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SENATE BILL No. 636

October 22, 2013, 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, 310, 313, 315, 317, 320, and 502 (MCL 484.2304, 484.2310, 484.2313, 484.2315, 484.2317, 484.2320, and 484.2502), sections 304, 313, 315, and 502 as amended by 2011 PA 58, section 310 as amended by 2009 PA 182, section 317 as amended by 2005 PA 235, and section 320 as added by 1995 PA 216.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 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
- 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
- geographic area of the caller's local calling area or an adjacent
- local calling area as defined by the commission's order in case

- 1 numbers U-12515 and U-12528, dated February 5, 2001, is not a local
- 2 call if the tariff, SERVICE GUIDE, OR SIMILAR DOCUMENT CONTAINING
- 3 THE TERMS AND CONDITIONS of the provider originating the call does
- 4 not classify the call as a local call.
- 5 (2) A provider of basic local exchange service with less than
- 6 10,000 end-users in this state may determine that their total
- 7 service long run incremental cost is the same as that of a provider
- 8 with more than 250,000 end-users.
- 9 Sec. 310. (1) Except as provided by this section, the
- 10 commission shall not review or set the rates for toll access
- 11 services.
- 12 (2) A provider of toll access services shall set the rates for
- 13 intrastate switched toll access services at rates that do not
- 14 exceed the rates allowed for the same interstate services by the
- 15 federal government and shall use the access rate elements for
- 16 intrastate switched toll access services that are in effect for
- 17 that provider and are allowed for the same interstate services by
- 18 the federal government. Eligible providers shall comply with this
- 19 subsection as of the date established for the commencement of the
- 20 operation of the restructuring mechanism under subsection (9).
- 21 Providers other than eligible providers shall not charge intrastate
- 22 toll access service rates in excess of those rates in effect as of
- 23 July 1, 2009 and shall reduce the differential, if any, between
- 24 intrastate and interstate switched toll access service rates in
- 25 effect as of July 1, 2009 in no more than 5 steps of at least 20%
- 26 each of the differential on the following dates: January 1, 2011;
- 27 January 1, 2012; January 1, 2013; January 1, 2014; and January 1,

- 1 2015. Providers may agree to a rate that is less than the rate
- 2 allowed by the federal government.
- 3 (3) Two or more providers that each have less than 250,000
- 4 access lines may agree to joint toll access service rates and
- 5 pooling of intrastate toll access service revenues.
- 6 (4) A provider of toll access services shall make available
- 7 for intrastate access services any technical interconnection
- 8 arrangements, including colocation required by the federal
- 9 government for the identical interstate access services.
- 10 (5) A provider of toll access service, whether under tariff or
- 11 contract, shall offer the services under the same rates, terms, and
- 12 conditions, without unreasonable discrimination, to all providers.
- 13 All pricing of special toll access services and switched access
- 14 services, including volume discounts, shall be offered to all
- 15 providers under the same rates, terms, and conditions.
- 16 (6) If a toll access service rate is reduced, then the
- 17 provider receiving the reduced rate shall reduce its rate to its
- 18 customers by an equal amount. The commission may investigate and
- 19 ensure that the provider has complied with this subsection.
- 20 (7) In order to restructure intrastate switched toll access
- 21 service rates, there is hereby established in the department of
- 22 energy, labor, and economic growth LICENSING AND REGULATORY AFFAIRS
- 23 an intrastate switched toll access rate restructuring mechanism as
- 24 a separate interest-bearing fund. The state treasurer shall direct
- 25 the investment of the restructuring mechanism. Money in the
- 26 restructuring mechanism shall remain in the restructuring mechanism
- 27 at the close of the fiscal year and shall not revert to the general

