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and Fiscal Analysis**

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Senate

State of Minnesota

S.F. No. 1225 - Broadband Revolving Loan Fund

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Date: March 11, 2005

The bill creates the broadband revolving loan fund under the auspices of the Minnesota Public Facilities Authority for the express purposes of making loans to governmental units for local communications infrastructure, including any technology that can deliver broadband to residential and institutional customers. The bill requires that retail broadband services must be provided by a private entity, which has entered into a use agreement with a governmental unit that owns the infrastructure. The bill also establishes terms and conditions for the administration of the fund. The bill, in its current form, does not contain an appropriation or other source of money for the broadband revolving loan fund.

MSG:cs

1 To: Senator Anderson, Chair
 2 Committee on Jobs, Energy and Community Development
 3 Senator Kelley,
 4 Chair of the Subcommittee on Telecommunications and
 5 Technology, to which was referred

6 S.F. No. 1045: A bill for an act relating to public
 7 safety; increasing 911 emergency telecommunications service fee;
 8 imposing certain restrictions on public subsidy to telephone
 9 companies for providing 911 emergency telephone service;
 10 increasing distribution to pay costs of public safety answering
 11 points; authorizing sale of Metropolitan Council bonds to
 12 implement phases two and three of the 800-MHz public safety
 13 radio system; providing for levy of property taxes to secure
 14 payment of system operating costs; appropriating money; amending
 15 Minnesota Statutes 2004, sections 403.11, subdivisions 1, 3, 3a;
 16 403.113, subdivision 1; 403.27, subdivisions 1, 3; 403.30,
 17 subdivisions 1, 3; 403.31, subdivision 6.

18 Reports the same back with the recommendation that the bill
 19 be amended as follows:

20 Page 2, line 20, delete the new language and reinstate the
 21 stricken language

22 Page 4, line 9, delete the new language and reinstate the
 23 stricken language

24 Page 8, lines 22 and 31, delete "13" and insert "..."

25 And when so amended that the bill be recommended to pass
 26 and be referred to the full committee.

27
 28 (Subcommittee Chair)

30 March 30, 2005.....
 31 (Date of Subcommittee action)

1 To: Senator Anderson, Chair
 2 Committee on Jobs, Energy and Community Development
 3 Senator Kelley,
 4 Chair of the Subcommittee on Telecommunications and
 5 Technology, to which was referred

6 S.F. No. 1225: A bill for an act relating to
 7 communications; creating a broadband revolving loan fund;
 8 proposing coding for new law in Minnesota Statutes, chapter 446A.

9 Reports the same back with the recommendation that the bill
 10 do pass and be referred to the full committee.

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Stew Kelley

 (Subcommittee Chair)

March 30, 2005.....
 (Date of Subcommittee action)

1 To: Senator Anderson, Chair
2 Committee on Jobs, Energy and Community Development
3 Senator Kelley,
4 Chair of the Subcommittee on Telecommunications and
5 Technology, to which was referred

6 S.F. No. 1370: A bill for an act relating to
7 telecommunications; providing for standardized provider
8 contracts; proposing coding for new law in Minnesota Statutes,
9 chapter 237.

10 Reports the same back with the recommendation that the bill
11 be amended as follows:

12 Delete everything after the enacting clause and insert:

13 "ARTICLE 1

14 REGULATORY RELIEF

15 Section 1. Minnesota Statutes 2004, section 237.11, is
16 amended to read:

17 237.11 [INSPECTING RECORDS AND PROPERTY; REPORTS REQUIRED.]

18 Every telephone company subject to the provisions of this
19 chapter, wherever organized, shall keep an office in this state,
20 and make such reports to the department as it shall from time to
21 time require. The department shall only require information for
22 an annual report from a telephone company, competitive local
23 exchange carrier, or independent telephone company that consists
24 of the name of the company, contact person, annual revenue, and
25 the annual status of the 911 plan update. All books, records,
26 and files, whether they relate to competitive or noncompetitive
27 services, and all of its property shall be at all times subject
28 to inspection by the commission and the department. It shall
29 close its accounts and take therefrom a balance sheet on
30 December 31 of each year, and on or before May 1 following, such
31 balance sheet, together with such other information as the
32 department shall require, verified by an officer of the
33 telephone company, shall be filed with the commission and the
34 department.

35 In the event that any telephone company shall fail to file
36 its annual report, as provided by this section, the department
37 is authorized to make such an examination of the books, records,
38 and vouchers of the company as is necessary to procure the

1 necessary data for the annual report and cause the same to be
2 prepared. The expense of procuring this data and preparing this
3 report shall be paid by the telephone company failing to report,
4 and the amount paid shall be credited by the commissioner of
5 finance to funds appropriated for the expense of the department.

6 The department is authorized to force collection of such
7 sum by an action at law in the name of the department.

8 Sec. 2. Minnesota Statutes 2004, section 237.462, is
9 amended by adding a subdivision to read:

10 Subd. 13. [REMEDIAL PAYMENTS.] The commission's authority
11 under section 237.081 includes authority to require refunds,
12 payments, or credits intended to provide compensation for
13 financial harm resulting from any unlawful, anticompetitive
14 conduct, including unlawful discrimination under section 237.09,
15 violations of the Telecommunications Act of 1996, Public Law
16 104-10, or its successor, or breach of an interconnection
17 agreement. Any remedial payments under section 237.081 shall
18 offset penalty payments ordered under subdivision 2 for the same
19 violations.

20 Sec. 3. Minnesota Statutes 2004, section 237.462, is
21 amended by adding a subdivision to read:

22 Subd. 14. [WHOLESALE SERVICE QUALITY.] The commission's
23 authority to adopt wholesale service quality standards includes
24 the authority to establish remedy payments to provide
25 compensation and enforce those standards.

26 Sec. 4. [237.85] [DEFINITIONS.]

27 Subdivision 1. [SCOPE.] The definitions in this section
28 apply to sections 237.85 to 237.90.

29 Subd. 2. [BASIC SERVICE.] "Basic service" means one
30 unbundled, single line, unlimited local usage, residential voice
31 telephone service or unbundled single line, unlimited local
32 usage, business voice telephone service. Basic service includes:

33 (1) single party voice-grade service and touch-tone
34 capability;

35 (2) 911 or enhanced 911 access;

36 (3) 1+intraLATA and interLATA presubscription and

1 code-specific equal access to interexchange carriers subscribing
2 to its switched access service;

3 (4) access to directory assistance, directory listings, and
4 operator services;

5 (5) toll and information service-blocking;

6 (6) a white pages and directory assistance listing, or upon
7 customer request, a private listing that allows the customer to
8 have an unlisted or unpublished telephone number;

9 (7) call-tracing capability according to Minnesota Rules,
10 chapter 7813; and

11 (8) telecommunications relay service capability or access
12 necessary to comply with state and federal regulations.

13 Subd. 3. [CLASS OF SERVICES.] "Class of services" includes
14 all services provided to a particular class of customers,
15 including the residential class and the business class.

16 Subd. 4. [COMMISSION.] "Commission" means the Public
17 Utilities Commission.

18 Subd. 5. [COMPETITIVE REGULATION TELEPHONE
19 COMPANY.] "Competitive regulation telephone company" is a
20 telephone company that the commission authorizes to operate
21 under competitive regulation as provided in sections 237.86 to
22 237.90.

23 Subd. 6. [COMPETITIVE SERVICES REGULATION.] "Competitive
24 services regulation" means regulation of services determined to
25 be competitive as provided in sections 237.86 to 237.90.

26 Sec. 5. [237.86] [COMPETITIVE SERVICES REGULATION.]

27 Subdivision 1. [COMPETITION STANDARD.] Competitive
28 regulation as provided in sections 237.86 to 237.90 is permitted
29 for the residential services offered by a telephone company in
30 an exchange where three or more competitors offer comparable
31 retail residential services in the exchange. A residential
32 service is not comparable unless it provides basic service with
33 911 access through the dedicated 911 network. Competitive
34 regulation as provided in sections 237.86 to 237.90 is permitted
35 for the business class of services offered by a telephone
36 company in an exchange where three or more competitors offer

1 comparable service in an exchange through the use of unbundled
2 network elements, resale, voice over Internet protocol,
3 wireless, or a provider's own facilities, including cable. The
4 competitors must not be affiliated with the telephone company
5 seeking to be regulated under sections 237.86 to 237.90.

6 Subd. 2. [PETITION AND APPROVAL PROCESS.] (a) A telephone
7 company may petition the commission to have its retail
8 residential or business services in an exchange regulated as
9 provided in sections 237.86 to 237.90. The petition shall be
10 served upon the residential and small business utilities
11 division of the office of the attorney general, the Department
12 of Commerce, and any other persons who have requested to be on a
13 commissioner service list for petitions filed under this section.

14 (b) A petition shall be approved by the commission within
15 20 days after it is filed if it includes a signed affidavit that
16 identifies three or more competitors to the customer class or
17 classes in the exchange or exchanges covered by the petition.
18 The affidavit must be signed by an employee of the telephone
19 company with knowledge and the authority to make representations
20 on behalf of the company. Within 30 days after filing of the
21 affidavit, any interested person may file objections to the
22 petition setting forth the grounds upon which the person
23 believes the standard set forth in this section for competitive
24 services regulation has not been met. If the commission
25 determines after a hearing that the telephone company has failed
26 to meet the standard for competitive services regulation for a
27 particular class of services in a particular exchange, the
28 commission shall revoke the telephone company's competitive
29 regulation authority under sections 237.86 to 237.90 for those
30 services in the exchange in questions consistent with its
31 findings.

32 Sec. 6. [237.87] [RATES FOR SERVICES SUBJECT TO
33 COMPETITIVE SERVICES REGULATION.]

34 Subdivision 1. [PRICE AND SERVICE OFFERINGS.] A
35 competitive regulation telephone company may offer new local
36 services or change the prices, terms, or conditions of existing

1 local services as provided in this section for each class of
2 services in each exchange in which the commission has approved a
3 petition under section 237.86, subdivision 2.

4 Subd. 2. [BASIC SERVICE RATES.] (a) A competitive
5 regulation telephone company shall not increase its monthly
6 one-party residential and one-party business rates and
7 nonrecurring basic service rates for three years after the
8 commission has approved a petition under section 237.86,
9 subdivision 2. After three years, a basic services regulated
10 company may annually increase its monthly one-party residential
11 and one-party business rates and nonrecurring one-party
12 residential and one-party business installation service rates by
13 a percentage equal to or less than the inflation rate for the
14 prior year as measured by the Gross Domestic Product Price
15 Index, published by the federal government.

16 (b) Extended area service rates shall not be increased by a
17 competitive regulation telephone company without prior
18 commission approval.

19 (c) A competitive regulation telephone company may assess
20 special construction charges approved by the commission if
21 existing facilities are not available to the customer.

22 (d) Notwithstanding paragraph (a), a competitive regulation
23 telephone company may petition the commission and the commission
24 may authorize changes in residential or business local rates
25 associated with exongeous changes, including, but not limited
26 to, changes in the instrastate financial impact of:

- 27 (1) changes in intercarrier compensation;
- 28 (2) comprehensive local service rate restructuring;
- 29 (3) rate deaveraging;
- 30 (4) changes in universal service or funding payments;
- 31 (5) changes in local, state, or federal taxes;
- 32 (6) changes in the commission's application of
33 jurisdictional separation, the Uniform System of Accounts, or
34 other mandatory Financial Accounting Standards Board accounting
35 standards;
- 36 (7) assessments related to the use of telephone numbers,

1 including mandated number conservation efforts; and

2 (8) financial impacts of government mandates to construct
3 specific telecommunications infrastructure or develop systems.

4 Subd. 3. [OTHER PRICES SUBJECT TO EFFECTIVE
5 COMPETITION.] A competitive regulation telephone company's
6 prices for its intrastate retail services, other than basic
7 services and extended area service rates, are not subject to any
8 rate or price regulation except that the commission may, upon
9 complaint, order a competitive regulation telephone company to
10 change a retail or wholesale price or pricing practice or take
11 other appropriate action if the commission determines, after an
12 investigation, that:

13 (1) the price or pricing practice unreasonably restricts
14 resale in violation of Minnesota Statutes, section 237.121,
15 paragraph (a), clause (5);

16 (2) the price or pricing practice is unreasonably
17 discriminatory in violation of subdivision 6;

18 (3) the price or pricing practice is deceptive, misleading,
19 fraudulent, as those terms are defined in state or federal law,
20 or is otherwise unlawful under state or federal law; or

21 (4) the price or pricing practice has caused or will result
22 in substantial customer harm.

23 Subd. 4. [TARIFF CHANGES.] A competitive regulation
24 telephone company may offer new services or change the prices,
25 terms, or conditions of existing local service as permitted by
26 this section by filing amendments to its tariffs. These tariff
27 filings take effect as follows:

28 (a) A new service, price decrease, promotion, or
29 insubstantial change in the terms or conditions of a service may
30 take effect immediately upon filing without prior notice to
31 customers.

32 (b) A price increase, a substantial change in a term or
33 condition of a service, or a discontinuation of a service other
34 than basic local service may take effect 20 days after filing
35 and providing written notice to affected customers as provided
36 in clauses (1) and (2):

1 (1) the written notice of a price increase must be given in
2 simple and clear language by bill insert, bill notice, or direct
3 mail. To be simple and clear, the notice must bear the heading
4 "NOTICE OF PRICE INCREASE."

5 (2) the written notice of a substantial change in a term or
6 condition of service or of the discontinuance of a service must
7 be given in simple and clear language by bill insert, bill
8 notice, or direct mail. To be simple and clear, the notice
9 must, at a minimum, bear a heading such as "NOTICE OF CHANGE IN
10 TERMS" or "NOTICE OF DISCONTINUANCE," as appropriate.

11 Subd. 5. [COST INFORMATION.] The commission shall not
12 require a competitive regulation telephone company to file cost
13 information unless the commission determines that cost
14 information is needed to resolve a complaint or investigation
15 alleging that the competitive regulation telephone company is
16 violating a standard set forth in this section.

17 Subd. 6. [DISCRIMINATION.] No competitive regulation
18 telephone company may offer competitive services within the
19 state on terms or rates that are unreasonably discriminatory.
20 At a minimum, a competitive regulation telephone company must
21 provide its competitive services in accordance with paragraphs
22 (a) to (c).

23 (a) A competitive regulation telephone company shall charge
24 uniform rates for local services within its service area.
25 However, a competitive regulation telephone company may, upon a
26 filing under subdivision 4:

27 (1) offer unique pricing to certain customers or to certain
28 geographic locations for promotions as provided in section
29 237.626 or customer incentives of the type offered by other
30 providers and may offer local service as part of a package that
31 may include goods and services other than telecommunications
32 services. Nothing in this section is intended to give the
33 commission or department regulatory authority over
34 nontelecommunications services provided by the competitive
35 regulation telephone company;

36 (2) provide volume or term discounts;

1 (3) offer prices unique to particular customers, or groups
2 of customers, when differences in the cost of providing a
3 service, market conditions, or pricing practices of a competitor
4 justify a different price;

5 (4) pass through any legislatively authorized local taxes,
6 franchise fees, or special surcharges imposed by local or
7 regional governmental units on the services provided by the
8 competitive regulation telephone company in specific geographic
9 areas from which the taxes, fees, or surcharges originate; or

10 (5) furnish service free or at a reduced rate to its
11 officers, agents, or employees in furtherance of their
12 employment.

13 (b) A tariff providing for prices unique to particular
14 customers or groups of customers under paragraph (a), clause
15 (3), shall identify the service for which a unique price is
16 available and the conditions under which the unique price is
17 available.

18 (c) In addition to the exceptions provided in paragraph
19 (a), a competitive regulation telephone company may also charge
20 different rates for competitive local services within its
21 service territory upon a prior finding by the commission that
22 the competitive regulation telephone company has good cause to
23 do so.

24 Subd. 7. [PROTECTION FROM ANTICOMPETITIVE PRICING.] This
25 subdivision applies to prices governed by this section other
26 than one single-line local residential voice service or one
27 single-line local business voice telephone service. A
28 competitive regulation telephone company must not price its
29 local telephone services, whether offered singly or as part of a
30 bundle of services, below the total service long-run incremental
31 cost of providing the service or services.

32 Subd. 8. [RETAIL SERVICES ONLY.] The provisions of this
33 section apply only to retail services.

34 Subd. 9. [WHOLESALE OBLIGATIONS UNDER STATE AND FEDERAL
35 LAW.] Nothing in this section shall alter any wholesale
36 obligation of a competitive regulation telephone company under

1 state or federal law or the ability of the commission to enforce
2 applicable provisions of state or federal law.

3 Subd. 10. [COMPLAINTS.] The commission may investigate on
4 its own motion or upon a complaint an alleged violation of this
5 section. If the commission finds by a preponderance of the
6 evidence after a proceeding that existing rates, tariffs,
7 charges, schedules, or practices violate an applicable provision
8 of this chapter, the commission shall take appropriate action,
9 which may include ordering the competitive regulation telephone
10 company to;

11 (1) change the rate, tariff, charge, schedule, or practice;

12 (2) make the service reasonable, adequate, or obtainable;

13 or

14 (3) take other appropriate action.

15 Sec. 7. [237.88] [RATES NOT SUBJECT TO EFFECTIVE
16 COMPETITION.]

17 A competitive regulation telephone company's rates for
18 services in exchanges which the commission has not permitted to
19 be regulated under sections 237.86 to 237.90 shall be regulated
20 as otherwise provided in this chapter, except that a new
21 alternative form of regulation plan may apply only to those
22 services which have not been determined to be subject to
23 competitive services regulation or have been exempted from rate
24 regulation under section 237.411.

