

HOUSE RESEARCH

Bill Summary

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Section

Article 1: Statute Modernization

- 1 to 7** [237.01] **Subds. 1a, 1b, 1c, 1d, 2a, 9, 10. Definitions.** Defines “advanced services,” basic services,” “competitive local exchange carrier,” and “wholesale telecommunications service.”
- 8** [237.02] **General authority of department and commission; definitions.** Provides that effective July 1, 2019, the regulatory duties of the Department of Commerce are transferred to the Public Utilities Commission.
- 9** [237.065] **Subd. 2. Basic telecommunications service; reduced rate.** Provides that a telephone company, telecommunications carrier, or telecommunications services purchasing cooperative may provide reduced or no cost basic telecommunications services to a school or library.
- 10** [237.066] **Subd. 3. Rates.** Provides that a telephone company or telecommunications carrier may offer basic telecommunication services at reduced rates to state government agencies and schools.
- 11** [237.077] **Schedules, tariffs, and individual contracts.** Requires a telecommunications carrier offering intrastate access services or a local exchange carrier providing basic telecommunication service to file tariffs for those services with the commission. Allows a

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telecommunications carrier to enter into an individual contract to provide retail or wholesale service, except for intrastate switched services.

- 12 [237.081] **Subd. 1. Commission investigation.** Allows the commission to investigate whenever it believes that a basic or wholesale telecommunications service is inadequate.
- 13 [237.081] **Subd. 1a. Complaint investigation.** Provides that the commission may investigate the provision of basic or wholesale telecommunications service upon complaint of a provider or five percent or 100, whichever is fewer, of a telephone company's subscribers.
- 14 [237.081] **Subd. 2. Procedure after investigation.** Provides that the commission may order a contested case hearing after investigating the reasonableness of a company's rates for basic services.
- 15 [237.081] **Subd. 4. Establishment of rate and price.** Provides that a commission finding that the provision of a basic or wholesale telecommunications service is unavailable, unreasonable, or discriminatory shall result in a commission order making it just and reasonable.
- 16 [237.09] **Discrimination prohibited.** Prohibits discrimination with respect to the offering of any basic or wholesale telecommunications service.
- 17 [237.115] **Information subject to protective order.** Requires the commission to maintain the confidentiality of all proprietary information, and grants it the authority to enter into a protective order to maintain confidentiality.
- 18 [237.12] **Discontinuance.** Allows a local exchange carrier who has not been fully compensated by a LEC or interexchange carrier to discontinue accepting traffic from that carrier after notifying the commission. The commission may determine that continued service is in the public interest, and may fix the compensation and terms of any continuance of service.
- 19 [237.121] **Prohibited practices.** Prohibits a telephone company or telecommunications carrier from violating the statutory restriction against slamming (changing a user's local exchange carrier without the user's permission) with respect to basic or wholesale service.
- 20 [237.295] **Subd. 2. Assessment of costs.** Describes how the department and commission shall make their quarterly assessment of regulatory costs with respect to a company's gross operating revenues from basic or wholesale telecommunications services. Reduces by 75 percent the fee assessment cap under this section after July 1, 2019.
- 21 [237.49] **Combined local access surcharge.** Specifies how advanced service providers will calculate surcharges for Telecommunications Access Minnesota (TAM), the Minnesota Telephone Assistance Plan (TAP), and 911.
- 22 [237.491] **Per number fee.** Requires the commission to annually set the per number fee necessary to fund TAP, TAM, and 911.

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- 23** [237.663] **Loading.** Prohibits a telephone company or telecommunications carrier providing basic service from cramming (including third-party charges on a bill for which the user did not explicitly contract).
- 24** [237.84] **Certification, registration, and mapping.** Requires a company to receive a certificate of authority from the commission prior to offering basic or wholesale telecommunications services in the state. An advanced services provider must register with the commission within 60 days after beginning operations in the state. Each local exchange carrier must file and maintain a territorial map.
- 25** [237.85] **Alternative regulation plans terminated.** Specifies that any alternative form of regulation plan terminates on the effective date of this act.
- 26** **Repealer.**
- [237.06] **Rates and deposits.** Requires intrastate rates to be fair and reasonable.
- [237.067] **Establishment exempt from regulation.** Exempts telephone service in lodging places and restaurants from regulation.
- [237.068] **Multiparty line telephone service.** Prohibits more than two subscribers on a multiparty line.
- [237.069] **Tracer; harassing telephone call; rates.** Requires the commission to adopt rules regarding tracer requests.
- [237.07] **Filing requirements.** Requires companies to keep rates for all services on file.
- [237.071] **Special pricing.** Allows prices unique to a particular group of customers when justified by cost.
- [237.072] **Limitation on rate change.** Prohibits a company with more than one million access lines from changing rates without a determination of its revenue requirement.
- [237.075] **Rate change.** Specifies the commission's process for rate changes.
- [237.076] **Settlement; procedures.** Encourages settlements and outlines settlement procedures.
- [237.082] **Telecommunications rate and service goals.** Lists goals the commission is to achieve in setting rates.
- [237.10] **Uniform rules, classifications, practices; forms.** Requires the commission to develop uniform rules and classifications.
- [237.11] **Inspecting records and property; reports required.** Authorizes the commission and department to inspect a company's records at any time.

