

MICHIGAN TELECOMMUNICATIONS ACT
Act 179 of 1991

AN ACT to regulate and insure the availability of certain telecommunication services; to prescribe the powers and duties of certain state agencies and officials; to prescribe penalties; and to repeal acts and parts of acts.

History: 1991, Act 179, Eff. Jan. 1, 1992;—Am. 2008, Act 52, Imd. Eff. Mar. 28, 2008.

The People of the State of Michigan enact:

ARTICLE 1
GENERAL PROVISIONS

484.2101 Short title; purpose.

Sec. 101. (1) This act shall be known and may be cited as the "Michigan telecommunications act".

(2) The purpose of this act is to do all of the following:

(a) Ensure that every person has access to just, reasonable, and affordable basic residential telecommunication service.

(b) Allow and encourage competition to determine the availability, prices, terms, and other conditions of providing telecommunication services.

(c) Encourage the introduction of new services, the entry of new providers, the development of new technologies, and increase investment in the telecommunication infrastructure in this state through incentives to providers to offer the most efficient services and products.

(d) Improve the opportunities for economic development and the delivery of essential services including education and health care.

(e) Encourage the use of existing educational telecommunication networks and networks established by other commercial providers as building blocks for a cooperative and efficient statewide educational telecommunication system.

(f) Ensure effective and timely review and disposition of disputes between telecommunication providers.

(g) Authorize actions to encourage the development of a competitive telecommunication industry.

History: 1991, Act 179, Eff. Jan. 1, 1992;—Am. 1995, Act 216, Imd. Eff. Nov. 30, 1995;—Am. 2000, Act 295, Imd. Eff. July 17, 2000;—Am. 2005, Act 235, Imd. Eff. Nov. 22, 2005;—Am. 2011, Act 58, Imd. Eff. June 14, 2011.

484.2102 Definitions.

Sec. 102. As used in this act:

(a) "Access service" means access to a local exchange network for the purpose of enabling a provider to originate or terminate telecommunication services within the local exchange. Except for end-user common line services, access service does not include access service to a person who is not a provider.

(b) "Basic local exchange service" or "local exchange service" means the provision of an access line and usage within a local calling area for the transmission of high-quality 2-way interactive switched voice or data communication.

(c) "Broadband service" means a retail service capable of transmitting data over an access line at a rate greater than 200 kilobits per second.

(d) "Cable service" means 1-way transmission to subscribers of video programming or other programming services and subscriber interaction for the selection of video programming or other programming services.

(e) "Commission" means the Michigan public service commission.

(f) "Contested case" or "case" means a proceeding as defined in section 3 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.203.

(g) "Educational institution" means a public educational institution or a private non-profit educational institution approved by the department of education to provide a program of primary, secondary, or higher education, a public library, or a nonprofit association or consortium whose primary purpose is education. A nonprofit association or consortium under this subdivision shall consist of 2 or more of the following:

(i) Public educational institutions.

(ii) Nonprofit educational institutions approved by the department of education.

(iii) The state board of education.

(iv) Telecommunication providers.

(v) A nonprofit association of educational institutions or consortium of educational institutions.

(h) "End user" means the retail subscriber of a telecommunication service.

(i) "Energy management services" means a service of a public utility providing electric power, heat, or light for energy use management, energy use control, energy use information, and energy use communication.

(j) "Exchange" means 1 or more contiguous central offices and all associated facilities within a geographical area in which basic local exchange service is offered by a provider.

(k) "Information services" or "enhanced services" means the offering of a capability for generating, acquiring, storing, transforming, processing, retrieving, utilizing, or making available information, including energy management services, that is conveyed by telecommunications. Information services or enhanced services do not include the use of that capability for the management, control, or operation of a telecommunications system or the management of a telecommunications service.

(l) "Interconnection" means the technical arrangements and other elements necessary to permit the connection between the switched networks of 2 or more providers to enable a telecommunication service originating on the network of 1 provider to terminate on the network of another provider.

(m) "License" means a license issued under this act.

(n) "Line" or "access line" means the medium over which a telecommunication user connects into the local exchange.

(o) "Local calling area" means a geographic area encompassing 1 or more local communities as described in maps, tariffs, or rate schedules filed with and approved by the commission.

(p) "Local directory assistance" means the provision by telephone of a listed telephone number within the caller's area code.

(q) "Local exchange rate" means the monthly and usage rate, including all necessary and attendant charges, imposed for basic local exchange service to customers.

(r) "Loop" means the transmission facility between the network interface on a subscriber's premises and the main distribution frame in the servicing central office.

(s) "Operator service" means a telecommunication service that includes automatic or live assistance to a person to arrange for completion and billing of a telephone call originating within this state that is specified by the caller through a method other than 1 of the following:

(i) Automatic completion with billing to the telephone from which the call originated.

(ii) Completion through an access code or a proprietary account number used by the person, with billing to an account previously established with the provider by the person.

(iii) Completion in association with directory assistance services.

(t) "Operator service provider" or "OSP" means a provider of operator service.

(u) "Payphone service" means a telephone call provided from a public, semipublic, or individually owned and operated telephone that is available to the public and is accessed by the depositing of coin or currency or by other means of payment at the time the call is made.

(v) "Person" means an individual, corporation, partnership, association, governmental entity, or any other legal entity.

(w) "Person with disabilities" means an individual who has 1 or more of the following physical characteristics:

(i) Blindness.

(ii) Inability to ambulate more than 200 feet without having to stop and rest during any time of the year.

(iii) Loss of use of 1 or both legs or feet.

(iv) Inability to ambulate without the prolonged use of a wheelchair, walker, crutches, braces, or other device required to aid mobility.

(v) A lung disease from which the individual's expiratory volume for 1 second, when measured by spirometry, is less than 1 liter, or from which the individual's arterial oxygen tension is less than 60 mm/hg of room air at rest.

(vi) A cardiovascular disease from which the individual measures between 3 and 4 on the New York heart classification scale, or from which a marked limitation of physical activity causes fatigue, palpitation, dyspnea, or anginal pain.

(vii) Other diagnosed disease or disorder including, but not limited to, severe arthritis or a neurological or orthopedic impairment that creates a severe mobility limitation.

(x) "Port", except for the loop, means the entirety of local exchange, including dial tone, a telephone number, switching software, local calling, and access to directory assistance, a white pages listing, operator services, and interexchange and intra-LATA toll carriers.

(y) "Public safety system" means a communication system operated by a public entity to provide emergency police, fire, medical, and other first responder services. Public safety system includes the Michigan state police communication system.

(z) "Reasonable rate" or "just and reasonable rate" means a rate that is not inadequate, excessive, or

unreasonably discriminatory.

(aa) "Residential customer" means a person to whom telecommunication services are furnished predominantly for personal or domestic purposes at the person's dwelling.

(bb) "Special access" means the provision of access service, other than switched access service, to a local exchange network for the purpose of enabling a provider to originate or terminate telecommunication service within the exchange, including the use of local private lines.

(cc) "State institution of higher education" means an institution of higher education described in sections 4, 5, and 6 of article VIII of the state constitution of 1963.

(dd) "Telecommunications act of 1996" means Public Law 104-104.

(ee) "Telecommunication provider" or "provider" means a person that for compensation provides 1 or more telecommunication services. Telecommunication provider does not include a provider of commercial mobile service as defined in section 332(d)(1) of the telecommunications act of 1996, 47 USC 332.

(ff) "Telecommunication services" or "services" includes regulated and unregulated services offered to customers for the transmission of 2-way interactive communication and associated usage. A telecommunication service is not a public utility service.

(gg) "Toll service" means the transmission of 2-way interactive switched communication between local calling areas. Toll service does not include individually negotiated contracts for similar telecommunication services or wide area telecommunications service.

(hh) "Total service long run incremental cost" means, given current service demand, including associated costs of every component necessary to provide the service, 1 of the following:

(i) The total forward-looking cost of a telecommunication service, relevant group of services, or basic network component, using current least cost technology that would be required if the provider had never offered the service.

(ii) The total cost that the provider would incur if the provider were to initially offer the service, group of services, or basic network component.

(ii) "Wide area telecommunications service" or "WATS" means the transmission of 2-way interactive switched communication over a dedicated access line.

History: 1991, Act 179, Eff. Jan. 1, 1992;—Am. 1995, Act 216, Imd. Eff. Nov. 30, 1995;—Am. 1998, Act 41, Imd. Eff. Mar. 18, 1998;—Am. 2005, Act 235, Imd. Eff. Nov. 22, 2005;—Am. 2011, Act 58, Imd. Eff. June 14, 2011.

***** 484.2103 Subsections (2) and (3) do not apply after the commission issues its annual report under subsection (2) in 2013 *****

484.2103 Construction of act; report on status of competition in telecommunication services; submission of information; applicability of subsections (2) and (3).

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

(2) The commission shall submit an annual report describing the status of competition in telecommunication services in this state, including, but not limited to, the toll and local exchange service markets in this state. The report required under this section shall be submitted to the governor and the house and senate standing committees with oversight of telecommunication issues.

(3) A provider shall submit to the commission all information requested by the commission necessary for the preparation of the annual report under this section.

(4) Subsections (2) and (3) do not apply after the commission issues its annual report under subsection (2) in 2013.

History: 1991, Act 179, Eff. Jan. 1, 1992;—Am. 2000, Act 295, Imd. Eff. July 17, 2000;—Am. 2005, Act 235, Imd. Eff. Nov. 22, 2005;—Am. 2011, Act 58, Imd. Eff. June 14, 2011.

ARTICLE 2

MICHIGAN PUBLIC SERVICE COMMISSION

484.2201 Jurisdiction; authority; administration of act; consistency with federal laws, rules, orders, and regulations.

Sec. 201. (1) Except as otherwise provided by this act or federal law, the commission has the jurisdiction and authority to administer this act and all federal telecommunications laws, rules, orders, and regulations that are delegated to the state, including, but not limited to, the authority to arbitrate and enforce interconnection agreements and to establish rates in accordance with the standards set forth by applicable law.

(2) The commission shall exercise its jurisdiction and authority consistent with this act and all federal

telecommunications laws, rules, orders, and regulations.

History: 1991, Act 179, Eff. Jan. 1, 1992;—Am. 2000, Act 295, Imd. Eff. July 17, 2000;—Am. 2005, Act 235, Imd. Eff. Nov. 22, 2005;—Am. 2011, Act 58, Imd. Eff. June 14, 2011.

484.2202 Additional powers and duties; enforcement of rules; electronic filings; promulgation of new rules.

Sec. 202. (1) In addition to the other powers and duties prescribed by this act, the commission shall do all of the following:

(a) Establish by order the manner and form in which telecommunication providers of regulated services within the state keep accounts, books of accounts, and records in order to determine the total service long-run incremental cost requirements of this act of providing a service. The commission requirements under this subdivision shall be consistent with any regulations covering the same subject matter made by the federal communications commission.