25 Sec. 8. [237.89] [AFOR SERVICE QUALITY; INTERIM
26 PROVISION.]

27 A competitive regulation telephone company shall comply
28 with the service quality standards, penalties, and remedies in
29 an AFOR plan in effect on June 1, 2005, until one year after the
30 commission authorizes competitive regulation for that telephone
31 company or the expiration of the AFOR plan, whichever is
32 earlier. After that time, competitive services are subject to
33 commission service quality rules of general applicability.

34 Sec. 9. [237.90] [APPLICABILITY OF OTHER LAWS;
35 COMMISSION.]

36 A competitive regulation telephone company is not subject

1 to rate-of-return regulation or the earnings investigations
 2 provisions of sections 237.075, 237.081, and 237.22 during the
 3 term of the election. Except as specifically provided in this
 4 section, the commission retains all authority under this chapter
 5 and competitive regulation telephone companies are subject to
 6 the requirements of this chapter and rules of the commission,
 7 including, but not limited to, laws and rules relating to the
 8 provider of last resort obligations and service quality.

9 Sec. 10. Laws 1999, chapter 224, section 7, as amended by
 10 Laws 2004, chapter 261, article 6, section 3, is amended to read:

11 Sec. 7. [SUNSET.]

12 ~~Sections 2 and 4 expire on August 17, 2005, and~~ Minnesota
 13 Statutes 1998, sections 237.63, 237.65, and 237.68, expire on
 14 December 31, 2004.

15 [EFFECTIVE DATE.] This section is effective the day
 16 following final enactment.

17 Sec. 11. [ANTISLAMMING AND OTHER FRAUD.]

18 Nothing in this act undermines or changes the consumer
 19 protection laws found in Minnesota Statutes, sections 237.661;
 20 237.663; and 237.665; or 325F.692.

21 ARTICLE 2

22 PER NUMBER FEE

23 Section 1. Minnesota Statutes 2004, section 237.295,
 24 subdivision 1, is amended to read:

25 Subdivision 1. [~~PAYMENT-FOR-INVESTIGATION FILING FEE FOR~~
 26 ~~NEW AUTHORITY.~~] ~~(a) Whenever the department or commission, in a~~
 27 ~~proceeding upon its own motion, on complaint, or upon an~~
 28 ~~application to it, considers it necessary, in order to carry out~~
 29 ~~the duties imposed on it, to investigate the books, accounts,~~
 30 ~~practices, and activities of any company, parties to the~~
 31 ~~proceeding shall pay the expenses reasonably attributable to the~~
 32 ~~proceeding. The department and commission shall ascertain the~~
 33 ~~expenses, and the department shall render a bill for those~~
 34 ~~expenses to the parties, at the conclusion of the proceeding.~~
 35 ~~The department is authorized to submit billings to parties at~~
 36 ~~intervals selected by the department during the course of a~~

1 proceeding.

2 (b)-The-allocation-of-costs-may-be-adjusted-for-cause-by
3 the-commission-during-the-course-of-the-proceeding,-or-upon-the
4 closing-of-the-docket-and-issuance-of-an-order.--In-addition-to
5 the-rights-granted-in-subdivision-3,-parties-to-a-proceeding-may
6 object-to-the-allocation-at-any-time-during-the-proceeding.
7 Withdrawal-by-a-party-to-a-proceeding-does-not-absolve-the-party
8 from-paying-allocated-costs-as-determined-by-the-commission.
9 The-commission-may-decide-that-a-party-should-not-pay-any
10 allocated-costs-of-the-proceeding.

11 (c)-The-bill-constitutes-notice-of-the-assessment-and-a
12 demand-for-payment.--The-amount-of-the-bills-assessed-by-the
13 department-under-this-subdivision-must-be-paid-by-the-parties
14 into-the-state-treasury-within-30-days-from-the-date-of
15 assessment.--The-total-amount,-in-a-calendar-year,-for-which-a
16 telephone-company-may-become-liable,-by-reason-of-costs-incurred
17 by-the-department-and-commission-within-that-calendar-year,-may
18 not-exceed-two-fifths-of-one-percent-of-the-gross-jurisdictional
19 operating-revenue-of-the-telephone-company-in-the-last-preceding
20 calendar-year.--Direct-charges-may-be-assessed-without-regard-to
21 this-limitation-until-the-gross-jurisdictional-operating-revenue
22 of-the-telephone-company-for-the-preceding-calendar-year-has
23 been-reported-for-the-first-time.--Where,-under-this
24 subdivision,-costs-are-incurred-within-a-calendar-year-that-are
25 in-excess-of-two-fifths-of-one-percent-of-the-gross
26 jurisdictional-operating-revenues,-the-excess-costs-are-not
27 chargeable-as-part-of-the-remainder-under-subdivision-2.

28 (d)-Except-as-otherwise-provided-in-paragraph-(c),-for
29 purposes-of-assessing-the-cost-of-a-proceeding-to-a-party,
30 "party"-means-any-entity-or-group-subject-to-the-laws-and-rules
31 of-this-state,-however-organized,-whether-public-or-private,
32 whether-domestic-or-foreign,-whether-for-profit-or-nonprofit,
33 and-whether-natural,-corporate,-or-political,-such-as-a-business
34 or-commercial-enterprise-organized-as-any-type-or-combination-of
35 corporation,-limited-liability-company,-partnership,-limited
36 liability-partnership,-proprietorship,-association,-cooperative,

1 joint-venture, carrier, or utility, and any successor or
2 assignee of any of them; a social or charitable organization;
3 and any type or combination of political subdivision, which
4 includes the executive, judicial, or legislative branch of the
5 state, a local government unit, an agency of the state or a
6 local government unit, or a combination of any of them.

7 (e) For assessment and billing purposes, "party" does not
8 include the Department of Commerce or the Residential Utilities
9 Division of the Office of Attorney General; any entity or group
10 instituted primarily for the purpose of mutual help and not
11 conducted for profit; intervenors awarded compensation under
12 section 237.075, subdivision 10; or any individual or group or
13 counsel for the individual or group representing the interests
14 of end users or classes of end users of services provided by
15 telephone companies or telecommunications carriers, as
16 determined by the commission An application for a new authority
17 must be accompanied by a payment not to exceed \$2,000 as
18 determined by the Public Utilities Commission. This fee will be
19 reviewed annually and adjusted accordingly.

20 Sec. 2. Minnesota Statutes 2004, section 237.295,
21 subdivision 2, is amended to read:

22 Subd. 2. [ASSESSMENT OF COSTS.] The department and
23 commission shall quarterly, at least 30 days before the start of
24 each quarter, estimate the total of their expenditures in the
25 performance of their duties relating to telephone companies,
26 other than amounts chargeable to telephone companies under
27 subdivision 1, 5, or 6. The remainder must be assessed by the
28 department to the telephone companies operating in this state in
29 proportion to their respective gross jurisdictional operating
30 revenues during the last calendar year. The assessment must be
31 paid into the state treasury within 30 days after the bill has
32 been mailed to the telephone companies. The bill constitutes
33 notice of the assessment and demand of payment. ~~The total~~
34 ~~amount that may be assessed to the telephone companies under~~
35 ~~this subdivision may not exceed one-eighth of one percent of the~~
36 ~~total gross jurisdictional operating revenues during the~~

1 ~~calendar-year.~~ The assessment for the third quarter of each
2 fiscal year must be adjusted to compensate for the amount by
3 which actual expenditures by the commission and department for
4 the preceding fiscal year were more or less than the estimated
5 expenditures previously assessed. A telephone company with
6 gross jurisdictional operating revenues of less than \$5,000 is
7 exempt from assessments under this subdivision.

8 Sec. 3. [237.491] [COMBINED PER NUMBER FEE.]

9 Subdivision 1. [DEFINITIONS.] (a) The definitions in this
10 subdivision apply to this section.

11 (b) "911 emergency and public safety communications program"
12 means the program governed by chapter 403.

13 (c) "Service provider" means a provider doing business in
14 Minnesota who provides real time, two-way voice service
15 interconnected with the public switched telephone network using
16 numbers allocated for Minnesota assigned by the North American
17 Numbering Plan Administration.

18 (d) "Telecommunications access Minnesota program" means the
19 program governed by sections 237.50 to 237.55.

20 (e) "Telephone assistance program" means the program
21 governed by sections 237.69 to 237.711.

22 Subd. 2. [PER NUMBER FEE.] (a) By July 1, 2006, the Public
23 Utilities Commission shall establish a fee that applies to each
24 service provider based upon the amount of numbers allocated for
25 Minnesota assigned by the North American Numbering Plan
26 Administration in use by the provider. The fee must be set at a
27 level calculated to generate only the amount of revenue
28 necessary to fund:

29 (1) the telephone assistance program and the
30 telecommunications access Minnesota program at the levels
31 established by the commission under sections 237.52, subdivision
32 2, and 237.70; and

33 (2) the 911 emergency and public safety communications
34 program at the approved appropriation levels for current fiscal
35 years.

36 (b) Notwithstanding any law to the contrary, the Public

1 Utilities Commission shall, by order, establish the procedures
2 by which each service provider, to the extent allowed under
3 federal law, shall collect and remit the fee proceeds to the
4 Department of Revenue. The commissioner of revenue shall
5 allocate the fee proceeds to the three funding areas in
6 paragraph (a) and shall deposit the allocations into the
7 appropriate accounts.

8 (c) The per access line fee used to collect revenues to
9 support the TAP, TAM, and 911 programs shall remain in effect
10 until replaced by the per telephone number fee.

11 Sec. 4. Minnesota Statutes 2004, section 237.69,
12 subdivision 16, is amended to read:

13 Subd. 16. [TELEPHONE ASSISTANCE PLAN.] "Telephone
14 assistance plan" means the plan to be adopted by the commission
15 and to be jointly administered by the commission, the Department
16 of ~~Human-Services,-and-the-telephone-companies,~~ Commerce, and
17 the local service providers, as required by sections 237.69 to
18 237.711.

19 Sec. 5. Minnesota Statutes 2004, section 237.69, is
20 amended by adding a subdivision to read:

21 Subd. 18. [LOCAL SERVICE PROVIDER.] "Local service
22 provider" means:

23 (1) a telephone company or telecommunications carrier
24 providing local service in Minnesota pursuant to a certificate
25 of authority granted by the commission; or

26 (2) a commercial mobile radio service (CMRS) provider,
27 personal communications services (PCS) provider, or other
28 wireless provider offering the functional equivalent of CMRS or
29 PCS in Minnesota.

30 Sec. 6. Minnesota Statutes 2004, section 237.70,
31 subdivision 2, is amended to read:

32 Subd. 2. [SCOPE.] The telephone assistance plan must be
33 statewide and apply to local service providers that provide
34 ~~local-exchange~~ service in Minnesota.

35 Sec. 7. Minnesota Statutes 2004, section 237.70,
36 subdivision 5, is amended to read:

1 Subd. 5. [NATURE AND EXTENT OF CREDITS.] The telephone
2 assistance plan may provide for telephone assistance credits to
3 eligible households up to the amounts available under the
4 federal matching plan. However, the credits available under the
5 telephone assistance plan may not exceed:

6 (1) more than 50 percent of the local exchange rate charged
7 for the local exchange service provided to the household by that
8 household's local service provider; and

9 (2) the level of credits that can actually be funded in
10 accordance with the limitations contained in subdivision 6.

11 Sec. 8. [325F.991] [911 EMERGENCY PHONE SERVICE
12 REPRESENTATIONS.]

13 Subdivision 1. [DEFINITIONS.] For purposes of this
14 section, the terms defined in this subdivision have the meanings
15 given them.

16 (a) "911 emergency telecommunications system" means a
17 dedicated emergency telecommunications system required by
18 section 403.025.

19 (b) "Person" means an individual, corporation, firm, or
20 other legal entity.

21 (c) "Service provider" means a person doing business in
22 Minnesota who provides real time, two-way voice service
23 interconnected with the public switched telephone network using
24 numbers allocated for Minnesota by the North American Numbering
25 Plan Administration.

26 Subd. 2. [REPRESENTATIONS OF 911 SERVICE.] A person shall
27 not advertise, market, or otherwise represent that the person
28 furnishes a service capable of providing access to emergency
29 services by dialing 911 unless the person provides a service
30 that routes 911 calls through the 911 emergency
31 telecommunications system.

32 Subd. 3. [DISCLOSURE.] A service provider must disclose in
33 all advertisements, marketing materials, and contracts whether
34 or not it provides 911 dialing that routes 911 calls through the
35 911 emergency telecommunications system. The disclosure must be
36 in capital letters, in 12-point font, and on the front page of

1 the advertisement, marketing materials, and contracts. For
2 service providers that do route 911 calls through the 911
3 emergency telecommunications system, the disclosure must state:
4 "THIS SERVICE INCLUDES 911 CALLING ROUTED THROUGH THE 911
5 EMERGENCY SYSTEM." For service providers that do not route 911
6 calls through the 911 emergency telecommunications system, the
7 disclosure must state: "THIS SERVICE DOES NOT ROUTE 911 CALLS
8 THROUGH THE 911 EMERGENCY SYSTEM."

9 Subd. 4. [CERTAIN CALLS NOT 911 CALLS.] For purposes of
10 this section, 911 calls routed to the general access number at a
11 public safety answering point do not qualify as being routed
12 through a 911 emergency telecommunications system.

13 Sec. 9. Minnesota Statutes 2004, section 403.06,
14 subdivision 1a, is amended to read:

15 Subd. 1a. [BIENNIAL BUDGET; ANNUAL FINANCIAL REPORT.] The
16 commissioner shall prepare a biennial budget for maintaining the
17 911 system. By December 15 of each year, the commissioner shall
18 submit a report to the legislature detailing the expenditures
19 for maintaining the 911 system, the 911 fees ~~collected~~ deposited
20 by the Department of Revenue, the balance of the 911 fund, and
21 the 911-related administrative expenses of the commissioner.
22 The commissioner is authorized to expend money that has been
23 appropriated to pay for the maintenance, enhancements, and
24 expansion of the 911 system.

25 Sec. 10. Minnesota Statutes 2004, section 403.11,
26 subdivision 1, is amended to read:

27 Subdivision 1. [EMERGENCY TELECOMMUNICATIONS SERVICE FEE.]
28 (a) Each customer of a wireless or wire-line telecommunications
29 service provider that furnishes service capable of originating a
30 911 emergency telephone call is assessed a fee under section
31 237.491 to cover the costs of ongoing maintenance and related
32 improvements for trunking and central office switching equipment
33 for 911 emergency telecommunications service, plus
34 administrative and staffing costs of the commissioner related to
35 managing the 911 emergency telecommunications service program.
36 Recurring charges by a wire-line telecommunications service

1 provider for updating the information required by section
2 403.07, subdivision 3, must be paid by the commissioner if the
3 wire-line telecommunications service provider is included in an
4 approved 911 plan and the charges are made pursuant to tariff,
5 price list, or contract. A portion of the fee assessed under
6 this section 237.491 must also be used for the purpose of
7 offsetting the costs, including administrative and staffing
8 costs, incurred by the State Patrol Division of the Department
9 of Public Safety in handling 911 emergency calls made from
10 wireless phones.

11 (b) Money remaining in the 911 emergency telecommunications
12 service account after all other obligations are paid must not
13 cancel and is carried forward to subsequent years and may be
14 appropriated from time to time to the commissioner to provide
15 financial assistance to counties for the improvement of local
16 emergency telecommunications services. The improvements may
17 include providing access to 911 service for telecommunications
18 service subscribers currently without access and upgrading
19 existing 911 service to include automatic number identification,
20 local location identification, automatic location
21 identification, and other improvements specified in revised
22 county 911 plans approved by the commissioner.

23 ~~(c) The fee may not be less than eight cents nor more than~~
24 ~~40 cents a month for each customer access line or other basic~~
25 ~~access service, including trunk equivalents as designated by the~~
26 ~~Public Utilities Commission for access charge purposes and~~
27 ~~including wireless telecommunications services. With the~~
28 ~~approval of the commissioner of finance, the commissioner of~~
29 ~~public safety shall establish the amount of the fee within the~~
30 ~~limits specified and inform the companies and carriers of the~~
31 ~~amount to be collected. When the revenue bonds authorized under~~
32 ~~section 403.27, subdivision 1, have been fully paid or defeased,~~
33 ~~the commissioner shall reduce the fee to reflect that debt~~
34 ~~service on the bonds is no longer needed. The commissioner~~
35 ~~shall provide companies and carriers a minimum of 45 days~~
36 ~~notice of each fee change. The fee must be the same for all~~

1 customers.

2 ~~(d) The fee must be collected by each wireless or wire-line~~
3 ~~telecommunications service provider subject to the fee. Fees~~
4 ~~are payable to and must be submitted to the commissioner monthly~~
5 ~~before the 25th of each month following the month of collection,~~
6 ~~except that fees may be submitted quarterly if less than \$250 a~~
7 ~~month is due, or annually if less than \$25 a month is due.~~
8 ~~Receipts must be deposited in the state treasury and credited to~~
9 ~~a 911 emergency telecommunications service account in the~~
10 ~~special revenue fund. The money in the account may only be used~~
11 ~~for 911 telecommunications services.~~

12 (e) This subdivision does not apply to customers of
13 interexchange carriers.

14 (f) (d) The installation and recurring charges for
15 integrating wireless 911 calls into enhanced 911 systems must be
16 paid by the commissioner if the 911 service provider is included
17 in the statewide design plan and the charges are made pursuant
18 to tariff, price list, or contract.

