with the commission notice of a decrease, dis-
11 count, or other rate reduction in a basic local exchange rate. A
12 rate alteration under this subdivision shall become effective
13 without commission review or approval.

14 (b) Filing with the commission notice of an increase in a
15 basic local exchange rate that does not exceed 1% less than the
16 consumer price index. Unless the commission determines that the
17 rate alteration exceeds the allowed increase under this subdivi-
18 sion, the rate alteration shall take effect 90 days from the date
19 of the notice required under subsection (3). As used in this
20 subdivision, "consumer price index" means the most recent
21 reported annual average percentage increase in the Detroit con-
22 sumer price index for all items for the prior 12-month period by
23 the United States department of labor.

24 (c) Filing with the commission an application to increase a
25 basic local exchange rate in an amount greater than that allowed
26 under subdivision (b). The application shall be accompanied with
27 sufficient documentary support that the rate alteration is just

1 and reasonable. The commission shall make a determination within
2 the 90-day period provided for in subsection (5) of 1 of the
3 following:

4 (i) That the rate alteration is just and reasonable.

5 (ii) That a filing under section 203 is necessary to review
6 the rate alteration.

7 (3) Notice to customers of a rate alteration is required for
8 a rate alteration under subsection (2)(b) or (c) and section 304a
9 and shall be included in or on the bill of each affected customer
10 of the provider before the effective date of the rate
11 alteration.

12 (4) The notice required under subsection (3) shall contain
13 at least all of the following information:

14 (a) A statement that the customer's rate may change.

15 (b) An estimate of the amount of the annual change for the
16 typical residential customer that would result by the rate
17 change.

18 (c) A statement that a customer may comment on or receive
19 complete details of the rate alteration by calling or writing the
20 commission. The statement shall also include the telephone
21 number and address of the commission. Complete details of the
22 rate alteration ~~will~~ SHALL be provided free of charge to the
23 customer at the expense of the provider.

24 (5) Except as otherwise provided in subsections (2) and (6),
25 an altered basic local exchange rate shall take effect 90 days
26 from the date of the notice required by subsection (3).

1 (6) Upon receiving a complaint or pursuant to a
2 determination under subsection (2)(c), the commission may require
3 a filing under section 203 to review a proposed rate alteration
4 under subsection (2)(c). The commission's final order may
5 approve, modify, or reject the rate alteration.

6 (7) In reviewing a rate alteration under subsection (6), the
7 commission shall consider only 1 or more of the following factors
8 if relevant to the rate alteration as specified by the provider:

9 (a) Total service long run incremental cost of basic local
10 exchange services.

11 (b) Comparison of the proposed rate to the rates charged by
12 other providers in this state for the same service.

13 (c) Whether a new function, feature, or capability is being
14 offered as a component of basic local exchange service.

15 (d) Whether there has been an increase in the costs to pro-
16 vide basic local exchange service in the geographic area of the
17 proposed rate.

18 (e) Whether the provider's further investment in the network
19 infrastructure of the geographic area of the proposed rate is
20 economically justifiable without the proposed rate.

21 (8) A provider shall be allowed only 1 rate increase for
22 each class or type of service during any 12-month period.

23 (9) A provider shall not make a rate alteration under this
24 section until the rate has been restructured under section 304a.

25 (10) THE COMMISSION SHALL EXEMPT A PROVIDER FROM THIS SEC-
26 TION AND SECTION 310(2) IF IT FINDS ALL OF THE FOLLOWING:

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1 (A) THE PROVIDER [PROVIDES BASIC LOCAL EXCHANGE SERVICE OR
2 BASIC LOCAL EXCHANGE AND TOLL SERVICE TO LESS THAN 250,000
3 END-USERS.]

4 (B) THE PROVIDER OFFERS TO END-USERS SINGLE-PARTY BASIC
5 LOCAL EXCHANGE SERVICE, TONE DIALING, TOLL ACCESS SERVICE,
6 INCLUDING END-USER COMMON LINE SERVICES AND DIALING PARITY AT A
7 TOTAL PRICE OF NO HIGHER THAN THE AMOUNT CHARGED AS OF MAY 1,
8 2000.

