



**House
Legislative
Analysis
Section**

House Office Building, 9 South
Lansing, Michigan 48909
Phone: 517/373-6466

**STRUCTURAL SEPARATION OF
LOCAL EXCHANGE PROVIDERS**

House Bill 4044

Sponsor: Rep. Ken Bradstreet

Committee: Energy and Technology

Complete to 2-3-03

A SUMMARY OF HOUSE BILL 4044 AS INTRODUCED 1-28-03

The Michigan Telecommunications Act lists several purposes for its enactment. House Bill 4044 would amend the act (MCL 484.2101 and 484.2305a) to add to the list the following purpose: ensuring that all local exchange customers receive the benefits of competition in the local exchange by eliminating the barriers to competition created by the incumbent local exchange providers. The bill would require each incumbent local exchange provider with 250,000 or more customers in the state to structurally separate its retail telecommunication services from the network elements and services provided to other telecommunication providers, no later than January 1, 2004. Retail telecommunication services would have to be provided by an affiliate or entity different and separate from the affiliate or entity providing network elements and services to other telecommunication providers. The affiliate or entity providing retail services would have to have at least 20 percent of its common stock publicly traded separately from the stock of the affiliate or entity providing provider services. Also, the affiliate or entity providing provider services could not transfer or assign any network elements to the affiliate or entity providing retail services.

House Bill 4044 (2-3-03)

Analyst: J. Caver

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