19 Sec. 11. Minnesota Statutes 2004, section 403.113,
20 subdivision 1, is amended to read:

21 Subdivision 1. [FEE GRANT.] (a) ~~Each customer receiving~~
22 ~~service from a wireless or wire-line telecommunications service~~
23 ~~provider is assessed a fee~~ The commissioner shall budget for and
24 provide grants to PSAPs to fund implementation, operation,
25 maintenance, enhancement, and expansion of enhanced 911 service,
26 including acquisition of necessary equipment and the costs of
27 the commissioner to administer the program. ~~The actual fee~~
28 ~~assessed under section 403.11 and the enhanced 911 service fee~~
29 ~~must be collected as one amount and may not exceed the amount~~
30 ~~specified in section 403.117, subdivision 17, paragraph (e).~~

31 (b) ~~The enhanced 911 service fee must be collected and~~
32 ~~deposited in the same manner as the fee in section 403.11 and~~
33 ~~used solely for the purposes of paragraph (a) and subdivision 3.~~

34 (e) The commissioner, in consultation with counties and 911
35 system users, shall determine the amount of the enhanced 911
36 service fee grant. The fee grant must include at least ten

1 ~~cents-per-month~~ the amount funded in fiscal year 2005 to be
2 distributed under subdivision 2. ~~The-commissioner-shall-inform~~
3 ~~wireless-and-wire-line-telecommunications-service-providers-that~~
4 ~~provide-service-capable-of-originating-a-911-emergency-telephone~~
5 ~~call-of-the-total-amount-of-the-911-service-fees-in-the-same~~
6 ~~manner-as-provided-in-section-403.11.~~

7 Sec. 12. Minnesota Statutes 2004, section 403.30,
8 subdivision 1, is amended to read:

9 Subdivision 1. [STANDING APPROPRIATION; COSTS COVERED.]
10 For each fiscal year beginning with the fiscal year commencing
11 July 1, 1997, the amount necessary to pay the following costs is
12 appropriated to the commissioner of public safety from the 911
13 emergency telecommunications service account established under
14 section 403.11:

15 (1) debt service costs and reserves for bonds issued
16 pursuant to section 403.27;

17 (2) repayment of the right-of-way acquisition loans;

18 (3) costs of design, construction, maintenance of, and
19 improvements to those elements of the first, second, and third
20 phases that support mutual aid communications and emergency
21 medical services;

22 (4) recurring charges for leased sites and equipment for
23 those elements of the first, second, and third phases that
24 support mutual aid and emergency medical communication services;
25 or

26 (5) aid to local units of government for sites and
27 equipment in support of mutual aid and emergency medical
28 communications services.

29 This appropriation shall be used to pay annual debt service
30 costs and reserves for bonds issued pursuant to section 403.27
31 prior to use of fee money to pay other costs eligible under this
32 subdivision. In no event shall the appropriation for each
33 fiscal year exceed an amount equal to ~~four-cents-a-month-for~~
34 ~~each-customer-access-line-or-other-basic-access-service,~~
35 ~~including-trunk-equivalents-as-designated-by-the-Public~~
36 ~~Utilities-Commission-for-access-charge-purposes-and-including~~

1 ~~cellular-and-other-nonwire-access-services,-in-the-fiscal~~
2 year 4/40 of the amount collected by the fiscal year 2005 911
3 fee. Beginning July 1, ~~2004~~ 2005, this amount will increase
4 to ~~13-cents-a-month~~ 13/40 of the amount collected by the fiscal
5 year 2005 911 fee.

6 Sec. 13. [REPEALER.]

7 (a) Minnesota Statutes 2004, section 237.69, subdivisions 5
8 and 17, are repealed.

9 (b) Laws 1999, chapter 125, section 4, as amended by Laws
10 2002, chapter 398, section 2, is repealed.

11 Sec. 14. [EFFECTIVE DATE.]

12 Sections 1 to 13 are effective the day following final
13 enactment.

14 ARTICLE 3

15 WIRELESS DIRECTORIES

16 Section 1. [325E.317] [DEFINITIONS]

17 Subdivision 1. [SCOPE.] For the purposes of sections
18 325E.317 and 325E.318, the terms defined in this section have
19 the meanings given them.

20 Subd. 2. [PROVIDER.] "Provider" means a provider of
21 wireless telecommunications services.

22 Subd. 3. [TELECOMMUNICATIONS
23 SERVICES.] "Telecommunications services" has the meaning given
24 in section 297A.61, subdivision 24, paragraph (a).

25 Subd. 4. [WIRELESS DIRECTORY ASSISTANCE
26 SERVICE.] "Wireless directory assistance service" means any
27 service for connecting calling parties to a wireless
28 telecommunications services customer when the calling parties
29 themselves do not possess the customer's wireless telephone
30 number information.

31 Subd. 5. [WIRELESS TELECOMMUNICATIONS SERVICES.] "Wireless
32 telecommunications services" has the meaning given in section
33 325F.695.

34 Subd. 6. [WIRELESS TELEPHONE DIRECTORY.] "Wireless
35 telephone directory" means a directory or database containing
36 wireless telephone number information or any other identifying

1 information by which a calling party may reach a wireless
2 telecommunications services customer.

3 Subd. 7. [WIRELESS TELEPHONE NUMBER
4 INFORMATION.] "Wireless telephone number information" means the
5 telephone number, electronic address, and any other identifying
6 information by which a calling party may reach a wireless
7 telecommunications services customer, which is assigned by a
8 provider to the customer and includes the customer's name and
9 address.

10 Sec. 2. [325E.318] [WIRELESS DIRECTORIES.]

11 Subdivision 1. [NOTICE.] No provider of wireless
12 telecommunications service, or any direct or indirect affiliate
13 or agent of a provider, may include the wireless telephone
14 number information of a customer in a wireless telephone
15 directory assistance service database or publish, sell, or
16 otherwise disseminate the contents of a wireless telephone
17 directory assistance service database unless the provider
18 provides a conspicuous notice to the subscriber informing the
19 subscriber that the subscriber will not be listed in a wireless
20 directory assistance service database without the subscriber's
21 prior express authorization.

22 Subd. 2. [AUTHORIZATION.] (a) A provider, or any direct or
23 indirect affiliate or agent of a provider, may not disclose,
24 provide, or sell a customer's wireless telephone number
25 information, or any part thereof, for inclusion in a wireless
26 telephone directory of any form, and may not sell a wireless
27 telephone directory containing a customer's wireless telephone
28 number information without first receiving prior express
29 authorization from the customer. The customer's authorization
30 must meet the following requirements:

31 (1) consent shall be affirmatively obtained separately from
32 the execution of the service contract via verifiable means; and

33 (2) consent shall be unambiguous and conspicuously disclose
34 that the subscriber is consenting to have the customer's dialing
35 number sold or licensed as part of a publicly available
36 directory assistance database.

1 (b) A record of the authorization shall be maintained for
2 the duration of the service contract or any extension of the
3 contract.

4 (c) A subscriber who provides express consent pursuant to
5 paragraph (a) may revoke that consent at any time. A provider
6 must comply with the customer's request to be removed from the
7 directory and remove such listing from directory assistance
8 within 60 days.

9 Subd. 3. [NO FEE TO RETAIN PRIVACY.] A customer shall not
10 be charged for opting not to be listed in a wireless telephone
11 directory.

12 Subd. 4. [REMEDIES.] A person who violates this section is
13 subject to the remedies under section 8.31, except subdivision
14 3a.

15 Sec. 3. [EFFECTIVE DATE.]

16 Sections 1 and 2 are effective the day following final
17 enactment.

18 ARTICLE 4

19 CABLE FRANCHISE

20 Section 1. Minnesota Statutes 2004, section 238.08,
21 subdivision 1, is amended to read:

22 Subdivision 1. [REQUIREMENT; CONDITIONS.] (a) A
23 municipality or its joint commission created pursuant to
24 subdivision 5 shall require a franchise or extension permit of
25 any cable communications system providing service within the
26 municipality.

27 (b) No municipality or its joint commission shall grant an
28 additional franchise for cable service for an area included in
29 an existing franchise on terms and conditions more favorable or
30 less burdensome than those in the existing franchise pertaining
31 to: (1) ~~the area served;~~ (2) public, educational, or
32 governmental access requirements; or (3) (2) franchise fees.
33 ~~The provisions of this paragraph shall not apply when the area~~
34 ~~in which the additional franchise is being sought is not~~
35 ~~actually being served by any existing cable communications~~
36 ~~system holding a franchise for the area.---Nothing in this~~

~~paragraph-prevents-a-municipality-from-imposing-additional-terms
and-conditions-on-any-additional-franchises~~ The provisions of
this paragraph shall not apply when the area in which the
additional franchise is being sought is not actually being
served by any existing cable communications system holding a
franchise for the area. Nothing in this paragraph prevents a
municipality from imposing additional terms and conditions on
any additional franchises related to the unserved area. The
grant of an additional franchise may include an area for cable
service similar to that in an existing franchise or another area
that the municipality or its joint commission determines is
necessary or desirable to reasonably meet the needs of the
municipality or its joint commission. If an additional
franchise area is not similar to an existing franchise area, the
municipality or joint commission shall ensure that access to
cable service is not denied because of the income status of
subscribers. Additional franchises must be granted or rejected
by a municipality or joint commission within 120 days of an
application deemed complete in compliance with section 238.081,
subdivision 4, by the municipality or the joint commission
unless the date is extended by mutual agreement of the applicant
and the municipality or its joint commission.

Sec. 2. Minnesota Statutes 2004, section 238.08, is
amended by adding a subdivision to read:

Subd. 1a. [LOCAL PUBLIC, EDUCATIONAL, AND GOVERNMENTAL
ACCESS CHANNELS.] (a) An additional franchisee must ensure that
all subscribers receive local public, educational, governmental
access and public local origination channels within the
additional franchisee's franchise area.

(b) An additional franchise must ensure that all
subscribers receive local public, educational, and governmental
access channels and public local origination channels as
specified in the existing franchise and on the same channel
numbers as the existing franchisee. Every cable franchisee
shall permit any other franchisee to interconnect all local
public, educational, governmental access, and public local

1 origination programming and channel feeds. The municipality or
2 its joint commission shall determine all terms and conditions of
3 such interconnection to permit the interconnection and provision
4 of the public, educational, and governmental services. The
5 municipality or its joint commission may require that such
6 interconnection occur on government property or on public
7 rights-of-way. The costs of connection to the existing
8 franchisee's public, educational, governmental access and public
9 local origination programming and channel feeds must be borne by
10 the additional franchisee.

11 (c) An additional franchise provider shall make financial
12 contributions that are equivalent on a per customer basis or
13 mutually agreed upon terms, proportionate to contributions made
14 to the public, educational, and government access service,
15 facilities, and equipment provided or made available by the
16 existing franchise provider.

17 (d) A municipality or its joint commission may not impose
18 public, educational, and governmental access, local origination,
19 institutional network, or other obligations on the additional
20 franchisee that would exceed those imposed on the existing
21 franchisee.

22 Sec. 3. [EFFECTIVE DATE.]

23 Sections 1 and 2 are effective the day following final
24 enactment.

ARTICLE 5

TASK FORCE ON TELECOMMUNICATIONS

27 Section 1. [JOINT LEGISLATIVE TASK FORCE ON
28 TELECOMMUNICATIONS.]

29 (a) The joint legislative task force on telecommunications
30 is created. It consists of four members from each body of the
31 Minnesota legislature, two of whom must be from the minority
32 caucus in each body, to be designated by the chairs of the
33 senate and house committees having subject matter responsibility
34 for telecommunications. The cochairs are the respective chairs
35 of the senate and house committees having subject matter
36 responsibility for telecommunications, or their designees.

1 Members must include at least one representative from the
2 following stakeholder groups recommended by the legislative
3 members of the task force and invited to participate by the
4 cochairs:

- 5 (1) Minnesota Telecommunications Alliance;
- 6 (2) competitive local exchange carriers;
- 7 (3) large ILECS;
- 8 (4) small ILECS;
- 9 (5) long-distance providers;
- 10 (6) wireless providers;
- 11 (7) cable services providers;
- 12 (8) Internet service;
- 13 (9) VOIP providers;
- 14 (10) cable services administrator associations;
- 15 (11) municipal associations;
- 16 (12) municipal utilities associations;
- 17 (13) residential consumer associations (two members);
- 18 (14) business consumer associations (two members);
- 19 (15) office of the attorney general;
- 20 (16) Department of Commerce; and
- 21 (17) Public Utilities Commission (ex officio).

22 (b) The task force must:

- 23 (1) conduct a full review of existing Minnesota
24 telecommunications regulation and rules in chapters 237 and 238;
25 and

- 26 (2) make recommendations for revision of Minnesota
27 telecommunications regulation and rules by January 15, 2006, to
28 the Minnesota Senate Jobs, Energy and Community Development
29 Committee and to the Minnesota House Regulated Industries
30 Committee.

- 31 (c) On request by the cochairs of the task force, the
32 commissioner of commerce shall assess from telephone companies,
33 in addition to assessments made under section 237.295, the
34 amount requested for the operation of the task force but not to
35 exceed \$100,000 in a fiscal year. The amount assessed is
36 appropriated to the Department of Commerce for the purposes of

1 the task force, and is available until expended. The department
2 shall apportion those costs among all telephone companies in
3 proportion to their respective gross operating revenues from the
4 sale of telephone services within the state during the last
5 calendar year. The department shall assess telephone companies
6 and issue bills in accordance with the billing and assessment
7 procedures provided in section 237.295, to the extent that these
8 procedures do not conflict with this section.

9 (d) The Department of Commerce must provide staff and
10 expertise to the task force directly or by contract and may
11 reimburse the expenses of persons requested to assist the task
12 force in its duties other than state employees or employees of
13 telephone companies. The Department of Commerce must provide
14 administrative assistance to the task force.

15 (e) The joint legislative task force on telecommunications
16 shall expire July 1, 2007.

17 ARTICLE 6

18 CANCELLATION OF LONG DISTANCE SERVICE

19 Section 1. Minnesota Statutes 2004, section 237.74, is
20 amended by adding a subdivision to read:

21 Subd. 14. [CANCELLATION OF LONG DISTANCE SERVICE.] (a) A
22 telecommunications carrier providing long distance service may
23 not charge a customer for long distance service after the
24 customer has requested that carrier to cancel the customer's
25 long distance service.

26 (b) Notwithstanding the limitation on charges in paragraph
27 (a), if a customer with a fixed term contract requests that a
28 telecommunications carrier providing long distance service
29 cancel that customer's long distance service, the
30 telecommunications carrier may charge the customer for long
31 distance service until the end of the contract term but not
32 after the end of the contract term.

33 (c) A telecommunications carrier providing long distance
34 service may not require a customer to contact the customer's
35 local telephone service provider in order for the customer to
36 cancel long distance service with the carrier.

ARTICLE 7

CITY OF ALEXANDRIA JOINT VENTURE AUTHORITY

Section 1. Laws 2002, chapter 329, section 5, is amended to read:

Sec. 5. [JOINT VENTURE AUTHORITY.]

(a) The city of Alexandria may enter into a joint venture or joint ventures with one, two, or three of the entities known as Runestone Telephone Association and, Runestone Electric Association, and Gardonville Telephone Cooperative for the purpose of providing local niche service, including internet services, and point to point transmission of digital information.

(b) For purposes of this section, with respect to the services described in paragraph (a), the city of Alexandria and a joint venture to which it is a party shall have the rights and authority granted by, and be subject to, Minnesota Statutes 2001 Supplement, section 452.25, except for the provisions of that section which relate specifically and only to electric utilities.

(c) For the purposes of this section, "local niche service" refers to point-to-point connections between end-user locations within a service area and any telecommunications services under the public utilities commission's jurisdiction under Minnesota Statutes, chapter 237 that do not fall within the definition of local service or the definition of interexchange service.

(d) If the city of Alexandria obtains authority to provide local service or interexchange service under chapter 237, it may enter into a joint venture with the entities identified in paragraph (a) for those purposes.

[EFFECTIVE DATE; LOCAL APPROVAL.] This section is effective as to the city of Alexandria the day after the city of Alexandria's governing body and its chief clerical officer timely complete compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Delete the title and insert:

"A bill for an act relating to telecommunications; providing for an alternative form of regulation for certain telephone companies; providing for reduced reporting requirements; clarifying the authority of the public utilities commission to issue remedial orders; establishing a single per

1 number fee for certain telecommunications programs; regulating
 2 wireless telephone directories; providing for additional cable
 3 franchises; creating a task force on telecommunications;
 4 regulating cancellation of long distance service; authorizing
 5 the city of Alexandria to enter into certain telecommunication
 6 joint ventures; providing penalties; appropriating money;
 7 amending Minnesota Statutes 2004, sections 237.11; 237.295,
 8 subdivisions 1, 2; 237.462, by adding subdivisions; 237.69,
 9 subdivision 16, by adding a subdivision; 237.70, subdivisions 2,
 10 5; 237.74, by adding a subdivision; 238.08, subdivision 1, by
 11 adding a subdivision; 403.06, subdivision 1a; 403.11,
 12 subdivision 1; 403.113, subdivision 1; 403.30, subdivision 1;
 13 Laws 1999, chapter 224, section 7, as amended; Laws 2002,
 14 chapter 329, section 5; proposing coding for new law in
 15 Minnesota Statutes, chapters 237; 325E; 325F; repealing
 16 Minnesota Statutes 2004, section 237.69, subdivisions 5, 17;
 17 Laws 1999, chapter 125, section 4, as amended."

18 And when so amended that the bill be recommended to pass
 19 and be referred to the full committee.

20
 21
 22
 23
 24

Steve Kelley

 (Subcommittee Chair)

March 30, 2005.....
 (Date of Subcommittee action)

1 A bill for an act

2 relating to telecommunications; providing for an
3 alternative form of regulation for certain telephone
4 companies; providing for reduced reporting
5 requirements; clarifying the authority of the public
6 utilities commission to issue remedial orders;
7 establishing a single per number fee for certain
8 telecommunications programs; regulating wireless
9 telephone directories; providing for additional cable
10 franchises; creating a task force on
11 telecommunications; regulating cancellation of long
12 distance service; authorizing the city of Alexandria
13 to enter into certain telecommunication joint
14 ventures; providing penalties; appropriating money;
15 amending Minnesota Statutes 2004, sections 237.11;
16 237.295, subdivisions 1, 2; 237.462, by adding
17 subdivisions; 237.69, subdivision 16, by adding a
18 subdivision; 237.70, subdivisions 2, 5; 237.74, by
19 adding a subdivision; 238.08, subdivision 1, by adding
20 a subdivision; 403.06, subdivision 1a; 403.11,
21 subdivision 1; 403.113, subdivision 1; 403.30,
22 subdivision 1; Laws 1999, chapter 224, section 7, as
23 amended; Laws 2002, chapter 329, section 5; proposing
24 coding for new law in Minnesota Statutes, chapters
25 237; 325E; 325F; repealing Minnesota Statutes 2004,
26 section 237.69, subdivisions 5, 17; Laws 1999, chapter
27 125, section 4, as amended.