(b) Except as otherwise provided in this subdivision, require by order that a provider of a regulated service, including access service, make available for public inspection and file with the commission a schedule of the provider's rates, services, and conditions of service, including access service provided by contract. Except for access service, a provider is exempt from any commission order requiring that provider to file with the commission its rates, services, and conditions of regulated service if the provider files a certification with the commission opting out of the filing requirement. A certification under this subdivision shall be signed by an officer of the provider.

(c) Promulgate rules under section 213 to establish and enforce quality standards for all of the following:

(i) The provision of basic local exchange service to end users.

(ii) The provision of unbundled network elements and local interconnection services to providers that are used in the provision of basic local exchange service.

(iii) The timely and complete transfer of an end user from 1 provider of basic local exchange service to another provider.

(iv) Providers of basic local exchange service that cease to provide the service to any segment of end users or geographic area, go out of business, or withdraw from the state, including the transfer of customers to other providers and the reclaiming of unused telephone numbers.

(2) Rules promulgated under subsection (1)(c) shall include remedies for the enforcement of the rules that are consistent with this act and federal law. Rules promulgated under subsection (1)(c)(ii) shall not apply to the provision of unbundled network elements and local interconnection services subject to quality standards in an interconnection agreement approved by the commission. In promulgating any rules under subsection (1)(c), the commission shall consider to what extent current market conditions are sufficient to provide adequate service quality to basic local exchange service end users. Any service quality rules promulgated by the commission shall expire within 3 years of the effective date of the rules. The commission may, before the expiration of the rules, promulgate new rules under subsection (1)(c). However, the commission may promulgate new rules under subsection (1)(c)(iii) at any time. Any service quality rules promulgated by the commission under subsection (1)(c)(i) and any retail service quality rules promulgated before January 1, 2006 shall expire on June 30, 2011.

(3) The commission shall permit the electronic filing of any pleadings, tariffs, or any other document required or allowed to be filed with the commission under this act.

History: 1991, Act 179, Eff. Jan. 1, 1992;—Am. 1995, Act 216, Imd. Eff. Nov. 30, 1995;—Am. 2005, Act 235, Imd. Eff. Nov. 22, 2005;—Am. 2011, Act 58, Imd. Eff. June 14, 2011.

Administrative rules: R 484.401 et seq. of the Michigan Administrative Code.

484.2203 Commencement of case; filing; emergency relief order; burden of proof; investigation; hearings; judicial review; continuation of service; posting security; alternative dispute process; additional relief; motion for stay.

Sec. 203. (1) Upon receipt of an application or complaint filed under this act, or on its own motion, the commission may conduct an investigation, hold hearings, and issue its findings and order under the contested hearings provisions of the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

(2) If a complaint filed under this section alleges facts that warrant emergency relief, the complainant may request an emergency relief order. On the date of filing, the complaint and request for emergency relief shall be hand-delivered to the respondent at its principal place of business in Michigan. The commission shall allow 5 business days for a filing in response to the request for emergency relief. The commission shall review the complaint, the request for emergency relief, the response, and all supporting materials and determine whether to deny the request for emergency relief or to conduct an initial evidentiary hearing. The

initial evidentiary hearing shall be conducted within 5 business days from the date of the notice of hearing and the commission shall issue an order granting or denying the request for emergency relief. An order for emergency relief may require a party to act or refrain from action to protect competition. Any action required by an order for emergency relief shall be technically feasible and economically reasonable and the respondent shall be given a reasonable period of time to comply with the order. At the hearing for emergency relief, the respondent has the burden of showing that the order is not technically feasible and not economically reasonable. If the commission finds that extraordinary circumstances exist that warrant expedited review before the commission's issuance of a final order, it shall set a schedule providing for the issuance of a partial final order as to all or part of the issues for which emergency relief was granted within 90 days of the issuance of the emergency relief order.

(3) An order for emergency relief may be granted under subsection (2) if the commission finds all of the following:

(a) That the party has demonstrated exigent circumstances that warrant emergency relief.

(b) That the party seeking relief will likely succeed on the merits.

(c) That the party will suffer irreparable harm in its ability to serve customers if emergency relief is not granted.

(d) That the order is not adverse to the public interest.

(4) The commission may require the complainant to post a bond in an amount sufficient to make whole the respondent in the event that the order for emergency relief is later found to have been erroneously granted.

(5) An order for emergency relief shall expire upon the sooner of any of the following:

(a) Ninety days after its issuance.

(b) Issuance of the commission's partial final order.

(c) An earlier date set by the commission. Notwithstanding this subsection, the commission may extend the emergency relief order to a date no later than the date on which the final order in the proceeding is issued.

(6) An order granting or denying emergency relief under subsection (2) shall be subject to immediate review in the court of appeals as a matter of right by the party aggrieved. The review shall be de novo and shall comply with Michigan court rule 7.211(c)(6). The court may stay an order granting emergency relief upon the posting of a bond or other security in an amount and on terms set by the court. Regardless of whether an appeal is made under this subsection, the commission shall proceed with the case and issue a final order as otherwise required under this section.

(7) An application or complaint filed under this section shall contain all information, testimony, exhibits, or other documents and information within the person's possession on which the person intends to rely to support the application or complaint. Applications or complaints that do not meet the requirements of this subsection shall be dismissed or suspended pending the receipt by the commission of the required information. If the complainant or applicant requires information in the possession of the respondent, not within the complainant's or applicant's possession, the commission may allow a reasonable opportunity for discovery to allow the complainant or applicant to provide all relevant information, testimony, exhibits, or other documents on which the complainant or applicant intends to rely to support its application or complaint.

(8) The burden of proving a case filed under this act is with the party filing the application or complaint.

(9) In a contested case under this section, the commission can administer oaths, certify all official acts, and compel the attendance of witnesses and the production of papers, books, accounts, documents, and testimony.

(10) Except as otherwise provided in this section, the commission shall issue a final order in a case filed under this section within 90 days from the date the application or complaint is filed.

(11) Except as provided for a hearing involving a request for emergency relief, if a hearing is required, the applicant or complainant shall publish a notice of hearing as required by the commission within 7 days of the date the application or complaint was filed or as required by the commission. The first hearing shall be held within 10 days after the date of the notice. If a hearing is held, the commission shall have 180 days from the date the application or complaint was filed to issue its final order. If the principal parties of record agree that the complexity of issues involved requires additional time, the commission may have up to 210 days from the date the application or complaint was filed to issue its final order. If the application or complaint is subject to section 203a, the commission shall have an additional 60 days to issue its final order.

(12) An order of the commission under this act is subject to appellate review as of right in the court of appeals. The appeal shall be initiated by the filing of a claim of appeal with the court of appeals within 30 days of the issuance of an order or within 30 days of an order issued on a petition for rehearing of an order.

(13) If a complaint is filed under this section by a provider against another provider, the provider of service shall not discontinue service during the period of the contested case, including the alternative dispute process, if the provider receiving the service has posted a surety bond, provided an irrevocable letter of credit, or provided other adequate security in an amount and on a form as determined by the commission.

(14) Except if there is a request for emergency relief under this section, if the complaint filed under this section involves an interconnection dispute between providers, the commission shall require the parties to utilize the alternative dispute process under section 203a.

(15) In addition to any other relief provided by this act, the commission or a party may seek to compel compliance with a commission order by proceedings in mandamus, injunction, or by other appropriate civil remedies in the circuit court or other court of proper jurisdiction.

(16) Upon the filing of a motion for stay, the commission may, on terms as it considers just, stay the effect or enforcement of an order, except an order regarding rates or cost studies. A motion for stay, including a request for setting the amount of any appeal bond, are governed by the provisions for obtaining a stay of a civil action set forth in R 7.209 of the Michigan court rules. The commission shall decide a motion for stay within 10 days from the date the motion is filed with the commission.

History: 1991, Act 179, Eff. Jan. 1, 1992;—Am. 1995, Act 216, Imd. Eff. Nov. 30, 1995;—Am. 2000, Act 295, Imd. Eff. July 17, 2000;—Am. 2005, Act 235, Imd. Eff. Nov. 22, 2005.

484.2203a Resolution of complaint by alternative means.

Sec. 203a. (1) For all complaints involving a dispute of \$1,000.00 or less, a dispute under section 203(14), or upon the consent of all parties after the complaint is filed, for a period of 60 days after the date the complaint is filed under section 203, the parties shall attempt alternative means of resolving the complaint.

(2) Any alternative means that will result in a recommended settlement may be used that is agreed to by the principal parties of record, including, but not limited to, settlement conferences, mediation, and other informal dispute resolution methods. If the parties cannot agree on an alternative means within 10 days after the date the complaint is filed, the commission shall order mediation. Within the 60-day period required under subsection (1), a recommended settlement shall be made to the parties.

(3) Within 7 days after the date of the recommended settlement, each party shall file with the commission a written acceptance or rejection of the recommended settlement. If the parties accept the recommendation, then the recommendation shall become the final order in the contested case under section 203.

(4) If a party rejects or fails to respond within 7 days to the recommended settlement, then the application or complaint shall proceed to a contested case hearing under section 203.

(5) The party that rejects the recommended settlement shall pay the opposing party's actual costs of proceeding to a contested case hearing, including attorney fees, unless the final order of the commission is more favorable to the rejecting party than the recommended settlement under this section. A final order is considered more favorable if it differs by 10% or more from the recommended settlement in favor of the rejecting party.

(6) If the recommendation is not accepted under subsection (3), the individual commissioners shall not be informed of the recommended settlement until they have issued their final order under section 203.

(7) An attempt to resolve a contested case under this section is exempt from the requirements of section 203 and the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

History: Add. 1995, Act 216, Imd. Eff. Nov. 30, 1995;—Am. 2000, Act 295, Imd. Eff. July 17, 2000;—Am. 2005, Act 235, Imd. Eff. Nov. 22, 2005.

484.2204 Disagreement between telecommunication providers; application for resolution.

Sec. 204. If 2 or more telecommunication providers are unable to agree on a matter relating to a regulated telecommunication service or a matter prohibited by section 305, then either telecommunication provider may file with the commission an application for resolution of the matter.

History: 1991, Act 179, Eff. Jan. 1, 1992;—Am. 2005, Act 235, Imd. Eff. Nov. 22, 2005.

484.2205 Investigation and resolution of service complaints.

Sec. 205. The commission may investigate and resolve complaints under this act. The penalties under this act shall not be imposed for a violation that occurred more than 2 years before the date the complaint was filed.

History: 1991, Act 179, Eff. Jan. 1, 1992;—Am. 1995, Act 216, Imd. Eff. Nov. 30, 1995;—Am. 2005, Act 235, Imd. Eff. Nov. 22, 2005;—Am. 2011, Act 58, Imd. Eff. June 14, 2011.

484.2206 Repealed. 1995, Act 216, Imd. Eff. Nov. 30, 1995.

Compiler's note: The repealed section pertained to new telecommunication service.

