

HOUSE BILL No. 4044

January 28, 2003, Introduced by Rep. Bradstreet and referred to the Committee on Energy and Technology.

A bill to amend 1991 PA 179, entitled
"Michigan telecommunications act,"
by amending section 101 (MCL 484.2101), as amended by 2000
PA 295, and by adding section 305a.

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.

6 (b) Allow and encourage competition to determine the
7 availability, prices, terms, and other conditions of providing
8 telecommunication services.

9 (c) Restructure regulation to focus on price and quality of
10 service and not on the provider. Supplement existing state and

1 federal law regarding antitrust, consumer protection, and fair
2 trade to provide additional safeguards for competition and
3 consumers.

4 (d) Encourage the introduction of new services, the entry of
5 new providers, the development of new technologies, and increase
6 investment in the telecommunication infrastructure in this state
7 through incentives to providers to offer the most efficient
8 services and products.

9 (e) Improve the opportunities for economic development and
10 the delivery of essential services including education and health
11 care.

12 (f) Streamline the process for setting and adjusting the
13 rates for regulated services that will ensure effective rate
14 review and reduce the costs and length of hearings associated
15 with rate cases.

16 (g) Encourage the use of existing educational
17 telecommunication networks and networks established by other
18 commercial providers as building blocks for a cooperative and
19 efficient statewide educational telecommunication system.

20 (h) Ensure effective review and disposition of disputes
21 between telecommunication providers.

22 (i) Authorize actions to encourage the development of a
23 competitive telecommunication industry.

24 (j) **Ensure all local exchange customers receive the benefits**
25 **of competition in the local exchange by eliminating the barriers**
26 **to competition created by the incumbent local exchange**
27 **providers.**

1 Sec. 305a. (1) No later than January 1, 2004, each
2 incumbent local exchange provider as defined in section 251(h) of
3 part II of title II of the communications act of 1934, chapter
4 652, 110 Stat. 61, 47 U.S.C. 251, with 250,000 or more customers
5 in this state shall structurally separate its retail
6 telecommunication services from the network elements and services
7 provided to other telecommunication providers.

8 (2) Retail telecommunication services shall be provided by an
9 affiliate or entity different than and separate from the
10 affiliate or entity providing network elements and services to
11 other telecommunication providers.

12 (3) The affiliate or entity providing retail services shall
13 have at least 20% of its common stock publicly traded separately
14 from the stock of the affiliate or entity providing provider
15 services.

16 (4) The affiliate or entity providing provider services shall
17 not transfer or assign any network elements to the affiliate or
18 entity providing retail services.