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## STRUCTURAL SEPARATION OF INCUMBENT LOCAL EXCHANGE PROVIDERS

**House Bill 4764**

**Sponsor: Rep. Andy Neumann**

**Committee: Energy and Technology**

**Complete to 9-13-01**

### A SUMMARY OF HOUSE BILL 4764 AS INTRODUCED 5-15-01

The Michigan Telecommunications Act enumerates several purposes for its enactment. House Bill 4764 would amend the act (MCL 484.2101 and 484.2305a) to expand the list of purposes to include ensuring that all local exchange customers receive the benefits of competition in the local exchange by eliminating the barriers to competition created by the incumbent local exchange providers. To achieve this purpose, the bill would require each “incumbent local exchange provider” with 250,000 or more customers in the state to structurally separate its retail telecommunication services from the network elements and services provided to other telecommunication providers, no later than January 1, 2003. (“Incumbent local exchange carrier” would be defined as it is defined in the federal Telecommunications Act of 1934.) Retail telecommunication services would have to be provided by an affiliate or entity different and separate from the affiliate or entity providing network elements and services to other telecommunication providers. More specifically, the affiliate or entity providing retail services would have to have at least 20 percent of its common stock publicly traded separately from the stock of the affiliate or entity providing provider services. Further, the affiliate or entity providing provider services could not transfer or assign any network elements to the affiliate or entity providing retail services.

House Bill 4764 (9-13-01)

Analyst: J. Caver

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