484.2207 Repealed. 2005, Act 235, Imd. Eff. Nov. 22, 2005.

Compiler's note: The repealed section pertained to directory assistance service rates and quality of service.

484.2207a Repealed. 1995, Act 216, Imd. Eff. Nov. 30, 1995.

Compiler's note: The repealed section pertained to coin-operated telephones, direct-inward dialing, and touch-tone service.

484.2208 Repealed. 2005, Act 235, Imd. Eff. Nov. 22, 2005.

Compiler's note: The repealed section pertained to classification of service within competitive market.

484.2209 Awarding costs to prevailing party where frivolous position taken in proceeding; "frivolous" and "prevailing party" defined.

Sec. 209. (1) If the commission finds that a party's position in a proceeding under this act was frivolous, the commission shall award to the prevailing party the costs, including reasonable attorney fees, against the nonprevailing party and their attorney.

(2) As used in this section:

(a) "Frivolous" means that at least 1 of the following conditions is met:

(i) The party's primary purpose in initiating the proceeding or asserting the defense was to harass, embarrass, or injure the prevailing party.

(ii) The party had no reasonable basis to believe that the facts underlying that party's legal position were true.

(iii) The party's legal position was devoid of arguable legal merit.

(b) "Frivolous" does not mean a complaint filed to challenge a rate alteration increase for basic local service if the complaint has been reviewed by the commission and has not been dismissed by the commission pursuant to section 203(2).

(c) "Prevailing party" means a party who wins in the proceeding.

History: 1991, Act 179, Eff. Jan. 1, 1992.

484.2210 Trade secrets and commercial or financial information; exemption from freedom of information act; protective order; confidentiality; presumption; information regarding settlement.

Sec. 210. (1) Except under the terms of a mandatory protective order, trade secrets and commercial or financial information submitted under this act are exempt from the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(2) If information is disclosed under a mandatory protective order, then the information may be included in the commission's evidentiary record if admissible, but shall remain confidential.

(3) There is a rebuttable presumption that cost studies, customer usage data, marketing studies, and contracts between providers are trade secrets or commercial or financial information protected under subsection (1). The burden of removing the presumption under this subsection is with the party seeking to have the information disclosed.

(4) Information regarding settlement, including a recommended settlement issued by a mediator in a proceeding, shall be disclosed only to the parties to the proceeding unless all parties consent to disclosure. A mediator's recommended settlement may be disclosed to the commission after the commission has issued a final order. The administrative law judge assigned to any contested case proceeding arising from a mediation shall not be made aware of the acceptance or rejection by the parties of the recommended settlement, or the terms of the recommended settlement. The parties to the mediation shall not disclose or reveal the terms of the recommended settlement to anyone other than the parties to the mediation.

History: 1991, Act 179, Eff. Jan. 1, 1992;—Am. 1995, Act 216, Imd. Eff. Nov. 30, 1995;—Am. 2005, Act 235, Imd. Eff. Nov. 22, 2005;—Am. 2011, Act 58, Imd. Eff. June 14, 2011.

484.2211 Assessment.

Sec. 211. Each telecommunication provider of a regulated service in this state shall pay an assessment in an amount equal to the expenses of the commission pursuant to Act No. 299 of the Public Acts of 1972, being sections 460.111 to 460.120 of the Michigan Compiled Laws.

History: 1991, Act 179, Eff. Jan. 1, 1992.

484.2211a New or emerging technology; registration; information.

Sec. 211a. A provider of any telecommunication service utilizing a new or emerging technology shall register with the commission. The registration shall include all of the following information:

(a) The name of the provider.

(b) A description of the services provided.

(c) The address and telephone number of the provider's principal office.

(d) The address and telephone number of the provider's registered agent authorized to receive service in this state.

(e) Any other information the commission considers necessary.

History: Add. 2005, Act 235, Imd. Eff. Nov. 22, 2005.

484.2212 Repealed. 1995, Act 216, Imd. Eff. Nov. 30, 1995.

Compiler's note: The repealed section pertained to complaints, investigations, examinations, and proceedings pending as of January 1, 1992.

484.2213 Rules; rescission of certain rules.

Sec. 213. (1) Subject to section 201 and limited to its specific authority over a service as provided under this act, the commission may promulgate rules under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

(2) A proceeding before the commission to promulgate rules under this act shall be concluded within 180 days from the date that the proceeding is initiated.

(3) The following administrative rules are rescinded:

(a) Privacy standards for telecommunication services, R 484.201 to R 484.208 of the Michigan administrative code.

(b) Billing standards for basic residential telecommunication service, R 484.301 to R 484.386 of the Michigan administrative code.

(c) Telecommunications service quality, R 484.519 to R 484.571 of the Michigan administrative code.

History: 1991, Act 179, Eff. Jan. 1, 1992;—Am. 1995, Act 216, Imd. Eff. Nov. 30, 1995;—Am. 2000, Act 295, Imd. Eff. July 17, 2000;—Am. 2004, Act 591, Imd. Eff. Jan. 4, 2005;—Am. 2005, Act 235, Imd. Eff. Nov. 22, 2005;—Am. 2011, Act 58, Imd. Eff. June 14, 2011.

Compiler's note: In separate opinions, the Michigan Supreme Court held that Section 45(8), (9), (10), and (12) and the second sentence of Section 46(1) ("An agency shall not file a rule ... until at least 10 days after the date of the certificate of approval by the committee or after the legislature adopts a concurrent resolution approving the rule.") of the Administrative Procedures Act of 1969, in providing for the Legislature's reservation of authority to approve or disapprove rules proposed by executive branch agencies, did not comply with the enactment and presentment requirements of Const 1963, Art 4, and violated the separation of powers provision of Const 1963, Art 3, and, therefore, were unconstitutional. These specified portions were declared to be severable with the remaining portions remaining effective. Blank v Department of Corrections, 462 Mich 103 (2000).

Administrative rules: R 484.401 et seq. of the Michigan Administrative Code.

484.2214 Community resource information and referral entity; designation as 2-1-1 answering point; designation as 2-1-1 coordinating agency.

Sec. 214. (1) The commission shall issue orders that assign the telephone digits 2-1-1 to community resource information and referral answering points established under subsection (3) and prescribe appropriate interconnection orders to carry out the intent of this section.

(2) Each provider of basic local exchange service in this state shall assign the telephone number 2-1-1 only to a community resource information and referral answering point established under subsection (3).

(3) The commission shall designate a community resource information and referral entity to be the 2-1-1 answering point for various geographical areas within this state. In making its determination, the commission shall consider all of the following:

(a) The recommendations of Michigan 2-1-1, inc.

(b) Whether the relevant state-endorsed community collaborative bodies are in agreement.

(c) Whether the entity has established a framework to assure the provision of coverage of the 2-1-1 telephone number 24 hours per day, 7 days per week.

(d) Whether the entity meets 2-1-1 standards adopted by the Michigan alliance for information and referral systems.

(4) Each community resource information and referral entity designated by the commission to be the 2-1-1 answering point for a particular geographical area within the state shall establish the framework to provide sufficient resources to operate the 2-1-1 telephone number 24 hours per day, 7 days per week.

(5) Not later than April 1, 2006, the commission shall designate an entity to serve as the state 2-1-1 coordinating agency. The designated agency shall assist and provide information and resources in implementing 2-1-1 service in this state. The designated agency shall also coordinate the providing of 2-1-1 services of the community resource information and referral entities designated under subsection (3).

(6) Before a state agency or local unit of government implements a community resource information or referral service, the state agency or local unit of government shall consult with the state 2-1-1 coordinating agency designated by the commission under subsection (5).

(7) By 2008, the commission shall issue orders that assign the telephone digits 2-1-1 to a statewide central routing system connecting regional community resource information and referral answering points established under subsection (3). Each provider of basic local exchange service in the state will reassign the telephone number 2-1-1 to the central system without additional charge.

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

ARTICLE 2A LOCAL UNITS OF GOVERNMENT

484.2251-484.2254 Repealed. 2002, Act 48, Eff. Nov. 1, 2002.

Compiler's note: The repealed sections pertained to permits for access to right-of-way, easement, or public place.

484.2252 Telecommunication services offered by public entity.

Sec. 252. (1) A public entity may provide telecommunication services within its boundaries if the public entity has complied with the requirements of section 14 of the metropolitan extension telecommunications right-of-way oversight act, 2002 PA 48, MCL 484.3114, and all of the following apply:

(a) The public entity has issued a request for competitive sealed bids to provide telecommunication services.

(b) The public entity has received less than 3 qualified bids from private providers.

(c) It is more than 60 days from the date the request for bids was issued.

(d) The public entity is providing the telecommunication services under the same terms and conditions as required under the request for bids issued pursuant to subdivision (a).

(2) Except as provided under subsection (3), a public entity shall not provide telecommunication services outside its boundaries.

(3) Two or more public entities may jointly request bids under subsection (1) and provide telecommunication services if all participating public entities meet the requirements of this section. If a public entity does not receive a qualified bid as required under subsection (1), the public entity may contract with another public entity to receive telecommunication services.

(4) A public entity shall not establish a board or other entity for the purpose of providing regulation of a private provider of services under this section.

(5) This section does not apply to all of the following:

(a) Public safety systems.

(b) Systems used only for the internal use of the public entity or for the sharing of information between the public entity and another public entity.

(c) A public entity that is currently providing telecommunication services or that has held a public hearing by November 1, 2005 on a proposal to provide telecommunication services, or has issued a request for bids by November 1, 2005 to provide telecommunication services, or has an enforceable contract to begin construction of a telecommunication system by November 1, 2005.

(d) A public entity that is currently providing service in another public entity's boundaries.

(e) Services offered by a public entity to the public within a facility owned and operated by the public entity.

(f) Systems or services used or offered by 1 or more public entities or consortiums to advance or promote the public health, safety, and provision of e-government services.

(6) This section may not be construed to prevent a municipally-owned utility from providing to its energy customers, either directly or indirectly, any energy related service involving the transfer or receipt of information or data concerning the use, measurement, monitoring, or management of energy services provided by the municipally-owned utility, including services such as load management or automated meter reading.

(7) As used in this section, "public entity" means a county, city, village, township, or any agency or subdivision of the public entity.

History: Add. 2005, Act 235, Imd. Eff. Nov. 22, 2005.

ARTICLE 3 REGULATED TELECOMMUNICATIONS SERVICES

A. BASIC LOCAL EXCHANGE

484.2301 License to provide or resell basic local exchange service; temporary license.

Sec. 301. (1) A telecommunication provider shall not provide or resell basic local exchange service in this

state, without a license issued from the commission under this act.

(2) Pending the determination of an application for a license, the commission without notice and hearing may issue a temporary license for a period not to exceed 1 year.

History: 1991, Act 179, Eff. Jan. 1, 1992;—Am. 1995, Act 216, Imd. Eff. Nov. 30, 1995;—Am. 2005, Act 235, Imd. Eff. Nov. 22, 2005.

