

Legislative Analysis



ELIMINATE TELECOM ANTITRUST EXEMPTION

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House Bill 4595

Sponsor: Rep. Ken Bradstreet

Committee: Energy and Technology

Complete to 6-22-04

A SUMMARY OF HOUSE BILL 4595 AS INTRODUCED 4-29-03

The bill would amend the Michigan Antitrust Reform Act (MCL 445.775) so that certain exemptions from the act would not apply to the provision of telecommunication services.

The act currently states:

- This act shall not apply to a transaction or conduct specifically authorized under the laws of this state or the United States, or specifically authorized under laws, rules, regulations, or orders administered, promulgated, or issued by a regulatory agency, board, or officer acting under statutory authority of this state or the United States.
- A transaction or conduct made unlawful by this act shall not be construed to violate this act where it is the subject of a legislatively mandated pervasive regulatory scheme, including, but not limited to, the Insurance Code, . . . that confers exclusive jurisdiction on a regulatory board or officer to authorize, prohibit, or regulate the transaction or conduct.

For each of these provisions, the bill would add: **except for the provision of telecommunication services.** The bill also updates the language of the exemptions.

FISCAL IMPACT:

The fiscal impact of this bill is predicated on the belief that moving from a regulated public utility monopoly structure to a competitive multiple provider telecommunications market may require antitrust protection, and that antitrust laws protect economic freedom and opportunity by promoting competition in the market place, and that competition benefits consumers through lower prices. If all of these beliefs hold true, there may be an indeterminate positive fiscal impact to State and local units of government through lower telecommunication costs.

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