

## LOCAL EXCHANGE CARRIER OPERATING AND REPORTING REQUIREMENTS

This document is in response to numerous inquiries staff has received from providers regarding their obligations. The items listed below are excerpts from state and federal laws and Commission Orders, policies and practices which pertain to telecommunications basic local exchange providers. This is not an all inclusive list and is not a substitute for a company being fully knowledgeable of state and federal laws and Commission orders, policies and practices which pertain to them.

### **Legal requirements as defined by state laws and Michigan Public Service Commission orders:**

1. Quality of Service Rules as required in Sec. 202 of the Michigan Telecommunications Act (MTA) and by the Michigan Public Service Commission (Commission) Case No. U-14435. These rules apply to regulated services and address: the right of customers to receive service free of interruption, compensation for interruptions, availability of customer service staff to answer inquiries and complaints, record keeping of disruptions, reports to the Commission, corrective action for directory errors, and number changes.
2. Billing Rules for basic residential telecommunications service as required in Sec. 213(d) of the MTA and by the Commission in Case No. U-11043. These define the rules surrounding the billing of customers by a local provider, the circumstances surrounding shutting-off and restoring service to customers, security deposits, prepayment and resolution of disputed bills.
3. Costing Procedures as determined by the Commission in Case No. U-11103. This case defines the inputs and methodology of calculating TSLRIC and how services should be priced. Also see the MTA.
4. Prohibitions identified in Sec. 305 and Sec. 502 of the MTA. These sections of the law prohibit companies from providing any provider a higher quality of service or better cost than another provider purchasing their services. These sections also prohibit a company from dealing dishonestly with its end use customers.
5. Cross Subsidization prohibitions and asset and employee transfer requirements as specified in Sec. 308 of the MTA. This part of the MTA prohibits pricing certain services below cost and then overpricing other services to make up for the difference. A provider must notify the Commission if substantial assets, functions, or employees are transferred to an affiliated company. The Commission has the authority to review books and accounts of both entities if investigating this issue.

6. Imputed Access Charge requirements as specified in Sec. 311(1) and Sec. 362 of the MTA. A telecommunications provider of both basic local exchange service and toll service shall impute to itself its prices of special toll access services and switched access for the use of essential facilities it uses in the provision of toll, WATS, or other service for which toll access service is a component.
7. Resale procedures or standards as specified in Sec. 311(3) of the MTA. Telecommunications services that utilize special or switched toll access service shall be made available for resale, by the telecommunication provider offering the service.
8. Requirements relative to the Withdrawal of Basic Local Exchange Service as specified in Sec. 313 of the MTA. This section defines the circumstances under which a provider may end service in an exchange. A company may withdraw service if there is an alternate provider in the exchange and it has properly noticed the Commission and customers in the exchange.
9. Compliance with the Anti-Slamming Procedures adopted on September 23, 1998 in Case No. U-11757 and on April 23, 1999 and September 28, 1999 in Case No. U- 11900. The orders in these cases define procedures for intrastate providers to ensure customers are not changed to another provider without their knowledge and approval.
10. Emergency or 9-1-1 Service. All providers are required to connect users to emergency services. The 9-1-1 system is a county-administered program. All counties have E9-1-1. Service providers must provide the service at each county's authorized charges. Local exchange carriers need to notify the County and individual Public Safety Answering Points (PSAPs) for the area where it plans to begin services. This must be done prior to providing service. A company doing its own billing will collect the 9-1-1 surcharge appropriate to the county and remit earmarked money to the county. If an incumbent local exchange carrier is handling the 9-1-1 administrative procedures for a CLEC, the terms of their arrangement should be found in its interconnection agreement.

**Filing and/or reporting requirements defined by state laws and Commission orders:**

1. Reporting Requirements as specified in Section 202(a) of the MTA and the Order in Case No. U-11103 dated December 12, 1996. These rules address the manner and form of keeping books of accounts for regulated services, access by the Commission and the public to a company's books.
2. Tariff Filing Requirements for regulated services as specified in Sec. 202(b) of the MTA and as stated further by the Commission Order in Case No. U-14973 of July 25, 2006. These documents require a company to file a tariff of its services and costs, and the details of the content and the procedure for filing such tariffs.

3. Assessment Requirements as specified in Sec. 211 of the MTA. In January of each year, the Commission sends a letter to each licensed local exchange provider requesting information regarding gross revenues for the previous calendar year. This information is due by April 30 and is sent to the Department of Labor and Economic Growth who then bills the company for its Utility Assessment.
4. Annual Reporting on activity, revenues and/or expenditures for the Lifeline and Dual Party Relay Programs and a company's end-user count are due April 1 of each year for the calendar year ending the previous December. Reminder instructions are forwarded prior to the due date each year. The reminder letter will include a hard copy of the reporting form for companies to use and/or the address on the Commission web site that contains the required form.
5. Registration. All telecommunications providers in Michigan are required to register annually (MTA Sec. 211a, Case No. U-11900) with the Commission by means of the Intrastate Telephone Service Providers (ITSP) registration on the Commission's Telecommunications web site. See <http://efile.mpsc.cis.state.mi.us/itsp> for further instructions.
6. NOTICE: If your company has tangible property, either real or personal within the State of Michigan, the company may be subject to the mandatory annual filing requirements of PA 282 of 1905. For your convenience, the State of Michigan has developed an online filing process to facilitate your compliance. Please visit the Michigan Department of Treasury website located at <http://www.michigan.gov/stateassessedproperty> for more information.

### Telecommunications Carrier Annual Reporting and Registration Requirements\*

	Dual Party Relay	Sec. 316 MTA Lifeline	ITSP Registration	Utility Assessment	Competition Survey	Payphone Registration	OSP Registration	ETC Renewal
CAP (Facilities based & tariffed)			X	X				
CLEC**	X	X	X	X	X			X
ILEC**	X	X	X	X	X			X
IXC (Facilities based & tariffed)			X	X				
Unregulated Telecommunications Providers (ex.: toll reseller, wireless, VOIP providers)			X					X
Payphone Providers			X			X		
Operator Service Providers			X				X	

\*This table is a reference to some of the annual reporting and registration requirements for telecom carriers. A carrier subject to a reporting or registration requirement will be notified, provided the carrier has current contact information on file with the MPSC. Other MPSC reporting and registration requirements may be implemented in the future, but providers will receive notification of such. This table is not an all inclusive list and is not a substitute for a company being fully knowledgeable of state and federal laws and Commission orders and other obligations which may apply to them.

\*\* Reporting/registration requirement applies to local providers that are licensed and tariffed for local exchange service. Local providers must receive a license, and tariffs must be filed for applicable regulated services prior to commencement of service.