484.2301a Repealed. 2011, Act 58, Imd. Eff. June 14, 2011.

Compiler's note: The repealed section pertained to offer of primary basic local exchange service by licensed provider.

484.2302 Approval of application for license; required findings; retention of license and availability of information.

Sec. 302. (1) After notice and hearing, the commission shall approve an application for a license if the commission finds both of the following:

(a) The applicant possesses sufficient technical, financial, and managerial resources and abilities to provide basic local exchange service within the geographic area of the license and that the applicant intends to provide service within 1 year from the date the license is granted.

(b) The granting of a license to the applicant would not be contrary to the public interest.

(2) The commission shall retain a copy of all granted licenses and make all information contained in the licenses available to the public.

(3) Each provider granted a license shall retain a copy of the license at its principal place of business and make the license available for review to the public.

History: 1991, Act 179, Eff. Jan. 1, 1992;—Am. 2000, Act 295, Imd. Eff. July 17, 2000;—Am. 2005, Act 235, Imd. Eff. Nov. 22, 2005.

484.2303 Effect of sale or transfer of stock; addition, elimination, or modification of area code; prohibition; bankruptcy.

Sec. 303. (1) The sale or transfer of shares of stock of a provider of basic local exchange service is not a sale or transfer of a license or a discontinuance of service.

(2) The commission has the authority to approve or deny a proposed addition, elimination, or modification of an area code in this state. The commission shall give public notice and shall conduct a public hearing in the affected geographic area before an addition, elimination, or modification of an area code is made in this state.

(3) A license issued under this act is not transferable to an unlicensed provider.

(4) In case of the bankruptcy of a licensed provider, the commission shall establish the procedures for the transfer of the license to another qualified provider.

History: 1991, Act 179, Eff. Jan. 1, 1992;—Am. 1995, Act 216, Imd. Eff. Nov. 30, 1995;—Am. 2000, Act 295, Imd. Eff. July 17, 2000;—Am. 2005, Act 235, Imd. Eff. Nov. 22, 2005;—Am. 2011, Act 58, Imd. Eff. June 14, 2011.

484.2304 Local call; adjacent area; classification; total service long run incremental cost of provider with less than 10,000 end-users.

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 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.

History: 1991, Act 179, Eff. Jan. 1, 1992;—Am. 1995, Act 216, Imd. Eff. Nov. 30, 1995;—Am. 2000, Act 295, Imd. Eff. July 17, 2000;—Am. 2005, Act 235, Imd. Eff. Nov. 22, 2005;—Am. 2011, Act 58, Imd. Eff. June 14, 2011.

484.2304a, 484.2304b Repealed. 2005, Act 235, Imd. Eff. Nov. 22, 2005.

Compiler's note: The repealed sections pertained to requirements for rate restructure and options for basic local exchange, toll, and access services.

484.2305 Provider of basic local exchange service; prohibited conduct.

Sec. 305. A provider of basic local exchange service shall not do any of the following:

(a) Discriminate against another provider by refusing or delaying access service to the local exchange.

(b) Refuse or delay interconnections or provide inferior connections to another provider.

(c) Degrade the quality of access service provided to another provider.

- (d) Impair the speed, quality, or efficiency of lines used by another provider.
- (e) Develop new services to take advantage of planned but not publicly known changes in the underlying network.
- (f) Refuse or delay a request of another provider for information regarding the technical design, equipment capabilities and features, geographic coverage, and traffic patterns of the local exchange network.
- (g) Refuse or delay access service or be unreasonable in connecting another provider to the local exchange whose product or service requires novel or specialized access service requirements.
- (h) Upon a request, fail to fully disclose in a timely manner all available information necessary for the design of equipment that will meet the specifications of the local exchange network.
- (i) Discriminate against any provider or any party who requests the information for commercial purposes in the dissemination of customer proprietary information. A provider shall provide without unreasonable discrimination or delay telephone directory listing information and related services to persons purchasing telephone directory listing information to the same extent and in the same quality as provided to the provider, affiliates of the provider, or any other listing information purchaser.
- (j) Refuse or delay access service by any person to another provider.
- (k) Bundle unwanted services or products for sale or lease to another provider.
- (l) Perform any act that has been prohibited by this act or an order of the commission.
- (m) Sell services or products, extend credit, or offer other terms and conditions on more favorable terms to an affiliate of the provider than the provider offers to other providers.

History: 1991, Act 179, Eff. Jan. 1, 1992;—Am. 1995, Act 216, Imd. Eff. Nov. 30, 1995;—Am. 2005, Act 235, Imd. Eff. Nov. 22, 2005;—Am. 2011, Act 58, Imd. Eff. June 14, 2011.

484.2305a Originating, forwarding, or terminating intrastate traffic; duties of provider; dispute resolution; violation; payment; fine; establishment of reciprocal compensation arrangement; payment of tariffed rate; authority of commission to resolve disputes.

Sec. 305a. (1) Except as otherwise provided by federal law, where technically feasible, a provider originating or forwarding an intrastate call that is terminated on the network of another provider shall do all of the following:

(a) For originated calls, transmit the telephone number of the party originating the call. The telephone number shall be transmitted without alteration in the network signaling information.

(b) For forwarded calls, transmit the telephone number of the party originating the call to the extent that information has been provided by the originating carrier. The telephone number shall be transmitted without alteration in the network signaling information.

(2) The commission shall investigate complaints alleging violations of this section and may initiate proceedings under section 203 to resolve disputes between providers regarding identification of traffic and disputes regarding compensation rights and obligations between providers who originate, forward, or terminate intrastate traffic.

(3) If the commission determines that the telephone number has not been transmitted as required by this section, the provider against whom the complaint was filed shall demonstrate that it was not technically feasible to transmit the information, or that it had a legitimate business or other good faith reason for not transmitting the telephone number.

(4) If the commission determines that a provider violated this section, the commission shall determine if the violation resulted in a nonpayment or underpayment of compensation to the complaining provider under the terms of the parties' compensation agreement or its intrastate access tariff. The commission shall determine the amount of the nonpayment or underpayment and order the violating provider to make payment. The commission shall assess a fine against the violating provider in an amount equal to 2 times the payment amount, and may take any other action authorized by Michigan law that it considers necessary.

(5) A provider that originates an intrastate call subject to section 251(b)(5) of the telecommunications act of 1996, 47 USC 251, shall agree to establish a reciprocal compensation arrangement for the termination of those calls. Originating and terminating providers shall agree to begin negotiations no more than 30 days after the originating provider receives a request from a terminating provider to establish an arrangement. During the negotiation period, reciprocal compensation rates shall be assessed by the terminating carrier under an interim arrangement with the originating carrier. Originating and terminating providers shall use good faith efforts to conclude negotiations and finalize an agreement within a reasonable time period.

(6) A provider that originates an intrastate intra-LATA call subject to a terminating carrier's intrastate access tariffs shall pay the tariffed rate for termination of the call.

(7) The commission may resolve disputes under this section between originating and terminating providers related to negotiation of the reciprocal compensation agreement and the payment of the tariffed rates.

History: Add. 2005, Act 235, Imd. Eff. Nov. 22, 2005;—Am. 2011, Act 58, Imd. Eff. June 14, 2011.

484.2305b Duties.

Sec. 305b. A provider of any telecommunication service shall do all of the following:

(a) Upon request, provide each customer a clear and simple explanation of the terms and conditions of the services purchased by the customer including, but not limited to, a statement of all fees, charges, and taxes that will be included in the customer's monthly bill.

(b) The statement required under subdivision (a) shall include a good faith estimate by the provider of the actual monthly cost that the customer will be required to pay if the service is purchased.

(c) Comply with all federal and state requirements regarding truth in billing, E 9-1-1 services, and basic local exchange service.

(d) If E 9-1-1 service is not available to the customer, ensure that the customer has an alternative means to reach emergency service responders.

History: Add. 2005, Act 235, Imd. Eff. Nov. 22, 2005;—Am. 2011, Act 58, Imd. Eff. June 14, 2011.

484.2305c Emergency power requirements; compliance.

Sec. 305c. A provider of basic local exchange service shall comply with the following emergency power requirements:

(a) A facilities-based provider shall equip each central office, remote switch, remote line unit, and interexchange toll switching office or access tandem with a minimum of 3 hours of peak load battery reserve, if permanent auxiliary power is installed, and 5 hours of battery reserve, if permanent emergency power is not installed, or 8 hours of battery reserve if the central office is in a remote location. A facilities-based provider shall have available a mobile power unit to be delivered and connected to central offices, remote switches, and remote line units within 8 hours.

(b) An E 9-1-1 service supplier shall provide 24-hour, 7-day-a-week database access to permit information to be acquired or corrected.

(c) A provider, E 9-1-1 service supplier, public safety answering point, or any entity providing or maintaining E 9-1-1 database information shall correct each error in the 9-1-1 system or database within 1 business day.

History: Add. 2011, Act 58, Imd. Eff. June 14, 2011.

484.2306 Repealed. 2011, Act 58, Imd. Eff. June 14, 2011.

Compiler's note: The repealed section pertained to offer of toll services by telecommunication provider of basic local exchange service.

484.2307 Educational institutions generally.

Sec. 307. (1) Educational institutions shall have the authority to own, construct, and operate a telecommunication system or to purchase telecommunication services or facilities from an entity capable of providing the service or facility.

(2) Educational institutions that provide telecommunication services offered in subsection (3) shall not be subject to regulation under this act or by any other governmental unit.

(3) Educational institutions may only sell telecommunication services required for, or useful in, the instruction and training, including worker training, of students and other people utilizing the institution's educational services, the conducting of research, or the operation of the institution. The services shall not be considered basic local exchange services as long as they are used for the instruction and training of students and other people utilizing the institution's education services, the conducting of research, or the operation of the institution. Educational institutions may initiate and maintain cooperative arrangements with telecommunication providers without the institutions being subject to this act.

(4) Upon the request of an educational institution, telecommunication providers may provide to an educational institution services for the transmission of interactive data, voice and video communications between the institution's facilities or to the homes of students or employees of the institution, regardless of whether the exchanges are in the same or different LATAs.

(5) The rates for services provided to an educational institution by a provider under this section shall be determined by an open bid process.

(6) Except for a state institution of higher education, if an educational institution has excess capacity, it may sell the excess capacity subject to subsection (3) and to all of the following:

(a) The amount of capacity sold shall not exceed 25% of the institution's total capacity.

(b) The capacity shall not be sold below the total service long run incremental cost of the provider of basic local exchange service in the service area of the educational institution. If there is more than 1 provider in the

service area, the educational institution shall use the lowest total service long run incremental cost.

(c) The educational institution has held not less than 1 public hearing on the proposed plan to sell the excess capacity. The educational institution shall give notice of the time and place of the public hearing not less than 15 days before the hearing by 1 publication in a newspaper of general circulation in the geographic area in which the excess capacity is to be sold. Notice shall also be provided on the educational institution's website.