- 1 fund.
- 2 (8) An eligible provider is entitled to receive monthly
- 3 disbursements from the restructuring mechanism as provided in
- 4 subsection (11) in order to recover the lost intrastate switched
- 5 toll access service revenues resulting from rate reductions under
- 6 subsection (2).
- 7 (9) The restructuring mechanism shall be administered by the
- 8 commission. The restructuring mechanism shall be established and
- 9 shall begin operation within 270 days after the effective date of
- 10 the amendatory act that added this subsection. BY SEPTEMBER 13,
- 11 2010. Subject to the preceding sentence, the commission shall
- 12 establish the date for commencing the operation of the
- 13 restructuring mechanism and shall notify the participants in the
- 14 restructuring mechanism at least 30 days in advance of that date.
- 15 The commission shall recover its actual costs of administering the
- 16 restructuring mechanism from assessments collected for the
- 17 operation of the restructuring mechanism.
- 18 (10) The commission shall establish the procedures and
- 19 timelines for organizing, funding, and administering the
- 20 restructuring mechanism. The commission shall report to the
- 21 legislature and the governor annually regarding the administration
- 22 of the restructuring mechanism. The report shall include the total
- 23 amount of money collected from contributing providers, the total
- 24 amount of money disbursed from the restructuring mechanism annually
- 25 to each eligible provider, the costs of administration, and any
- 26 other information considered relevant by the commission. Any
- 27 company-specific information pertaining to access lines, switched

- 1 toll access services minutes of use, switched toll access demand
- 2 quantities, contributions, and intrastate telecommunications
- 3 services revenues submitted to the commission under this subsection
- 4 are confidential commercial or financial information and exempt
- 5 from public disclosure pursuant to UNDER section 210.
- 6 (11) The initial size of the restructuring mechanism shall be
 7 calculated as follows:
- 8 (a) Within 60 days of the effective date of the amendatory act
- 9 that added this subsection BY FEBRUARY 15, 2010 each eligible
- 10 provider shall submit to the commission information and all the
- 11 supporting documentation that establishes the amount of the
- 12 reduction in annual intrastate switched toll access revenues which
- 13 THAT will result from the reduction in rates required in subsection
- 14 (2). The reduction shall be calculated for each eligible provider
- 15 as the difference between intrastate and interstate switched toll
- 16 access service rates in effect as of July 1, 2009, multiplied by
- 17 the intrastate switched access minutes of use and other switched
- 18 access demand quantities for the calendar year 2008.
- 19 (b) The commission shall compute the size of the initial
- 20 restructuring mechanism disbursements for each eligible provider
- 21 and shall inform each eligible provider of that computation within
- 22 60 days after receiving the information and supporting
- 23 documentation from the eligible providers under subdivision (a).
- 24 (12) The restructuring mechanism shall be created and
- 25 supported by a mandatory monthly contribution by all providers of
- 26 retail intrastate telecommunications services and all providers of
- 27 commercial mobile service. Interconnected voice over internet

- 1 protocol services shall not be considered an intrastate
- 2 telecommunications service for the purposes of this section and
- 3 interconnected voice over internet protocol service providers shall
- 4 not be required to pay, directly or indirectly, the mandatory
- 5 monthly contributions established in this subsection. A provider of
- 6 telecommunications services to a provider of interconnected voice
- 7 over internet protocol services shall not pay a mandatory monthly
- 8 contribution related to those interconnected voice over internet
- 9 protocol services or attempt to pass through any mandatory monthly
- 10 contributions, directly or indirectly, to a provider of
- 11 interconnected voice over internet protocol services. Nothing in
- 12 this act grants the commission authority over commercial mobile
- 13 service providers or voice over internet protocol service providers
- 14 except as is strictly necessary for administration of the
- 15 restructuring mechanism.
- 16 (13) Within 60 days of the effective date of the amendatory
- 17 act that added this subsection, BY FEBRUARY 15, 2010, each
- 18 contributing provider shall report its 2008 intrastate retail
- 19 telecommunications services revenues to the commission.
- 20 Notwithstanding anything in subsection (12), if the federal
- 21 communications commission determines that interconnected voice over
- 22 internet protocol services may be subject to state regulation for
- 23 universal services purposes, the commission may open a proceeding
- 24 to determine who is required to participate in a universal service
- **25** fund.
- 26 (14) The initial contribution assessment percentage shall be a
- 27 uniform percentage of retail intrastate telecommunications services

