

# SENATE BILL No. 754

September 13, 2005, Introduced by Senator BROWN and referred to the Committee on Technology and Energy.

A bill to amend 1991 PA 179, entitled  
"Michigan telecommunications act,"  
by amending sections 102, 202, 208, and 304 (MCL 484.2102,  
484.2202, 484.2208, and 484.2304), section 102 as amended by 1998  
PA 41, sections 202 and 208 as amended by 1995 PA 216, and section  
304 as amended by 2000 PA 295; and to repeal acts and parts of  
acts.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 102. As used in this act:

2       (a) "Access service" means access to a local exchange network  
3       for the purpose of enabling a provider to originate or terminate  
4       telecommunication services within the local exchange. Except for  
5       end-user common line services, access service does not include  
6       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~~ **1 PRIMARY ACCESS LINE TO A RESIDENTIAL CUSTOMER FOR VOICE COMMUNICATION AND A MINIMUM AMOUNT OF LOCAL USAGE ON THAT LINE OF NOT FEWER THAN 50 CALLS PER MONTH.**

(c) "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.

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

(e) "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.

(f) "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.

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

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

7 (h) "Exchange" means 1 or more contiguous central offices and  
8 all associated facilities within a geographical area in which **BASIC**  
9 local exchange ~~telecommunication services are~~ **SERVICE IS** offered  
10 by a provider.

11 (i) "Information services" or "enhanced services" means the  
12 offering of a capability for generating, acquiring, storing,  
13 transforming, processing, retrieving, utilizing, or making  
14 available information, including energy management services, that  
15 is conveyed by telecommunications. Information services or enhanced  
16 services do not include the use of such capability for the  
17 management, control, or operation of a telecommunications system or  
18 the management of a telecommunications service.

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

24 (k) "Inter-LATA prohibition" means the prohibitions on the  
25 offering of inter-exchange or inter-LATA service contained in the  
26 modification of final judgment entered pursuant to a consent decree  
27 in United States v American Telephone and Telegraph Co., 552 F.

1 Supp. 131 (D.D.C. 1982), and in the consent decree approved in  
2 United States v GTE Corp., 603 F. Supp. 730 (D.D.C. 1984).

3 (l) "LATA" means the local access and transport area as defined  
4 in United States v American Telephone and Telegraph Co., 569 F.  
5 Supp. 990 (D.D.C. 1983).

6 (m) "License" means a license issued pursuant to this act.

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

9 (o) "Local calling area" means a geographic area encompassing  
10 1 or more local communities as described in maps, tariffs, or rate  
11 schedules filed with and approved by the commission.

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

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

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

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

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

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

4       (iii) Completion in association with directory assistance  
5 services.

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

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

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

15       (w) "Person with disabilities" means a person who has 1 or  
16 more of the following physical characteristics:

17       (i) Blindness.

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

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

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

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

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

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

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

13           (y) "Reasonable rate" or "just and reasonable rate" means a  
14 rate that is not inadequate, excessive, or unreasonably  
15 discriminatory. A rate is inadequate if it is less than the total  
16 service long run incremental cost of providing the service.

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

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

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

1 (cc) "Telecommunication provider" or "provider" means a person  
2 ~~or an affiliate of the person each of which~~ **THAT** for compensation  
3 provides 1 or more telecommunication services.

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

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

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

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

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

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

26 Sec. 202. In addition to the other powers and duties  
27 prescribed by this act, the commission shall do all of the

1 following:

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

10 (b) Require by order that a provider of a regulated service —  
11 ~~including access service,~~ make available for public inspection and  
12 file with the commission a ~~schedule~~ **TARIFF** of the provider's  
13 rates, services, and conditions of ~~service, including access~~  
14 ~~service provided by contract~~ **REGULATED SERVICES. THE TARIFFS SHALL**  
15 **BE EFFECTIVE UPON 1 DAY'S NOTICE OF SUBMISSION TO THE COMMISSION.**

16 (c) Promulgate rules under section 213 and issue orders to  
17 establish and enforce quality standards for providing  
18 telecommunication services in this state.

19 (d) Preserve the provision of high quality basic local  
20 exchange service.

21 (e) Create a task force to study changes occurring in the  
22 federal universal service fund and the need for the establishment  
23 of a state universal service fund to promote and maintain basic  
24 local exchange service in high cost rural areas at affordable  
25 rates. The task force shall issue a report to the legislature and  
26 governor on or before December 31, 1996 containing its findings and  
27 recommendations. The task force shall consist of all of the



1 following members:

2 (i) The chairperson of the commission.

3 (ii) One representative from each basic local exchange provider  
4 with 250,000 or more access lines.