History: 1991, Act 179, Eff. Jan. 1, 1992;—Am. 1995, Act 216, Imd. Eff. Nov. 30, 1995;—Am. 2005, Act 235, Imd. Eff. Nov. 22, 2005.

484.2307a Repealed. 1995, Act 216, Imd. Eff. Nov. 30, 1995.

Compiler's note: The repealed section pertained to educational institutions services for transmission of interactive data and video communications.

484.2308 Repealed. 2011, Act 58, Imd. Eff. June 14, 2011.

Compiler's note: The repealed section pertained to use of basic local exchange or access rates or proceeds from sale, lease, or transfer of rate acquired assets.

484.2309 Local directory assistance; annual printed telephone directory; 900 prefix services.

Sec. 309. (1) A provider of basic local exchange service shall provide to each customer local directory assistance and may distribute a printed telephone directory to each customer. If a provider of basic local exchange service elects not to distribute a printed telephone directory to each customer, a customer may request either a printed telephone directory or an electronic telephone directory from the provider that shall provide that directory at no additional charge to the customer.

(2) A provider of basic local exchange service shall provide each customer at no additional charge the option of having access to 900 prefix services blocked through the customer's exchange service.

History: 1991, Act 179, Eff. Jan. 1, 1992;—Am. 2005, Act 235, Imd. Eff. Nov. 22, 2005;—Am. 2011, Act 58, Imd. Eff. June 14, 2011.

484.2309a, 484.2309b Repealed. 2011, Act 58, Imd. Eff. June 14, 2011.

Compiler's note: The repealed sections pertained to cable service by provider of telecommunication service and collective bargaining activities undertaken by employees of provider of inter-LATA toll service.

B. TOLL ACCESS SERVICE

484.2310 Rates for toll access services; intrastate switched toll access rate restructuring mechanism; establishment; administration; size; mandatory monthly contributions; modifications to size, operation, or composition of restructuring mechanism; proceedings; disputes; resolution; enforcement; information to be provided by providers; definitions

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

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

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

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

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

(7) In order to restructure intrastate switched toll access service rates, there is hereby established in the department of energy, labor, and economic growth an intrastate switched toll access rate restructuring mechanism as a separate interest-bearing fund. The state treasurer shall direct the investment of the restructuring mechanism. Money in the restructuring mechanism shall remain in the restructuring mechanism at the close of the fiscal year and shall not revert to the general fund.

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

(9) The restructuring mechanism shall be administered by the commission. The restructuring mechanism shall be established and shall begin operation within 270 days after the effective date of the amendatory act that added this subsection. Subject to the preceding sentence, the commission shall establish the date for commencing the operation of the restructuring mechanism and shall notify the participants in the restructuring mechanism at least 30 days in advance of that date. The commission shall recover its actual costs of administering the restructuring mechanism from assessments collected for the operation of the restructuring mechanism.

(10) The commission shall establish the procedures and timelines for organizing, funding, and administering the restructuring mechanism. The commission shall report to the legislature and the governor annually regarding the administration of the restructuring mechanism. The report shall include the total amount of money collected from contributing providers, the total amount of money disbursed from the restructuring mechanism annually to each eligible provider, the costs of administration, and any other information considered relevant by the commission. Any company-specific information pertaining to access lines, switched toll access services minutes of use, switched toll access demand quantities, contributions, and intrastate telecommunications services revenues submitted to the commission under this subsection are confidential commercial or financial information and exempt from public disclosure pursuant to section 210.

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

(a) Within 60 days of the effective date of the amendatory act that added this subsection each eligible provider shall submit to the commission information and all the supporting documentation that establishes the amount of the reduction in annual intrastate switched toll access revenues which will result from the reduction in rates required in subsection (2). The reduction shall be calculated for each eligible provider as the difference between intrastate and interstate switched toll access service rates in effect as of July 1, 2009, multiplied by the intrastate switched access minutes of use and other switched access demand quantities for the calendar year 2008.

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

(12) The restructuring mechanism shall be created and supported by a mandatory monthly contribution by all providers of retail intrastate telecommunications services and all providers of commercial mobile service. Interconnected voice over internet protocol services shall not be considered an intrastate telecommunications service for the purposes of this section and interconnected voice over internet protocol service providers shall not be required to pay, directly or indirectly, the mandatory monthly contributions established in this subsection. A provider of telecommunications services to a provider of interconnected voice over internet protocol services shall not pay a mandatory monthly contribution related to those interconnected voice over internet protocol services or attempt to pass through any mandatory monthly contributions, directly or indirectly, to a provider of interconnected voice over internet protocol services. Nothing in this act grants the commission authority over commercial mobile service providers or voice over internet protocol service providers except as is strictly necessary for administration of the restructuring mechanism.

(13) Within 60 days of the effective date of the amendatory act that added this subsection, each contributing provider shall report its 2008 intrastate retail telecommunications services revenues to the commission. Notwithstanding anything in subsection (12), if the federal communications commission determines that interconnected voice over internet protocol services may be subject to state regulation for universal services purposes, the commission may open a proceeding to determine who is required to participate in a universal service fund.

(14) The initial contribution assessment percentage shall be a uniform percentage of retail intrastate telecommunications services revenues determined by projecting the total amount necessary to cover the initial intrastate switched toll access rate restructuring mechanism disbursement levels for 12 months, including

projected cash reserve requirements, actual and projected administrative costs, and projected uncollectible contribution assessments, divided by the 2008 calendar year total retail intrastate telecommunications services revenues in this state, less projected uncollectible revenues, reported to the commission. The commission shall issue an order establishing the initial calculation of the contribution assessment percentage within 150 days of the effective date of the amendatory act that added this subsection. The commission may increase or decrease the contribution assessment on a quarterly or other basis as necessary to maintain sufficient funds for disbursements.

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

(16) The commission shall recalculate the size of the restructuring mechanism for each eligible provider 4 years from the date the initial restructuring mechanism becomes operational pursuant to subsection (9) and again 4 years thereafter. The recalculation process shall be as follows:

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

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

(c) The recalculated restructuring mechanism shall be adjusted during the second recalculation by the percentage change, if any, in the number of access lines in service for each eligible provider from December 31 of the year of the first recalculation to December 31 of the year immediately preceding the second recalculation.

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

(17) The money received and administered by the commission for the support and operation of the restructuring mechanism created by the amendatory act that created this subsection shall not be used by the commission or any department, agency, or branch of the government of this state for any other purpose, and that money is not subject to appropriation, allocation, assignment, expenditure, or other use by any department, agency, or branch of the government of this state.

(18) If the federal government adopts intercarrier compensation reforms or takes any action that causes or requires a significant change in interstate switched toll access service rates, the commission may initiate, or any interested party may file an application for, a proceeding pursuant to section 203 within 60 days of that action to determine whether any modifications to the size, operation, or composition of the restructuring mechanism are warranted. During the pendency of that proceeding, the requirement in subsection (2) for eligible providers to set intrastate switched toll access service rates equal to interstate switched toll access service shall be temporarily suspended by those providers. Intrastate access rates may not be increased above the levels that exist at the time of the suspension. Following notice and hearing, upon a showing of good cause, the commission may stop or place certain conditions on the temporary suspension.

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

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

(21) If any contributing provider subject to this section fails to make the required contributions or fails to provide required information to the commission, the commission shall initiate an enforcement proceeding under section 203. If the commission finds that a contributing provider has failed to make contributions or to perform any act required under this section, a contributing provider shall be subject to the remedies and penalties under section 601.

(22) Eligible providers and contributing providers shall provide information to the commission that is

required for the administration of the restructuring mechanism. Company-specific information pertaining to access lines, switched toll access services minutes of use, switched toll access demand quantities, contributions, and intrastate telecommunications services revenues submitted to the commission under this subsection is confidential commercial or financial information and exempt from public disclosure pursuant to section 210.

(23) As used in this section:

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

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

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

(d) "Interconnected voice over internet protocol service" means that term as defined in 47 CFR 9.3.

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

History: 1991, Act 179, Eff. Jan. 1, 1992;—Am. 1995, Act 216, Imd. Eff. Nov. 30, 1995;—Am. 2000, Act 295, Imd. Eff. July 17, 2000;—Am. 2005, Act 235, Imd. Eff. Nov. 22, 2005;—Am. 2009, Act 182, Imd. Eff. Dec. 17, 2009.

484.2310a Charging, assessing, or imposing intrastate subscriber line charge or end-user line charge; prohibition.

Sec. 310a. After June 1, 2007, all providers of telecommunication services in this state shall not charge, assess, or impose on end-users an intrastate subscriber line charge or end-user line charge.

History: Add. 2005, Act 235, Imd. Eff. Nov. 22, 2005;—Am. 2011, Act 58, Imd. Eff. June 14, 2011.

484.2311 Repealed. 2011, Act 58, Imd. Eff. June 14, 2011.

Compiler's note: The repealed section pertained to imputation of prices of special toll access service and switched access by telecommunication providers of basic local exchange service.

C. TOLL SERVICE

484.2312 Repealed. 2011, Act 58, Imd. Eff. June 14, 2011.

Compiler's note: The repealed section pertained to availability and rates for toll services.

484.2312a Repealed. 2005, Act 235, Imd. Eff. Nov. 22, 2005.

Compiler's note: The repealed section pertained to 1+intra-LATA toll dialing parity.

484.2312b Repealed. 1995, Act 216, Eff. July 1, 1997.

Compiler's note: The repealed section pertained to 1+ intra-LATA toll dialing parity.

484.2312c Use of payphone or toll service; receipt of rate quote; exception; "consumer" defined.

Sec. 312c. (1) Before connecting any call, the operator service provider that owns or operates the payphone or contracts to provide toll service for the payphone provider shall at no charge disclose, audibly and distinctly, how the consumer may receive a rate quote.

(2) To receive a rate quote, the consumer shall have the option of either pressing a sequence of not more than 2 keys or staying on the line for assistance.

(3) The consumer shall not be assessed any charge for the use of the payphone or toll service if the consumer terminates the call after receiving the rate quote.

(4) This section does not apply to calls made by a consumer utilizing his or her toll provider of choice by dialing the provider's access service method.

(5) As used in this section, "consumer" means a person initiating a telephone call using an operator service. In collect calling arrangements handled by an operator service provider, the term consumer includes the party on the terminating end of the call. For bill-to-third party calling arrangements handled by an operator service provider, the term consumer includes the party to be billed for the call if that party is contacted by the operator service provider to secure billing approval.

History: Add. 2004, Act 561, Imd. Eff. Jan. 3, 2005.

D. DISCONTINUANCE OF SERVICES

484.2313 Discontinuance of service.

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

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

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

(4) Discontinuance of basic local exchange service under this section by an incumbent local exchange carrier does not affect the requirements of that incumbent local exchange carrier under federal law. As used in this subdivision, "incumbent local exchange carrier" means that term as defined in section 251(h) of the telecommunications act of 1996, 47 USC 251.