28 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

29 ARTICLE 1

30 REGULATORY RELIEF

31 Section 1. Minnesota Statutes 2004, section 237.11, is
32 amended to read:

33 237.11 [INSPECTING RECORDS AND PROPERTY; REPORTS REQUIRED.]

34 Every telephone company subject to the provisions of this
35 chapter, wherever organized, shall keep an office in this state,
36 and make such reports to the department as it shall from time to
37 time require. The department shall only require information for
38 an annual report from a telephone company, competitive local
39 exchange carrier, or independent telephone company that consists
40 of the name of the company, contact person, annual revenue, and
41 the annual status of the 911 plan update. All books, records,
42 and files, whether they relate to competitive or noncompetitive
43 services, and all of its property shall be at all times subject
44 to inspection by the commission and the department. It shall
45 close its accounts and take therefrom a balance sheet on
46 December 31 of each year, and on or before May 1 following, such
47 balance sheet, together with such other information as the
48 department shall require, verified by an officer of the

1 telephone company, shall be filed with the commission and the
2 department.

3 In the event that any telephone company shall fail to file
4 its annual report, as provided by this section, the department
5 is authorized to make such an examination of the books, records,
6 and vouchers of the company as is necessary to procure the
7 necessary data for the annual report and cause the same to be
8 prepared. The expense of procuring this data and preparing this
9 report shall be paid by the telephone company failing to report,
10 and the amount paid shall be credited by the commissioner of
11 finance to funds appropriated for the expense of the department.

12 The department is authorized to force collection of such
13 sum by an action at law in the name of the department.

14 Sec. 2. Minnesota Statutes 2004, section 237.462, is
15 amended by adding a subdivision to read:

16 Subd. 13. [REMEDIAL PAYMENTS.] The commission's authority
17 under section 237.081 includes authority to require refunds,
18 payments, or credits intended to provide compensation for
19 financial harm resulting from any unlawful, anticompetitive
20 conduct, including unlawful discrimination under section 237.09,
21 violations of the Telecommunications Act of 1996, Public Law
22 104-10, or its successor, or breach of an interconnection
23 agreement. Any remedial payments under section 237.081 shall
24 offset penalty payments ordered under subdivision 2 for the same
25 violations.

26 Sec. 3. Minnesota Statutes 2004, section 237.462, is
27 amended by adding a subdivision to read:

28 Subd. 14. [WHOLESALE SERVICE QUALITY.] The commission's
29 authority to adopt wholesale service quality standards includes
30 the authority to establish remedy payments to provide
31 compensation and enforce those standards.

32 Sec. 4. [237.85] [DEFINITIONS.]

33 Subdivision 1. [SCOPE.] The definitions in this section
34 apply to sections 237.85 to 237.90.

35 Subd. 2. [BASIC SERVICE.] "Basic service" means one
36 unbundled, single line, unlimited local usage, residential voice

1 telephone service or unbundled single line, unlimited local
2 usage, business voice telephone service. Basic service includes:

3 (1) single party voice-grade service and touch-tone
4 capability;

5 (2) 911 or enhanced 911 access;

6 (3) 1+intraLATA and interLATA presubscription and
7 code-specific equal access to interexchange carriers subscribing
8 to its switched access service;

9 (4) access to directory assistance, directory listings, and
10 operator services;

11 (5) toll and information service-blocking;

12 (6) a white pages and directory assistance listing, or upon
13 customer request, a private listing that allows the customer to
14 have an unlisted or unpublished telephone number;

15 (7) call-tracing capability according to Minnesota Rules,
16 chapter 7813; and

17 (8) telecommunications relay service capability or access
18 necessary to comply with state and federal regulations.

19 Subd. 3. [CLASS OF SERVICES.] "Class of services" includes
20 all services provided to a particular class of customers,
21 including the residential class and the business class.

22 Subd. 4. [COMMISSION.] "Commission" means the Public
23 Utilities Commission.

24 Subd. 5. [COMPETITIVE REGULATION TELEPHONE
25 COMPANY.] "Competitive regulation telephone company" is a
26 telephone company that the commission authorizes to operate
27 under competitive regulation as provided in sections 237.86 to
28 237.90.

29 Subd. 6. [COMPETITIVE SERVICES REGULATION.] "Competitive
30 services regulation" means regulation of services determined to
31 be competitive as provided in sections 237.86 to 237.90.

32 Sec. 5. [237.86] [COMPETITIVE SERVICES REGULATION.]

33 Subdivision 1. [COMPETITION STANDARD.] Competitive
34 regulation as provided in sections 237.86 to 237.90 is permitted
35 for the residential services offered by a telephone company in
36 an exchange where three or more competitors offer comparable

1 retail residential services in the exchange. A residential
2 service is not comparable unless it provides basic service with
3 911 access through the dedicated 911 network. Competitive
4 regulation as provided in sections 237.86 to 237.90 is permitted
5 for the business class of services offered by a telephone
6 company in an exchange where three or more competitors offer
7 comparable service in an exchange through the use of unbundled
8 network elements, resale, voice over Internet protocol,
9 wireless, or a provider's own facilities, including cable. The
10 competitors must not be affiliated with the telephone company
11 seeking to be regulated under sections 237.86 to 237.90.

12 Subd. 2. [PETITION AND APPROVAL PROCESS.] (a) A telephone
13 company may petition the commission to have its retail
14 residential or business services in an exchange regulated as
15 provided in sections 237.86 to 237.90. The petition shall be
16 served upon the residential and small business utilities
17 division of the office of the attorney general, the Department
18 of Commerce, and any other persons who have requested to be on a
19 commissioner service list for petitions filed under this section.

20 (b) A petition shall be approved by the commission within
21 20 days after it is filed if it includes a signed affidavit that
22 identifies three or more competitors to the customer class or
23 classes in the exchange or exchanges covered by the petition.
24 The affidavit must be signed by an employee of the telephone
25 company with knowledge and the authority to make representations
26 on behalf of the company. Within 30 days after filing of the
27 affidavit, any interested person may file objections to the
28 petition setting forth the grounds upon which the person
29 believes the standard set forth in this section for competitive
30 services regulation has not been met. If the commission
31 determines after a hearing that the telephone company has failed
32 to meet the standard for competitive services regulation for a
33 particular class of services in a particular exchange, the
34 commission shall revoke the telephone company's competitive
35 regulation authority under sections 237.86 to 237.90 for those
36 services in the exchange in questions consistent with its

1 findings.

2 Sec. 6. [237.87] [RATES FOR SERVICES SUBJECT TO
3 COMPETITIVE SERVICES REGULATION.]

4 Subdivision 1. [PRICE AND SERVICE OFFERINGS.] A
5 competitive regulation telephone company may offer new local
6 services or change the prices, terms, or conditions of existing
7 local services as provided in this section for each class of
8 services in each exchange in which the commission has approved a
9 petition under section 237.86, subdivision 2.

10 Subd. 2. [BASIC SERVICE RATES.] (a) A competitive
11 regulation telephone company shall not increase its monthly
12 one-party residential and one-party business rates and
13 nonrecurring basic service rates for three years after the
14 commission has approved a petition under section 237.86,
15 subdivision 2. After three years, a basic services regulated
16 company may annually increase its monthly one-party residential
17 and one-party business rates and nonrecurring one-party
18 residential and one-party business installation service rates by
19 a percentage equal to or less than the inflation rate for the
20 prior year as measured by the Gross Domestic Product Price
21 Index, published by the federal government.

22 (b) Extended area service rates shall not be increased by a
23 competitive regulation telephone company without prior
24 commission approval.

25 (c) A competitive regulation telephone company may assess
26 special construction charges approved by the commission if
27 existing facilities are not available to the customer.

28 (d) Notwithstanding paragraph (a), a competitive regulation
29 telephone company may petition the commission and the commission
30 may authorize changes in residential or business local rates
31 associated with exogenous changes, including, but not limited
32 to, changes in the intrastate financial impact of:

33 (1) changes in intercarrier compensation;

34 (2) comprehensive local service rate restructuring;

35 (3) rate deaveraging;

36 (4) changes in universal service or funding payments;

1 (5) changes in local, state, or federal taxes;

2 (6) changes in the commission's application of

3 jurisdictional separation, the Uniform System of Accounts, or
4 other mandatory Financial Accounting Standards Board accounting
5 standards;

6 (7) assessments related to the use of telephone numbers,
7 including mandated number conservation efforts; and

8 (8) financial impacts of government mandates to construct
9 specific telecommunications infrastructure or develop systems.

10 Subd. 3. [OTHER PRICES SUBJECT TO EFFECTIVE
11 COMPETITION.] A competitive regulation telephone company's
12 prices for its intrastate retail services, other than basic
13 services and extended area service rates, are not subject to any
14 rate or price regulation except that the commission may, upon
15 complaint, order a competitive regulation telephone company to
16 change a retail or wholesale price or pricing practice or take
17 other appropriate action if the commission determines, after an
18 investigation, that:

19 (1) the price or pricing practice unreasonably restricts
20 resale in violation of Minnesota Statutes, section 237.121,
21 paragraph (a), clause (5);

22 (2) the price or pricing practice is unreasonably
23 discriminatory in violation of subdivision 6;

24 (3) the price or pricing practice is deceptive, misleading,
25 fraudulent, as those terms are defined in state or federal law,
26 or is otherwise unlawful under state or federal law; or

27 (4) the price or pricing practice has caused or will result
28 in substantial customer harm.

29 Subd. 4. [TARIFF CHANGES.] A competitive regulation
30 telephone company may offer new services or change the prices,
31 terms, or conditions of existing local service as permitted by
32 this section by filing amendments to its tariffs. These tariff
33 filings take effect as follows:

34 (a) A new service, price decrease, promotion, or
35 insubstantial change in the terms or conditions of a service may
36 take effect immediately upon filing without prior notice to

1 customers.

2 (b) A price increase, a substantial change in a term or
3 condition of a service, or a discontinuation of a service other
4 than basic local service may take effect 20 days after filing
5 and providing written notice to affected customers as provided
6 in clauses (1) and (2):

7 (1) the written notice of a price increase must be given in
8 simple and clear language by bill insert, bill notice, or direct
9 mail. To be simple and clear, the notice must bear the heading
10 "NOTICE OF PRICE INCREASE."

11 (2) the written notice of a substantial change in a term or
12 condition of service or of the discontinuance of a service must
13 be given in simple and clear language by bill insert, bill
14 notice, or direct mail. To be simple and clear, the notice
15 must, at a minimum, bear a heading such as "NOTICE OF CHANGE IN
16 TERMS" or "NOTICE OF DISCONTINUANCE," as appropriate.

17 Subd. 5. [COST INFORMATION.] The commission shall not
18 require a competitive regulation telephone company to file cost
19 information unless the commission determines that cost
20 information is needed to resolve a complaint or investigation
21 alleging that the competitive regulation telephone company is
22 violating a standard set forth in this section.

23 Subd. 6. [DISCRIMINATION.] No competitive regulation
24 telephone company may offer competitive services within the
25 state on terms or rates that are unreasonably discriminatory.
26 At a minimum, a competitive regulation telephone company must
27 provide its competitive services in accordance with paragraphs
28 (a) to (c).

29 (a) A competitive regulation telephone company shall charge
30 uniform rates for local services within its service area.
31 However, a competitive regulation telephone company may, upon a
32 filing under subdivision 4:

33 (1) offer unique pricing to certain customers or to certain
34 geographic locations for promotions as provided in section
35 237.626 or customer incentives of the type offered by other
36 providers and may offer local service as part of a package that

1 may include goods and services other than telecommunications
2 services. Nothing in this section is intended to give the
3 commission or department regulatory authority over
4 nontelecommunications services provided by the competitive
5 regulation telephone company;

6 (2) provide volume or term discounts;

7 (3) offer prices unique to particular customers, or groups
8 of customers, when differences in the cost of providing a
9 service, market conditions, or pricing practices of a competitor
10 justify a different price;

11 (4) pass through any legislatively authorized local taxes,
12 franchise fees, or special surcharges imposed by local or
13 regional governmental units on the services provided by the
14 competitive regulation telephone company in specific geographic
15 areas from which the taxes, fees, or surcharges originate; or

16 (5) furnish service free or at a reduced rate to its
17 officers, agents, or employees in furtherance of their
18 employment.

19 (b) A tariff providing for prices unique to particular
20 customers or groups of customers under paragraph (a), clause
21 (3), shall identify the service for which a unique price is
22 available and the conditions under which the unique price is
23 available.

24 (c) In addition to the exceptions provided in paragraph
25 (a), a competitive regulation telephone company may also charge
26 different rates for competitive local services within its
27 service territory upon a prior finding by the commission that
28 the competitive regulation telephone company has good cause to
29 do so.

30 Subd. 7. [PROTECTION FROM ANTICOMPETITIVE PRICING.] This
31 subdivision applies to prices governed by this section other
32 than one single-line local residential voice service or one
33 single-line local business voice telephone service. A
34 competitive regulation telephone company must not price its
35 local telephone services, whether offered singly or as part of a
36 bundle of services, below the total service long-run incremental

1 cost of providing the service or services.

2 Subd. 8. [RETAIL SERVICES ONLY.] The provisions of this
3 section apply only to retail services.

4 Subd. 9. [WHOLESALE OBLIGATIONS UNDER STATE AND FEDERAL
5 LAW.] Nothing in this section shall alter any wholesale
6 obligation of a competitive regulation telephone company under
7 state or federal law or the ability of the commission to enforce
8 applicable provisions of state or federal law.

9 Subd. 10. [COMPLAINTS.] The commission may investigate on
10 its own motion or upon a complaint an alleged violation of this
11 section. If the commission finds by a preponderance of the
12 evidence after a proceeding that existing rates, tariffs,
13 charges, schedules, or practices violate an applicable provision
14 of this chapter, the commission shall take appropriate action,
15 which may include ordering the competitive regulation telephone
16 company to;

17 (1) change the rate, tariff, charge, schedule, or practice;

18 (2) make the service reasonable, adequate, or obtainable;

19 or

20 (3) take other appropriate action.

21 Sec. 7. [237.88] [RATES NOT SUBJECT TO EFFECTIVE
22 COMPETITION.]

23 A competitive regulation telephone company's rates for
24 services in exchanges which the commission has not permitted to
25 be regulated under sections 237.86 to 237.90 shall be regulated
26 as otherwise provided in this chapter, except that a new
27 alternative form of regulation plan may apply only to those
28 services which have not been determined to be subject to
29 competitive services regulation or have been exempted from rate
30 regulation under section 237.411.

31 Sec. 8. [237.89] [AFOR SERVICE QUALITY; INTERIM
32 PROVISION.]

33 A competitive regulation telephone company shall comply
34 with the service quality standards, penalties, and remedies in
35 an AFOR plan in effect on June 1, 2005, until one year after the
36 commission authorizes competitive regulation for that telephone

1 company or the expiration of the AFOR plan, whichever is
2 earlier. After that time, competitive services are subject to
3 commission service quality rules of general applicability.

4 Sec. 9. [237.90] [APPLICABILITY OF OTHER LAWS;
5 COMMISSION.]

6 A competitive regulation telephone company is not subject
7 to rate-of-return regulation or the earnings investigations
8 provisions of sections 237.075, 237.081, and 237.22 during the
9 term of the election. Except as specifically provided in this
10 section, the commission retains all authority under this chapter
11 and competitive regulation telephone companies are subject to
12 the requirements of this chapter and rules of the commission,
13 including, but not limited to, laws and rules relating to the
14 provider of last resort obligations and service quality.

15 Sec. 10. Laws 1999, chapter 224, section 7, as amended by
16 Laws 2004, chapter 261, article 6, section 3, is amended to read:

17 Sec. 7. [SUNSET.]

18 ~~Sections 2 and 4 expire on August 17, 2005, and Minnesota~~
19 ~~Statutes 1998, sections 237.63, 237.65, and 237.68, expire on~~
20 ~~December 31, 2004.~~

21 [EFFECTIVE DATE.] This section is effective the day
22 following final enactment.

23 Sec. 11. [ANTISLAMMING AND OTHER FRAUD.]

24 Nothing in this act undermines or changes the consumer
25 protection laws found in Minnesota Statutes, sections 237.661;
26 237.663; and 237.665; or 325F.692.

27 ARTICLE 2

28 PER NUMBER FEE

29 Section 1. Minnesota Statutes 2004, section 237.295,
30 subdivision 1, is amended to read:

31 Subdivision 1. [PAYMENT-FOR-INVESTIGATION FILING FEE FOR
32 NEW AUTHORITY.] ~~{a} Whenever the department or commission, in a~~
33 ~~proceeding upon its own motion, on complaint, or upon an~~
34 ~~application to it, considers it necessary, in order to carry out~~
35 ~~the duties imposed on it, to investigate the books, accounts,~~
36 ~~practices, and activities of any company, parties to the~~

1 proceeding shall pay the expenses reasonably attributable to the
2 proceeding. -- The department and commission shall ascertain the
3 expenses, and the department shall render a bill for those
4 expenses to the parties, at the conclusion of the proceeding.
5 The department is authorized to submit billings to parties at
6 intervals selected by the department during the course of a
7 proceeding.