5 (iii) Four representatives from providers who, together with  
6 affiliated providers, provide basic local exchange or toll service  
7 to less than 250,000 end users in this state.

8 (iv) Two representatives of other providers of regulated  
9 services.

10 (v) One representative of the general public.

11 (f) On or before January 1, 1997, the commission shall study  
12 and report to the legislature and governor on the following matters  
13 that have impact on the basic local exchange calling activities of  
14 all residential customers in the state:

15 (i) The percentage of intra-LATA calls and minutes of usage  
16 which are charged as basic local exchange calls.

17 (ii) The average size and range of sizes of basic local  
18 exchange calling areas.

19 (iii) The ability of customers to contact emergency services,  
20 school districts, and county, municipal, and local units of  
21 government without a toll call.

22 (iv) Whether there are significant differences in basic local  
23 exchange calling patterns between urban, suburban, and rural areas.

24 (v) The impact on basic local exchange rates which would occur  
25 if basic local exchange calling areas are altered.

26 (vi) The impact when basic local exchange calling areas overlap  
27 LATA boundaries.

1           (vii) The impact on basic local exchange rates which would  
2 occur if basic local exchange calling areas are expanded within  
3 LATA boundaries.

4           (g) On or before January 1, 1997, conduct a study of internet  
5 access provider locations to determine which exchanges can reach  
6 the nearest location only by making a toll call. The commission  
7 shall then gather input from internet access providers, local  
8 exchange providers, and other interested parties and make a  
9 recommendation to the legislature as to the steps needed to allow  
10 all local exchange customers to access an internet provider by  
11 making a local call.

12           Sec. 208. (1) ~~If a competitive market for a regulated~~  
13 ~~telecommunication service in which the rate is regulated exists in~~  
14 ~~this state, a provider may file with the commission to classify~~  
15 ~~that service for all providers within the competitive market as a~~  
16 ~~competitive service.~~ **A PROVIDER MAY CLASSIFY A REGULATED SERVICE**  
17 **AS UNREGULATED UNDER THIS SECTION BY FILING WITH THE COMMISSION**  
18 **NOTICE OF THE CLASSIFICATION. ANY TARIFF FILED WITH THE COMMISSION**  
19 **SHALL INDICATE WHETHER THE SERVICE TO BE PROVIDED IS REGULATED OR**  
20 **UNREGULATED.**

21 ~~—— (2) Except as provided under section 321, if a regulated~~  
22 ~~service is classified as competitive, the rate for the service~~  
23 ~~shall be deregulated and not subject to review under this act.~~

24 ~~—— (3) A service is competitive under this section if for an~~  
25 ~~identifiable class or group of customers in an exchange, group of~~  
26 ~~exchanges, or other clearly defined geographical area, the service~~  
27 ~~is available from more than 1 unaffiliated provider and 3 or more~~

1 ~~of the following apply:~~

2 ~~—— (a) Actual competition, including facilities based~~  
3 ~~competition, exists within the local exchange, group of exchanges,~~  
4 ~~or geographic area.~~

5 ~~—— (b) Both residential and business end users have service~~  
6 ~~alternatives available from more than 1 unaffiliated provider or~~  
7 ~~service reseller.~~

8 ~~—— (c) Competition and end user usage has been demonstrated and~~  
9 ~~measured by independent and reliable methods.~~

10 ~~—— (d) Rates and charges for the service have changed within the~~  
11 ~~previous 12 month period.~~

12 ~~—— (e) There is a functionally equivalent service, reasonably~~  
13 ~~available to end users from an unaffiliated provider or supplier.~~

14 ~~—— (4) Except as provided under subsection (5), a service is not~~  
15 ~~competitive under this section if for an identifiable class or~~  
16 ~~group of customers in an exchange, group of exchanges, or other~~  
17 ~~clearly defined geographical area, 1 of the providers of the~~  
18 ~~service is an unaffiliated provider of facilities based basic local~~  
19 ~~exchange service to less than 250,000 end users in this state. A~~  
20 ~~provider may apply to the commission for a review of the service~~  
21 ~~under section 203 to determine whether the service is competitive~~  
22 ~~and the rate deregulated.~~

23 ~~—— (5) Subsection (4) does not apply if there are 3 or more~~  
24 ~~providers of facilities based basic local exchange service~~  
25 ~~throughout the competitive market and 1 or more of the providers is~~  
26 ~~a provider of facilities based basic local exchange service to less~~  
27 ~~than 250,000 end users in this state.~~

(2) A SERVICE MAY BE CLASSIFIED AS UNREGULATED TO THE EXTENT THAT, FOR SOME IDENTIFIABLE CLASS OR GROUP OF CUSTOMERS IN AN EXCHANGE, GROUP OF EXCHANGES, OR SOME OTHER CLEARLY DEFINED GEOGRAPHICAL AREA, THE SERVICE, ITS FUNCTIONAL EQUIVALENT, OR A SUBSTITUTE SERVICE IS AVAILABLE FROM MORE THAN 1 PROVIDER.

