

HOUSE BILL No. 5499

April 30, 2014, Introduced by Reps. Oakes, Tlaib, LaVoy, Dianda, Talabi, Lipton, Abed and Segal and referred to the Committee on Energy and Technology.

A bill to amend 1991 PA 179, entitled
"Michigan telecommunications act,"
by amending sections 103, 304, 310, 313, 317, 320, and 502 (MCL
484.2103, 484.2304, 484.2310, 484.2313, 484.2317, 484.2320, and
484.2502), as amended by 2014 PA 52.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 103. ~~(1)~~ Except as otherwise provided in this act, this
2 act shall not be construed to prevent any person from providing
3 telecommunication services in competition with another
4 telecommunication provider.

5 ~~(2) The commission shall maintain a publicly available~~
6 ~~database of providers in each exchange that are licensed to or~~
7 ~~otherwise provide toll and local exchange service in this state.~~

8 ~~(3) A provider shall submit to the commission all information~~

~~requested by the commission necessary for the preparation and maintenance of the database under this section.~~

Sec. 304. (1) A call made to a local calling area adjacent to the caller's local calling area is considered a local call and shall be billed as a local call. Effective December 31, 2007, a call made to a called party who is not located within the geographic area of the caller's local calling area or an adjacent local calling area as defined by the commission's order in case numbers U-12515 and U-12528, dated February 5, 2001, is not a local call if the tariff ~~, service guide, or similar document containing the terms and conditions~~ of the provider originating the call does not classify the call as a local call.

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

Sec. 310. (1) Except as provided by this section, the commission shall not review or set the rates for toll access services.

(2) A provider of toll access services shall set the rates for intrastate switched toll access services at rates that do not exceed the rates allowed for the same interstate services by the federal government and shall use the access rate elements for intrastate switched toll access services that are in effect for that provider and are allowed for the same interstate services by the federal government. Eligible providers shall comply with this subsection as of the date established for the commencement of the

1 operation of the restructuring mechanism under subsection (9).
2 Providers other than eligible providers shall not charge intrastate
3 toll access service rates in excess of those rates in effect as of
4 July 1, 2009 and shall reduce the differential, if any, between
5 intrastate and interstate switched toll access service rates in
6 effect as of July 1, 2009 in no more than 5 steps of at least 20%
7 each of the differential on the following dates: January 1, 2011;
8 January 1, 2012; January 1, 2013; January 1, 2014; and January 1,
9 2015. Providers may agree to a rate that is less than the rate
10 allowed by the federal government.

11 (3) Two or more providers that each have less than 250,000
12 access lines may agree to joint toll access service rates and
13 pooling of intrastate toll access service revenues.

14 (4) A provider of toll access services shall make available
15 for intrastate access services any technical interconnection
16 arrangements, including colocation required by the federal
17 government for the identical interstate access services.

18 (5) A provider of toll access service, whether under tariff or
19 contract, shall offer the services under the same rates, terms, and
20 conditions, without unreasonable discrimination, to all providers.
21 All pricing of special toll access services and switched access
22 services, including volume discounts, shall be offered to all
23 providers under the same rates, terms, and conditions.

24 (6) If a toll access service rate is reduced, then the
25 provider receiving the reduced rate shall reduce its rate to its
26 customers by an equal amount. The commission may investigate and
27 ensure that the provider has complied with this subsection.

1 (7) In order to restructure intrastate switched toll access
2 service rates, there is hereby established in the department of
3 licensing and regulatory affairs an intrastate switched toll access
4 rate restructuring mechanism as a separate interest-bearing fund.
5 The state treasurer shall direct the investment of the
6 restructuring mechanism. Money in the restructuring mechanism shall
7 remain in the restructuring mechanism at the close of the fiscal
8 year and shall not revert to the general fund.

9 (8) An eligible provider is entitled to receive monthly
10 disbursements from the restructuring mechanism as provided in
11 subsection (11) in order to recover the lost intrastate switched
12 toll access service revenues resulting from rate reductions under
13 subsection (2).

