

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 1066

DATE: May 4, 2016

Version: The delete-everything amendment (H1066DE4)

Authors: Kresha

Subject: Telephone regulation

Analyst: Bob Eleff

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd/.

Overview

H.F. 1066, as amended by the H1066DE4 amendment, establishes competitive market criteria that telephone service must meet in a local exchange area in order to receive approval from the Minnesota Public Utilities Commission for a lighter regulatory burden.

Section

1 [237.01] **Subd. 6a. Telecommunications service.** Definition.

2 **Subd. 6b. Telecommunications service provider.** Definition.

3 **Subd. 9. Wholesale transport provider.** Definition.

4 [237.025] **Competitive market regulation.**

Subd. 1. Definitions.

Subd. 2. Petition. Lists the required contents of a petition served on the commission by a local exchange carrier seeking to have its residential voice services and business voice services (for customers with three or fewer lines) regulated under this section must contain.

Subd. 3. Process; objection; review. Provides that a petition is deemed approved by the commission if no objection is raised within 45 days of its filing. If objections are raised, an opportunity to comment on the petition's merits must be allowed.

Subd. 4. Competitive criteria. Establishes criteria -- regarding market share, the presence of alternative service providers, and other market characteristics -- that must

Section

be met in an exchange service area in order for the commission to approve a petition filed under this section.

Subd. 5. Burden of proof. Places on the petitioning carrier the burden of proof to demonstrate that the competitive criteria of subdivision 4 have been met.

Subd. 6. Market regulation and consumer protection. Lists the statutes and rules to which a carrier that has received commission approval to be regulated under this section is subject in the approved local exchanges. These include prohibitions against cramming and slamming; participation in programs benefiting low-income consumers and those with communications disabilities; and existing rules governing customer relations, billing, and disconnection of service. Carriers are subject to the rules governing competitive local exchange carriers in these exchanges.

Subd. 7. Effect on existing alternative form of regulation plans. Provides that a carrier receiving approval of a petition filed under this section must be governed by the terms of any existing alternative form of regulation plan until its termination date.

Subd. 8. Basic local service protection. Sets a cap on increases in basic service rates, and requires those rates to be uniform within an exchange service area.

Subd. 9. Obligation to serve. Reaffirms a carrier's obligation to serve customers, regardless of its filing a petition under this section.

Subd. 10. Relation to other law. Provides that nothing in this section affects an entity's obligations or rights under federal laws governing wholesale telecommunications service; the commission's jurisdiction over intrastate switched access rates or disputes regarding intercarrier compensation; and with respect to certain statutes governing public rights-of-way.

Subd. 11. Reexamining competitiveness of markets. Authorizes the commission to open a proceeding to reexamine whether a local exchange continues to meet the competitive criteria of subdivision 4, and if not, authorizes the commission to determine the appropriate level of regulation.

- 5 **[237.078] Informal review and resolution of disputes.** Prescribes a process to resolve disputes between telecommunications service providers under the authority of the department of commerce.
- 6 **[237.121] Prohibited practices.** Adds the provisions of a current law prohibiting fraudulent billing practices to a list of practices prohibited with respect to commission-regulated services.
- 7 **[237.131] Intrastate call routing.** Prohibits a telephone utility from participating in practices that result in failures of calls to be delivered to Minnesota providers.
- 8 **[237.132] Registration of wholesale transport providers.** Requires wholesale transport providers to register with the commission.
- 9 **Combined local access surcharge.** Allows a telephone company to voluntarily itemize surcharges on a customer bill.