History: 1991, Act 179, Eff. Jan. 1, 1992;—Am. 2011, Act 58, Imd. Eff. June 14, 2011.

484.2314 Repealed. 2011, Act 58, Imd. Eff. June 14, 2011.

Compiler's note: The repealed section pertained to discontinuing of regulated services for failure by customer to pay rate or charge imposed for unregulated service.

484.2314a Customer on active duty in military; shut-off protection.

Sec. 314a. (1) Except as otherwise provided by this section, a telecommunication provider shall not discontinue basic local exchange telecommunication service to the residence of a qualifying customer who has made a filing under this section. A customer making a filing under this section shall retain the telephone number assigned to the customer on the date of the filing.

(2) A qualifying customer may apply for shut-off protection for telecommunication service under this section by notifying the provider that the qualifying customer is in need of assistance caused by a reduction in household income through a call to active duty status in the military.

(3) A provider of service may request verification of the call to active duty status from the qualifying customer. A provider of service may also request verification of the qualified customer's reduction in household income.

(4) A provider of service may require restrictions or elimination of calling features or toll service as a condition of granting a qualifying customer's request for shut-off protection under this section.

(5) A qualifying customer may receive shut-off protection from the provider of service under this section for up to 90 days. Upon application to the provider, the provider may grant the qualifying customer 1 or more extensions.

(6) A qualifying customer receiving assistance under this section shall notify the provider of the end of the call to active duty status as soon as that status is known.

(7) Unless waived by the provider, the shut-off protection provided under this section does not void or limit the obligation of the qualifying customer to pay for telecommunication services received during the time of assistance.

(8) Within 48 hours of receiving all information requested of the qualifying customer, a provider shall do all of the following:

(a) Create a repayment plan requiring minimum monthly payments that allows the qualifying customer to pay any past due amounts over a reasonable time period not to exceed 1 year.

(b) Provide a qualifying customer with information regarding any governmental, provider, or other

assistance programs.

(9) This section does not affect or amend any commission rules or orders pertaining to billing standards. If the terms and conditions arranged by the provider with the qualifying customer under subsection (8) are not followed by the customer, then the provider shall follow procedures as set forth in the commission's billing standards for basic residential telecommunication service.

(10) As used in this section, "qualifying customer" means all of the following:

(a) A residential household where the income is reduced because the customer of record, or the spouse of the customer of record, is called to active military service by the president of the United States or the governor of this state during a time of declared national or state emergency or war.

(b) Assistance is needed by the residential household to maintain telecommunication service.

(c) The residential household notifies the provider of the need for assistance and provides verification of the call to active duty status.

History: Add. 2003, Act 206, Imd. Eff. Nov. 26, 2003;—Am. 2005, Act 235, Imd. Eff. Nov. 22, 2005.

484.2314b Person certified as deaf or hard of hearing or speech-impaired; shut-off protection.

Sec. 314b. (1) Except as otherwise provided by this section, a telecommunication provider shall not discontinue basic local exchange telecommunication service to a residence of a person who is certified as deaf or hard of hearing, or speech-impaired by a licensed physician, licensed audiologist, or qualified state agency, who has made a filing under this section.

(2) A deaf or hard of hearing, or speech-impaired customer may apply for shut-off protection for telecommunication services under this section by notifying the provider that the deaf or hard of hearing, or speech-impaired customer is in need of assistance caused by a reduction in household income.

(3) A provider of service may request verification of the reduction in household income from the deaf or hard of hearing, or speech-impaired customer.

(4) A provider of service may require restrictions or elimination of calling features or toll service as a condition of granting a deaf or hard of hearing, or speech-impaired customer's request for shut-off protection under this section. The provider shall not restrict the deaf or hard of hearing, or speech-impaired customer's access to a telecommunication relay service required under section 315.

(5) A deaf or hard of hearing, or speech-impaired customer may receive shut-off protection from the provider of service under this section for up to 90 days. Upon application to the provider, the provider may grant the qualifying customer 1 or more extensions.

(6) Unless waived by the provider, the shut-off protection provided under this section does not void or limit the obligation of the qualifying customer to pay for telecommunication services received during the time of assistance.

(7) Within 48 hours of receiving all information requested of the deaf or hard of hearing, or speech-impaired customer, a provider shall do all of the following:

(a) Create a repayment plan requiring minimum monthly payments that allows the deaf or hard of hearing, or speech-impaired customer to pay any past due amounts over a reasonable time period not to exceed 1 year.

(b) Provide a deaf or hard of hearing, or speech-impaired customer with information regarding any governmental, provider, or other assistance programs.

(8) This section does not affect or amend any commission rules or orders pertaining to billing standards. If the terms and conditions arranged by the provider with the deaf or hard of hearing, or speech-impaired customer under subsection (7) are not followed by the customer, then the provider shall follow procedures as set forth in the commission's billing standards for basic residential telecommunication service.

History: Add. 2005, Act 235, Imd. Eff. Nov. 22, 2005.

E. SERVICES FOR THE HEARING IMPAIRED

484.2315 Text telephone-telecommunications device for the deaf, hard of hearing, or speech-impaired; relay service; rates and charges; discounts; recovery of costs.

Sec. 315. (1) The commission shall require each provider of basic local exchange service to provide a text telephone-telecommunications device for the deaf at cost to each individual who is certified as deaf or hard of hearing or speech-impaired by a licensed physician, licensed audiologist, or qualified state agency, and to each public safety answering point as defined in section 102 of the emergency 9-1-1 service enabling act, 1986 PA 32, MCL 484.1102.

(2) The commission shall require each provider of basic local exchange service to provide a telecommunication relay service whereby persons using a text telephone-telecommunications device for the

deaf can communicate with persons using a voice telephone through the use of third party intervention or automated translation. Each provider of basic local exchange service shall determine whether to provide a telecommunication relay service on its own, jointly with other basic local exchange providers, or by contract with other telecommunication providers. The commission shall determine the technical standards and essential features of text telephone and telecommunication relay service to ensure their compatibility and reliability.

(3) Rates and charges for calls placed through a telecommunication relay service shall not exceed the rates and charges for calls placed directly from the same originating location to the same terminating location. Unless ordered by the commission, a provider of a telecommunications relay service shall not be required to handle calls from public telephones except for calls charged collect or to cash, a credit card, or a third party number.

(4) Notwithstanding any other provision of this act, a provider may offer discounts on toll calls where a text telephone-telecommunications device for the deaf is used. The commission shall not prohibit such discounts on toll calls placed through a telecommunication relay service.

(5) The commission shall establish a rate for each subscriber line of a provider to allow the provider to recover costs incurred under this section and may waive the costs assessed under this section to individuals who are deaf or severely hearing impaired or speech impaired. The rate established by the commission under this subsection may be assessed as a line item on an end-user's bill.

History: 1991, Act 179, Eff. Jan. 1, 1992;—Am. 2005, Act 235, Imd. Eff. Nov. 22, 2005;—Am. 2011, Act 58, Imd. Eff. June 14, 2011.

F. LIFELINE SERVICES

484.2316 Rates for low income residential customers; reduction; notification of lifeline services.

Sec. 316. (1) The commission shall require each provider of residential 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 shall be at a minimum, 20% of the basic local exchange rate or \$8.25, which shall be, 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 shall be, at a minimum, 25% of the basic local exchange rate or \$12.35, which shall be inclusive of any federal contribution, whichever is greater.

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

(5) To qualify for the reduced rate under this section, the person's annual income shall 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 person 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) The commission shall establish a rate for each subscriber line of a provider to allow the provider to recover costs incurred under this section. The rate established by the commission under this subsection may be assessed as a line item on an end-user's bill.

(7) 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.

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.

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.

G. OPERATOR SERVICE PROVIDERS

484.2317 Operator service providers; registration; fee; connection of emergency call to emergency responder service.

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

(a) The name of the provider.

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

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

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

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

(3) The registration is effective immediately upon filing with the commission and the payment of the registration fee and shall remain in effect for 1 year from its effective date.

(4) A registration may be renewed for 1 year by filing with the commission a renewal registration on a form provided by the commission and the payment of a renewal fee of \$100.00.

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

History: Add. 1995, Act 216, Imd. Eff. Nov. 30, 1995;—Am. 2005, Act 235, Imd. Eff. Nov. 22, 2005.

H. PAYPHONE SERVICES

484.2318 Payphone service; discrimination prohibited; compliance with nonstructural safeguards.

Sec. 318. (1) A provider of basic local exchange service shall not discriminate in favor of its or an

affiliate's payphone service over similar services offered by another provider.

(2) A provider of payphone service shall comply with all nonstructural safeguards adopted by the federal communications commission for payphone service.

History: Add. 1995, Act 216, Imd. Eff. Nov. 30, 1995.

484.2319 Repealed. 2005, Act 235, Imd. Eff. Nov. 22, 2005.

Compiler's note: The repealed section pertained to rate of compensation a provider of toll service is to compensate provider of payphone service.

484.2320 Payphone service; registration required; report of inoperative payphone; notification; rules or orders; regulation of service by local unit of government.

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

(a) The name of the provider.

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

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

(d) The specific location of each payphone in this state owned or operated by the provider. Information required under this subdivision shall be made available to the local unit of government solely for the enforcement of the reporting, repairing, and replacement standards under subsection (8). The information required to be provided under this subsection shall be considered commercial information under section 210, and the information submitted shall be exempt from the freedom of information act, Act No. 442 of the Public Acts of 1976, being sections 15.231 to 15.246 of the Michigan Compiled Laws.

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

(3) The registration is effective immediately upon filing with the commission and the payment of the registration fee and shall remain in effect for 1 year from its effective date.

(4) A registration may be renewed for 1 year by filing with the commission a renewal registration on a form provided by the commission and the payment of a renewal fee of \$100.00.

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

(6) If the commission receives a report pursuant to subsection (5), it shall immediately notify the provider of the inoperative payphone.

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

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

(9) A local unit of government may enforce the reporting, repairing, and replacement of inoperative payphones within its jurisdiction by adopting an ordinance that conforms to the standards established by the commission under subsection (7). A local unit of government shall not impose standards greater than these established by the commission.

History: Add. 1995, Act 216, Imd. Eff. Nov. 30, 1995.

I. REGULATED RATES

484.2321 Repealed. 2011, Act 58, Imd. Eff. June 14, 2011.

Compiler's note: The repealed section pertained to charging rate for service that is less than the total service long run incremental cost of providing service.

484.2322 Repealed. 2005, Act 235, Imd. Eff. Nov. 22, 2005.

Compiler's note: The repealed section pertained to definitions and access to broadband internet access transport services.