8 (b) The allocation of costs may be adjusted for cause by
9 the commission during the course of the proceeding, or upon the
10 closing of the docket and issuance of an order. -- In addition to
11 the rights granted in subdivision 3, parties to a proceeding may
12 object to the allocation at any time during the proceeding.
13 Withdrawal by a party to a proceeding does not absolve the party
14 from paying allocated costs as determined by the commission.
15 The commission may decide that a party should not pay any
16 allocated costs of the proceeding.

17 (c) The bill constitutes notice of the assessment and a
18 demand for payment. -- The amount of the bills assessed by the
19 department under this subdivision must be paid by the parties
20 into the state treasury within 30 days from the date of
21 assessment. -- The total amount, in a calendar year, for which a
22 telephone company may become liable, by reason of costs incurred
23 by the department and commission within that calendar year, may
24 not exceed two-fifths of one percent of the gross jurisdictional
25 operating revenue of the telephone company in the last preceding
26 calendar year. -- Direct charges may be assessed without regard to
27 this limitation until the gross jurisdictional operating revenue
28 of the telephone company for the preceding calendar year has
29 been reported for the first time. -- Where, under this
30 subdivision, costs are incurred within a calendar year that are
31 in excess of two-fifths of one percent of the gross
32 jurisdictional operating revenues, the excess costs are not
33 chargeable as part of the remainder under subdivision 2.

34 (d) Except as otherwise provided in paragraph (e), for
35 purposes of assessing the cost of a proceeding to a party,
36 "party" means any entity or group subject to the laws and rules

1 of this state, however organized, whether public or private,
 2 whether domestic or foreign, whether for profit or nonprofit,
 3 and whether natural, corporate, or political, such as a business
 4 or commercial enterprise organized as any type or combination of
 5 corporation, limited liability company, partnership, limited
 6 liability partnership, proprietorship, association, cooperative,
 7 joint venture, carrier, or utility, and any successor or
 8 assignee of any of them; a social or charitable organization;
 9 and any type or combination of political subdivision, which
 10 includes the executive, judicial, or legislative branch of the
 11 state, a local government unit, an agency of the state or a
 12 local government unit, or a combination of any of them.

13 (e) For assessment and billing purposes, "party" does not
 14 include the Department of Commerce or the Residential Utilities
 15 Division of the Office of Attorney General, any entity or group
 16 instituted primarily for the purpose of mutual help and not
 17 conducted for profit, intervenors awarded compensation under
 18 section 237.075, subdivision 10, or any individual or group or
 19 counsel for the individual or group representing the interests
 20 of end users or classes of end users of services provided by
 21 telephone companies or telecommunications carriers, as
 22 determined by the commission An application for a new authority
 23 must be accompanied by a payment not to exceed \$2,000 as
 24 determined by the Public Utilities Commission. This fee will be
 25 reviewed annually and adjusted accordingly.

26 Sec. 2. Minnesota Statutes 2004, section 237.295,
 27 subdivision 2, is amended to read:

28 Subd. 2. [ASSESSMENT OF COSTS.] The department and
 29 commission shall quarterly, at least 30 days before the start of
 30 each quarter, estimate the total of their expenditures in the
 31 performance of their duties relating to telephone companies,
 32 other than amounts chargeable to telephone companies under
 33 subdivision 1, 5, or 6. The remainder must be assessed by the
 34 department to the telephone companies operating in this state in
 35 proportion to their respective gross jurisdictional operating
 36 revenues during the last calendar year. The assessment must be

1 paid into the state treasury within 30 days after the bill has
2 been mailed to the telephone companies. The bill constitutes
3 notice of the assessment and demand of payment. ~~The total~~
4 ~~amount that may be assessed to the telephone companies under~~
5 ~~this subdivision may not exceed one-eighth of one percent of the~~
6 ~~total gross jurisdictional operating revenues during the~~
7 ~~calendar year.~~ The assessment for the third quarter of each
8 fiscal year must be adjusted to compensate for the amount by
9 which actual expenditures by the commission and department for
10 the preceding fiscal year were more or less than the estimated
11 expenditures previously assessed. A telephone company with
12 gross jurisdictional operating revenues of less than \$5,000 is
13 exempt from assessments under this subdivision.

14 Sec. 3. [237.491] [COMBINED PER NUMBER FEE.]

15 Subdivision 1. [DEFINITIONS.] (a) The definitions in this
16 subdivision apply to this section.

17 (b) "911 emergency and public safety communications program"
18 means the program governed by chapter 403.

19 (c) "Service provider" means a provider doing business in
20 Minnesota who provides real time, two-way voice service
21 interconnected with the public switched telephone network using
22 numbers allocated for Minnesota assigned by the North American
23 Numbering Plan Administration.

24 (d) "Telecommunications access Minnesota program" means the
25 program governed by sections 237.50 to 237.55.

26 (e) "Telephone assistance program" means the program
27 governed by sections 237.69 to 237.711.

28 Subd. 2. [PER NUMBER FEE.] (a) By July 1, 2006, the Public
29 Utilities Commission shall establish a fee that applies to each
30 service provider based upon the amount of numbers allocated for
31 Minnesota assigned by the North American Numbering Plan
32 Administration in use by the provider. The fee must be set at a
33 level calculated to generate only the amount of revenue
34 necessary to fund:

35 (1) the telephone assistance program and the
36 telecommunications access Minnesota program at the levels

1 established by the commission under sections 237.52, subdivision
2 2, and 237.70; and

3 (2) the 911 emergency and public safety communications
4 program at the approved appropriation levels for current fiscal
5 years.

6 (b) Notwithstanding any law to the contrary, the Public
7 Utilities Commission shall, by order, establish the procedures
8 by which each service provider, to the extent allowed under
9 federal law, shall collect and remit the fee proceeds to the
10 Department of Revenue. The commissioner of revenue shall
11 allocate the fee proceeds to the three funding areas in
12 paragraph (a) and shall deposit the allocations into the
13 appropriate accounts.

14 (c) The per access line fee used to collect revenues to
15 support the TAP, TAM, and 911 programs shall remain in effect
16 until replaced by the per telephone number fee.

17 Sec. 4. Minnesota Statutes 2004, section 237.69,
18 subdivision 16, is amended to read:

19 Subd. 16. [TELEPHONE ASSISTANCE PLAN.] "Telephone
20 assistance plan" means the plan to be adopted by the commission
21 and to be jointly administered by the commission, the Department
22 of ~~Human-Services,--and-the-telephone-companies,~~ Commerce, and
23 the local service providers, as required by sections 237.69 to
24 237.711.

25 Sec. 5. Minnesota Statutes 2004, section 237.69, is
26 amended by adding a subdivision to read:

27 Subd. 18. [LOCAL SERVICE PROVIDER.] "Local service
28 provider" means:

29 (1) a telephone company or telecommunications carrier
30 providing local service in Minnesota pursuant to a certificate
31 of authority granted by the commission; or

32 (2) a commercial mobile radio service (CMRS) provider,
33 personal communications services (PCS) provider, or other
34 wireless provider offering the functional equivalent of CMRS or
35 PCS in Minnesota.

36 Sec. 6. Minnesota Statutes 2004, section 237.70,

1 subdivision 2, is amended to read:

2 Subd. 2. [SCOPE.] The telephone assistance plan must be
3 statewide and apply to local service providers that provide
4 ~~local-exchange~~ service in Minnesota.

5 Sec. 7. Minnesota Statutes 2004, section 237.70,
6 subdivision 5, is amended to read:

7 Subd. 5. [NATURE AND EXTENT OF CREDITS.] The telephone
8 assistance plan may provide for telephone assistance credits to
9 eligible households up to the amounts available under the
10 federal matching plan. However, the credits available under the
11 telephone assistance plan may not exceed:

12 (1) more than 50 percent of the local ~~exchange~~ rate charged
13 for the local ~~exchange~~ service provided to the household by that
14 household's local service provider; and

15 (2) the level of credits that can actually be funded in
16 accordance with the limitations contained in subdivision 6.

17 Sec. 8. [325F.991] [911 EMERGENCY PHONE SERVICE
18 REPRESENTATIONS.]

19 Subdivision 1. [DEFINITIONS.] For purposes of this
20 section, the terms defined in this subdivision have the meanings
21 given them.

22 (a) "911 emergency telecommunications system" means a
23 dedicated emergency telecommunications system required by
24 section 403.025.

25 (b) "Person" means an individual, corporation, firm, or
26 other legal entity.

27 (c) "Service provider" means a person doing business in
28 Minnesota who provides real time, two-way voice service
29 interconnected with the public switched telephone network using
30 numbers allocated for Minnesota by the North American Numbering
31 Plan Administration.

32 Subd. 2. [REPRESENTATIONS OF 911 SERVICE.] A person shall
33 not advertise, market, or otherwise represent that the person
34 furnishes a service capable of providing access to emergency
35 services by dialing 911 unless the person provides a service
36 that routes 911 calls through the 911 emergency

1 telecommunications system.

2 Subd. 3. [DISCLOSURE.] A service provider must disclose in
3 all advertisements, marketing materials, and contracts whether
4 or not it provides 911 dialing that routes 911 calls through the
5 911 emergency telecommunications system. The disclosure must be
6 in capital letters, in 12-point font, and on the front page of
7 the advertisement, marketing materials, and contracts. For
8 service providers that do route 911 calls through the 911
9 emergency telecommunications system, the disclosure must state:
10 "THIS SERVICE INCLUDES 911 CALLING ROUTED THROUGH THE 911
11 EMERGENCY SYSTEM." For service providers that do not route 911
12 calls through the 911 emergency telecommunications system, the
13 disclosure must state: "THIS SERVICE DOES NOT ROUTE 911 CALLS
14 THROUGH THE 911 EMERGENCY SYSTEM."

15 Subd. 4. [CERTAIN CALLS NOT 911 CALLS.] For purposes of
16 this section, 911 calls routed to the general access number at a
17 public safety answering point do not qualify as being routed
18 through a 911 emergency telecommunications system.

19 Sec. 9. Minnesota Statutes 2004, section 403.06,
20 subdivision 1a, is amended to read:

21 Subd. 1a. [BIENNIAL BUDGET; ANNUAL FINANCIAL REPORT.] The
22 commissioner shall prepare a biennial budget for maintaining the
23 911 system. By December 15 of each year, the commissioner shall
24 submit a report to the legislature detailing the expenditures
25 for maintaining the 911 system, the 911 fees ~~collected~~ deposited
26 by the Department of Revenue, the balance of the 911 fund, and
27 the 911-related administrative expenses of the commissioner.
28 The commissioner is authorized to expend money that has been
29 appropriated to pay for the maintenance, enhancements, and
30 expansion of the 911 system.

31 Sec. 10. Minnesota Statutes 2004, section 403.11,
32 subdivision 1, is amended to read:

33 Subdivision 1. [EMERGENCY TELECOMMUNICATIONS SERVICE FEE.]
34 (a) Each customer of a wireless or wire-line telecommunications
35 service provider that furnishes service capable of originating a
36 911 emergency telephone call is assessed a fee under section

1 237.491 to cover the costs of ongoing maintenance and related
2 improvements for trunking and central office switching equipment
3 for 911 emergency telecommunications service, plus
4 administrative and staffing costs of the commissioner related to
5 managing the 911 emergency telecommunications service program.
6 Recurring charges by a wire-line telecommunications service
7 provider for updating the information required by section
8 403.07, subdivision 3, must be paid by the commissioner if the
9 wire-line telecommunications service provider is included in an
10 approved 911 plan and the charges are made pursuant to tariff,
11 price list, or contract. A portion of the fee assessed under
12 this section 237.491 must also be used for the purpose of
13 offsetting the costs, including administrative and staffing
14 costs, incurred by the State Patrol Division of the Department
15 of Public Safety in handling 911 emergency calls made from
16 wireless phones.

17 (b) Money remaining in the 911 emergency telecommunications
18 service account after all other obligations are paid must not
19 cancel and is carried forward to subsequent years and may be
20 appropriated from time to time to the commissioner to provide
21 financial assistance to counties for the improvement of local
22 emergency telecommunications services. The improvements may
23 include providing access to 911 service for telecommunications
24 service subscribers currently without access and upgrading
25 existing 911 service to include automatic number identification,
26 local location identification, automatic location
27 identification, and other improvements specified in revised
28 county 911 plans approved by the commissioner.

29 ~~(c) The fee may not be less than eight cents nor more than~~
30 ~~40 cents a month for each customer access line or other basic~~
31 ~~access service, including trunk equivalents as designated by the~~
32 ~~Public Utilities Commission for access charge purposes and~~
33 ~~including wireless telecommunications services. --With the~~
34 ~~approval of the commissioner of finance, the commissioner of~~
35 ~~public safety shall establish the amount of the fee within the~~
36 ~~limits specified and inform the companies and carriers of the~~

1 amount-to-be-collected.--When-the-revenue-bonds-authorized-under
2 section-403.27,-subdivision-1,-have-been-fully-paid-or-defeased,
3 the-commissioner-shall-reduce-the-fee-to-reflect-that-debt
4 service-on-the-bonds-is-no-longer-needed.--The-commissioner
5 shall-provide-companies-and-carriers-a-minimum-of-45-days'
6 notice-of-each-fee-change.--The-fee-must-be-the-same-for-all
7 customers-

8 (d)-The-fee-must-be-collected-by-each-wireless-or-wire-line
9 telecommunications-service-provider-subject-to-the-fee---Fees
10 are-payable-to-and-must-be-submitted-to-the-commissioner-monthly
11 before-the-25th-of-each-month-following-the-month-of-collection,
12 except-that-fees-may-be-submitted-quarterly-if-less-than-\$250-a
13 month-is-due,-or-annually-if-less-than-\$25-a-month-is-due-
14 Receipts-must-be-deposited-in-the-state-treasury-and-credited-to
15 a-911-emergency-telecommunications-service-account-in-the
16 special-revenue-fund.--The-money-in-the-account-may-only-be-used
17 for-911-telecommunications-services-

18 (e) This subdivision does not apply to customers of
19 interexchange carriers.

20 (f) (d) The installation and recurring charges for
21 integrating wireless 911 calls into enhanced 911 systems must be
22 paid by the commissioner if the 911 service provider is included
23 in the statewide design plan and the charges are made pursuant
24 to tariff, price list, or contract.

25 Sec. 11. Minnesota Statutes 2004, section 403.113,
26 subdivision 1, is amended to read:

27 Subdivision 1. [FEE GRANT.] (a) Each-customer-receiving
28 service-from-a-wireless-or-wire-line-telecommunications-service
29 provider-is-assessed-a-fee The commissioner shall budget for and
30 provide grants to PSAPs to fund implementation, operation,
31 maintenance, enhancement, and expansion of enhanced 911 service,
32 including acquisition of necessary equipment and the costs of
33 the commissioner to administer the program. The-actual-fee
34 assessed-under-section-403.11-and-the-enhanced-911-service-fee
35 must-be-collected-as-one-amount-and-may-not-exceed-the-amount
36 specified-in-section-403.11,-subdivision-1,-paragraph-(e)-

1 ~~(b) The enhanced 911 service fee must be collected and~~
2 ~~deposited in the same manner as the fee in section 403.11 and~~
3 ~~used solely for the purposes of paragraph (a) and subdivision 3.~~

4 (e) The commissioner, in consultation with counties and 911
5 system users, shall determine the amount of the enhanced 911
6 service fee grant. The fee grant must include at least ten
7 cents-per-month the amount funded in fiscal year 2005 to be
8 distributed under subdivision 2. ~~The commissioner shall inform~~
9 ~~wireless and wire-line telecommunications service providers that~~
10 ~~provide service capable of originating a 911 emergency telephone~~
11 ~~call of the total amount of the 911 service fees in the same~~
12 ~~manner as provided in section 403.11.~~

13 Sec. 12. Minnesota Statutes 2004, section 403.30,
14 subdivision 1, is amended to read:

15 Subdivision 1. [STANDING APPROPRIATION; COSTS COVERED.]
16 For each fiscal year beginning with the fiscal year commencing
17 July 1, 1997, the amount necessary to pay the following costs is
18 appropriated to the commissioner of public safety from the 911
19 emergency telecommunications service account established under
20 section 403.11:

21 (1) debt service costs and reserves for bonds issued
22 pursuant to section 403.27;

23 (2) repayment of the right-of-way acquisition loans;

24 (3) costs of design, construction, maintenance of, and
25 improvements to those elements of the first, second, and third
26 phases that support mutual aid communications and emergency
27 medical services;

28 (4) recurring charges for leased sites and equipment for
29 those elements of the first, second, and third phases that
30 support mutual aid and emergency medical communication services;

31 or

32 (5) aid to local units of government for sites and
33 equipment in support of mutual aid and emergency medical
34 communications services.

35 This appropriation shall be used to pay annual debt service
36 costs and reserves for bonds issued pursuant to section 403.27

1 prior to use of fee money to pay other costs eligible under this
 2 subdivision. In no event shall the appropriation for each
 3 fiscal year exceed an amount equal to ~~four-cents-a-month-for~~
 4 ~~each-customer-access-line-or-other-basic-access-service,~~
 5 ~~including-trunk-equivalents-as-designated-by-the-Public~~
 6 ~~Utilities-Commission-for-access-charge-purposes-and-including~~
 7 ~~cellular-and-other-nonwire-access-services,-in-the-fiscal~~
 8 ~~year 4/40 of the amount collected by the fiscal year 2005 911~~
 9 ~~fee.~~ Beginning July 1, ~~2004~~ 2005, this amount will increase
 10 to ~~13-cents-a-month~~ 13/40 of the amount collected by the fiscal
 11 year 2005 911 fee.

12 Sec. 13. [REPEALER.]

13 (a) Minnesota Statutes 2004, section 237.69, subdivisions 5
 14 and 17, are repealed.