14 (9) The restructuring mechanism shall be administered by the
15 commission. The restructuring mechanism shall be established and
16 shall begin operation by September 13, 2010. Subject to the
17 preceding sentence, the commission shall establish the date for
18 commencing the operation of the restructuring mechanism and shall
19 notify the participants in the restructuring mechanism at least 30
20 days in advance of that date. The commission shall recover its
21 actual costs of administering the restructuring mechanism from
22 assessments collected for the operation of the restructuring
23 mechanism.

24 (10) The commission shall establish the procedures and
25 timelines for organizing, funding, and administering the
26 restructuring mechanism. The commission shall report to the
27 legislature and the governor annually regarding the administration

1 of the restructuring mechanism. The report shall include the total
2 amount of money collected from contributing providers, the total
3 amount of money disbursed from the restructuring mechanism annually
4 to each eligible provider, the costs of administration, and any
5 other information considered relevant by the commission. ~~The report~~
6 ~~shall also identify any duplicative costs or revenues that are~~
7 ~~already being recovered by eligible providers through federal~~
8 ~~access recovery charges or the connect America fund. If the~~
9 ~~commission identifies duplicative recovery, the commission shall~~
10 ~~notify the federal communications commission and all contributing~~
11 ~~providers. Any duplicative recovery identified by the commission is~~
12 ~~not exempt from public disclosure under section 210. Beginning with~~
13 ~~the first report following the recalculation required under~~
14 ~~subsection (16), the annual report shall include recommendations~~
15 ~~for altering the restructuring mechanism, based on the results of~~
16 ~~the recalculation and the state and federal regulations in effect~~
17 ~~at the time, to ensure that the restructuring mechanism is still~~
18 ~~achieving the purposes for which it was originally established. Any~~
19 company-specific information pertaining to access lines, switched
20 toll access services minutes of use, switched toll access demand
21 quantities, contributions, and intrastate telecommunication
22 services revenues submitted to the commission under this subsection
23 are confidential commercial or financial information and exempt
24 from public disclosure under section 210.

25 (11) The initial size of the restructuring mechanism shall be
26 calculated as follows:

27 (a) By February 15, 2010 each eligible provider shall submit

1 to the commission information and all the supporting documentation
2 that establishes the amount of the reduction in annual intrastate
3 switched toll access revenues that will result from the reduction
4 in rates required in subsection (2). The reduction shall be
5 calculated for each eligible provider as the difference between
6 intrastate and interstate switched toll access service rates in
7 effect as of July 1, 2009, multiplied by the intrastate switched
8 access minutes of use and other switched access demand quantities
9 for the calendar year 2008.

10 (b) The commission shall compute the size of the initial
11 restructuring mechanism disbursements for each eligible provider
12 and shall inform each eligible provider of that computation within
13 60 days after receiving the information and supporting
14 documentation from the eligible providers under subdivision (a).

15 (12) The restructuring mechanism shall be created and
16 supported by a mandatory monthly contribution by all providers of
17 retail intrastate telecommunication services and all providers of
18 commercial mobile service. Interconnected voice over internet
19 protocol services shall not be considered an intrastate
20 telecommunication service for the purposes of this section and
21 interconnected voice over internet protocol service providers shall
22 not be required to pay, directly or indirectly, the mandatory
23 monthly contributions established in this subsection. A provider of
24 telecommunication services to a provider of interconnected voice
25 over internet protocol services shall not pay a mandatory monthly
26 contribution related to those interconnected voice over internet
27 protocol services or attempt to pass through any mandatory monthly

1 contributions, directly or indirectly, to a provider of
2 interconnected voice over internet protocol services. Nothing in
3 this act grants the commission authority over commercial mobile
4 service providers or voice over internet protocol service providers
5 except as is strictly necessary for administration of the
6 restructuring mechanism.

7 (13) By February 15, 2010, each contributing provider shall
8 report its 2008 intrastate retail telecommunication services
9 revenues to the commission. Notwithstanding anything in subsection
10 (12), if the federal communications commission determines that
11 interconnected voice over internet protocol services may be subject
12 to state regulation for universal services purposes, the commission
13 may open a proceeding to determine who is required to participate
14 in a universal service fund.