9 (C) THE PROVIDER PROVIDES DIALING PARITY ACCESS TO OPERATOR,
10 TELECOMMUNICATION RELAY, AND EMERGENCY SERVICES TO ALL BASIC
11 LOCAL EXCHANGE END-USERS.

[(11) A RESIDENTIAL CUSTOMER SHALL NOT BE CHARGED FOR A
DIRECTORY ASSISTANCE CALL FOR A NUMBER OUTSIDE THE LATA IN WHICH THE
CUSTOMER'S SERVICE ADDRESS IS LOCATED. THE CUSTOMER MAY BE ASSESSED
A CHARGE FOR A DIRECTORY ASSISTANCE CALL MADE FOR A NUMBER WITHIN
THE LATA OF THEIR SERVICE ADDRESS.]

12 Sec. 310. (1) Except as provided by this act, the commis-
13 sion shall not review or set the rates for toll access services.

14 (2) A provider of toll access services shall set the rates
15 for toll access services. Access service rates and charges set
16 by a provider that exceed the rates allowed for the same inter-
17 state services by the federal government are not just and
18 reasonable. Providers may agree to a rate that is less than the
19 rate allowed by the federal government. If the providers cannot
20 agree on a rate, a provider may apply to the commission under
21 section 204.

22 (3) Two or more providers that each have less than 250,000
23 access lines may agree to joint toll access service rates and
24 pooling of intrastate toll access service revenues.

25 (4) A provider of toll access services shall make available
26 for intrastate access services any technical interconnection

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1 arrangements, including colocation required by the federal
2 government for the identical interstate access services.

3 (5) A provider of toll access service, whether under tariff
4 or contract, shall offer the services under the same rates, terms
5 and conditions, without unreasonable discrimination, to all
6 providers. All pricing of special toll access services and
7 switched access services, including volume discounts, shall be
8 offered to all providers under the same rates, terms, and
9 conditions. Until allowed by the federal communications commis-
10 sion, volume discounts on switched access are prohibited under
11 this subsection.

12 (6) If a toll access service rate is reduced [~~under section~~
13 ~~304a~~], then the provider receiving the reduced rate shall reduce
14 its rate to its customers by an equal amount. [THE COMMISSION SHALL
INVESTIGATE AND ENSURE THAT THE PROVIDER HAS COMPLIED WITH THIS
SUBSECTION.]

15 (7) RATES FOR INTRASTATE SUBSCRIBER LINE CHARGES OR END-USER
16 LINE CHARGES TO BASIC LOCAL EXCHANGE CUSTOMERS SHALL [BE SET BY
17 THE COMMISSION.

Sec. 312. (1) Except as provided by this act, the commission
shall not review or set the rates for toll service.

(2) A provider of toll service may charge the same rate for the
service on its routes of similar distance.

(3) The commission shall require that toll service is
universally available to all persons within the state.

(4) ~~Adjacent~~ ALL PROVIDERS OF TOLL SERVICE SHALL MAKE AVAILABLE
TO THEIR CUSTOMERS ADJACENT exchange toll calling plans as ordered
by the commission on June 19, 1991. ALL PROVIDERS OF TOLL SERVICE
SHALL INFORM THEIR CUSTOMERS OF THE AVAILABLE PLANS. THE PLANS
shall remain in effect under this act until altered by order of the
commission. A provider of toll service shall implement an optional
discount plan for calling to exchanges within 20 miles of a
customer's home exchange. The plan shall not violate the conditions
delineated in the commission's order in case number U-9153, dated
September 26, 1989.

(5) A PROVIDER SHALL NOT CHARGE A MANDATORY MINIMUM MONTHLY OR
MANDATORY FLAT-RATE CHARGE FOR TOLL CALLS EXCEPT IN CONNECTION WITH
AN OPTIONAL DISCOUNT TOLL CALLING PLAN.

18 SEC. 316A. (1) AS USED IN THIS SECTION:

19 (A) "AFFORDABLE RATES" MEANS, AT A MINIMUM, RATES IN EFFECT ON
20 JANUARY 1, 2001 OR AS DETERMINED BY THE COMMISSION.