15 (b) Laws 1999, chapter 125, section 4, as amended by Laws
 16 2002, chapter 398, section 2, is repealed.

17 Sec. 14. [EFFECTIVE DATE.]

18 Sections 1 to 13 are effective the day following final
 19 enactment.

20 ARTICLE 3

21 WIRELESS DIRECTORIES

22 Section 1. [325E.317] [DEFINITIONS

23 Subdivision 1. [SCOPE.] For the purposes of sections
 24 325E.317 and 325E.318, the terms defined in this section have
 25 the meanings given them.

26 Subd. 2. [PROVIDER.] "Provider" means a provider of
 27 wireless telecommunications services.

28 Subd. 3. [TELECOMMUNICATIONS
 29 SERVICES.] "Telecommunications services" has the meaning given
 30 in section 297A.61, subdivision 24, paragraph (a).

31 Subd. 4. [WIRELESS DIRECTORY ASSISTANCE
 32 SERVICE.] "Wireless directory assistance service" means any
 33 service for connecting calling parties to a wireless
 34 telecommunications services customer when the calling parties
 35 themselves do not possess the customer's wireless telephone
 36 number information.

1 Subd. 5. [WIRELESS TELECOMMUNICATIONS SERVICES.] "Wireless
2 telecommunications services" has the meaning given in section
3 325F.695.

4 Subd. 6. [WIRELESS TELEPHONE DIRECTORY.] "Wireless
5 telephone directory" means a directory or database containing
6 wireless telephone number information or any other identifying
7 information by which a calling party may reach a wireless
8 telecommunications services customer.

9 Subd. 7. [WIRELESS TELEPHONE NUMBER
10 INFORMATION.] "Wireless telephone number information" means the
11 telephone number, electronic address, and any other identifying
12 information by which a calling party may reach a wireless
13 telecommunications services customer, which is assigned by a
14 provider to the customer and includes the customer's name and
15 address.

16 Sec. 2. [325E.318] [WIRELESS DIRECTORIES.]

17 Subdivision 1. [NOTICE.] No provider of wireless
18 telecommunications service, or any direct or indirect affiliate
19 or agent of a provider, may include the wireless telephone
20 number information of a customer in a wireless telephone
21 directory assistance service database or publish, sell, or
22 otherwise disseminate the contents of a wireless telephone
23 directory assistance service database unless the provider
24 provides a conspicuous notice to the subscriber informing the
25 subscriber that the subscriber will not be listed in a wireless
26 directory assistance service database without the subscriber's
27 prior express authorization.

28 Subd. 2. [AUTHORIZATION.] (a) A provider, or any direct or
29 indirect affiliate or agent of a provider, may not disclose,
30 provide, or sell a customer's wireless telephone number
31 information, or any part thereof, for inclusion in a wireless
32 telephone directory of any form, and may not sell a wireless
33 telephone directory containing a customer's wireless telephone
34 number information without first receiving prior express
35 authorization from the customer. The customer's authorization
36 must meet the following requirements:

1 (1) consent shall be affirmatively obtained separately from
2 the execution of the service contract via verifiable means; and

3 (2) consent shall be unambiguous and conspicuously disclose
4 that the subscriber is consenting to have the customer's dialing
5 number sold or licensed as part of a publicly available
6 directory assistance database.

7 (b) A record of the authorization shall be maintained for
8 the duration of the service contract or any extension of the
9 contract.

10 (c) A subscriber who provides express consent pursuant to
11 paragraph (a) may revoke that consent at any time. A provider
12 must comply with the customer's request to be removed from the
13 directory and remove such listing from directory assistance
14 within 60 days.

15 Subd. 3. [NO FEE TO RETAIN PRIVACY.] A customer shall not
16 be charged for opting not to be listed in a wireless telephone
17 directory.

18 Subd. 4. [REMEDIES.] A person who violates this section is
19 subject to the remedies under section 8.31, except subdivision
20 3a.

21 Sec. 3. [EFFECTIVE DATE.]

22 Sections 1 and 2 are effective the day following final
23 enactment.

24 ARTICLE 4

25 CABLE FRANCHISE

26 Section 1. Minnesota Statutes 2004, section 238.08,
27 subdivision 1, is amended to read:

28 Subdivision 1. [REQUIREMENT; CONDITIONS.] (a) A
29 municipality or its joint commission created pursuant to
30 subdivision 5 shall require a franchise or extension permit of
31 any cable communications system providing service within the
32 municipality.

33 (b) No municipality or its joint commission shall grant an
34 additional franchise for cable service for an area included in
35 an existing franchise on terms and conditions more favorable or
36 less burdensome than those in the existing franchise pertaining

1 to: (1) ~~the area served~~, (2) public, educational, or
 2 governmental access requirements; or (3) (2) franchise fees.
 3 ~~The provisions of this paragraph shall not apply when the area~~
 4 ~~in which the additional franchise is being sought is not~~
 5 ~~actually being served by any existing cable communications~~
 6 ~~system holding a franchise for the area. Nothing in this~~
 7 ~~paragraph prevents a municipality from imposing additional terms~~
 8 ~~and conditions on any additional franchises~~ The provisions of
 9 this paragraph shall not apply when the area in which the
 10 additional franchise is being sought is not actually being
 11 served by any existing cable communications system holding a
 12 franchise for the area. Nothing in this paragraph prevents a
 13 municipality from imposing additional terms and conditions on
 14 any additional franchises related to the unserved area. The
 15 grant of an additional franchise may include an area for cable
 16 service similar to that in an existing franchise or another area
 17 that the municipality or its joint commission determines is
 18 necessary or desirable to reasonably meet the needs of the
 19 municipality or its joint commission. If an additional
 20 franchise area is not similar to an existing franchise area, the
 21 municipality or joint commission shall ensure that access to
 22 cable service is not denied because of the income status of
 23 subscribers. Additional franchises must be granted or rejected
 24 by a municipality or joint commission within 120 days of an
 25 application deemed complete in compliance with section 238.081,
 26 subdivision 4, by the municipality or the joint commission
 27 unless the date is extended by mutual agreement of the applicant
 28 and the municipality or its joint commission.

29 Sec. 2. Minnesota Statutes 2004, section 238.08, is
 30 amended by adding a subdivision to read:

31 Subd. 1a. [LOCAL PUBLIC, EDUCATIONAL, AND GOVERNMENTAL
 32 ACCESS CHANNELS.] (a) An additional franchisee must ensure that
 33 all subscribers receive local public, educational, governmental
 34 access and public local origination channels within the
 35 additional franchisee's franchise area.

36 (b) An additional franchise must ensure that all

1 subscribers receive local public, educational, and governmental
2 access channels and public local origination channels as
3 specified in the existing franchise and on the same channel
4 numbers as the existing franchisee. Every cable franchisee
5 shall permit any other franchisee to interconnect all local
6 public, educational, governmental access, and public local
7 origination programming and channel feeds. The municipality or
8 its joint commission shall determine all terms and conditions of
9 such interconnection to permit the interconnection and provision
10 of the public, educational, and governmental services. The
11 municipality or its joint commission may require that such
12 interconnection occur on government property or on public
13 rights-of-way. The costs of connection to the existing
14 franchisee's public, educational, governmental access and public
15 local origination programming and channel feeds must be borne by
16 the additional franchisee.

17 (c) An additional franchise provider shall make financial
18 contributions that are equivalent on a per customer basis or
19 mutually agreed upon terms, proportionate to contributions made
20 to the public, educational, and government access service,
21 facilities, and equipment provided or made available by the
22 existing franchise provider.

23 (d) A municipality or its joint commission may not impose
24 public, educational, and governmental access, local origination,
25 institutional network, or other obligations on the additional
26 franchisee that would exceed those imposed on the existing
27 franchisee.

28 Sec. 3. [EFFECTIVE DATE.]

29 Sections 1 and 2 are effective the day following final
30 enactment.

31 ARTICLE 5

32 TASK FORCE ON TELECOMMUNICATIONS

33 Section 1. [JOINT LEGISLATIVE TASK FORCE ON
34 TELECOMMUNICATIONS.]

35 (a) The joint legislative task force on telecommunications
36 is created. It consists of four members from each body of the

1 Minnesota legislature, two of whom must be from the minority
2 caucus in each body, to be designated by the chairs of the
3 senate and house committees having subject matter responsibility
4 for telecommunications. The cochairs are the respective chairs
5 of the senate and house committees having subject matter
6 responsibility for telecommunications, or their designees.
7 Members must include at least one representative from the
8 following stakeholder groups recommended by the legislative
9 members of the task force and invited to participate by the
10 cochairs:

- 11 (1) Minnesota Telecommunications Alliance;
- 12 (2) competitive local exchange carriers;
- 13 (3) large ILECS;
- 14 (4) small ILECS;
- 15 (5) long-distance providers;
- 16 (6) wireless providers;
- 17 (7) cable services providers;
- 18 (8) Internet service;
- 19 (9) VOIP providers;
- 20 (10) cable services administrator associations;
- 21 (11) municipal associations;
- 22 (12) municipal utilities associations;
- 23 (13) residential consumer associations (two members);
- 24 (14) business consumer associations (two members);
- 25 (15) office of the attorney general;
- 26 (16) Department of Commerce; and
- 27 (17) Public Utilities Commission (ex officio).

28 (b) The task force must:

- 29 (1) conduct a full review of existing Minnesota
30 telecommunications regulation and rules in chapters 237 and 238;
31 and
32 (2) make recommendations for revision of Minnesota
33 telecommunications regulation and rules by January 15, 2006, to
34 the Minnesota Senate Jobs, Energy and Community Development
35 Committee and to the Minnesota House Regulated Industries
36 Committee.

1 (c) On request by the cochairs of the task force, the
 2 commissioner of commerce shall assess from telephone companies,
 3 in addition to assessments made under section 237.295, the
 4 amount requested for the operation of the task force but not to
 5 exceed \$100,000 in a fiscal year. The amount assessed is
 6 appropriated to the Department of Commerce for the purposes of
 7 the task force, and is available until expended. The department
 8 shall apportion those costs among all telephone companies in
 9 proportion to their respective gross operating revenues from the
 10 sale of telephone services within the state during the last
 11 calendar year. The department shall assess telephone companies
 12 and issue bills in accordance with the billing and assessment
 13 procedures provided in section 237.295, to the extent that these
 14 procedures do not conflict with this section.

15 (d) The Department of Commerce must provide staff and
 16 expertise to the task force directly or by contract and may
 17 reimburse the expenses of persons requested to assist the task
 18 force in its duties other than state employees or employees of
 19 telephone companies. The Department of Commerce must provide
 20 administrative assistance to the task force.

21 (e) The joint legislative task force on telecommunications
 22 shall expire July 1, 2007.

23 ARTICLE 6

24 CANCELLATION OF LONG DISTANCE SERVICE

25 Section 1. Minnesota Statutes 2004, section 237.74, is
 26 amended by adding a subdivision to read:

27 Subd. 14. [CANCELLATION OF LONG DISTANCE SERVICE.] (a) A
 28 telecommunications carrier providing long distance service may
 29 not charge a customer for long distance service after the
 30 customer has requested that carrier to cancel the customer's
 31 long distance service.

32 (b) Notwithstanding the limitation on charges in paragraph
 33 (a), if a customer with a fixed term contract requests that a
 34 telecommunications carrier providing long distance service
 35 cancel that customer's long distance service, the
 36 telecommunications carrier may charge the customer for long

1 distance service until the end of the contract term but not
2 after the end of the contract term.

3 (c) A telecommunications carrier providing long distance
4 service may not require a customer to contact the customer's
5 local telephone service provider in order for the customer to
6 cancel long distance service with the carrier.

7 ARTICLE 7

8 CITY OF ALEXANDRIA JOINT VENTURE AUTHORITY

9 Section 1. Laws 2002, chapter 329, section 5, is amended
10 to read:

11 Sec. 5. [JOINT VENTURE AUTHORITY.]

12 (a) The city of Alexandria may enter into a joint
13 venture or joint ventures with one, two, or three of the
14 entities known as Runestone Telephone Association and, Runestone
15 Electric Association, and Gardonville Telephone Cooperative for
16 the purpose of providing local niche service, including internet
17 services, and point to point transmission of digital information.

18 (b) For purposes of this section, with respect to the
19 services described in paragraph (a), the city of Alexandria and
20 a joint venture to which it is a party shall have the rights and
21 authority granted by, and be subject to, Minnesota Statutes 2001
22 Supplement, section 452.25, except for the provisions of that
23 section which relate specifically and only to electric utilities.

24 (c) For the purposes of this section, "local niche service"
25 refers to point-to-point connections between end-user locations
26 within a service area and any telecommunications services under
27 the public utilities commission's jurisdiction under Minnesota
28 Statutes, chapter 237 that do not fall within the definition of
29 local service or the definition of interexchange service.

30 (d) If the city of Alexandria obtains authority to provide
31 local service or interexchange service under chapter 237, it may
32 enter into a joint venture with the entities identified in
33 paragraph (a) for those purposes.

34 [EFFECTIVE DATE; LOCAL APPROVAL.] This section is effective
35 as to the city of Alexandria the day after the city of
36 Alexandria's governing body and its chief clerical officer

- 1 timely complete compliance with Minnesota Statutes, section
- 2 645.021, subdivisions 2 and 3.

1 To: Senator Anderson, Chair
2 Committee on Jobs, Energy and Community Development
3 Senator Kelley,
4 Chair of the Subcommittee on Telecommunications and
5 Technology, to which was referred

6 S.F. No. 1647: A bill for an act relating to
7 telecommunications; providing for a combined per number fee;
8 amending Minnesota Statutes 2004, section 403.11, subdivision 1;
9 proposing coding for new law in Minnesota Statutes, chapter 237;
10 repealing Minnesota Statutes 2004, sections 237.295,
11 subdivisions 1, 2, 3, 4; 237.49; 237.52, subdivisions 2, 3;
12 237.70, subdivision 6; 403.113, subdivision 1.

13 Reports the same back with the recommendation that the bill
14 be amended as follows:

15 Delete everything after the enacting clause and insert:

16 "Section 1. Minnesota Statutes 2004, section 237.295,
17 subdivision 1, is amended to read:

18 Subdivision 1. [~~PAYMENT-FOR-INVESTIGATION FILING FEE FOR~~
19 ~~NEW AUTHORITY.] (a)-Whenever-the-department-or-commission,-in-a~~
20 ~~proceeding-upon-its-own-motion,-on-complaint,-or-upon-an~~
21 ~~application-to-it,-considers-it-necessary,-in-order-to-carry-out~~
22 ~~the-duties-imposed-on-it,-to-investigate-the-books,-accounts,-~~
23 ~~practices,-and-activities-of-any-company,-parties-to-the~~
24 ~~proceeding-shall-pay-the-expenses-reasonably-attributable-to-the~~
25 ~~proceeding.--The-department-and-commission-shall-ascertain-the~~
26 ~~expenses,-and-the-department-shall-render-a-bill-for-those~~
27 ~~expenses-to-the-parties,-at-the-conclusion-of-the-proceeding-~~
28 ~~The-department-is-authorized-to-submit-billings-to-parties-at~~
29 ~~intervals-selected-by-the-department-during-the-course-of-a~~
30 ~~proceeding-~~

31 ~~(b)-The-allocation-of-costs-may-be-adjusted-for-cause-by~~
32 ~~the-commission-during-the-course-of-the-proceeding,-or-upon-the~~
33 ~~closing-of-the-docket-and-issuance-of-an-order.--In-addition-to~~
34 ~~the-rights-granted-in-subdivision-3,-parties-to-a-proceeding-may~~
35 ~~object-to-the-allocation-at-any-time-during-the-proceeding-~~
36 ~~Withdrawal-by-a-party-to-a-proceeding-does-not-absolve-the-party~~
37 ~~from-paying-allocated-costs-as-determined-by-the-commission-~~
38 ~~The-commission-may-decide-that-a-party-should-not-pay-any~~
39 ~~allocated-costs-of-the-proceeding-~~

40 ~~(c)-The-bill-constitutes-notice-of-the-assessment-and-a~~

1 demand-for-payment.--The-amount-of-the-bills-assessed-by-the
2 department-under-this-subdivision-must-be-paid-by-the-parties
3 into-the-state-treasury-within-30-days-from-the-date-of
4 assessment.--The-total-amount,-in-a-calendar-year,-for-which-a
5 telephone-company-may-become-liable,-by-reason-of-costs-incurred
6 by-the-department-and-commission-within-that-calendar-year,-may
7 not-exceed-two-fifths-of-one-percent-of-the-gross-jurisdictional
8 operating-revenue-of-the-telephone-company-in-the-last-preceding
9 calendar-year.--Direct-charges-may-be-assessed-without-regard-to
10 this-limitation-until-the-gross-jurisdictional-operating-revenue
11 of-the-telephone-company-for-the-preceding-calendar-year-has
12 been-reported-for-the-first-time.--Where,-under-this
13 subdivision,-costs-are-incurred-within-a-calendar-year-that-are
14 in-excess-of-two-fifths-of-one-percent-of-the-gross
15 jurisdictional-operating-revenues,-the-excess-costs-are-not
16 chargeable-as-part-of-the-remainder-under-subdivision-2-

17 (d)-Except-as-otherwise-provided-in-paragraph-(e)-for
18 purposes-of-assessing-the-cost-of-a-proceeding-to-a-party,
19 "party"-means-any-entity-or-group-subject-to-the-laws-and-rules
20 of-this-state,-however-organized,-whether-public-or-private,
21 whether-domestic-or-foreign,-whether-for-profit-or-nonprofit,
22 and-whether-natural,-corporate,-or-political,-such-as-a-business
23 or-commercial-enterprise-organized-as-any-type-or-combination-of
24 corporation,-limited-liability-company,-partnership,-limited
25 liability-partnership,-proprietorship,-association,-cooperative,
26 joint-venture,-carrier,-or-utility,-and-any-successor-or
27 assignee-of-any-of-them;-a-social-or-charitable-organization;
28 and-any-type-or-combination-of-political-subdivision,-which
29 includes-the-executive,-judicial,-or-legislative-branch-of-the
30 state,-a-local-government-unit,-an-agency-of-the-state-or-a
31 local-government-unit,-or-a-combination-of-any-of-them-

32 (e)-For-assessment-and-billing-purposes,-"party"-does-not
33 include-the-Department-of-Commerce-or-the-Residential-Utilities
34 Division-of-the-Office-of-Attorney-General;-any-entity-or-group
35 instituted-primarily-for-the-purpose-of-mutual-help-and-not
36 conducted-for-profit;-intervenor-awarded-compensation-under

1 ~~section-237-0757-subdivision-107-or-any-individual-or-group-or~~
2 ~~counsel-for-the-individual-or-group-representing-the-interests~~
3 ~~of-end-users-or-classes-of-end-users-of-services-provided-by~~
4 ~~telephone-companies-or-telecommunications-carriers,-as~~
5 ~~determined-by-the-commission~~ An application for a new authority
6 must be accompanied by a payment not to exceed \$2,000 as
7 determined by the Public Utilities Commission. This fee will be
8 reviewed annually and adjusted accordingly.