15 (14) The initial contribution assessment percentage shall be a
16 uniform percentage of retail intrastate telecommunication services
17 revenues determined by projecting the total amount necessary to
18 cover the initial intrastate switched toll access rate
19 restructuring mechanism disbursement levels for 12 months,
20 including projected cash reserve requirements, actual and projected
21 administrative costs, and projected uncollectible contribution
22 assessments, divided by the 2008 calendar year total retail
23 intrastate telecommunication services revenues in this state, less
24 projected uncollectible revenues, reported to the commission. The
25 commission shall issue an order establishing the initial
26 calculation of the contribution assessment percentage by May 16,
27 2010. The commission may increase or decrease the contribution

1 assessment on a quarterly or other basis as necessary to maintain
2 sufficient funds for disbursements.

3 (15) Each contributing provider shall remit to the commission
4 on a monthly basis an amount equal to its intrastate retail
5 telecommunication services revenues, less uncollectible revenues,
6 multiplied by the contribution assessment percentage determined
7 under subsection (14), according to a time frame established by the
8 commission. These contributions shall continue until the end of the
9 period for which eligible providers are entitled to receive monthly
10 disbursements from the restructuring mechanism under subsections
11 (11) and (16).

12 (16) The commission shall recalculate the size of the
13 restructuring mechanism for each eligible provider ~~on March 13,~~
14 ~~2018.~~ **4 YEARS FROM THE DATE THE INITIAL RESTRUCTURING MECHANISM**
15 **BECOMES OPERATIONAL PURSUANT TO SUBSECTION (9) AND AGAIN 4 YEARS**
16 **THEREAFTER.** The recalculation process shall be as follows:

17 (a) The restructuring mechanism shall be recalculated **EACH**
18 **TIME** as the difference between the intrastate switched toll access
19 rates in effect as of July 1, 2009 and the interstate switched toll
20 access rates in effect at the time of the recalculation, multiplied
21 by the intrastate switched toll access minutes of use and other
22 switched access demand quantities for the calendar year 2008.

23 (b) The recalculated restructuring mechanism shall be further
24 adjusted during the **FIRST** recalculation by the percentage change,
25 if any, in the number of access lines in service for each eligible
26 provider from December 31, 2008 to December 31 of the year
27 immediately preceding the year in which the adjustment is made.

1 (C) THE RECALCULATED RESTRUCTURING MECHANISM SHALL BE ADJUSTED
2 DURING THE SECOND RECALCULATION BY THE PERCENTAGE CHANGE, IF ANY,
3 IN THE NUMBER OF ACCESS LINES IN SERVICE FOR EACH ELIGIBLE PROVIDER
4 FROM DECEMBER 31 OF THE YEAR OF THE FIRST RECALCULATION TO DECEMBER
5 31 OF THE YEAR IMMEDIATELY PRECEDING THE SECOND RECALCULATION.

6 (D) ~~(e)~~ Each eligible provider is entitled to receive monthly
7 disbursements from the restructuring mechanism for a period of no
8 more than 12 years from the date the restructuring mechanism is
9 established under subsection (9), at which time the restructuring
10 mechanism shall cease to exist.

11 ~~—— (d) The commission shall reduce the amount of the monthly~~
12 ~~disbursement to an eligible provider from the restructuring~~
13 ~~mechanism on a pro rata basis for each exchange in which the~~
14 ~~provider discontinues basic local exchange service under section~~
15 ~~313. A reduction under this subsection is effective on the date of~~
16 ~~the discontinuance of service.~~

17 (17) The money received and administered by the commission for
18 the support and operation of the restructuring mechanism created by
19 2009 PA 182 shall not be used by the commission or any department,
20 agency, or branch of the government of this state for any other
21 purpose, and that money is not subject to appropriation,
22 allocation, assignment, expenditure, or other use by any
23 department, agency, or branch of the government of this state.

24 (18) If the federal government adopts intercarrier
25 compensation reforms or takes any action that causes or requires a
26 significant change in interstate switched toll access service
27 rates, the commission may initiate, or any interested party may

1 file an application for, a proceeding under section 203 within 60
2 days of that action to determine whether any modifications to the
3 size, operation, or composition of the restructuring mechanism are
4 warranted. During the pendency of that proceeding, the requirement
5 in subsection (2) for eligible providers to set intrastate switched
6 toll access service rates equal to interstate switched toll access
7 service shall be temporarily suspended by those providers.