- 1 revenues determined by projecting the total amount necessary to
- 2 cover the initial intrastate switched toll access rate
- 3 restructuring mechanism disbursement levels for 12 months,
- 4 including projected cash reserve requirements, actual and projected
- 5 administrative costs, and projected uncollectible contribution
- 6 assessments, divided by the 2008 calendar year total retail
- 7 intrastate telecommunications services revenues in this state, less
- 8 projected uncollectible revenues, reported to the commission. The
- 9 commission shall issue an order establishing the initial
- 10 calculation of the contribution assessment percentage within 150
- 11 days of the effective date of the amendatory act that added this
- 12 subsection. BY MAY 16, 2010. The commission may increase or
- 13 decrease the contribution assessment on a quarterly or other basis
- 14 as necessary to maintain sufficient funds for disbursements.
- 15 (15) Each contributing provider shall remit to the commission
- 16 on a monthly basis an amount equal to its intrastate retail
- 17 telecommunications services revenues, less uncollectible revenues,
- 18 multiplied by the contribution assessment percentage determined
- 19 under subsection (14), according to a time frame established by the
- 20 commission. These contributions shall continue until the end of the
- 21 period for which eligible providers are entitled to receive monthly
- 22 disbursements from the restructuring mechanism under subsections
- 23 (11) and (16).
- 24 (16) The commission shall recalculate the size of the
- 25 restructuring mechanism for each eligible provider 4 years from the
- 26 date the initial restructuring mechanism becomes operational
- 27 pursuant to subsection (9) and again 4 years thereafter. ON MARCH

- 1 13, 2018. The recalculation process shall be as follows:
- 2 (a) The restructuring mechanism shall be recalculated each
- 3 time—as the difference between the intrastate switched toll access
- 4 rates in effect as of July 1, 2009 and the interstate switched toll
- 5 access rates in effect at the time of the recalculation, multiplied
- 6 by the intrastate switched toll access minutes of use and other
- 7 switched access demand quantities for the calendar year 2008.
- 8 (b) The recalculated restructuring mechanism shall be further
- 9 adjusted during the first recalculation by the percentage change,
- 10 if any, in the number of access lines in service for each eligible
- 11 provider from December 31, 2008 to December 31 of the year
- 12 immediately preceding the year in which the adjustment is made.
- 13 (c) The recalculated restructuring mechanism shall be adjusted
- 14 during the second recalculation by the percentage change, if any,
- 15 in the number of access lines in service for each eligible provider
- 16 from December 31 of the year of the first recalculation to December
- 17 31 of the year immediately preceding the second recalculation.
- 18 (C) (d) Each eligible provider is entitled to receive monthly
- 19 disbursements from the restructuring mechanism for a period of no
- 20 more than 12 years from the date the restructuring mechanism is
- 21 established under subsection (9), at which time the restructuring
- 22 mechanism shall cease to exist.
- 23 (17) The money received and administered by the commission for
- 24 the support and operation of the restructuring mechanism created by
- 25 the amendatory act that created this subsection 2009 PA 182 shall
- 26 not be used by the commission or any department, agency, or branch
- 27 of the government of this state for any other purpose, and that

- 1 money is not subject to appropriation, allocation, assignment,
- 2 expenditure, or other use by any department, agency, or branch of
- 3 the government of this state.
- 4 (18) If the federal government adopts intercarrier
- 5 compensation reforms or takes any action that causes or requires a
- 6 significant change in interstate switched toll access service
- 7 rates, the commission may initiate, or any interested party may
- 8 file an application for, a proceeding pursuant to UNDER section 203
- 9 within 60 days of that action to determine whether any
- 10 modifications to the size, operation, or composition of the
- 11 restructuring mechanism are warranted. During the pendency of that
- 12 proceeding, the requirement in subsection (2) for eligible
- 13 providers to set intrastate switched toll access service rates
- 14 equal to interstate switched toll access service shall be
- 15 temporarily suspended by those providers. Intrastate access rates
- 16 may not be increased above the levels that exist at the time of the
- 17 suspension. Following notice and hearing, upon a showing of good
- 18 cause, the commission may stop or place certain conditions on the
- 19 temporary suspension.
- 20 (19) If the federal government changes the federal universal
- 21 service contribution methodology so that it is not based on a
- 22 percentage of total interstate telecommunications services
- 23 revenues, the commission shall modify the contribution methodology
- 24 for the restructuring mechanism to be consistent with the federal
- 25 methodology. The commission shall initiate a proceeding to modify
- 26 the contribution methodology for the restructuring mechanism and to
- 27 establish a reasonable time period for transition to the new

