

MICHIGAN TELECOMMUNICATIONS ACT (EXCERPT)
Act 179 of 1991

F. LIFELINE SERVICES

484.2316 Rates for low-income basic local exchange service customers; reduction; qualifications; exception; notification of lifeline services; provider opt out.

Sec. 316. (1) Except as provided under subsection (10), the commission shall require each provider of basic local exchange service to offer certain low-income customers the availability of basic local exchange service and access service at reduced rates as described in subsections (2) and (3).

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

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

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

(5) Until December 31, 2019, to qualify for the reduced rate under this section, an individual's annual income must not exceed 150% of the federal poverty guidelines published annually in the Federal Register by the United States Department of Health and Human Services and as approved by the state treasurer, or the individual must participate in 1 of the following federal assistance programs:

- (a) Medicaid.
- (b) Food stamps.
- (c) Supplemental security income.
- (d) Federal public housing assistance.
- (e) Low-income home energy assistance program.
- (f) National school lunch program's free lunch program.
- (g) Temporary assistance for needy families.

(6) Beginning January 1, 2020, the criteria to qualify for the reduced rate under this section is the same criteria to qualify for the federal Lifeline program as set forth in 47 CFR 54.409.

(7) Beginning January 1, 2020, if an individual does not meet the qualifying criteria under subsection (6) and is no longer qualified to receive the reduced rate under this section, he or she may continue to receive the reduced rate if all of the following apply:

- (a) The individual received the reduced rate under this section before January 1, 2020.
- (b) The individual continues to meet the qualifying criteria under subsection (5).
- (c) If the provider requires annual recertification, the individual recertifies with his or her provider annually.

(8) On request of a provider of basic local exchange service, the commission shall establish a rate for each subscriber line of that provider to allow the provider to recover costs incurred under this section. A rate established by the commission under this subsection may be assessed as a line item on an end-user's bill.

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

(10) Beginning August 30, 2022, if a provider of basic local exchange service provides 90 days' written notice to the commission and to all individuals receiving the reduced rate under this section, the provider may, beginning November 30, 2022, opt out of offering the reduced rate described under this section.

(11) If a provider opts out of offering the reduced rate described under this section, the provider is exempt from complying with a commission order requiring the provider to offer a reduced rate to low-income customers.

History: 1991, Act 179, Eff. Jan. 1, 1992;—Am. 1995, Act 216, Imd. Eff. Nov. 30, 1995;—Am. 1997, Act 183, Imd. Eff. Dec. 30, 1997;—Am. 1999, Act 31, Imd. Eff. May 28, 1999;—Am. 2005, Act 235, Imd. Eff. Nov. 22, 2005;—Am. 2011, Act 58, Imd. Eff. June 14, 2011;—Am. 2020, Act 34, Imd. Eff. Mar. 3, 2020.

484.2316a Definitions; creation of intrastate universal service fund; provision of supported telecommunication services.

Sec. 316a. (1) As used in this section:

(a) "Affordable rates" means, at a minimum, rates in effect on January 1, 2006 or as determined by the commission.

(b) "Intrastate universal service fund" means a fund created by the commission to provide a subsidy to customers for the provision of supported telecommunication services provided by any telecommunication carrier.

(c) "Supported telecommunication services" means primary residential access lines and a minimum level of local usage on those lines, as determined by the commission.

(d) "Universal service" shall mean the provision of supported telecommunication services by any carrier.

(2) The commission shall determine for each provider whether and to what extent the affordable rate level to provide supported telecommunication services is below each provider's forward looking economic cost of the supported telecommunication services.

(3) If an intrastate universal fund is created under this section, to the extent providers provide supported telecommunication services at an affordable rate that is below the forward looking economic cost of the supported telecommunication services, the fund shall provide a subsidy for customers in an amount which is equal to the difference between the affordable rate as determined by the commission and the forward looking economic cost of the supported services, less any federal universal service support received for those supported services.

(4) Eligibility for customers to receive intrastate universal service support under subsection (3) shall be consistent with the eligibility guidelines of section 254(e) of the telecommunications act of 1996 and the rules and regulations of the federal communications commission. The state fund shall be administered by an independent third-party administrator selected by the commission.

(5) To the extent an intrastate universal service fund is established, the commission shall require that the costs of the fund be recovered from all telecommunication providers on a competitively neutral basis. Providers contributing to the intrastate universal service fund may recover from end-users the costs of the financial support through surcharges assessed on end-users' bills.

(6) Upon request or on its own motion, the commission, after notice and hearing, shall determine if, based upon changes in technology or other factors, the findings made under this section should be reviewed.

(7) This section does not apply if an interstate universal service fund exists on the federal level unless otherwise approved by the commission.

History: Add. 2000, Act 295, Imd. Eff. July 17, 2000;—Am. 2005, Act 235, Imd. Eff. Nov. 22, 2005.