(3) ~~—(6)—~~ A provider shall give notice to its customers if a service is to be classified as competitive and its rate deregulated. The notice shall be included in or on the bill of each affected customer of the provider before the effective date of the classification.

(4) ~~—(7)—~~ The service classification under this section shall take effect ~~—45—~~ 60 days from the date of the **FILING WITH THE COMMISSION OF** notice required by subsection ~~—(4)—~~ (1).

~~—(8) Upon receiving a complaint filed by a provider or consumer or on its own motion, the commission may require a filing under section 203 to review a competitive classification and issue an order approving, modifying, or rejecting the classification.~~

~~—(9) A provider shall not file to have a service classified as competitive until the provider has received the approval of the commission of a total service long run incremental cost study for the service to be classified.~~

(5) THE COMMISSION SHALL HAVE THE JURISDICTION AND AUTHORITY TO INVESTIGATE AND APPROVE, MODIFY, OR REJECT ANY CLASSIFICATION OF A SERVICE AS UNREGULATED UPON RECEIPT OF A COMPLAINT FILED UNDER THIS ACT. ANY INVESTIGATION SHALL PROCEED UNDER SECTION 203. THE COMMISSION IN ITS FINAL ORDER SHALL DETERMINE WHETHER THE CRITERIA IN SUBSECTION (2) ARE MET FOR CLASSIFICATION OF A SERVICE AS

1 UNREGULATED. A COMMISSION ORDER TO MODIFY OR RECLASSIFY AN  
 2 UNREGULATED SERVICE SHALL HAVE PROSPECTIVE EFFECT ONLY. IN ANY  
 3 HEARING OR INVESTIGATION UNDER THIS SECTION, THE BURDEN OF PROOF AS  
 4 TO THE PROPER CLASSIFICATION OF ANY SERVICE SHALL BE UPON THE  
 5 COMPLAINANT. IN EVALUATING WHETHER A SERVICE IS A SUBSTITUTE FOR  
 6 ANOTHER, THE COMMISSION SHALL CONSIDER WHETHER THE SERVICES SATISFY  
 7 A SIMILAR CONSUMER DEMAND OR WHETHER 1 SERVICE IS REASONABLY  
 8 INTERCHANGEABLE WITH ANOTHER.

9 (6) ~~—(10)—~~ Except as otherwise provided by law, the commission  
 10 or a local unit of government does not have authority over ~~a rate~~  
 11 ~~for a service classified as competitive~~ **UNREGULATED** under this  
 12 section.

13 Sec. 304. (1) ~~Except as provided in section 304a, the~~ **THE**  
 14 rates for basic local exchange service shall be just and  
 15 reasonable. **EACH PROVIDER SHALL SET THE INITIAL RATES FOR BASIC**  
 16 **LOCAL EXCHANGE SERVICE TO BE EFFECTIVE WITHIN 90 DAYS FROM THE**  
 17 **EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED SUBSECTION (11).**  
 18 **THE INITIAL RATES MAY NOT EXCEED THE RATES IN PLACE BEFORE THE**  
 19 **RATES ARE SET UNDER THIS SUBSECTION UNLESS THE RATES IN PLACE DO**  
 20 **NOT EXCEED THE TOTAL SERVICE LONG RUN INCREMENTAL COSTS OF THE**  
 21 **RATES.**

22 (2) A provider may alter its **INITIAL** rates for basic local  
 23 exchange services by 1 or more of the following:

24 (a) Filing with the commission notice of a decrease, discount,  
 25 **PROMOTIONAL RATE**, or other rate reduction in a basic local exchange  
 26 rate. A rate alteration under this subdivision shall become  
 27 effective without commission review or approval.

1           (B) FILING WITH THE COMMISSION A NOTICE OF AN INCREASE IN A  
2 BASIC LOCAL EXCHANGE RATE TO A LEVEL NOT TO EXCEED THE INITIAL RATE  
3 SET UNDER SUBSECTION (1). A RATE ALTERATION UNDER THIS SUBDIVISION  
4 IS EFFECTIVE WITHOUT COMMISSION REVIEW OR APPROVAL.