21 (B) "INTRASTATE UNIVERSAL SERVICE FUND" MEANS A FUND CREATED BY
22 THE COMMISSION TO PROVIDE A SUBSIDY TO CUSTOMERS FOR THE PROVISION
23 OF SUPPORTED TELECOMMUNICATION SERVICES PROVIDED BY ANY
24 TELECOMMUNICATION CARRIER.

25 (C) "SUPPORTED TELECOMMUNICATION SERVICES" MEANS PRIMARY
26 RESIDENTIAL ACCESS LINES AND A MINIMUM LEVEL OF LOCAL USAGE ON THOSE
27 LINES, AS DETERMINED BY THE COMMISSION.

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1 (D) "UNIVERSAL SERVICE" SHALL MEAN THE PROVISION OF SUPPORTED
2 TELECOMMUNICATION SERVICES BY ANY CARRIER.

3 (2) NO LATER THAN JULY 1, 2001, THE COMMISSION SHALL INITIATE
4 AN INVESTIGATION TO DETERMINE WHETHER AN INTRASTATE UNIVERSAL
5 SERVICE FUND SHOULD BE CREATED. THE COMMISSION SHALL COMPLETE THE
6 INVESTIGATION NO LATER THAN DECEMBER 1, 2001. ALL PROVIDERS SHALL
7 BE MADE RESPONDENTS IN THE PROCEEDING AND ANY OTHER INTERESTED PARTY
8 MAY PARTICIPATE AND INTERVENE IN THE PROCEEDING.

9 (3) THE COMMISSION SHALL DETERMINE FOR EACH PROVIDER WHETHER
10 AND TO WHAT EXTENT THE AFFORDABLE RATE LEVEL TO PROVIDE SUPPORTED
11 TELECOMMUNICATION SERVICES IS BELOW EACH PROVIDER'S FORWARD LOOKING
12 ECONOMIC COST OF THE SUPPORTED TELECOMMUNICATION SERVICES.

13 (4) TO THE EXTENT PROVIDERS PROVIDE SUPPORTED TELECOMMUNICATION
14 SERVICES AT AN AFFORDABLE RATE THAT IS BELOW THE FORWARD LOOKING
15 ECONOMIC COST OF THE SUPPORTED TELECOMMUNICATION SERVICES, THE
16 COMMISSION SHALL CREATE A UNIVERSAL SERVICE FUND TO PROVIDE A
17 SUBSIDY FOR CUSTOMERS IN AN AMOUNT WHICH IS EQUAL TO THE DIFFERENCE
18 BETWEEN THE AFFORDABLE RATE AS DETERMINED BY THE COMMISSION AND THE
19 FORWARD LOOKING ECONOMIC COST OF THE SUPPORTED SERVICES, LESS ANY
20 FEDERAL UNIVERSAL SERVICE SUPPORT RECEIVED FOR THOSE SUPPORTED
21 SERVICES.

22 (5) ELIGIBILITY FOR CUSTOMERS TO RECEIVE INTRASTATE UNIVERSAL
23 SERVICE SUPPORT UNDER SUBSECTION (4) SHALL BE CONSISTENT WITH THE
24 ELIGIBILITY GUIDELINES OF SECTION 254(E) OF THE TELECOMMUNICATIONS
25 ACT OF 1996 AND THE RULES AND REGULATIONS OF THE FEDERAL
26 COMMUNICATIONS COMMISSION. THE STATE FUND SHALL BE ADMINISTERED BY
27 AN INDEPENDENT THIRD PARTY ADMINISTRATOR SELECTED BY THE COMMISSION.

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1 (6) TO THE EXTENT AN INTRASTATE UNIVERSAL SERVICE FUND IS
2 ESTABLISHED, THE COMMISSION SHALL REQUIRE THAT THE COSTS OF THE FUND
3 BE RECOVERED FROM ALL TELECOMMUNICATION PROVIDERS ON A COMPETITIVELY
4 NEUTRAL BASIS. PROVIDERS CONTRIBUTING TO THE INTRASTATE UNIVERSAL
5 SERVICE FUND MAY RECOVER FROM END-USERS THE COSTS OF THE FINANCIAL
6 SUPPORT THROUGH SURCHARGES ASSESSED ON END-USERS' BILLS.