9 Sec. 2. Minnesota Statutes 2004, section 237.295,
10 subdivision 2, is amended to read:

11 Subd. 2. [ASSESSMENT OF COSTS.] The department and
12 commission shall quarterly, at least 30 days before the start of
13 each quarter, estimate the total of their expenditures in the
14 performance of their duties relating to telephone companies,
15 other than amounts chargeable to telephone companies under
16 subdivision 1, 5, or 6. The remainder must be assessed by the
17 department to the telephone companies operating in this state in
18 proportion to their respective gross jurisdictional operating
19 revenues during the last calendar year. The assessment must be
20 paid into the state treasury within 30 days after the bill has
21 been mailed to the telephone companies. The bill constitutes
22 notice of the assessment and demand of payment. ~~The total~~
23 ~~amount-that-may-be-assessed-to-the-telephone-companies-under~~
24 ~~this-subdivision-may-not-exceed-one-eighth-of-one-percent-of-the~~
25 ~~total-gross-jurisdictional-operating-revenues-during-the~~
26 ~~calendar-year.~~ The assessment for the third quarter of each
27 fiscal year must be adjusted to compensate for the amount by
28 which actual expenditures by the commission and department for
29 the preceding fiscal year were more or less than the estimated
30 expenditures previously assessed. A telephone company with
31 gross jurisdictional operating revenues of less than \$5,000 is
32 exempt from assessments under this subdivision.

33 Sec. 3. [237.491] [COMBINED PER NUMBER FEE.]

34 Subdivision 1. [DEFINITIONS.] (a) The definitions in this
35 subdivision apply to this section.

36 (b) "911 emergency and public safety communications program"

1 means the program governed by chapter 403.

2 (c) "Service provider" means a provider doing business in
3 Minnesota who provides real time, two-way voice service
4 interconnected with the public switched telephone network using
5 numbers allocated for Minnesota assigned by the North American
6 Numbering Plan Administration.

7 (d) "Telecommunications access Minnesota program" means the
8 program governed by sections 237.50 to 237.55.

9 (e) "Telephone assistance program" means the program
10 governed by sections 237.69 to 237.711.

11 Subd. 2. [PER NUMBER FEE.] (a) By July 1, 2006, the Public
12 Utilities Commission shall establish a fee that applies to each
13 service provider based upon the amount of numbers allocated for
14 Minnesota assigned by the North American Numbering Plan
15 Administration in use by the provider. The fee must be set at a
16 level calculated to generate only the amount of revenue
17 necessary to fund:

18 (1) the telephone assistance program and the
19 telecommunications access Minnesota program at the levels
20 established by the commission under sections 237.52, subdivision
21 2, and 237.70; and

22 (2) the 911 emergency and public safety communications
23 program at the approved appropriation levels for current fiscal
24 years.

25 (b) Notwithstanding any law to the contrary, the Public
26 Utilities Commission shall, by order, establish the procedures
27 by which each service provider, to the extent allowed under
28 federal law, shall collect and remit the fee proceeds to the
29 Department of Revenue. The commissioner of revenue shall
30 allocate the fee proceeds to the three funding areas in
31 paragraph (a) and shall deposit the allocations into the
32 appropriate accounts.

33 (c) The per access line fee used to collect revenues to
34 support the TAP, TAM, and 911 programs shall remain in effect
35 until replaced by the per telephone number fee.

36 Sec. 4. Minnesota Statutes 2004, section 237.69,

1 subdivision 16, is amended to read:

2 Subd. 16. [TELEPHONE ASSISTANCE PLAN.] "Telephone
3 assistance plan" means the plan to be adopted by the commission
4 and to be jointly administered by the commission, the Department
5 of Human-Services, ~~and the telephone companies,~~ Commerce, and
6 the local service providers, as required by sections 237.69 to
7 237.711.

8 Sec. 5. Minnesota Statutes 2004, section 237.69, is
9 amended by adding a subdivision to read:

10 Subd. 18. [LOCAL SERVICE PROVIDER.] "Local service
11 provider" means:

12 (1) a telephone company or telecommunications carrier
13 providing local service in Minnesota pursuant to a certificate
14 of authority granted by the commission; or

15 (2) a commercial mobile radio service (CMRS) provider,
16 personal communications services (PCS) provider, or other
17 wireless provider offering the functional equivalent of CMRS or
18 PCS in Minnesota.

19 Sec. 6. Minnesota Statutes 2004, section 237.70,
20 subdivision 2, is amended to read:

21 Subd. 2. [SCOPE.] The telephone assistance plan must be
22 statewide and apply to local service providers that provide
23 ~~local-exchange~~ service in Minnesota.

24 Sec. 7. Minnesota Statutes 2004, section 237.70,
25 subdivision 5, is amended to read:

26 Subd. 5. [NATURE AND EXTENT OF CREDITS.] The telephone
27 assistance plan may provide for telephone assistance credits to
28 eligible households up to the amounts available under the
29 federal matching plan. However, the credits available under the
30 telephone assistance plan may not exceed:

31 (1) more than 50 percent of the local ~~exchange~~ rate charged
32 for the local ~~exchange~~ service provided to the household by that
33 household's local service provider; and

34 (2) the level of credits that can actually be funded in
35 accordance with the limitations contained in subdivision 6.

36 Sec. 8. [325F.991] [911 EMERGENCY PHONE SERVICE

1 REPRESENTATIONS.]

2 Subdivision 1. [DEFINITIONS.] For purposes of this
3 section, the terms defined in this subdivision have the meanings
4 given them.

5 (a) "911 emergency telecommunications system" means a
6 dedicated emergency telecommunications system required by
7 section 403.025.

8 (b) "Person" means an individual, corporation, firm, or
9 other legal entity.

10 (c) "Service provider" means a person doing business in
11 Minnesota who provides real time, two-way voice service
12 interconnected with the public switched telephone network using
13 numbers allocated for Minnesota by the North American Numbering
14 Plan Administration.

15 Subd. 2. [REPRESENTATIONS OF 911 SERVICE.] A person shall
16 not advertise, market, or otherwise represent that the person
17 furnishes a service capable of providing access to emergency
18 services by dialing 911 unless the person provides a service
19 that routes 911 calls through the 911 emergency
20 telecommunications system.

21 Subd. 3. [DISCLOSURE.] A service provider must disclose in
22 all advertisements, marketing materials, and contracts whether
23 or not it provides 911 dialing that routes 911 calls through the
24 911 emergency telecommunications system. The disclosure must be
25 in capital letters, in 12-point font, and on the front page of
26 the advertisement, marketing materials, and contracts. For
27 service providers that do route 911 calls through the 911
28 emergency telecommunications system, the disclosure must state:
29 "THIS SERVICE INCLUDES 911 CALLING ROUTED THROUGH THE 911
30 EMERGENCY SYSTEM." For service providers that do not route 911
31 calls through the 911 emergency telecommunications system, the
32 disclosure must state: "THIS SERVICE DOES NOT ROUTE 911 CALLS
33 THROUGH THE 911 EMERGENCY SYSTEM."

34 Subd. 4. [CERTAIN CALLS NOT 911 CALLS.] For purposes of
35 this section, 911 calls routed to the general access number at a
36 public safety answering point do not qualify as being routed

1 through a 911 emergency telecommunications system.

2 Sec. 9. Minnesota Statutes 2004, section 403.06,
3 subdivision 1a, is amended to read:

4 Subd. 1a. [BIENNIAL BUDGET; ANNUAL FINANCIAL REPORT.] The
5 commissioner shall prepare a biennial budget for maintaining the
6 911 system. By December 15 of each year, the commissioner shall
7 submit a report to the legislature detailing the expenditures
8 for maintaining the 911 system, the 911 fees ~~collected~~ deposited
9 by the Department of Revenue, the balance of the 911 fund, and
10 the 911-related administrative expenses of the commissioner.
11 The commissioner is authorized to expend money that has been
12 appropriated to pay for the maintenance, enhancements, and
13 expansion of the 911 system.

14 Sec. 10. Minnesota Statutes 2004, section 403.11,
15 subdivision 1, is amended to read:

16 Subdivision 1. [EMERGENCY TELECOMMUNICATIONS SERVICE FEE.]

17 (a) Each customer of a wireless or wire-line telecommunications
18 service provider that furnishes service capable of originating a
19 911 emergency telephone call is assessed a fee under section
20 237.491 to cover the costs of ongoing maintenance and related
21 improvements for trunking and central office switching equipment
22 for 911 emergency telecommunications service, plus
23 administrative and staffing costs of the commissioner related to
24 managing the 911 emergency telecommunications service program.
25 Recurring charges by a wire-line telecommunications service
26 provider for updating the information required by section
27 403.07, subdivision 3, must be paid by the commissioner if the
28 wire-line telecommunications service provider is included in an
29 approved 911 plan and the charges are made pursuant to tariff,
30 price list, or contract. A portion of the fee assessed under
31 this section 237.491 must also be used for the purpose of
32 offsetting the costs, including administrative and staffing
33 costs, incurred by the State Patrol Division of the Department
34 of Public Safety in handling 911 emergency calls made from
35 wireless phones.

36 (b) Money remaining in the 911 emergency telecommunications

1 service account after all other obligations are paid must not
2 cancel and is carried forward to subsequent years and may be
3 appropriated from time to time to the commissioner to provide
4 financial assistance to counties for the improvement of local
5 emergency telecommunications services. The improvements may
6 include providing access to 911 service for telecommunications
7 service subscribers currently without access and upgrading
8 existing 911 service to include automatic number identification,
9 local location identification, automatic location
10 identification, and other improvements specified in revised
11 county 911 plans approved by the commissioner.

12 (c) ~~The fee may not be less than eight cents nor more than~~
13 ~~40 cents a month for each customer access line or other basic~~
14 ~~access service, including trunk equivalents as designated by the~~
15 ~~Public Utilities Commission for access charge purposes and~~
16 ~~including wireless telecommunications services. With the~~
17 ~~approval of the commissioner of finance, the commissioner of~~
18 ~~public safety shall establish the amount of the fee within the~~
19 ~~limits specified and inform the companies and carriers of the~~
20 ~~amount to be collected. When the revenue bonds authorized under~~
21 ~~section 403.27, subdivision 1, have been fully paid or defeased,~~
22 ~~the commissioner shall reduce the fee to reflect that debt~~
23 ~~service on the bonds is no longer needed. The commissioner~~
24 ~~shall provide companies and carriers a minimum of 45 days~~
25 ~~notice of each fee change. The fee must be the same for all~~
26 ~~customers.~~

27 (d) ~~The fee must be collected by each wireless or wire-line~~
28 ~~telecommunications service provider subject to the fee. Fees~~
29 ~~are payable to and must be submitted to the commissioner monthly~~
30 ~~before the 25th of each month following the month of collection,~~
31 ~~except that fees may be submitted quarterly if less than \$250 a~~
32 ~~month is due, or annually if less than \$25 a month is due.~~
33 ~~Receipts must be deposited in the state treasury and credited to~~
34 ~~a 911 emergency telecommunications service account in the~~
35 ~~special revenue fund. The money in the account may only be used~~
36 ~~for 911 telecommunications services.~~

1 ~~(e)~~ This subdivision does not apply to customers of
2 interexchange carriers.

3 ~~(f)~~ (d) The installation and recurring charges for
4 integrating wireless 911 calls into enhanced 911 systems must be
5 paid by the commissioner if the 911 service provider is included
6 in the statewide design plan and the charges are made pursuant
7 to tariff, price list, or contract.

8 Sec. 11. Minnesota Statutes 2004, section 403.113,
9 subdivision 1, is amended to read:

10 Subdivision 1. [~~FEE GRANT.~~] ~~(a) Each-customer-receiving~~
11 ~~service-from-a-wireless-or-wire-line-telecommunications-service~~
12 ~~provider-is-assessed-a-fee~~ The commissioner shall budget for and
13 provide grants to PSAPs to fund implementation, operation,
14 maintenance, enhancement, and expansion of enhanced 911 service,
15 including acquisition of necessary equipment and the costs of
16 the commissioner to administer the program. ~~The-actual-fee~~
17 ~~assessed-under-section-403.11-and-the-enhanced-911-service-fee~~
18 ~~must-be-collected-as-one-amount-and-may-not-exceed-the-amount~~
19 ~~specified-in-section-403.11, subdivision 1, paragraph (c).~~

20 ~~(b) The-enhanced-911-service-fee-must-be-collected-and~~
21 ~~deposited-in-the-same-manner-as-the-fee-in-section-403.11-and~~
22 ~~used-solely-for-the-purposes-of-paragraph-(a)-and-subdivision-3.~~

23 ~~(c)~~ The commissioner, in consultation with counties and 911
24 system users, shall determine the amount of the enhanced 911
25 service fee grant. The fee grant must include at least ~~ten~~
26 cents-per-month the amount funded in fiscal year 2005 to be
27 distributed under subdivision 2. ~~The-commissioner-shall-inform~~
28 ~~wireless-and-wire-line-telecommunications-service-providers-that~~
29 ~~provide-service-capable-of-originating-a-911-emergency-telephone~~
30 ~~call-of-the-total-amount-of-the-911-service-fees-in-the-same~~
31 ~~manner-as-provided-in-section-403.11.~~

32 Sec. 12. Minnesota Statutes 2004, section 403.30,
33 subdivision 1, is amended to read:

34 Subdivision 1. [STANDING APPROPRIATION; COSTS COVERED.]
35 For each fiscal year beginning with the fiscal year commencing
36 July 1, 1997, the amount necessary to pay the following costs is

1 appropriated to the commissioner of public safety from the 911
2 emergency telecommunications service account established under
3 section 403.11:

4 (1) debt service costs and reserves for bonds issued
5 pursuant to section 403.27;

6 (2) repayment of the right-of-way acquisition loans;

7 (3) costs of design, construction, maintenance of, and
8 improvements to those elements of the first, second, and third
9 phases that support mutual aid communications and emergency
10 medical services;

11 (4) recurring charges for leased sites and equipment for
12 those elements of the first, second, and third phases that
13 support mutual aid and emergency medical communication services;
14 or

15 (5) aid to local units of government for sites and
16 equipment in support of mutual aid and emergency medical
17 communications services.

18 This appropriation shall be used to pay annual debt service
19 costs and reserves for bonds issued pursuant to section 403.27
20 prior to use of fee money to pay other costs eligible under this
21 subdivision. In no event shall the appropriation for each
22 fiscal year exceed an amount equal to ~~four-cents-a-month-for~~
23 ~~each-customer-access-line-or-other-basic-access-service,~~
24 ~~including-trunk-equivalents-as-designated-by-the-Public~~
25 ~~Utilities-Commission-for-access-charge-purposes-and-including~~
26 ~~cellular-and-other-nonwire-access-services,-in-the-fiscal~~
27 year 4/40 of the amount collected by the fiscal year 2005 911
28 fee. Beginning July 1, ~~2004~~ 2005, this amount will increase
29 to ~~13-cents-a-month~~ 13/40 of the amount collected by the fiscal
30 year 2005 911 fee.

31 Sec. 13. [REPEALER.]

32 (a) Minnesota Statutes 2004, section 237.69, subdivisions 5
33 and 17, are repealed.

34 (b) Laws 1999, chapter 125, section 4, as amended by Laws
35 2002, chapter 398, section 2, is repealed.

36 Sec. 14. [EFFECTIVE DATE.]

1 Sections 1 to 13 are effective the day following final
2 enactment."

3 Delete the title and insert:

4 "A bill for an act relating to telecommunications;
5 providing for a combined per number fee; amending Minnesota
6 Statutes 2004, sections 237.295, subdivisions 1, 2; 237.69,
7 subdivision 16, by adding a subdivision; 237.70, subdivisions 2,
8 5; 403.06, subdivision 1a; 403.11, subdivision 1; 403.113,
9 subdivision 1; 403.30, subdivision 1; proposing coding for new
10 law in Minnesota Statutes, chapters 237; 325F; repealing
11 Minnesota Statutes 2004, section 237.69, subdivisions 5, 17;
12 Laws 1999, chapter 125, section 4, as amended."

13 And when so amended that the bill be recommended to pass
14 and be referred to the full committee.

15
16 *Steve Kelley*
17 (Subcommittee Chair)

18 March 30, 2005.....
19 (Date of Subcommittee action)

Senators Ranum, Foley, McGinn, Kelley and Senjem introduced--
S.F. No. 1045: Referred to the Committee on Jobs, Energy and Community Development.