8 Intrastate access rates may not be increased above the levels that
9 exist at the time of the suspension. Following notice and hearing,
10 upon a showing of good cause, the commission may stop or place
11 certain conditions on the temporary suspension.

12 (19) If the federal government changes the federal universal
13 service contribution methodology so that it is not based on a
14 percentage of total interstate telecommunication services revenues,
15 the commission shall modify the contribution methodology for the
16 restructuring mechanism to be consistent with the federal
17 methodology. The commission shall initiate a proceeding to modify
18 the contribution methodology for the restructuring mechanism and to
19 establish a reasonable time period for transition to the new
20 contribution methodology.

21 (20) Disputes arising under this section may be submitted to
22 the commission for resolution under sections 203 and 204.

23 (21) If any contributing provider subject to this section
24 fails to make the required contributions or fails to provide
25 required information to the commission, the commission shall
26 initiate an enforcement proceeding under section 203. If the
27 commission finds that a contributing provider has failed to make

1 contributions or to perform any act required under this section, a
2 contributing provider is subject to the remedies and penalties
3 under section 601.

4 (22) Eligible providers and contributing providers shall
5 provide information to the commission that is required for the
6 administration of the restructuring mechanism. Company-specific
7 information pertaining to access lines, switched toll access
8 services minutes of use, switched toll access demand quantities,
9 contributions, and intrastate telecommunication services revenues
10 submitted to the commission under this subsection is confidential
11 commercial or financial information and exempt from public
12 disclosure under section 210.

13 (23) As used in this section:

14 (a) "Commercial mobile service" means that term as defined in
15 section 332(d)(1) of the telecommunications act of 1996, 47 USC
16 332.

17 (b) "Contributing provider" means an entity required to pay
18 into the restructuring mechanism.

19 (c) "Eligible provider" means an incumbent local exchange
20 carrier as defined in section 251(h) of the telecommunications act
21 of 1996, 47 USC 251, that as of January 1, 2009 had rates for
22 intrastate switched toll access services higher than its rates for
23 the same interstate switched toll access services, and that
24 provides the services and functionalities identified by rules of
25 the federal communications commission described at 47 CFR
26 54.101(a).

27 (d) "Interconnected voice over internet protocol service"

1 means that term as defined in 47 CFR 9.3.

2 (e) "Restructuring mechanism" means the intrastate switched
3 toll access rate restructuring mechanism established in this
4 section.

5 Sec. 313. (1) A telecommunication provider that provides
6 either basic local exchange or toll service, or both, shall not
7 discontinue either service to an exchange unless 1 or more
8 alternative providers for toll service, or 2 or more alternative
9 providers for basic local exchange service, are furnishing a
10 comparable voice service to the customers in the exchange. A
11 comparable voice service includes any 2-way voice service offered
12 through any form of technology that is capable of placing and
13 receiving calls from a provider of basic local exchange service,
14 including voice over internet protocol services and wireless
15 services.

16 (2) A telecommunication provider proposing to discontinue a
17 regulated service to an exchange shall file a notice of the
18 discontinuance of service with the commission, publish the notice
19 in a newspaper of general circulation within the exchange, provide
20 notice to each of its customers within the exchange by first-class
21 mail or within customer bills, and provide other reasonable notice
22 as required by the commission.

23 (3) Within 60 days after the date of publication or receipt of
24 the notice required by subsection (2), a person or other
25 telecommunication provider affected by a discontinuance of services
26 by a telecommunication provider may apply to the commission to
27 determine if the discontinuance of service is authorized under this

1 act. Within 90 days after the date of publication of the notice
2 required by subsection (2), the commission may, in response to a
3 request or on its own initiative, commence a proceeding to
4 determine if the discontinuance of service is authorized under this
5 act. The commission has 180 days from the date any proceeding is
6 initiated under this subsection to issue its final order. A
7 provider shall not discontinue service unless it has provided at
8 least 60 days' notice to each customer after a commission order has
9 been issued under this subsection or after the last day for
10 initiating a proceeding under this subsection.