7 (7) UPON REQUEST OR ON ITS OWN MOTION, THE COMMISSION, AFTER
8 NOTICE AND HEARING, SHALL DETERMINE IF, BASED UPON CHANGES IN
9 TECHNOLOGY OR OTHER FACTORS, THE FINDINGS MADE UNDER THIS SECTION
10 SHOULD BE REVIEWED.

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23 Sec. 502. (1) A provider of a telecommunication service
24 shall not do any of the following:

25 (a) Make a statement or representation, including the omis-
26 sion of material information, regarding the rates, terms, or

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1 conditions of providing a telecommunication service that is
2 false, misleading, or deceptive.

3 (b) Charge an end-user for a subscribed service that the
4 end-user did not make an initial affirmative order. Failure to
5 refuse an offered or proposed subscribed service is not an affir-
6 mative order for the service.

7 (c) If an end-user has canceled a service, charge the
8 end-user for service provided after the effective date the serv-
9 ice was canceled.

10 (d) If a residential end-user has orally ordered a service,
11 fail to confirm the order in writing within 15 days after the
12 service is ordered.

13 (e) State to an end-user that their basic local exchange
14 service or other regulated service will be discontinued unless
15 the end-user pays a charge that is due for an unregulated
16 service.

17 (F) DISPARAGE THE SERVICES, BUSINESS, OR REPUTATION OF
18 ANOTHER BY FALSE OR MISLEADING REPRESENTATION OF FACT.

19 (G) REPRESENT TO A PARTY TO WHOM SERVICES ARE SUPPLIED THAT
20 THE SERVICES ARE BEING SUPPLIED IN RESPONSE TO A REQUEST MADE BY
21 OR ON BEHALF OF THE PARTY WHEN THEY ARE NOT.

22 (H) CAUSE A PROBABILITY OF CONFUSION OR A MISUNDERSTANDING
23 AS TO THE LEGAL RIGHTS, OBLIGATIONS, OR REMEDIES OF A PARTY TO A
24 TRANSACTION.

25 (I) REPRESENT OR IMPLY THAT THE SUBJECT OF A TRANSACTION
26 WILL BE PROVIDED PROMPTLY, OR AT A SPECIFIED TIME, OR WITHIN A

1 REASONABLE TIME, IF THE PROVIDER KNOWS OR HAS REASON TO KNOW IT
2 WILL NOT BE SO PROVIDED.

3 (J) CAUSE COERCION AND DURESS AS A RESULT OF THE TIME AND
4 NATURE OF A SALES PRESENTATION.

5 (2) WHEN THE COMMISSION HAS AUTHORITY TO BRING A PROCEEDING
6 FOR VIOLATION OF THIS SECTION, THE COMMISSION MAY ACCEPT AN
7 ASSURANCE OF DISCONTINUANCE OF A METHOD, ACT, OR PRACTICE WHICH
8 IS ALLEGED TO BE UNLAWFUL UNDER THIS SECTION FROM THE PERSON WHO
9 IS ALLEGED TO HAVE ENGAGED, BE ENGAGING, OR BE ABOUT TO ENGAGE IN
10 THE METHOD, ACT, OR PRACTICE. THE ASSURANCE SHALL NOT BE AN
11 ADMISSION OF GUILT OR BE INTRODUCED IN ANY OTHER PROCEEDING.
12 UNLESS RESCINDED BY THE PARTIES OR VOIDED BY THE COURT FOR GOOD
13 CAUSE, THE ASSURANCE MAY BE ENFORCED IN THE CIRCUIT COURT BY THE
14 PARTIES TO THE ASSURANCE. THE ASSURANCE MAY INCLUDE A STIPULA-
15 TION FOR ANY OF THE FOLLOWING:

16 (A) THE VOLUNTARY PAYMENT BY THE PERSON FOR THE COST OF
17 INVESTIGATION.

