

# HOUSE RESEARCH

## Bill Summary

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**Subject:** Telecommunications - promotions and service packages

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### Overview

This bill repeals current law regulating a telephone company's promotion and packaging of services. Instead, telephone companies would be authorized to promote, package, and price its services in any reasonable manner.

#### Section

#### **1 Promotions and service packages.**

**Subd. 1. Promotions activities.** Authorizes a "telephone company" to promote its services in any reasonable manner. The definition of a telephone company includes the large incumbent local exchange carriers such as Qwest Communications and Citizens Communications, as well as the small carriers, such as Blue Earth Valley Telephone Company and Emily Cooperative Telephone Company. Both large and small incumbents are subject to rate regulation by the Public Utilities Commission.

Current law regulating the pricing of promotions and packaging of services (repealed in section 2) requires that:

- no single promotion be effective for more than 90 days at a time
- the price for the service being promoted be priced above the cost of the service
- the telephone company must give notice to the commission, identifying the customers for which the promotion is available, and cost information to show that the promotion is not priced below cost; and
- the telephone company must file a report with the commission and the Department of Commerce within 90 days of the conclusion of the promotion.

**Subd. 2. Packages of services.** Authorizes a telephone company to establish or change the prices, terms, or conditions for any package of services or promotion or to terminate the offering of the package or promotion at any time, without notice to customers or the commission.

**Subd. 3. Availability.** Specifies that a telephone company subject to an alternative form of regulation plan (AFOR) may elect to promote and package its services under this new section, rather than the terms of the company's AFOR plan.

**2 Repealer.** Repeals Minnesota Statutes 2002, section 237.626, summarized above.