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[237.12] Service connection between telephone companies.

Subd. 2. Discontinuance. Prohibits a company from severing service connections with other companies without a commission order.

[237.15] Investigation and hearing; authority delegated. Authorizes the department to determine the total value of a company's property.

[237.155] Credit for incorrect directory assistance. Requires a LEC providing directory assistance for a fee to immediately credit a customer given incorrect information.

[237.16] Local exchange competition, rules. Prohibits a company from providing telephone service without a certificate from the commission; requires the commission to establish the rules of competition; entry and exit; telephone number portability; quality of service standards; prohibit cross-subsidization; establish universal service fund, etc.

[237.164] Universal service discount for school or library. Requires the commission to establish intrastate service discounts for schools and libraries.

[237.18] Surrendering old license; new authority. Requires a company operating under a pre-1915 license to surrender it in exchange for a new permit.

[237.21] Valuation of telephone property. Prohibits valuation of a franchise granted by the state or a city where no payment was or is being made. Prohibits rates that destroy competition.

[237.23] Acquiring property of another company. Prohibits acquisition of another telephone company's property without commission approval.

[237.231] Sale of local exchange service. Prohibits sale of local exchange without commission approval; provides for sale procedure.

[237.28] Burden of proof. Provides that in any investigation initiated by the commission the burden of proof is on the telephone company to establish the reasonableness of existing rates.

[237.295] Assessment of regulatory expenses. Establishes fee for an application for new authority to provide service.

[237.30] Telephone investigation fund; appropriation. Appropriates \$25,000 for the Minnesota Telephone Investigation Fund, to reimburse costs incurred by the department and attorney general under section 237.295.

[237.33] to [237.40] Regulations regarding town telephone systems.

[237.411] Reduced rate regulation for certain business customers.

[237.414] Expanded calling areas; transport facilities; terminations.

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[237.47] Alarm transmission telephone device; rules. Requires use of a device reporting an emergency to an official emergency reporting number to obtain permission from the county sheriff or police chief.

[237.57] Definitions

[237.59] Classification of competitive service; hearing. Regulations governing services subject to “emerging competition.”

[237.60] Discriminatory practices; service costs. Prohibits offering services upon terms or rates that are unreasonably discriminatory. Rates must cover the incremental cost of providing service.

[237.61] Expedited proceeding. Allows the commission to conduct an expedited proceeding.

[237.626] Promotion activities. Provisions governing promotion of services.

[237.64] Registration; bond. Requires telephone companies to register with the commission, and post a bond if the company requires customer deposits.

[237.66] Disclosure of local service options. Requires annual notice to customers of the prices of all service options available to the customer. Customers may change services at any time.

[237.73] Obtaining service by fraud; injunction.

[237.74] Regulation of telecommunications carrier. Requires telephone companies to keep price lists for all services on file with the department. Prohibits offering services upon terms or rates that are unreasonably discriminatory. Allows commission or department investigation of discriminatory pricing. Allows companies to decrease rates or offer a new service. Prohibits a company from severing service connections with other companies without a commission order. Prohibits construction or extension of new plant and equipment without commission approval.

[237.75] CLASS service. Requires the commission to determine the terms and conditions of “custom local areas signaling service.”

[237.76] Purpose. Authorizes a telephone company to petition the commission for approval of an alternative regulation plan.

[237.761] to [237.775] Provisions governing alternative regulation plans.

[237.80] Interexchange telephone service. Technical.

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Article 2: Conforming Changes

- 1 to 11** Deletes references to sections repealed in Article 1. Inserts references to sections of “Minnesota Statutes 2010” where necessary.