

SENATE BILL No. 1339

October 17, 2012, Introduced by Senator NOFS and referred to the Committee on Energy and Technology.

A bill to amend 1991 PA 179, entitled
"Michigan telecommunications act,"
by amending sections 304, 316, and 502 (MCL 484.2304, 484.2316, and
484.2502), as amended by 2011 PA 58.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 304. (1) A call made to a local calling area adjacent to
2 the caller's local calling area is considered a local call and
3 shall be billed as a local call. Effective December 31, 2007, a
4 call made to a called party who is not located within the
5 geographic area of the caller's local calling area or an adjacent
6 local calling area as defined by the commission's order in case
7 numbers U-12515 and U-12528, dated February 5, 2001, is not a local
8 call if the tariff of the provider originating the call, **OR IF NO**
9 **TARIFF EXISTS FOR A SERVICE, THE PROVIDER'S SERVICE GUIDE FOR THAT**

1 **SERVICE**, does not classify the call as a local call.

2 (2) A provider of basic local exchange service with less than
3 10,000 end-users in this state may determine that their total
4 service long run incremental cost is the same as that of a provider
5 with more than 250,000 end-users.

6 Sec. 316. (1) The commission shall require each provider of
7 residential basic local exchange service to offer certain low
8 income customers the availability of basic local exchange service
9 and access service at reduced rates as described in subsections (2)
10 and (3).

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

15 (3) Except as provided under subsection (4), if the low income
16 customer is 65 years of age or older, the rate reduction shall be,
17 at a minimum, 25% of the basic local exchange rate or \$12.35, which
18 shall be inclusive of any federal contribution, whichever is
19 greater.

20 (4) The total reduction under subsection (2) or (3) shall not
21 exceed 100% of all end-user common line charges and the basic local
22 exchange rate. The dollar amounts in subsections (2) and (3) shall
23 be adjusted annually to reflect any increases or decreases in the
24 federal contribution.

25 (5) To qualify for the reduced rate under this section, the
26 person's annual income shall not exceed ~~150%~~ **135%** of the federal
27 poverty guidelines published annually in the federal register by

1 the United States department of health and human services and as
2 approved by the state treasurer, or the person must participate in
3 1 of the following federal assistance programs:

4 (a) Medicaid.

5 (b) Food stamps.

6 (c) Supplemental security income.

7 (d) Federal public housing assistance.

8 (e) Low-income home energy assistance program.

9 (f) National school lunch program's free lunch program.

10 (g) Temporary assistance for needy families.

11 (6) The commission shall establish a rate for each subscriber
12 line of a provider to allow the provider to recover costs incurred
13 under this section. The rate established by the commission under
14 this subsection may be assessed as a line item on an end-user's
15 bill.

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

21 Sec. 502. (1) A provider of a basic local exchange service
22 shall not do any of the following:

23 (a) Make a statement or representation, including the omission
24 of material information, regarding the rates, terms, or conditions
25 of providing a service that is intentionally false, misleading, or
26 deceptive. As used in this subdivision, "material information"
27 includes, but is not limited to, a good faith estimate of all

1 applicable fees, taxes, and charges that will be billed to the end-
2 user, regardless of whether the fees, taxes, or charges are
3 authorized by state or federal law.

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

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

11 (d) Cause a probability of confusion or a misunderstanding as
12 to the legal rights, obligations, or remedies of a party to a
13 transaction by making an intentionally false, deceptive, or
14 misleading statement or by failing to inform the customer of a
15 material fact, the omission of which is deceptive or misleading.

16 (e) Represent or imply that the subject of a transaction will
17 be provided promptly, or at a specified time, or within a
18 reasonable time, if the provider knows or has reason to know it
19 will not be so provided.

20 (f) Require the purchase of a regulated service of the
21 provider as a condition of purchasing an unregulated service.

22 (g) If a bona fide dispute exists between a customer and the
23 provider, disconnect the service to the customer ~~before the~~
24 ~~resolution of that dispute.~~ **FOR NONPAYMENT OF THAT DISPUTED AMOUNT.**

25 (2) When the commission has authority to bring a proceeding
26 for a violation of this section, the commission may accept an
27 assurance of discontinuance of a method, act, or practice that is

1 alleged to be unlawful under this section from the person who is
2 alleged to have engaged, be engaging, or be about to engage in the
3 method, act, or practice. The assurance of discontinuance is not an
4 admission of guilt and shall not be introduced in any other
5 proceeding. Unless rescinded by the parties or voided by the court
6 for good cause, the parties to the assurance of discontinuance may
7 enforce the assurance in circuit court. The assurance of
8 discontinuance may include a stipulation for any of the following:

9 (a) The voluntary payment by the person for the cost of
10 investigation.

11 (b) An amount to be held in escrow pending the outcome of an
12 action.

13 (c) An amount for restitution to an aggrieved person.