- 1 contribution methodology.
- 2 (20) Disputes arising under this section may be submitted to
- 3 the commission for resolution pursuant to UNDER sections 203 and
- 4 204.
- 5 (21) If any contributing provider subject to this section
- 6 fails to make the required contributions or fails to provide
- 7 required information to the commission, the commission shall
- 8 initiate an enforcement proceeding under section 203. If the
- 9 commission finds that a contributing provider has failed to make
- 10 contributions or to perform any act required under this section, a
- 11 contributing provider shall be IS subject to the remedies and
- 12 penalties under section 601.
- 13 (22) Eligible providers and contributing providers shall
- 14 provide information to the commission that is required for the
- 15 administration of the restructuring mechanism. Company-specific
- 16 information pertaining to access lines, switched toll access
- 17 services minutes of use, switched toll access demand quantities,
- 18 contributions, and intrastate telecommunications services revenues
- 19 submitted to the commission under this subsection is confidential
- 20 commercial or financial information and exempt from public
- 21 disclosure pursuant to UNDER section 210.
- 22 (23) As used in this section:
- (a) "Commercial mobile service" means that term as defined in
- 24 section 332(d)(1) of the telecommunications act of 1996, 47 USC
- **25** 332.
- (b) "Contributing provider" means an entity required to pay
- 27 into the restructuring mechanism.

- 1 (c) "Eligible provider" means an incumbent local exchange
- 2 carrier as defined in section 251 of the telecommunications act of
- 3 1996, 47 USC 251, that as of January 1, 2009 had rates for
- 4 intrastate switched toll access services higher than its rates for
- 5 the same interstate switched toll access services, and that
- 6 provides the services and functionalities identified by rules of
- 7 the federal communications commission described at 47 CFR
- 8 54.101(a).
- 9 (d) "Interconnected voice over internet protocol service"
- 10 means that term as defined in 47 CFR 9.3.
- 11 (e) "Restructuring mechanism" means the intrastate switched
- 12 toll access rate restructuring mechanism established in this
- 13 section.
- 14 Sec. 313. (1) A telecommunication provider that provides
- 15 either basic local exchange or toll service, or both, shall not
- 16 discontinue either service to an exchange unless 1 or more
- 17 alternative providers for toll service, or 2 or more alternative
- 18 providers for basic local exchange service, are furnishing a
- 19 comparable voice service to the customers in the exchange. A
- 20 comparable voice service includes any 2-way voice service offered
- 21 through any form of technology that is capable of placing and
- 22 receiving calls from a provider of basic local exchange service,
- 23 including voice over internet protocol services and wireless
- 24 services.
- 25 (2) A telecommunication provider proposing to discontinue a
- 26 regulated service to an exchange shall file a notice of the
- 27 discontinuance of service with the commission, publish the notice

- 1 in a newspaper of general circulation within the exchange, provide
- 2 notice to each of its customers within the exchange by first-class
- 3 mail or within customer bills, and provide other reasonable notice
- 4 as required by the commission.
- 5 (3) Within 60 days after the date of publication or receipt of
- 6 the notice required by subsection (2), a person or other
- 7 telecommunication provider affected by a discontinuance of services
- 8 by a telecommunication provider may apply to the commission to
- 9 determine if the discontinuance of service is authorized under this
- 10 act. Within 90 days after the date of publication of the notice
- 11 required by subsection (2), the commission may, in response to a
- 12 request or on its own initiative, commence a proceeding to
- 13 determine if the discontinuance of service is authorized under this
- 14 act. The commission has 180 days from the date any proceeding is
- 15 initiated under this subsection to issue its final order. A
- 16 provider shall not discontinue service unless it has provided at
- 17 least 60 days' notice to each customer after a commission order has
- 18 been issued under this subsection or after the last day for
- 19 initiating a proceeding under this subsection.
- 20 (4) Discontinuance of basic local exchange service under this
- 21 section by an incumbent local exchange carrier does not affect the
- 22 requirements of that incumbent local exchange carrier under federal
- 23 law. As used in this subdivision, "incumbent local exchange
- 24 carrier" means that term as defined in section 251(h) of the
- 25 telecommunications act of 1996, 47 USC 251. THIS SECTION DOES NOT
- 26 CREATE, RESTRICT, OR EXPAND THE COMMISSION'S JURISDICTION AND
- 27 AUTHORITY FOR ANY OF THE FOLLOWING:

- 1 (A) THE JURISDICTION AND AUTHORITY ESTABLISHED UNDER SECTION
- 2 201.
- 3 (B) THE JURISDICTION AND AUTHORITY TO CARRY OUT THE
- 4 COMMISSION'S OBLIGATIONS TO ENFORCE THE RIGHTS, DUTIES, AND
- 5 OBLIGATIONS OF AN ENTITY ESTABLISHED IN SECTIONS 251 AND 252 OF THE
- 6 TELECOMMUNICATIONS ACT OF 1996, 47 USC 251 AND 252, ANY APPLICABLE
- 7 AGREEMENT OR WHOLESALE TARIFF OR STATE LAW, RULE, REGULATION, OR
- 8 ORDER RELATED TO WHOLESALE RIGHTS, DUTIES, AND OBLIGATIONS,
- 9 INCLUDING, BUT NOT LIMITED TO, INTERCONNECTION AND EXCHANGE VOICE
- 10 TRAFFIC.
- 11 (C) THE JURISDICTION AND AUTHORITY TO REGULATE SWITCHED ACCESS
- 12 RATES, TERMS, AND CONDITIONS, INCLUDING THE IMPLEMENTATION OF
- 13 FEDERAL OR STATE LAW CONCERNING INTERCARRIER COMPENSATION.
- 14 (5) SUBSECTIONS (1) TO (3) DO NOT APPLY AFTER DECEMBER 31,
- 15 2016. BEGINNING JANUARY 1, 2017, A TELECOMMUNICATIONS PROVIDER THAT
- 16 PROVIDES BASIC LOCAL EXCHANGE OR TOLL SERVICE MAY DISCONTINUE THAT
- 17 SERVICE IN AN EXCHANGE BY DOING ALL OF THE FOLLOWING AT LEAST 90
- 18 DAYS BEFORE DISCONTINUING SERVICE:
- 19 (A) FILING A NOTICE OF THE DISCONTINUANCE OF SERVICE WITH THE
- 20 COMMISSION.
- 21 (B) PUBLISHING A NOTICE OF THE DISCONTINUANCE OF SERVICE IN A
- 22 NEWSPAPER OF GENERAL CIRCULATION WITHIN THE EXCHANGE.
- 23 (C) PROVIDING NOTICE OF THE DISCONTINUANCE OF SERVICE TO EACH
- 24 OF THE TELECOMMUNICATIONS PROVIDER'S CUSTOMERS WITHIN THE EXCHANGE
- 25 BY FIRST-CLASS MAIL OR WITHIN CUSTOMER BILLS.
- 26 (D) PROVIDING NOTICE TO ANY INTERCONNECTING TELECOMMUNICATIONS
- 27 PROVIDERS BY FIRST-CLASS MAIL OR OTHER NOTICE PERMITTED UNDER THE