ARTICLE 3A

INTERCONNECTION OF TELECOMMUNICATION PROVIDERS WITH THE BASIC LOCAL EXCHANGE SERVICE

484.2351 Providers of basic local exchange service or basic local exchange and toll service; applicability of article.

Sec. 351. Until January 1, 2000 and except for section 361, this article does not apply to providers who,

together with any affiliated providers, provide basic local exchange service or basic local exchange and toll service to less than 250,000 end-users in this state on January 1, 1996.

History: Add. 1995, Act 216, Imd. Eff. Nov. 30, 1995.

484.2352 Rates for basic local exchange service for interconnection; rates for network elements, unbundled loops, number portability, and termination of local traffic.

Sec. 352. (1) The rates of a provider of basic local exchange service for interconnection under this article shall be at the provider's total service long run incremental cost of providing the service.

(2) The rates for network elements and combinations of network elements, unbundled loops, number portability, and the termination of local traffic shall be the rates established by the commission.

(3) The rate of a network element shall not exceed either of the following:

(a) The tariffed or contract rate a retail customer or affiliate is or would be charged for the element, service, or its functional equivalent.

(b) The rate and other appropriate charges, or portions of charges, if any, to be determined by the commission, of a retail service which includes the same network element less the total service long run incremental costs of all other components that together form the same retail service.

(4) If the network element imputation test in subsection (3) is not met, the unbundled network element rate shall be reduced until the network element rate meets that standard.

(5) Existing network element rates may be revised or new network element rates established by the commission after notice and hearing. To initiate a proceeding under this subsection, a party shall file with the commission a petition to establish or alter network element rates. The petition shall clearly state the proposed rate or rates and include reasonable documentary support for the proposed rate or rates. If the petitioner seeks an increase to a previously commission ordered rate, the petitioner shall demonstrate that the proposed revision results from an increase in underlying cost and the increase in underlying cost has been reflected in retail rates.

History: Add. 1995, Act 216, Imd. Eff. Nov. 30, 1995;—Am. 2005, Act 235, Imd. Eff. Nov. 22, 2005.

484.2353 Report and recommendations.

Sec. 353. The commission shall issue a report and make recommendations to the legislature and the governor on or before January 1, 2007 involving the issues, scope, terms, and conditions of interconnection of telecommunication providers with the basic local exchange service.

History: Add. 1995, Act 216, Imd. Eff. Nov. 30, 1995;—Am. 2005, Act 235, Imd. Eff. Nov. 22, 2005.

484.2353a Interconnection agreement; negotiation.

Sec. 353a. (1) When negotiating a successor interconnection agreement, unless the parties agree otherwise, the parties shall use an interconnection agreement which has been approved by the commission in the 3-year period immediately preceding the commencement of negotiations as the baseline document.

(2) If a party negotiating an interconnection agreement takes a position that the opposing party believes is contrary to a prior ruling of the commission in an arbitration proceeding, the opposing party may file a motion with the commission for a determination under this section. The motion shall be filed no later than 90 days from the commencement of negotiations. The commission shall rule upon the motion within 21 days of the date the motion is filed, and the commission shall determine the extent to which the issue may be relitigated.

History: Add. 2005, Act 235, Imd. Eff. Nov. 22, 2005;—Am. 2011, Act 58, Imd. Eff. June 14, 2011.

A. JOINT MARKETING

484.2354 Repealed. 2005, Act 235, Imd. Eff. Nov. 22, 2005.

Compiler's note: The repealed section pertained to prohibited actions by provider of basic local exchange service.

B. SERVICE UNBUNDLING

484.2355 Service unbundling and separate pricing.

Sec. 355. (1) A provider of basic local exchange service shall unbundle and separately price each basic local exchange service offered by the provider into the loop and port components and allow other providers to purchase such services on a nondiscriminatory basis.

(2) Unbundled services and points of interconnection shall include at a minimum the loop and the switch port.

History: Add. 1995, Act 216, Imd. Eff. Nov. 30, 1995;—Am. 2005, Act 235, Imd. Eff. Nov. 22, 2005.

484.2356 Co-location with other providers.

Sec. 356. A provider of local exchange service shall allow and provide for virtual co-location with other providers at or near the central office of the provider of local exchange service of transmission equipment that the provider has exclusive physical control over and is necessary for efficient interconnection of the unbundled services. Providers may enter into an agreement that allows for interconnection on other terms and conditions than provided under this subsection.

History: Add. 1995, Act 216, Imd. Eff. Nov. 30, 1995.

C. RESALE OF LOCAL EXCHANGE SERVICE

484.2357 Basic local exchange services; availability for resale; wholesale rates; applicability of section.

Sec. 357. (1) A provider of local exchange service shall make available for resale on nondiscriminatory terms and conditions all basic local exchange services that on January 1, 1996 it is offering to its retail customers. Resale shall be provided on a wholesale basis.

(2) Except for restrictions on resale, a provider of local exchange service may include in its wholesale tariffs any use or class of customer restrictions it includes in its retail tariffs.

(3) A provider of local exchange service is not required to offer for resale either of the following:

(a) A package of services where basic local exchange service is jointly marketed or combined with other services, or for any promotional or discounted offering of basic local exchange service.

(b) Services for which the provider does not have existing facilities in place to serve the intended end user, or any service offered for the first time subsequent to March 1, 1996.

(4) Each provider of local exchange service shall file tariffs with the commission which set forth the wholesale rates, terms, and conditions for basic local exchange services. The wholesale rates shall be set at levels no greater than the provider's current retail rates less the provider's avoided costs.

(5) Wholesale rates shall not be less than the provider's total service long run incremental cost of the services.

(6) This section does not apply after December 31, 2007.

History: Add. 1995, Act 216, Imd. Eff. Nov. 30, 1995;—Am. 2005, Act 235, Imd. Eff. Nov. 22, 2005.

D. NUMBER PORTABILITY

484.2358 "Number portability" defined; requirements.

Sec. 358. (1) As used in this section, "number portability" means the capability for a local exchange customer at a particular location to change providers of basic local exchange service without any change in the local exchange customer's telephone number, while preserving the full range of functionality that the customer could obtain by changing telephone numbers.

(2) A provider of basic local exchange service shall provide number portability. The commission shall, consistent with federal law, enforce number portability, number administration, number reclamation, and number assignment between regulated and unregulated providers.

History: Add. 1995, Act 216, Imd. Eff. Nov. 30, 1995;—Am. 2005, Act 235, Imd. Eff. Nov. 22, 2005.

E. TERMINATION RATES

484.2359 Termination of local traffic; establishment of rate charge; agreement.

Sec. 359. (1) Except as otherwise provided by federal law, a provider of basic local exchange service shall establish a rate charge for other providers of basic local exchange service for the termination of local traffic on its network as provided under section 352.

(2) This section does not prohibit providers of basic local exchange service from entering into an agreement to provide for the exchange of local traffic on other terms and conditions. Any compensation arrangements agreed to between providers under this subsection shall be available to other providers with the same terms and conditions on a nondiscriminatory basis.

History: Add. 1995, Act 216, Imd. Eff. Nov. 30, 1995;—Am. 2005, Act 235, Imd. Eff. Nov. 22, 2005.

F. DIRECTORY ASSISTANCE

484.2360 Repealed. 2005, Act 235, Imd. Eff. Nov. 22, 2005.

Compiler's note: The repealed section pertained to directory assistance rate.

G. ATTACHMENT RATES

484.2361 “Attachment” and “usable space” defined; rates, terms, and conditions for attachments.

Sec. 361. (1) As used in this section:

(a) “Attachment” means any wire, cable, facility, or other apparatus installed upon any pole or in any duct or conduit, owned or controlled, in whole or in part, by a provider.

(b) “Usable space” means the total distance between the top of a utility pole and the lowest possible attachment point that provides the minimum allowable grade clearance and includes the space which separates telecommunication and power lines.

(2) A provider shall allow and establish the rates, terms, and conditions for attachments by another provider, cable service, or an educational institution establishing a telecommunication system under section 307.

(3) The rates, terms, and conditions shall be just and reasonable. A rate shall be just and reasonable if it assures the provider recovery of not less than the additional costs of providing the attachments, nor more than an amount determined by multiplying the percentage of the total usable space, or the percentage of the total duct or conduit capacity, which is occupied by the attachment, by the sum of the operating expenses and actual capital costs of the provider attributable to the entire pole, duct, or right-of-way.

(4) An attaching provider or cable service shall obtain any necessary authorization before occupying public ways or private rights-of-way with its attachment.

(5) A public utility that directly provides a regulated telecommunication service or cable service shall establish the rates, terms, and conditions for attachments as provided under this section.

(6) This section shall not be construed to limit the commission's authority to regulate the rates, terms, and conditions of attachments upon poles or in ducts or conduits owned or controlled by utilities engaged in the transmission of electricity for light, heat, or power.

History: Add. 1995, Act 216, Imd. Eff. Nov. 30, 1995;—Am. 1997, Act 183, Imd. Eff. Dec. 30, 1997.

H. IMPUTATION

484.2362 Repealed. 2011, Act 58, Imd. Eff. June 14, 2011.

Compiler's note: The repealed section pertained to rates subject to certain conditions and limitations.

I. CUSTOMER DATA BASE

484.2363 Access to data bases.

Sec. 363. Providers of basic local exchange service shall allow access by other providers, on a nondiscriminatory basis and in a timely and accurate manner, to data bases, including, but not limited to, the line information data base (LIDB), the 800 data base, and other information necessary to complete a call within the exchange, either on terms and conditions as the providers may agree or as otherwise ordered by the commission.

History: Add. 1995, Act 216, Imd. Eff. Nov. 30, 1995.

ARTICLE 3B

FEDERAL PROGRAMS

484.2375 Providers receiving federal universal service support for services provided to elementary and secondary schools; discounts.

Sec. 375. All providers of telecommunications services within this state that receive federal universal service support for telecommunications services provided to eligible elementary and secondary schools, under the telecommunications act of 1996, Public Law 104-104, 110 Stat. 56, shall provide those intrastate services at discounts equal to the discounts applicable for eligible interstate services.

History: Add. 1997, Act 95, Imd. Eff. Aug. 7, 1997.

484.2376 Providers receiving federal universal service support for services provided to libraries; discounts.

Sec. 376. All providers of telecommunications services within this state that receive federal universal service support for telecommunications services provided to eligible libraries, under the telecommunications act of 1996, Public Law 104-104, 110 Stat. 56, shall provide those intrastate services at discounts equal to the discounts applicable for eligible interstate services.

History: Add. 1997, Act 96, Imd. Eff. Aug. 7, 1997.

ARTICLE 4
UNREGULATED SERVICES

484.2401 Unregulated services generally.

Sec. 401. (1) Except as otherwise provided by law or preempted by federal law, the commission does not have authority over enhanced services, paging, cellular, mobile, answering services, retail broadband service, video, cable service, pay-per-view, shared tenant, private networks, financial services networks, radio and television, WATS, personal communication networks, municipally owned telecommunication system, 800 prefix services, burglar and fire alarm services, energy management services, except for state institutions of higher education the reselling of centrex or its equivalent, payphone services, interconnected voice over internet protocol service, and the reselling of an unlicensed telecommunication service. The services listed in this subsection shall not be considered part of basic local exchange service.

