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LINDA TEETER
TESTIMONY BEFORE THE ENERGY & TECHNOLOGY COMMITTEE
SEPTEMBER 1, 2009

- Thank you to the Committee and to Chairman Mayes for the opportunity to speak with you today.
- My name is Linda Teeter, and I am the Executive Director of Michigan Citizen Action.
- As I've traveled around the state, holding phone clinics for consumers and talking to Michiganders about their telephone bills, I always get plenty of questions about the rates to call a family member, friend or business from one community to another. The rates are higher than calling someone out of state.
- The time has come to address this issue.
- The problem is access fees, commonly called "access rate charges", established to be paid each time a call is made in an intralada area – the access fees paid by customers are not the same on where the call originates and this needs to be remedied in the M.T.A.
- Averaging about five cents per minute, rural access fees were originally established in the Michigan Telecommunications Act to provide much-needed investment in the communications infrastructure in rural Michigan.
- We believe there is a need for public accountability by the Michigan Public Service Commission on how much access rates are, justification from companies of how much they should receive from the fund, and when the access rates are dispursed.
- Worst of all, this antiquated system acts as a toll booth on the information superhighway that makes it more challenging on all sides – with the customer in the middle paying more for a call to another community.
- Fortunately, Michigan lawmakers are working on a solution.
- On behalf of Michigan consumers, we support the continuous review of the Michigan Telecommunications Act, because the demand for new technologies is ever changing.
- Michigan Citizen Action urges lawmakers to keep pro-consumer principles in mind as the details on HB 4257 are worked out. These principles, which Michigan Citizen Action adopted sometime ago include:
 - We all benefit from much-needed investments in our infrastructure, so the responsibility for funding those investments should be shared as widely and equally as possible;
 - Rate-setting should be publicly accountable, to ensure that rates are reasonable and as low as possible;

- Charges should be transparent to customers on their phone bills;
 - The expenditure of collected funds should be publicly accountable, ensuring they are used as intended to strengthen and modernize our rural telecommunications infrastructure.
 - Preserving the land line structure to rural areas of Michigan is essential.
 - Restructuring access fees charged must lead to reinvestment so rural access to broadband is achieved.
- House Bill 4257 is still a work in progress, and Michigan Citizen Action looks forward to working on this legislation as it begins to take shape and is ready for committee action on reforming the way our state invests in its rural communications infrastructure.
 - Once again, thank you for your time in allowing us to testify here today.

Submitted by:
Linda Teeter