- 1 TERMS OF THE INTERCONNECTION AGREEMENT BETWEEN THE PROVIDERS.
- 2 Sec. 315. (1) The commission shall require each EACH provider
- 3 of basic local exchange service to—SHALL provide a text telephone-
- 4 telecommunications device for the deaf at cost to each individual
- 5 who is certified as deaf or hard of hearing or speech-impaired by a
- 6 licensed physician, licensed audiologist, or qualified state
- 7 agency, and to each public safety answering point as defined in
- 8 section 102 of the emergency 9-1-1 service enabling act, 1986 PA
- 9 32, MCL 484.1102.
- 10 (2) The commission shall require each EACH provider of basic
- 11 local exchange service to SHALL provide a telecommunication relay
- 12 service whereby persons using a text telephone-telecommunications
- 13 device for the deaf can communicate with persons using a voice
- 14 telephone through the use of third party intervention or automated
- 15 translation. Each provider of basic local exchange service shall
- 16 determine whether to provide a telecommunication relay service on
- 17 its own, jointly with other basic local exchange providers, or by
- 18 contract with other telecommunication providers. The commission
- 19 shall determine the technical standards and essential features of
- 20 text telephone and telecommunication relay service to ensure their
- 21 compatibility and reliability.
- 22 (3) Rates and charges for calls placed through a
- 23 telecommunication relay service shall not exceed the rates and
- 24 charges for calls placed directly from the same originating
- 25 location to the same terminating location. Unless ordered by the
- 26 commission, a A provider of a telecommunications relay service
- 27 shall IS not be required to handle calls from public telephones

- 1 except for calls charged collect or to cash, a credit card, or a
- 2 third party number.
- 3 (4) Notwithstanding any other provision of this act, a
- 4 provider may offer discounts on toll calls where a text telephone-
- 5 telecommunications device for the deaf is used. The commission
- 6 shall not prohibit such discounts on toll calls placed through a
- 7 telecommunication relay service.
- 8 (5) The commission shall establish a rate for each subscriber
- 9 line of a provider to allow the A provider to MAY recover costs
- 10 incurred under this section and may waive the costs assessed under
- 11 this section to individuals who are deaf or severely hearing
- 12 impaired or speech impaired. The rate established by the commission
- 13 under this subsection may be assessed as a line item on an end-
- 14 user's bill.
- 15 Sec. 317. (1) An operator service provider shall not provide
- 16 operator services in this state without first registering with the
- 17 commission. The registration shall include the following
- 18 information:
- 19 (a) The name of the provider.
- 20 (b) The address of the provider's principal office.
- 21 (c) If the provider is not located in this state, the address
- 22 of the registered office and the name of the registered agent
- 23 authorized to receive service of process in this state.
- 24 (d) Any other information that the commission may require.
- 25 (2) The registration shall be accompanied with a registration
- 26 fee of \$100.00.
- 27 (3) The registration is effective immediately upon filing with

- 1 the commission and the payment of the registration fee. and shall
- 2 remain in effect for 1 year from its effective date.
- 3 (4) A registration may be renewed for 1 year by filing with
- 4 the commission a renewal registration on a form provided by the
- 5 commission and the payment of a renewal fee of \$100.00.
- 6 (4) (5) At no charge, an operator service provider shall
- 7 immediately connect a person making an emergency call to an
- 8 emergency responder service.
- 9 Sec. 320. (1) A person shall not provide payphone service in
- 10 this state without first registering with the commission. The
- 11 registration shall include all of the following information:
- 12 (a) The name of the provider.
- 13 (b) The address and telephone number of the provider's
- 14 principal office.
- 15 (c) If the provider is not located in this state, the address
- 16 and telephone number of the registered office and the name and
- 17 telephone number of the registered agent authorized to receive
- 18 service of process in this state.
- 19 (d) The specific location of each payphone in this state owned
- 20 or operated by the provider. Information required under this
- 21 subdivision shall be made available to the local unit of government
- 22 solely for the enforcement of the reporting, repairing, and
- 23 replacement standards under subsection (8). The information
- 24 required to be provided under this subsection shall be IS
- 25 considered commercial information under section 210, and the
- 26 information submitted shall be IS exempt from the freedom of
- 27 information act, Act No. 442 of the Public Acts of 1976, being