11 (4) Discontinuance of basic local exchange service under this
12 section by an incumbent local exchange carrier does not affect the
13 requirements of that incumbent local exchange carrier under federal
14 law. ~~and this act. As used in this subdivision,~~ **SUBSECTION,**
15 "incumbent local exchange carrier" means that term as defined in
16 section 251(h) of the telecommunications act of 1996, 47 USC 251.
17 ~~This section does not create, restrict, or expand the commission's~~
18 ~~jurisdiction and authority for any of the following:~~

19 ~~—— (a) The jurisdiction and authority established under section~~
20 ~~201.~~

21 ~~—— (b) The jurisdiction and authority to carry out the~~
22 ~~commission's obligations to enforce the rights, duties, and~~
23 ~~obligations of an entity that are established in sections 251 and~~
24 ~~252 of the telecommunications act of 1996, 47 USC 251 and 252, and~~
25 ~~any applicable agreement or wholesale tariff or state law, rule,~~
26 ~~regulation, or order related to wholesale rights, duties, and~~
27 ~~obligations, including, but not limited to, interconnection and~~

1 ~~exchange voice traffic.~~

2 ~~—— (c) The jurisdiction and authority to regulate switched access~~
3 ~~rates, terms, and conditions, including the implementation of~~
4 ~~federal or state law concerning intercarrier compensation.~~

5 ~~—— (5) Subsections (1) to (3) do not apply after December 31,~~
6 ~~2016. Beginning January 1, 2017, a telecommunication provider that~~
7 ~~provides basic local exchange or toll service may discontinue that~~
8 ~~service in an exchange by doing each of the following:~~

9 ~~—— (a) At the same time as filing a petition under section 214 of~~
10 ~~the telecommunications act of 1996, 47 USC 214, all of the~~
11 ~~following:~~

12 ~~—— (i) File a notice of the proposed discontinuance of service~~
13 ~~with the commission.~~

14 ~~—— (ii) Publish a notice of the proposed discontinuance of service~~
15 ~~in a newspaper of general circulation within the exchange.~~

16 ~~—— (iii) Provide notice of the proposed discontinuance of service~~
17 ~~to each of the telecommunication provider's customers within the~~
18 ~~exchange by first class mail or within customer bills.~~

19 ~~—— (iv) Provide notice of the proposed discontinuance of service~~
20 ~~to any interconnecting telecommunication providers by first class~~
21 ~~mail or other notice permitted under the terms of the~~
22 ~~interconnection agreement between the providers.~~

23 ~~—— (b) Upon approval of the federal communications commission to~~
24 ~~discontinue service, at least 90 days before discontinuing service,~~
25 ~~all of the following:~~

26 ~~—— (i) File a notice of the discontinuance of service with the~~
27 ~~commission.~~

~~1 (ii) Publish a notice of the discontinuance of service in a
2 newspaper of general circulation within the exchange.~~

~~3 (iii) Provide notice of the discontinuance of service to each of
4 the telecommunication provider's customers within the exchange by
5 first class mail or within customer bills.~~

~~6 (iv) Provide notice to any interconnecting telecommunication
7 providers by first class mail or other notice permitted under the
8 terms of the interconnection agreement between the providers.~~

~~9 (6) After January 1, 2017, and only in an area in which a
10 telecommunication provider either has given notice of a proposed
11 discontinuance of service under subsection (5) or has discontinued
12 service within the previous 90 days, a customer of that provider or
13 any interconnecting telecommunication provider may request the
14 commission to investigate the availability of comparable voice
15 service with reliable access to 9-1-1 and emergency services to
16 that customer or a customer of an interconnecting telecommunication
17 provider. If the commission, after conducting an investigation to
18 last no longer than 180 days regarding the availability of
19 comparable voice service with reliable access to 9-1-1 and
20 emergency services, determines that the federal communications
21 commission failed to make a finding that the present and future
22 public convenience and necessity is not adversely affected or has
23 not adequately addressed the issue, the commission shall declare by
24 order that an emergency exists in an area in this state that is not
25 served by at least 1 voice service provider offering comparable
26 voice service with reliable access to 9-1-1 and emergency services
27 through any technology or medium and shall conduct a request for~~

