

**SENATE BILL NO. 572**

May 4, 1999, Introduced by Senators HAMMERSTROM, NORTH, SCHUETTE, MC MANUS, DUNASKISS, KOIVISTO and GOSCHKA and referred to the Committee on Technology and Energy.

A bill to amend 1991 PA 179, entitled  
"Michigan telecommunications act,"  
by amending section 316 (MCL 484.2316), as amended by 1997 PA  
183.

**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 reduced rates as described in subsections  
5 (2) and (3).

6       (2) Except as provided under subsections (3) and (4), the  
7 rate reductions for low income customers shall be at a minimum,  
8 20% of the basic local exchange rate or \$8.25, which shall be  
9 inclusive of any federal contribution, whichever is greater.

1 (3) If the low income customer is 65 years of age or more,  
2 the rate reduction shall be at a minimum, 25% of the basic local  
3 exchange rate or \$8.25, which shall be inclusive of any federal  
4 contribution, whichever is greater.

5 (4) The total reduction under subsection (2) or (3) shall  
6 not exceed 100% of all end-user common line charges and the basic  
7 local exchange rate.

8 (5) To qualify for the reduced rate under this section, the  
9 person's annual income shall not exceed 150% of the federal pov-  
10 erty income standards as determined by the United States office  
11 of management and budget and as approved by the state treasurer.

12 (6) The commission shall establish a rate for each sub-  
13 scriber line of a provider to allow the provider to recover costs  
14 incurred under this section.

15 (7) The commission shall take necessary action to notify the  
16 general public of the availability of lifeline services includ-  
17 ing, but not limited to, public service announcements, newspaper  
18 notices, and such other notice reasonably calculated to reach  
19 those who may benefit from the services.

20 (8) ~~This section is repealed effective June 1, 1999.~~ THE  
21 COMMISSION SHALL CONDUCT AN INVESTIGATION AND SOLICIT COMMENTS  
22 CONCERNING THE NEED FOR UNIVERSAL SERVICE TO INSURE THE UNIVERSAL  
23 AVAILABILITY OF BASIC LOCAL EXCHANGE SERVICE IN THIS STATE. THE  
24 COMMISSION SHALL CONSIDER THE AVAILABILITY OF EXISTING FEDERAL  
25 UNIVERSAL SERVICE SUPPORT, STATE DUTIES AND OBLIGATIONS IMPOSED  
26 BY FEDERAL LAW, AND OTHER MATTERS THE COMMISSION FINDS NECESSARY  
27 TO PROTECT THE PUBLIC INTEREST.

1           (9) THE COMMISSION SHALL ISSUE A REPORT TO THE LEGISLATURE  
2 AND GOVERNOR NOT EARLIER THAN JANUARY 1, 2000 OR LATER THAN MARCH  
3 1, 2000 CONTAINING ITS RECOMMENDATIONS AND FINDINGS REGARDING ITS  
4 INVESTIGATION UNDER SUBSECTION (8) AND THE NEED TO ESTABLISH A  
5 UNIVERSAL SERVICE MECHANISM. IF THE REPORT INCLUDES A FINDING  
6 THAT A NEED EXISTS FOR A UNIVERSAL SERVICE MECHANISM, THE COMMIS-  
7 SION SHALL INCLUDE IN ITS REPORT RECOMMENDATIONS REGARDING THE  
8 STRUCTURE OF THE UNIVERSAL SERVICE MECHANISM.