18 (B) AN AMOUNT TO BE HELD IN ESCROW PENDING THE OUTCOME OF AN
19 ACTION.

20 (C) AN AMOUNT FOR RESTITUTION TO AN AGGRIEVED PERSON.

21 Sec. 503. (1) The commission shall promulgate rules ~~under~~
22 ~~section 213~~ that establish privacy guidelines in the providing
23 of telecommunication services.

24 (2) The rules promulgated under this section shall include,
25 but need not be limited to, protections against the releasing of
26 certain customer information and customer privacy intrusions.

1 (3) A person who obtains an unpublished telephone number
2 using a telephone caller identification service shall not do any
3 of the following without the written consent of the customer of
4 the unpublished telephone number:

5 (a) Disclose the unpublished telephone number to another
6 person for commercial gain.

7 (b) Use the unpublished telephone number to solicit
8 business.

9 (c) Intentionally disclose the unpublished telephone number
10 through a computer data base, on-line bulletin board, or other
11 similar mechanism.

[Sec. 506. (1) Upon the receipt of a complaint filed by a person alleging a violation of section 505 OR 507, an ~~end user~~ END-USER who has been switched to another provider OR HAD SERVICES ADDED in violation of section 505 OR 507, or a provider who has been removed as an end-user's provider without the end-user's authorization, or upon the commission's own motion, the commission may conduct a contested case as provided under section 203. THE COMMISSION SHALL CREATE, AND SHALL SUPPLY UPON REQUEST, A FORM AFFIDAVIT DESIGNED TO ENABLE AN END-USER TO PROVIDE ALL INFORMATION NECESSARY TO PROMOTE EFFICIENT RESOLUTION OF COMPLAINTS ALLEGING A VIOLATION OF SECTION 505 OR 507. HEARINGS CONDUCTED UNDER THIS SECTION SHALL COMPLY WITH THE FOLLOWING REQUIREMENTS:

(A) HEARINGS SHALL BE CONDUCTED IN A MANNER AS TO OPTIMIZE EXPEDIENCY, CONVENIENCE, AND THE ABILITY OF END-USERS TO BRING AND PROSECUTE, WITHOUT THE ASSISTANCE OF COUNSEL, COMPLAINTS ALLEGING VIOLATIONS OF SECTION 505 OR 507, WHILE PRESERVING THE RIGHTS OF THE PARTIES.

(B) IF POSSIBLE, THE COMMISSION SHALL HOLD THE HEARING AT A LOCATION NEAR THE END-USER'S RESIDENCE OR PLACE OF BUSINESS.

(C) IF THE COMPLAINANT HAS SUBMITTED AN AFFIDAVIT, ON THE FORM SUPPLIED BY THE COMMISSION OR OTHERWISE, ALLEGING FACTS SUFFICIENT TO SUPPORT A FINDING OF A VIOLATION OF SECTION 505 OR 507, THE RESPONDENT SHALL HAVE THE BURDEN OF PROVING THAT NO VIOLATION HAS OCCURRED.

(2) If the commission finds that a person has violated section 505 OR 507 or an order issued under section 505 OR 507, the commission shall order remedies and penalties to protect and make whole end-users and other persons who have suffered damages as a result of the violation, including, but not limited to, 1 or more of the following:

(a) Order the person to pay a fine for the first offense of not less than ~~\$10,000.00~~ \$20,000.00 or more than ~~\$20,000.00~~ \$30,000.00. For a second and any subsequent offense, the commission shall order the person to pay a fine of not less than ~~\$25,000.00~~ \$30,000.00 or more than ~~\$40,000.00~~ \$50,000.00. If the commission finds that the second or any of the subsequent offenses were knowingly made in violation of section 505 OR 507, the commission shall order the person to pay a fine of not more than ~~\$50,000.00~~ \$70,000.00. Each switch made in violation of section 505 OR SERVICE ADDED IN VIOLATION OF 507 shall be a separate offense under this subdivision. ONE-HALF OF THE FINES ORDERED UNDER THIS SUBDIVISION SHALL BE PAID TO THE PERSON WHO WAS THE SUBJECT OF THE VIOLATION UNDER SECTION 505 OR 507.