5           (C) ~~—(b)—~~ Filing with the commission notice of an **ANNUAL**  
6 increase in a basic local exchange rate that does not exceed 1%  
7 less than the consumer price index. Unless the commission  
8 determines that the rate alteration exceeds the allowed increase  
9 under this subdivision, the rate alteration shall take effect ~~—90~~  
10 **NOT LESS THAN 60** days from the date of the notice required under  
11 subsection (3). As used in this subdivision, "consumer price index"  
12 means the most recent reported annual average percentage increase  
13 in the Detroit consumer price index for all items for the prior 12-  
14 month period by the United States department of labor.

15           (D) FILING WITH THE COMMISSION NOTICE OF A COMBINATION OF  
16 INCREASES AND DECREASES IN BASIC LOCAL EXCHANGE RATES THAT ARE  
17 PROJECTED TO BE REVENUE NEUTRAL FOR THE NEXT 12-MONTH PERIOD.  
18 UNLESS THE COMMISSION DETERMINES THAT THE COMBINATION WILL RESULT  
19 IN AN INCREASE IN REVENUES FOR THE SERVICES IN QUESTION DURING THE  
20 NEXT 12-MONTH PERIOD, THE COMBINATION OF INCREASES AND DECREASES  
21 SHALL TAKE EFFECT NOT LESS THAN 60 DAYS FROM THE NOTICE REQUIRED  
22 UNDER SUBSECTION (3).

23           (E) FILING WITH THE COMMISSION NOTICE OF A RATE ALTERATION  
24 THAT INCLUDES A RANGE OF RATES WITHIN WHICH THE PROVIDER CAN  
25 INCREASE OR DECREASE RATES IN DIFFERENT AMOUNTS FOR DIFFERENT  
26 GEOGRAPHIC AREAS. THE UPPER LIMIT OF THE RANGE OF INCREASES SHALL  
27 BE EQUAL TO 1% LESS THAN THE CONSUMER PRICE INDEX AND THE LOWER

1 LIMIT SHALL BE SELECTED BY THE PROVIDER CONSISTENT WITH THE  
 2 REQUIREMENTS OF THIS ACT. THE RANGE OF RATES SHALL TAKE EFFECT  
 3 WITHOUT COMMISSION REVIEW OR APPROVAL NOT LESS THAN 60 DAYS FROM  
 4 THE DATE OF THE NOTICE REQUIRED UNDER SUBSECTION (3).

5 (F) ~~—(e)—~~ Filing with the commission an application to  
 6 increase a basic local exchange rate in an amount greater than that  
 7 allowed under ~~—subdivision (b)—~~ **SUBDIVISIONS (C), (D), AND (E)**. The  
 8 application shall be accompanied with sufficient documentary  
 9 support that the rate alteration is just and reasonable. The  
 10 commission shall make a determination within the 90-day period  
 11 provided for in subsection (5) of 1 of the following:

12 (i) That the rate alteration is just and reasonable.

13 (ii) That a filing under section 203 is necessary to review the  
 14 rate alteration.

15 (3) Notice to customers of a rate alteration is required for a  
 16 rate alteration under subsection ~~—(2)(b) or (c)—~~ **(2) (C), (D), (E),**  
 17 **AND (F)** and section 304a and shall be included in or on the bill of  
 18 each affected customer of the provider before the effective date of  
 19 the rate alteration.

20 (4) The notice required under subsection (3) shall contain at  
 21 least all of the following information:

22 (a) A statement that the customer's rate may change.

23 (b) An estimate of the amount of the annual change for the  
 24 typical residential customer that would result by the rate change.

25 (c) A statement that a customer may comment on or receive  
 26 complete details of the rate alteration by calling or writing the  
 27 commission. The statement shall also include the telephone number

1 and address of the commission. Complete details of the rate  
 2 alteration shall be provided free of charge to the customer at the  
 3 expense of the provider.

4 (5) Except as otherwise provided in subsections (2) and (6),  
 5 an altered basic local exchange rate shall take effect ~~90~~ 10 days  
 6 from the date of the notice required by subsection (3).

7 (6) Upon receiving a complaint or pursuant to a determination  
 8 under subsection (2)(c), the commission may require a filing under  
 9 section 203 to review a proposed rate alteration under subsection  
 10 (2)(c). The commission's final order may approve, modify, or reject  
 11 the rate alteration.

12 (7) In reviewing a rate alteration under subsection ~~-(6)-~~  
 13 (2)(F), the commission shall consider only 1 or more of the  
 14 following factors if relevant to the rate alteration as specified  
 15 by the provider:

16 (a) Total service long run incremental cost of basic local  
 17 exchange services.