- 1 sections 15.231 to 15.246 of the Michigan Compiled Laws.1976 PA
- 2 442, MCL 15.231 TO 15.246.
- 3 (2) The registration shall be accompanied by a registration
- 4 fee of \$100.00.
- 5 (3) The registration is effective immediately upon filing with
- 6 the commission and the payment of the registration fee. and shall
- 7 remain in effect for 1 year from its effective date.
- 8 (4) A registration may be renewed for 1 year by filing with
- 9 the commission a renewal registration on a form provided by the
- 10 commission and the payment of a renewal fee of \$100.00.
- 11 (4) (5) The commission shall establish a toll-free number that
- 12 can be dialed to report to the commission a payphone that is
- inoperative. The toll-free number shall be conspicuously displayed
- 14 by the provider on or near each payphone.
- 15 (5) (6)—If the commission receives a report pursuant to UNDER
- 16 subsection (5), (4), it shall immediately notify the provider of
- 17 the inoperative payphone.
- 18 (6) (7)—After consulting with providers of payphone service,
- 19 local units of government, and other interested parties, the
- 20 commission shall promulgate rules or issue orders under section 213
- 21 to establish and enforce quality standards in the providing of
- 22 payphone service.
- 23 (7) $\frac{(8)}{}$ Except as provided in subsection $\frac{(9)}{}$, (8), a local
- 24 unit of government shall not regulate payphone service.
- 25 (8) (9) A local unit of government may enforce the reporting,
- 26 repairing, and replacement of inoperative payphones within its
- 27 jurisdiction by adopting an ordinance that conforms to the

- 1 standards established by the commission under subsection $\frac{(7)}{(6)}$.
- 2 A local unit of government shall not impose standards greater than
- 3 these THOSE established by the commission.
- 4 Sec. 502. (1) A provider of a basic local exchange service
- 5 shall not do any of the following:
- 6 (a) Make a statement or representation, including the omission
- 7 of material information, regarding the rates, terms, or conditions
- 8 of providing a service that is intentionally false, misleading, or
- 9 deceptive. As used in this subdivision, "material information"
- 10 includes, but is not limited to, a good faith estimate of all
- 11 applicable fees, taxes, and charges that will be billed to the end-
- 12 user, regardless of whether the fees, taxes, or charges are
- 13 authorized by state or federal law.
- 14 (b) Charge an end-user for a subscribed service for which the
- 15 end-user did not make an initial affirmative order. Failure to
- 16 refuse an offered or proposed subscribed service is not an
- 17 affirmative order for the service.
- 18 (c) If an end-user has canceled a service, charge the end-user
- 19 for service provided after the effective date the service was
- 20 canceled.
- 21 (d) Cause a probability of confusion or a misunderstanding as
- 22 to the legal rights, obligations, or remedies of a party to a
- 23 transaction by making an intentionally false, deceptive, or
- 24 misleading statement or by failing to inform the customer of a
- 25 material fact, the omission of which is deceptive or misleading.
- (e) Represent or imply that the subject of a transaction will
- 27 be provided promptly, or at a specified time, or within a

- 1 reasonable time, if the provider knows or has reason to know it
- 2 will not be so provided.
- **3** (f) Require the purchase of a regulated service of the
- 4 provider as a condition of purchasing an unregulated service.
- 5 (g) If a bona fide dispute exists between a customer and the
- 6 provider, disconnect the service to the customer before the
- 7 resolution of that dispute. FOR NONPAYMENT OF THAT DISPUTED AMOUNT.
- 8 (2) When the commission has authority to bring a proceeding
- 9 for a violation of this section, the commission may accept an
- 10 assurance of discontinuance of a method, act, or practice that is
- 11 alleged to be unlawful under this section from the person who is
- 12 alleged to have engaged, be engaging, or be about to engage in the
- 13 method, act, or practice. The assurance of discontinuance is not an
- 14 admission of guilt and shall not be introduced in any other
- 15 proceeding. Unless rescinded by the parties or voided by the court
- 16 for good cause, the parties to the assurance of discontinuance may
- 17 enforce the assurance in circuit court. The assurance of
- 18 discontinuance may include a stipulation for any of the following:
- 19 (a) The voluntary payment by the person for the cost of
- 20 investigation.
- 21 (b) An amount to be held in escrow pending the outcome of an
- 22 action.
- (c) An amount for restitution to an aggrieved person.

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