(b) Order an unauthorized provider to refund to the end-user any amount greater than the end-user would have paid to an authorized provider.

(c) Order an unauthorized provider to reimburse an authorized provider an amount equal to the amount paid by the end-user that should have been paid to the authorized provider.

(d) If the person is licensed under this act, revoke the license if the commission finds a pattern of violations of section

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505 OR 507.

(e) Issue cease and desist orders.

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(3) Notwithstanding subsection (2), a fine shall not be imposed for a violation of section 505 OR 507 if the provider has otherwise fully complied with ~~section~~ SECTIONS 505 AND 507 and shows that the violation was an unintentional and bona fide error notwithstanding the maintenance of procedures reasonably adopted to avoid the error. Examples of a bona fide error include clerical, calculation, computer malfunction, programming, or printing errors. An error in legal judgment with respect to a person's obligations under section 505 is not a bona fide error. The burden of proving that a violation was an unintentional and bona fide error is on the provider.

(4) If the commission finds that a party's complaint or defense filed under this section is frivolous, the commission shall award to the prevailing party costs, including reasonable attorney fees, against the nonprevailing party and their attorney.

(5) ONE-HALF OF ANY FINES ORDER UNDER SUBSECTION (2) SHALL BE PAID TO THE END-USER WHO WAS VIOLATED UNDER SECTION 505 OR 507.

12 SEC. 507. (1) A TELECOMMUNICATIONS PROVIDER SHALL NOT INCLUDE
13 OR ADD OPTIONAL SERVICES IN AN END-USER'S TELECOMMUNICATIONS SERVICE
14 PACKAGE WITHOUT THE EXPRESS ORAL OR WRITTEN AUTHORIZATION OF THE
15 END-USER.

16 (2) UPON THE RECEIPT OF A COMPLAINT FILED BY A PERSON ALLEGING
17 A VIOLATION OF THIS SECTION OR UPON THE COMMISSION'S OWN MOTION, THE
18 COMMISSION MAY CONDUCT A CONTESTED CASE AS PROVIDED UNDER SECTION
19 203.

20 (3) IF THE COMMISSION FINDS THAT A PERSON HAS VIOLATED THIS
21 SECTION OR AN ORDER ISSUED UNDER THIS SECTION, THE COMMISSION SHALL
22 ORDER REMEDIES AND PENALTIES TO PROTECT AND MAKE WHOLE END-USERS AND
23 OTHER PERSONS WHO HAVE SUFFERED DAMAGES AS A RESULT OF THE
24 VIOLATION, INCLUDING, BUT NOT LIMITED TO, 1 OR MORE OF THE
25 FOLLOWING:

26 (A) ORDER THE PERSON TO PAY A FINE FOR THE FIRST OFFENSE OF NOT

1 LESS THAN \$10,000.00 OR MORE THAN \$25,000.00 FOR A SECOND AND ANY
2 SUBSEQUENT OFFENSE, THE COMMISSION SHALL ORDER THE PERSON TO PAY A
3 FINE OF NOT LESS THAN \$25,000.00 OR MORE THAN \$45,000.00. IF THE
4 COMMISSION FINDS THAT THE SECOND OR ANY OF THE SUBSEQUENT OFFENSES
5 WERE KNOWINGLY MADE IN VIOLATION OF THIS SECTION, THE COMMISSION
6 SHALL ORDER THE PERSON TO PAY A FINE OF NOT MORE THAN \$60,000.00.

7 (B) ORDER THE PROVIDER TO REFUND TO THE END-USER ANY AMOUNT THE
8 END-USER PAID TO THE PROVIDER FOR THE UNAUTHORIZED SERVICES.

9 (C) IF THE PERSON IS LICENSED UNDER THIS ACT, REVOKE THE
10 LICENSE IF THE COMMISSION FINDS A PATTERN OF VIOLATIONS OF THIS
11 SECTION.

12 (D) ISSUE CEASE AND DESIST ORDERS.

13 (4) ONE-HALF OF ANY FINES ORDERED UNDER THIS SECTION SHALL BE
14 PAID TO THE END-USER WHO FILED THE COMPLAINT.

