

# Legislative Analysis

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## ADJACENT CALLING PLANS

Mitchell Bean, Director  
Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

### House Bill 6330

**Sponsor: Rep. Ken Bradstreet**

**Committee: Energy and Technology**

**Complete to 11-24-04**

## A SUMMARY OF HOUSE BILL 6330 AS INTRODUCED 11-9-04

Section 304 of the Michigan Telecommunications Act requires that, for telephone service providers, "a call made to a local calling area adjacent to the caller's local calling area . . . be considered a local call and . . . be billed as a local call."

An exemption from this provision (and the rest of Section 304, which addresses rates for basic local exchange service) is available for telephone service providers that provide basic local exchange service or basic local exchange and toll service to fewer than 250,000 end users.

House Bill 6330 would amend Section 304 to 1) eliminate the language that provides the exemption for companies with fewer than 250,000 end users; 2) require a telephone service provider that is not in compliance with the adjacent caller area requirement—or not already the subject of a PSC order on adjacent calling—to submit a plan to the Michigan Public Service Commission within 270 days after the bill takes effect; and 3) make the adjacent calling area requirement apply to calls from an island to certain parts of the mainland, as designated by the PSC.

As regards the required adjacent calling plan, the bill would require the PSC, in reviewing a plan, to give consideration to the revenues lost and additional cost incurred by the provider in implementing the plan. The commission could then approve or modify the plan, or could find that the plan is not required, based on a cost benefit analysis demonstrating that the plan is not in the best interests of the customer.

## FISCAL IMPACT:

There is no fiscal impact on State of Michigan government or local units of government.

Legislative Analyst: Chris Couch  
Fiscal Analyst: Richard Child

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