
Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

SFA**BILL ANALYSIS**

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 998 (as introduced 1-9-02)
Sponsor: Senator Ken Sikkema
Committee: Technology and Energy

Date Completed: 1-16-02

CONTENT

The bill would amend the Michigan Telecommunications Act to permit a provider of basic telephone local exchange service to assess or impose on end-users an intrastate subscriber line charge or end-user line charge, upon a filing and approval by the Public Service Commission (PSC) under Section 304 of the Act. Currently, the Act includes language that prohibits a provider (with at least 250,000 customers in this State) from imposing such a charge. The bill also would require a provider to make a filing in order to continue imposing an interstate subscriber line charge or end-user line charge.

Under Section 304 of the Act, a provider must file an application with the PSC to increase a basic local exchange rate in an amount greater than 1% less than the consumer price index. The PSC must determine if the increase is just and reasonable, and whether it is necessary to hold hearings and conduct investigations to review the proposed increase. In reviewing a filing under the bill, the PSC would have to include in its consideration whether the proposed line charge provided a reasonable rate of return for the services provided.

If a provider were assessing or imposing an interstate subscriber line charge or end-user line charge on the bill's effective date, the provider could continue to assess or impose the charge if the provider complied with the following: Within 90 days of the bill's effective date the provider made a filing under the bill; the line charge was not greater than the amount of the line charge assessed or imposed as of the bill's effective date; and the provider made any necessary adjustments to the line charge after the PSC issued its decision on the filing.

MCL 484.2310

Legislative Analyst: G. Towne

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: M. Tyszkiewicz

S0102\s998sa

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.