



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



BILL ANALYSIS

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

Senate Bill 190 (as introduced 2-4-09)  
Sponsor: Senator Buzz Thomas  
Committee: Energy Policy and Public Utilities

### **CONTENT**

The bill would amend the Uniform Video Services Local Franchise Act to establish a process for the resolution of disputes between a customer and a video service provider, between providers, and between a provider and a franchising entity (i.e., the local unit of government in which a provider offers video service through a franchise).

Before filing a complaint with the Public Service Commission (PSC), a customer would have to attempt to resolve the dispute through the provider's established resolution process. If the dispute could not be resolved, the customer could file a complaint with the PSC. An attempt to resolve the dispute first would have to be made through an informal resolution process. If the dispute remained unresolved, the customer could file a formal complaint. If the dispute involved \$5,000 or less, the PSC would have to appoint a mediator. After the mediator made recommendations, a party could request a contested case hearing as provided in the Michigan Telecommunications Act (MTA). If the dispute involved more than \$5,000, the complaint would have to be resolved by a contested case hearing as provided in the MTA.

If a dispute were between a provider and a franchising entity or between two or more providers, an attempt to resolve it first would have to be made through an informal resolution process with the PSC. If a resolution were not achieved by informal mediation conducted by PSC staff, a party could file a formal complaint. The parties then would have to attempt alternative means of resolution, or the PSC would have to order mediation. The mediator would have to issue a recommended settlement, and each party would have to file a written acceptance or rejection. If a party rejected the settlement or failed to respond, the complaint would proceed to a contested case hearing as provided in the MTA. A rejecting party would have to pay the opposing party's actual costs of proceeding to a hearing, unless the PSC's final order were more favorable to the rejecting party than the recommended settlement. (This process would be subject to timelines set forth in the bill.)

MCL 484.3310

Legislative Analyst: Julie Cassidy

### **FISCAL IMPACT**

The PSC has a dispute resolution process in place for customers; thus, the process in the bill would impose no additional costs. It could reduce costs by requiring the parties to use alternative dispute resolution methods before moving to a contested case hearing.

The Public Service Commission is funded primarily by assessments and fees paid by regulated industries. The authorization to charge video service providers these fees is included in Section 6(13); however, the section includes a sunset of December 31, 2009.

Date Completed: 2-24-09

Fiscal Analyst: Elizabeth Pratt  
Maria Tyszkiewicz