(2) The commission has authority over the telecommunication services specifically provided for in this act.

(3) This section does not modify or affect either of the following:

(a) The authority of a provider or the commission to act pursuant to or enforce 47 USC 251, 47 USC 252, any lawful and applicable tariff, or any state law, regulation, or order related to wholesale rights and obligations, including the rights and obligations of local exchange carriers to interconnect and exchange voice traffic.

(b) The payment of switched access rates or other intercarrier compensation rates, as applicable.

History: 1991, Act 179, Eff. Jan. 1, 1992;—Am. 1995, Act 216, Imd. Eff. Nov. 30, 1995;—Am. 2005, Act 235, Imd. Eff. Nov. 22, 2005;—Am. 2011, Act 58, Imd. Eff. June 14, 2011.

484.2402 Unregulated services; tariff.

Sec. 402. (1) A provider of an unregulated service may file with the commission a tariff which shall contain the information the provider determines to be appropriate regarding the offered service.

(2) The commission shall retain a tariff filed under this section and make all information contained in the tariff available to the public.

History: 1991, Act 179, Eff. Jan. 1, 1992.

484.2403 Impairing speed of connection to telecommunication emergency service.

Sec. 403. A provider of unregulated telecommunication services shall not at any time refuse, charge, delay, or impair the speed of the connecting of a person to a telecommunication emergency service.

History: 1991, Act 179, Eff. Jan. 1, 1992.

ARTICLE 5
PROHIBITED ACTIVITY

484.2501 Repealed. 1995, Act 216, Imd. Eff. Nov. 30, 1995.

Compiler's note: The repealed section pertained to providing harmful service.

484.2502 Provider of basic local exchange service; prohibited conduct; assurance of discontinuance.

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

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

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

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

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

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

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

service.

(g) If a bona fide dispute exists between a customer and the provider, disconnect the service to the customer before the resolution of that dispute.

(2) When the commission has authority to bring a proceeding for a violation of this section, the commission may accept an assurance of discontinuance of a method, act, or practice that is alleged to be unlawful under this section from the person who is alleged to have engaged, be engaging, or be about to engage in the method, act, or practice. The assurance of discontinuance is not an admission of guilt and shall not be introduced in any other proceeding. Unless rescinded by the parties or voided by the court for good cause, the parties to the assurance of discontinuance may enforce the assurance in circuit court. The assurance of discontinuance may include a stipulation for any of the following:

- (a) The voluntary payment by the person for the cost of investigation.
- (b) An amount to be held in escrow pending the outcome of an action.
- (c) An amount for restitution to an aggrieved person.

History: Add. 1995, Act 216, Imd. Eff. Nov. 30, 1995;—Am. 2000, Act 295, Imd. Eff. July 17, 2000;—Am. 2005, Act 235, Imd. Eff. Nov. 22, 2005;—Am. 2011, Act 58, Imd. Eff. June 14, 2011.

484.2503 Use of unpublished telephone number from telephone caller identification service.

Sec. 503. A person who obtains an unpublished telephone number using a telephone caller identification service shall not do any of the following without the written consent of the customer of the unpublished telephone number:

- (a) Disclose the unpublished telephone number to another person for commercial gain.
- (b) Use the unpublished telephone number to solicit business.
- (c) Intentionally disclose the unpublished telephone number through a computer data base, on-line bulletin board, or other similar mechanism.

History: Add. 1995, Act 216, Imd. Eff. Nov. 30, 1995;—Am. 2000, Act 295, Imd. Eff. July 17, 2000;—Am. 2011, Act 58, Imd. Eff. June 14, 2011.

484.2504 Repealed. 2011, Act 58, Imd. Eff. June 14, 2011.

Compiler's note: The repealed section pertained to filing small and minority owned telecommunication business participation plan.

484.2505 Switching to another telecommunications provider; authorization of end user required.

Sec. 505. (1) An end user of a telecommunications provider shall not be switched to another provider without the authorization of the end user.

(2) The commission shall issue orders to ensure that an end user of a telecommunications provider is not switched to another provider without the end user's oral authorization, written confirmation, confirmation through an independent third party, or other verification procedures subject to commission approval, confirming the end user's intent to make a switch and that the end user has approved the specific details of the switch. The order issued under this section shall require that all providers comply with the regulations established by the federal communications commission on verification procedures for the switching of an end user's telecommunications provider.

History: Add. 1998, Act 260, Eff. Oct. 1, 1998;—Am. 2005, Act 235, Imd. Eff. Nov. 22, 2005.

Popular name: Slamming

484.2506 Violation of MCL 484.2505 or MCL 484.2507; contested case; hearings; remedies and penalties; exception; finding of frivolous complaint or defense.

Sec. 506. (1) Upon the receipt of a complaint filed by a person alleging a violation of section 505 or 507, an end-user who has been switched to another provider or had services added in violation of section 505 or 507, or a provider who has been removed as an end-user's provider without the end-user's authorization, or upon the commission's own motion, the commission may conduct a contested case as provided under section 203. The commission shall create, and shall supply upon request, a form affidavit designed to enable an end-user to provide all information necessary to promote efficient resolution of complaints alleging a violation of section 505 or 507. Hearings conducted under this section shall comply with the following requirements:

(a) Hearings shall be conducted in a manner as to optimize expediency, convenience, and the ability of end-users to bring and prosecute, without the assistance of counsel, complaints alleging violations of section 505 or 507, while preserving the rights of the parties.

(b) If possible, the commission shall hold the hearing at a location near the end-user's residence or place of

business.

(2) If the commission finds that a person has violated section 505 or 507 or an order issued under section 505 or 507, the commission shall order remedies and penalties to protect and make whole end-users and other persons who have suffered damages as a result of the violation, including, but not limited to, 1 or more of the following:

(a) Order the person to pay a fine for the first offense of not less than \$20,000.00 or more than \$30,000.00. For a second and any subsequent offense, the commission shall order the person to pay a fine of not less than \$30,000.00 or more than \$50,000.00. If the commission finds that the second or any of the subsequent offenses were knowingly made in violation of section 505 or 507, the commission shall order the person to pay a fine of not more than \$70,000.00. Each switch made in violation of section 505 or service added in violation of 507 shall be a separate offense under this subdivision.

(b) Order an unauthorized provider to refund to the end-user any amount greater than the end-user would have paid to an authorized provider.

(c) Order a portion between 10% to 50% of the fine assessed under subdivision (a) be paid directly to the customer who suffered the violation of section 505 or 507.

(d) Order an unauthorized provider to reimburse an authorized provider an amount equal to the amount paid by the end-user that should have been paid to the authorized provider.

(e) If the person is licensed under this act, revoke the license if the commission finds a pattern of violations of section 505 or 507.

(f) Issue cease and desist orders.

(3) Notwithstanding subsection (2), a fine shall not be imposed for a violation of section 505 or 507 if the provider has otherwise fully complied with sections 505 and 507 and shows that the violation was an unintentional and bona fide error notwithstanding the maintenance of procedures reasonably adopted to avoid the error. Examples of a bona fide error include clerical, calculation, computer malfunction, programming, or printing errors. An error in legal judgment with respect to a person's obligations under section 505 is not a bona fide error. The burden of proving that a violation was an unintentional and bona fide error is on the provider.

(4) If the commission finds that a party's complaint or defense filed under this section is frivolous, the commission shall award to the prevailing party costs, including reasonable attorney fees, against the nonprevailing party and their attorney.

History: Add. 1998, Act 259, Eff. Oct. 1, 1998;—Am. 2000, Act 295, Imd. Eff. July 17, 2000.

484.2507 Optional services; authorization of end-user.

Sec. 507. (1) A telecommunications provider shall not include or add optional services in an end-user's telecommunications service package without the express oral or written authorization of the end-user.

(2) Upon the receipt of a complaint filed by a person alleging a violation of this section or upon the commission's own motion, the commission may conduct a contested case as provided under section 203.

History: Add. 2000, Act 295, Imd. Eff. July 17, 2000.

ARTICLE 6

PENALTIES, REPEALS, AND EFFECTIVE DATES

484.2601 Remedies and penalties.

Sec. 601. If after notice and hearing the commission finds a person has violated this act, the commission shall order remedies and penalties to protect and make whole ratepayers and other persons who have suffered an economic loss as a result of the violation, including, but not limited to, 1 or more of the following:

(a) Except as provided in subdivision (b), the person to pay a fine for the first offense of not less than \$1,000.00 nor more than \$20,000.00 per day that the person is in violation of this act, and for each subsequent offense, a fine of not less than \$2,000.00 nor more than \$40,000.00 per day.

(b) If the provider has less than 250,000 access lines, the provider to pay a fine for the first offense of not less than \$200.00 or more than \$500.00 per day that the provider is in violation of this act, and for each subsequent offense a fine of not less than \$500.00 or more than \$1,000.00 per day.

(c) A refund to the ratepayers of the provider of any collected excessive rates.

(d) If the person is a licensee under this act, that the person's license is revoked.

(e) Cease and desist orders.

(f) Except for an arbitration case under section 252 of part II of title II of the communications act of 1934, chapter 622, 110 Stat. 66, attorney fees and actual costs of a person or a provider of less than 250,000 end-users.

History: 1991, Act 179, Eff. Jan. 1, 1992;—Am. 1995, Act 216, Imd. Eff. Nov. 30, 1995;—Am. 2000, Act 295, Imd. Eff. July 17, 2000.

484.2602 Repealed. 2011, Act 58, Imd. Eff. June 14, 2011.

Compiler's note: The repealed section pertained to passing attorney costs to customers.

484.2603 Repeal of acts and parts of acts.

Sec. 603. The following acts and parts of acts are repealed:

<u>Year of Act</u>	<u>Public Act Number</u>	<u>Section Numbers</u>	<u>Compiled Law Sections (1979)</u>
1883	72		484.51
1913	206	1 to 3f	484.101 to 484.103f
		4 to 11a	484.104 to 484.111a
		12 to 14	484.112 to 484.114
		19 to 24	484.119 to 484.124
		26	484.126
1913	383		469.491 to 469.493

History: 1991, Act 179, Eff. Jan. 1, 1992.

484.2604 Repealed. 2008, Act 52, Imd. Eff. Mar. 28, 2008.

Compiler's note: The repealed section pertained to repeal of act effective December 31, 2009.

484.2605 Repealed. 1995, Act 216, Imd. Eff. Nov. 30, 1995.

Compiler's note: The repealed section pertained to effective date of the act.

ARTICLE 7

TELECOMMUNICATION SERVICE DUTIES

484.2701 Repealed. 2005, Act 235, Imd. Eff. Nov. 22, 2005.

Compiler's note: The repealed section pertained to rates charged for telecommunication service provided to end-user.