18 **(B) WHETHER THE PROPOSED RATE ALTERATION WOULD DISCOURAGE**  
 19 **COMPETITION FOR TELECOMMUNICATION SERVICES.**

20 (C) ~~-(b)-~~ Comparison of the proposed rate to the rates charged  
 21 by other providers in this state for the same service.

22 (D) ~~-(e)-~~ Whether a new function, feature, or capability is  
 23 being offered as a component of basic local exchange service.

24 (E) ~~-(d)-~~ Whether there has been an increase in the costs to  
 25 provide basic local exchange service in the geographic area of the  
 26 proposed rate.

27 (F) ~~-(e)-~~ Whether the provider's further investment in the



1 network infrastructure of the geographic area of the proposed rate  
2 is economically justifiable without the proposed rate.

3 (G) WHETHER ADDITIONAL REVENUE RESULTING FROM THE RATE  
4 ALTERATION COULD BE REINVESTED IN THE BASIC LOCAL EXCHANGE NETWORK  
5 FOR THE DEVELOPMENT OR IMPLEMENTATION OF NEW TECHNOLOGY OR THE  
6 ENHANCEMENT OF THE TELECOMMUNICATIONS INFRASTRUCTURE.

7 (H) WHETHER THE PROPOSED RATE ALTERATION PRODUCES A REASONABLE  
8 RATE.

9 ~~—— (8) A provider shall be allowed only 1 rate increase for each~~  
10 ~~class or type of service during any 12 month period.~~

11 ~~—— (9) A provider shall not make a rate alteration under this~~  
12 ~~section until the rate has been restructured under section 304a.~~

13 (8) ~~—(10)—~~ The commission shall exempt a provider from this  
14 section and section 310(2) if it finds all of the following:

15 (a) The provider provides basic local exchange service or  
16 basic local exchange and toll service to less than 250,000 end-  
17 users in this state.

18 (b) The provider offers to end-users single-party basic local  
19 exchange service, tone dialing, toll access service, including end-  
20 user common line services and dialing parity at a total price of no  
21 higher than the amount charged as of May 1, 2000.

22 (c) The provider provides dialing parity access to operator,  
23 telecommunication relay, and emergency services to all basic local  
24 exchange end-users.

25 (9) A PROVIDER MAY CHARGE A LATE PAYMENT FEE TO CUSTOMERS WHO  
26 DO NOT MAKE TIMELY PAYMENTS OF THE OUTSTANDING BALANCE OF THEIR  
27 ACCOUNT AS PROVIDED IN TARIFFS FILED WITH THE COMMISSION.

1           (10) ~~—(11)—~~ A call made to a ~~local calling area adjacent to~~  
2 ~~the caller's local calling area~~ PARTY LOCATED WITHIN THE CALLER'S  
3 HOME EXCHANGE OR LOCATED WITHIN ANY EXCHANGE ADJACENT TO THE  
4 CALLER'S HOME EXCHANGE shall be considered a local call and shall  
5 be billed as a local call.

6           (11) AN ALTERATION BY A PROVIDER TO THE RATE OF A PACKAGE,  
7 COMBINATION, OR BUNDLE OF TELECOMMUNICATION OR OTHER SERVICES WHICH  
8 INCLUDES BASIC LOCAL EXCHANGE SERVICE IS NOT SUBJECT TO THIS  
9 SECTION AS LONG AS THE BASIC LOCAL EXCHANGE SERVICE COMPONENT OF  
10 THE PACKAGE, COMBINATION, OR BUNDLE IS AVAILABLE FOR PURCHASE ON A  
11 STAND-ALONE BASIS.

12           (12) A CALL MADE TO A CALLED PARTY WHO IS NOT LOCATED WITHIN  
13 THE GEOGRAPHIC AREA OF THE CALLER'S EXCHANGE OR AN ADJACENT  
14 EXCHANGE IS NOT A LOCAL CALL IF THE TARIFF OF THE PROVIDER  
15 ORIGINATING THE CALL DOES NOT CLASSIFY THE CALL AS A LOCAL CALL.

16           (13) A PROVIDER OF BASIC LOCAL EXCHANGE SERVICE MAY SATISFY  
17 ANY OBLIGATIONS TO PROVIDE SUCH SERVICE BY OFFERING AN ALTERNATIVE  
18 SERVICE USING DIFFERENT TECHNOLOGIES, INCLUDING THOSE SERVICES OR  
19 TECHNOLOGIES NOT SUBJECT TO REGULATION BY THE COMMISSION UNDER THIS  
20 ACT.

21           Enacting section 1. Section 304b of the Michigan  
22 telecommunications act, 1991 PA 179, MCL 484.2304b, is repealed.