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21 Sec. 601. If after notice and hearing the commission finds
22 a person has violated this act, the commission shall order reme-
23 dies and penalties to protect and make whole ratepayers and other
24 persons who have suffered an economic loss as a result of the
25 violation, including, but not limited to, 1 or more of the
26 following:

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1 (a) Except as provided in subdivision (b), the person to pay
2 a fine for the first offense of not less than \$1,000.00 nor more
3 than \$20,000.00 per day that the person is in violation of this
4 act, and for each subsequent offense, a fine of not less than
5 \$2,000.00 nor more than \$40,000.00 per day.

6 (b) If the provider has less than 250,000 access lines, the
7 provider to pay a fine for the first offense of not less than
8 \$200.00 or more than \$500.00 per day that the provider is in vio-
9 lation of this act, and for each subsequent offense a fine of not
10 less than \$500.00 or more than \$1,000.00 per day.

11 (c) A refund to the ratepayers of the provider of any col-
12 lected excessive rates.

13 (d) If the person is a licensee under this act, that the
14 person's license is revoked.

15 (e) Cease and desist orders.

16 (F) EXCEPT FOR AN ARBITRATION CASE UNDER SECTION 252 OF PART
17 II OF TITLE II OF THE COMMUNICATIONS ACT OF 1934, CHAPTER 622,
18 110 STAT. 66, ATTORNEY FEES AND ACTUAL COSTS OF A PERSON OR A
19 PROVIDER OF LESS THAN 250,000 END-USERS.

20 ARTICLE 7

21 RATE REDUCTIONS

22 SEC. 701. (1) [EXCEPT FOR SERVICES DETERMINED TO BE
COMPETITIVE PURSUANT TO SUBSECTION (3),] NOTWITHSTANDING ANY OTHER
23 PROVISION OF THIS
24 ACT, [60 DAYS AFTER] THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT
ADDED
25 THIS SECTION, [EXCEPT FOR RATES CHARGED UNDER CONTRACT] THE RATE
CHARGED FOR EVERY TELECOMMUNICATION SERV-
26 ICE [AND SERVICES LISTED IN SECTION 401] PROVIDED TO AN END-USER IN
THIS STATE SHALL BE NO HIGHER THAN
95% OF THE RATE CHARGED FOR THE SERVICE AS OF MAY 1, 2000.

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1 (2) THE RATE FOR ANY NEW SERVICE [NOT OFFERED UNDER A CONTRACT]
2 THAT IS FUNCTIONALLY

3 EQUIVALENT OR SUBSTANTIALLY SIMILAR TO AN EXISTING SERVICE SHALL
4 BE SET NO GREATER THAN THE RATE ALLOWED FOR THE EXISTING SERVICE
5 UNDER SUBSECTION (1).

6 (3) THE RATES DETERMINED UNDER THIS SECTION SHALL REMAIN IN
7 EFFECT FOR EACH SERVICE UNTIL DECEMBER 31, 2003, OR UNTIL THE
8 COMMISSION DETERMINES THAT A SERVICE IS COMPETITIVE FOR AN IDEN-
9 TIFIABLE CLASS OR GROUP OF CUSTOMERS IN AN EXCHANGE, GROUP OF
10 EXCHANGES, OR OTHER CLEARLY DEFINED GEOGRAPHICAL AREA, WHICHEVER
11 IS EARLIER.

12 (4) THE COMMISSION SHALL ISSUE A DETERMINATION AS TO WHETHER
13 A SERVICE IS COMPETITIVE WITHIN 60 DAYS FROM THE DATE THE APPLI-
14 CATION IS FILED. IF THE DETERMINATION IS NOT MADE WITHIN THE 60
15 DAYS, THE SERVICE IS CONSIDERED COMPETITIVE.

16 (5) A COMPLAINT ARISING UNDER THIS SECTION SHALL BE DETER-
17 MINED BY THE COMMISSION UNDER SECTION 203.

18 Enacting section 1. Section 604 of the Michigan telecommu-
19 nications act, 1991 PA 179, MCL 484.2604, is repealed.