~~service process to identify a willing provider of comparable voice service with reliable access to 9-1-1 and emergency services in that area, including the current provider. A provider shall not be required to participate in the request for service process. The willing provider may utilize any form of technology that is capable of providing comparable voice service with reliable access to 9-1-1 and emergency services, including voice over internet protocol services and wireless services. If the commission determines that another provider is not capable of providing comparable voice service with reliable access to 9-1-1 and emergency services in that area, the commission shall issue an order requiring the current telecommunication provider to provide comparable voice service with reliable access to 9-1-1 and emergency services in that area utilizing any form of technology that the commission determines is capable of providing comparable voice service with reliable access to 9-1-1 and emergency services, including voice over internet protocol services and wireless services, until another willing provider is available. An intrastate universal service fund under section 316a shall not be created or used to compensate or fund a willing provider or current telecommunication provider to provide service under this section. As used in this subsection.~~

~~—— (a) "Comparable voice service" includes any 2-way voice service offered through any form of technology, including voice over internet protocol services and wireless services, that is capable of placing calls to and receiving calls from a provider of basic local exchange service.~~

~~1 (b) "Emergency services" means services provided to the public
2 by police, fire, ambulance, or other first responders.~~

~~3 (c) "Reliable access to 9-1-1" means the rules, regulations,
4 and guidelines set forth in the FCC trials order, including all
5 appendices, that provide comparable and reliable consumer access to
6 emergency services.~~

~~7 (d) "Willing provider" means a provider that voluntarily
8 participates in the request for service process.~~

~~9 (7) Beginning January 1, 2017, a telecommunication provider
10 that discontinues service under this section shall adhere to all
11 rules, regulations, and guidelines set forth in the FCC trials
12 order, including all appendices, for each of that telecommunication
13 provider's exchanges in this state, whether or not the
14 discontinuance is undertaken pursuant to an official trial under
15 the FCC trials order, except that all notices or reports to be
16 filed with the federal communications commission shall be submitted
17 to the Michigan public service commission for its information. This
18 subsection is effective until the federal communications commission
19 determines the legal and policy framework and establishes the
20 requirements for the IP transition including emergency connectivity
21 requirements that provide comparable and reliable consumer access
22 to emergency services.~~

~~23 (8) As used in this section, "FCC trials order" means the
24 order of the federal communications commission, GN docket nos. 13-5
25 and 12-353, adopted January 30, 2014, and any subsequent order of
26 the federal communications commission modifying or revising that
27 order that includes emergency connectivity requirements that~~

1 ~~provide comparable and reliable consumer access to emergency~~
2 ~~services.~~

3 Sec. 317. (1) An operator service provider shall not provide
4 operator services in this state without first registering with the
5 commission. The registration shall include the following
6 information:

7 (a) The name of the provider.

8 (b) The address of the provider's principal office.

9 (c) If the provider is not located in this state, the address
10 of the registered office and the name of the registered agent
11 authorized to receive service of process in this state.

12 (d) Any other information that the commission may require.

13 (2) The registration shall be accompanied with a registration
14 fee of \$100.00.

15 (3) The registration is effective immediately upon filing with
16 the commission and the payment of the registration fee **AND SHALL**
17 **REMAIN IN EFFECT FOR 1 YEAR FROM ITS EFFECTIVE DATE.**

18 (4) **A REGISTRATION MAY BE RENEWED FOR 1 YEAR BY FILING WITH**
19 **THE COMMISSION A RENEWAL REGISTRATION ON A FORM PROVIDED BY THE**
20 **COMMISSION AND THE PAYMENT OF A RENEWAL FEE OF \$100.00.**

21 (5) ~~(4)~~At no charge, an operator service provider shall
22 immediately connect a person making an emergency call to an
23 emergency responder service.

24 Sec. 320. (1) A person shall not provide payphone service in
25 this state without first registering with the commission. The
26 registration shall include all of the following information:

27 (a) The name of the provider.

1 (b) The address and telephone number of the provider's
2 principal office.

3 (c) If the provider is not located in this state, the address
4 and telephone number of the registered office and the name and
5 telephone number of the registered agent authorized to receive
6 service of process in this state.

7 (d) The specific location of each payphone in this state owned
8 or operated by the provider. Information required under this
9 subdivision shall be made available to the local unit of government
10 solely for the enforcement of the reporting, repairing, and
11 replacement standards under subsection (8). The information
12 required to be provided under this subsection is considered
13 commercial information under section 210, and the information
14 submitted is exempt from the freedom of information act, 1976 PA
15 442, MCL 15.231 to 15.246.

16 (2) The registration shall be accompanied by a registration
17 fee of \$100.00.

18 (3) The registration is effective immediately upon filing with
19 the commission and the payment of the registration fee **AND SHALL**
20 **REMAIN IN EFFECT FOR 1 YEAR FROM ITS EFFECTIVE DATE.**

21 **(4) A REGISTRATION MAY BE RENEWED FOR 1 YEAR BY FILING WITH**
22 **THE COMMISSION A RENEWAL REGISTRATION ON A FORM PROVIDED BY THE**
23 **COMMISSION AND THE PAYMENT OF A RENEWAL FEE OF \$100.00.**

24 (5) ~~(4)~~—The commission shall establish a toll-free number that
25 can be dialed to report to the commission a payphone that is
26 inoperative. The toll-free number shall be conspicuously displayed
27 by the provider on or near each payphone.

1 (6) ~~(5)~~—If the commission receives a report under subsection
2 ~~(4)~~, ~~(5)~~, it shall immediately notify the provider of the
3 inoperative payphone.

4 (7) ~~(6)~~—After consulting with providers of payphone service,
5 local units of government, and other interested parties, the
6 commission shall promulgate rules or issue orders under section 213
7 to establish and enforce quality standards in the providing of
8 payphone service.

9 (8) ~~(7)~~—Except as provided in subsection ~~(8)~~, ~~(9)~~, a local
10 unit of government shall not regulate payphone service.

11 (9) ~~(8)~~—A local unit of government may enforce the reporting,
12 repairing, and replacement of inoperative payphones within its
13 jurisdiction by adopting an ordinance that conforms to the
14 standards established by the commission under subsection ~~(6)~~. ~~(7)~~.
15 A local unit of government shall not impose standards greater than
16 those established by the commission.

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

19 (a) Make a statement or representation, including the omission
20 of material information, regarding the rates, terms, or conditions
21 of providing a service that is intentionally false, misleading, or
22 deceptive. As used in this subdivision, "material information"
23 includes, but is not limited to, a good faith estimate of all
24 applicable fees, taxes, and charges that will be billed to the end-
25 user, regardless of whether the fees, taxes, or charges are
26 authorized by state or federal law.

27 (b) Charge an end-user for a subscribed service for which the

1 end-user did not make an initial affirmative order. Failure to
2 refuse an offered or proposed subscribed service is not an
3 affirmative order for the service.

4 (c) If an end-user has canceled a service, charge the end-user
5 for service provided after the effective date the service was
6 canceled.

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

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

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

18 (g) If a bona fide dispute exists between a customer and the
19 provider, disconnect the service to the customer ~~for nonpayment of~~
20 ~~that disputed amount.~~ **BEFORE THE RESOLUTION OF THAT DISPUTE.**

21 (2) When the commission has authority to bring a proceeding
22 for a violation of this section, the commission may accept an
23 assurance of discontinuance of a method, act, or practice that is
24 alleged to be unlawful under this section from the person who is
25 alleged to have engaged, be engaging, or be about to engage in the
26 method, act, or practice. The assurance of discontinuance is not an
27 admission of guilt and shall not be introduced in any other

1 proceeding. Unless rescinded by the parties or voided by the court
2 for good cause, the parties to the assurance of discontinuance may
3 enforce the assurance in circuit court. The assurance of
4 discontinuance may include a stipulation for any of the following:

5 (a) The voluntary payment by the person for the cost of
6 investigation.

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

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