1 A bill for an act

2 relating to public safety; increasing 911 emergency
3 telecommunications service fee; imposing certain
4 restrictions on public subsidy to telephone companies
5 for providing 911 emergency telephone service;
6 increasing distribution to pay costs of public safety
7 answering points; authorizing sale of Metropolitan
8 Council bonds to implement phases two and three of the
9 800-MHz public safety radio system; providing for levy
10 of property taxes to secure payment of system
11 operating costs; appropriating money; amending
12 Minnesota Statutes 2004, sections 403.11, subdivisions
13 1, 3, 3a; 403.113, subdivision 1; 403.27, subdivisions
14 1, 3; 403.30, subdivisions 1, 3; 403.31, subdivision 6.

15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

16 Section 1. Minnesota Statutes 2004, section 403.11,
17 subdivision 1, is amended to read:

18 Subdivision 1. [EMERGENCY TELECOMMUNICATIONS SERVICE FEE.]

19 (a) Each customer of a wireless or wire-line telecommunications
20 service provider that furnishes service capable of originating a
21 911 emergency telephone call is assessed a fee to cover the
22 costs of ongoing maintenance and related improvements for
23 trunking and central office switching equipment for 911
24 emergency telecommunications service, plus administrative and
25 staffing costs of the commissioner related to managing the 911
26 emergency telecommunications service program. Recurring charges
27 by a wire-line telecommunications service provider for updating
28 the information required by section 403.07, subdivision 3, must
29 be paid by the commissioner if the wire-line telecommunications
30 service provider is included in an approved 911 plan and the

1 charges are made pursuant to ~~tariff, price-list, or~~ contract.
2 The fee assessed under this section must also be used for the
3 purpose of offsetting the costs, including administrative and
4 staffing costs, incurred by the State Patrol Division of the
5 Department of Public Safety in handling 911 emergency calls made
6 from wireless phones.

7 (b) Money remaining in the 911 emergency telecommunications
8 service account after all other obligations are paid must not
9 cancel and is carried forward to subsequent years and may be
10 appropriated from time to time to the commissioner to provide
11 financial assistance to counties for the improvement of local
12 emergency telecommunications services. The improvements may
13 include providing access to 911 service for telecommunications
14 service subscribers currently without access and upgrading
15 existing 911 service to include automatic number identification,
16 local location identification, automatic location
17 identification, and other improvements specified in revised
18 county 911 plans approved by the commissioner.

19 (c) The fee may not be less than eight cents nor more than
20 ~~40~~ 65 cents a month for each customer access line or other basic
21 access service, including trunk equivalents as designated by the
22 Public Utilities Commission for access charge purposes and
23 including wireless telecommunications services. With the
24 approval of the commissioner of finance, the commissioner of
25 public safety shall establish the amount of the fee within the
26 limits specified and inform the companies and carriers of the
27 amount to be collected. When the revenue bonds authorized under
28 section 403.27, subdivision 1, have been fully paid or defeased,
29 the commissioner shall reduce the fee to reflect that debt
30 service on the bonds is no longer needed. The commissioner
31 shall provide companies and carriers a minimum of 45 days'
32 notice of each fee change. The fee must be the same for all
33 customers.

34 (d) The fee must be collected by each wireless or wire-line
35 telecommunications service provider subject to the fee. Fees
36 are payable to and must be submitted to the commissioner monthly

1 before the 25th of each month following the month of collection,
2 except that fees may be submitted quarterly if less than \$250 a
3 month is due, or annually if less than \$25 a month is due.
4 Receipts must be deposited in the state treasury and credited to
5 a 911 emergency telecommunications service account in the
6 special revenue fund. The money in the account may only be used
7 for 911 telecommunications services.

8 (e) This subdivision does not apply to customers of
9 interexchange carriers.

10 (f) The installation and recurring charges for integrating
11 wireless 911 calls into enhanced 911 systems must be paid by the
12 commissioner if the 911 service provider is included in the
13 statewide design plan and the charges are made pursuant to
14 ~~tariff, price list, or~~ contract.

15 (g) Notwithstanding any provision of this chapter to the
16 contrary, the commissioner need not contract for or agree to pay
17 for any services that a wire-line or wireless telecommunication
18 service provider is required by federal law or federal
19 regulation to provide.

20 Sec. 2. Minnesota Statutes 2004, section 403.11,
21 subdivision 3, is amended to read:

22 Subd. 3. [METHOD OF PAYMENT.] (a) Any wireless or
23 wire-line telecommunications service provider incurring
24 reimbursable costs under subdivision 1 shall submit an invoice
25 itemizing rate elements by county or service area to the
26 commissioner for 911 services furnished under ~~tariff, price~~
27 ~~list, or~~ contract. Any wireless or wire-line telecommunications
28 service provider is eligible to receive payment for 911 services
29 rendered according to the terms and conditions specified in the
30 contract. Competitive local exchange carriers holding
31 certificates of authority from the Public Utilities Commission
32 are eligible to receive payment for recurring 911 services
33 provided after July 1, 2001. The commissioner shall pay the
34 invoice within 30 days following receipt of the invoice unless
35 the commissioner notifies the service provider that the
36 commissioner disputes the invoice.

1 (b) The commissioner shall estimate the amount required to
 2 reimburse wireless and wire-line telecommunications service
 3 providers for the state's obligations under subdivision 1 and
 4 the governor shall include the estimated amount in the biennial
 5 budget request.

6 Sec. 3. Minnesota Statutes 2004, section 403.11,
 7 subdivision 3a, is amended to read:

8 Subd. 3a. [TIMELY CERTIFICATION.] A certification must be
 9 submitted to the commissioner no later than two-years 90 days
 10 after commencing a new or additional eligible 911 service. Any
 11 ~~wireless-or-wire-line-telecommunications-service-provider~~
 12 ~~incurring-reimbursable-costs-under-this-section-at-any-time~~
 13 ~~before-January-17-2003,-may-certify-those-costs-for-payment-to~~
 14 ~~the-commissioner-according-to-this-section-for-a-period-of-90~~
 15 ~~days-after-January-17-2003.--During-this-period,-the~~
 16 ~~commissioner-shall-reimburse-any-wireless-or-wire-line~~
 17 ~~telecommunications-service-provider-for-approved,-certified~~
 18 ~~costs-without-regard-to-any-contrary-provision-of-this~~
 19 ~~subdivision~~ Each applicable contract must provide that, if
 20 certified expenses under the contract deviate from estimates in
 21 the contract by more than ten percent, the commissioner may
 22 reduce the level of service without incurring any termination
 23 fees.

24 Sec. 4. Minnesota Statutes 2004, section 403.113,
 25 subdivision 1, is amended to read:

26 Subdivision 1. [FEE.] (a) Each customer receiving service
 27 from a wireless or wire-line telecommunications service provider
 28 is assessed a fee to fund implementation, operation,
 29 maintenance, enhancement, and expansion of enhanced 911 service,
 30 including acquisition of necessary equipment and the costs of
 31 the commissioner to administer the program. The actual fee
 32 assessed under section 403.11 and the enhanced 911 service fee
 33 must be collected as one amount and may not exceed the amount
 34 specified in section 403.11, subdivision 1, paragraph (c).

35 (b) The enhanced 911 service fee must be collected and
 36 deposited in the same manner as the fee in section 403.11 and

1 used solely for the purposes of paragraph (a) and subdivision 3.

2 (c) The commissioner, in consultation with counties and 911
3 system users, shall determine the amount of the enhanced 911
4 service fee. The fee must include at least ten 20 cents per
5 month to be distributed under subdivision 2. If a greater
6 amount is appropriated, the greater amount must be distributed.

7 The commissioner shall inform wireless and wire-line
8 telecommunications service providers that provide service
9 capable of originating a 911 emergency telephone call of the
10 total amount of the 911 service fees in the same manner as
11 provided in section 403.11.

12 Sec. 5. Minnesota Statutes 2004, section 403.27,
13 subdivision 1, is amended to read:

14 Subdivision 1. [AUTHORIZATION.] (a) After consulting with
15 the commissioner of finance, the council, if requested by a vote
16 of at least two-thirds of all of the members of the Metropolitan
17 Radio Board, may, by resolution, authorize the issuance of its
18 revenue bonds for any of the following purposes to:

19 (1) provide funds for regionwide mutual aid and emergency
20 medical services communications;

21 (2) provide funds for the elements of the first phase of
22 the regionwide public safety radio communication system that the
23 board determines are of regionwide benefit and support mutual
24 aid and emergency medical services communication including, but
25 not limited to, costs of master controllers of the backbone;

26 (3) provide money for the second phase of the public safety
27 radio communication system;

28 (4) to the extent money is available after meeting the
29 needs described in clauses (1) to (3), provide money to
30 reimburse local units of government for amounts expended for
31 capital improvements to the first phase system previously paid
32 for by the local government units; or

33 (5) to the extent money is available after meeting the
34 needs described in clauses (1) to (4), provide money to
35 reimburse local units of government for up to 50 percent of the
36 cost of building a subsystem in the southeast or central

1 district of the State Patrol; or

2 (6) refund bonds issued under this section.

3 (b) After consulting with the commissioner of finance, the
4 council, if requested by a vote of at least two-thirds of all of
5 the members of the Statewide Radio Board, may, by resolution,
6 authorize the issuance of its revenue bonds to provide money for
7 the third phase of the public safety radio communication system.

8 Sec. 6. Minnesota Statutes 2004, section 403.27,
9 subdivision 3, is amended to read:

10 Subd. 3. [LIMITATIONS.] (a) The principal amount of the
11 bonds issued pursuant to subdivision 1, exclusive of any
12 original issue discount, shall not exceed the amount of
13 \$10,000,000 plus the amount the council determines necessary to
14 pay the costs of issuance, fund reserves, debt service, and pay
15 for any bond insurance or other credit enhancement.

16 (b) In addition to the amount authorized under paragraph
17 (a), the council may issue bonds under subdivision 1 in a
18 principal amount of \$3,306,300, plus the amount the council
19 determines necessary to pay the cost of issuance, fund reserves,
20 debt service, and any bond insurance or other credit
21 enhancement. The proceeds of bonds issued under this paragraph
22 may not be used to finance portable or subscriber radio sets.

23 (c) In addition to the amount authorized under paragraphs
24 (a) and (b), the council may issue bonds under subdivision 1 in
25 a principal amount of ~~\$18,000,000~~ \$8,000,000, plus the amount
26 the council determines necessary to pay the costs of issuance,
27 fund reserves, debt service, and any bond insurance or other
28 credit enhancement. The proceeds of bonds issued under this
29 paragraph must be used to pay up to 50 percent of the cost to a
30 local government unit of building a subsystem and may not be
31 used to finance portable or subscriber radio sets. The bond
32 proceeds may be used to make improvements to an existing 800-MHz
33 radio system that will interoperate with the regionwide public
34 safety radio communication system, provided that the
35 improvements conform to the board's plan and technical
36 standards. The council must time the sale and issuance of the

1 bonds so that the debt service on the bonds can be covered by
2 the ~~additional~~ revenue ~~that will become available in the fiscal~~
3 ~~year ending June 30, 2005~~, generated under section 403.11 and
4 appropriated under section 403.30.

5 (d) In addition to the amount authorized under paragraphs
6 (a) to (c), the council may issue bonds under subdivision 1 in a
7 principal amount of up to ~~\$27,000,000~~ \$44,000,000, plus the
8 amount the council determines necessary to pay the costs of
9 issuance, fund reserves, debt service, and any bond insurance or
10 other credit enhancement. The proceeds of bonds issued under
11 this paragraph are appropriated to the commissioner of public
12 safety for phase three of the public safety radio communication
13 system. In anticipation of the receipt by the commissioner of
14 public safety of the bond proceeds, the Metropolitan Radio Board
15 may advance money from its operating appropriation to the
16 commissioner of public safety to pay for design and preliminary
17 engineering for phase three. The commissioner of public safety
18 must return these amounts to the Metropolitan Radio Board when
19 the bond proceeds are received. The council must time the sale
20 and issuance of the bonds so that the debt service on the bonds
21 can be covered by the revenue generated under section 403.11 and
22 appropriated under section 403.30.

23 (e) In addition to the amount authorized under paragraphs
24 (a) to (d), the council may issue bonds under subdivision 1 in a
25 principal amount of up to \$9,500,000, plus the amount the
26 council determines necessary to pay the costs of issuance, fund
27 reserves, debt service, and any bond insurance or other credit
28 enhancement. The proceeds of bonds issued under this paragraph
29 are appropriated to the commissioner of public safety for the
30 purpose of subdivision 1, paragraph (a), clause (5), provided
31 that the proceeds may not be used to finance portable or
32 subscriber radio sets. The council must time the sale and
33 issuance of the bonds so that the debt service on the bonds can
34 be covered by the revenue generated under section 403.11 and
35 appropriated under section 403.30.

36 Sec. 7. Minnesota Statutes 2004, section 403.30,

1 subdivision 1, is amended to read:

2 Subdivision 1. [~~STANDING OPEN~~ APPROPRIATION; COSTS
3 COVERED.] ~~For each fiscal year beginning with the fiscal year~~
4 ~~commencing July 1, 1997,~~ The amount necessary to pay the
5 following costs is appropriated to the commissioner of public
6 safety from the 911 emergency telecommunications service account
7 established under section 403.11:

8 (1) debt service costs and reserves for bonds issued
9 pursuant to section 403.27;

10 (2) repayment of the right-of-way acquisition loans;

11 (3) costs of design, construction, maintenance of, and
12 improvements to those elements of the first, second, and third
13 phases that support mutual aid communications and emergency
14 medical communication services;

15 (4) recurring charges for leased sites and equipment for
16 those elements of the first, second, and third phases that
17 support mutual aid and emergency medical communication services;
18 or

19 (5) aid to local units of government for sites and
20 equipment in support of mutual aid and emergency medical
21 communications services.

22 A portion of this appropriation equal to 13 cents a month
23 for each customer access line or other basic access service,
24 including trunk equivalents as designated by the Public
25 Utilities Commission for access charge purposes and including
26 cellular and other nonwire access services, shall only be used
27 to pay annual debt service costs and fund reserves for bonds
28 issued pursuant to section 403.27 prior-to-use-of-fee-money-to
29 pay-other-costs-eligible-under-this-subdivision. In-no-event
30 shall The balance of this appropriation may be used to pay
31 annual debt service costs if the portion equal to 13 cents a
32 month is insufficient. If a direct appropriation for these
33 purposes is insufficient to pay all debt service as it comes
34 due, the commissioner shall notify the Committee on Finance of
35 the senate and the Committee on Ways and Means of the house of
36 representatives of the amount of the deficiency and shall then

1 pay the necessary amount under the open appropriation in this
2 subdivision.

3 Before each sale of bonds under section 403.27, the council
4 shall calculate the amount of debt service payments that will be
5 needed on bonds previously issued and shall estimate the amount
6 of debt service payments that will be needed on the bonds
7 scheduled to be sold. The council shall adjust the amount of
8 bonds scheduled to be sold so that the appropriation for each
9 fiscal year for the life of the bonds will not exceed an amount
10 equal to four 13 cents a month for each customer access line or
11 other basic access service, including trunk equivalents as
12 designated by the Public Utilities Commission for access charge
13 purposes and including cellular and other nonwire access
14 services, in the fiscal year, beginning July 1, 2004, this
15 amount will increase to 13 cents a month.

16 Sec. 8. Minnesota Statutes 2004, section 403.30,
17 subdivision 3, is amended to read:

18 Subd. 3. [MONTHLY APPROPRIATION TRANSFERS.] ~~Each month,~~
19 ~~before the 25th day of the month,~~ The commissioner shall
20 transmit to the Metropolitan Council ~~1/12 of its total approved~~
21 ~~appropriation for the regionwide public safety communication~~
22 ~~system~~ the amount needed to cover debt service costs and
23 reserves for bonds issued under section 403.27.

24 Sec. 9. Minnesota Statutes 2004, section 403.31,
25 subdivision 6, is amended to read:

26 Subd. 6. [OPERATING COSTS OF PHASES THREE TO SIX.] (a) The
27 ongoing costs of the commissioner in operating phases three to
28 six of the statewide public safety radio communication system
29 shall be allocated among and paid by the following users, all in
30 accordance with the statewide public safety radio communication
31 system plan developed by the planning committee under section
32 403.36:

33 (1) the state of Minnesota for its operations using the
34 system;

35 (2) all local government units using the system; and

36 (3) other eligible users of the system.

1 (b) Each local government and other eligible users of
 2 phases three to six of the system shall pay to the commissioner
 3 all sums charged under this section, at the times and in the
 4 manner determined by the commissioner. The governing body of
 5 each local government shall take all action that may be
 6 necessary to provide the funds required for these payments and
 7 to make the payments when due.

8 (c) If the governing body of any local government using
 9 phase three, four, five, or six of the system fails to meet any
 10 payment to the commissioner under this subdivision when due, the
 11 commissioner may certify to the auditor of the county in which
 12 the government unit is located the amount required for payment
 13 of the amount due with interest at six percent per year. The
 14 auditor shall levy and extend the amount due, with interest, as
 15 a tax upon all taxable property in the government unit for the
 16 next calendar year, free from any existing limitations imposed
 17 by law or charter. This tax shall be collected in the same
 18 manner as the general taxes of the government unit, and the
 19 proceeds of the tax, when collected, shall be paid by the county
 20 treasurer to the commissioner and credited to the government
 21 unit for which the tax was levied.

22 Sec. 10. [APPROPRIATION.]

23 The sums set forth in this section are appropriated from
 24 the 911 emergency telecommunications service account in the
 25 special revenue fund to the commissioner of public safety for
 26 the purposes indicated in this section, to be available for the
 27 fiscal year ending June 30 in the years indicated.

	<u>2006</u>	<u>2007</u>
29 <u>(a) Prior Year Obligations</u>	<u>\$3,442,000</u>	<u>\$3,064,000</u>

30 To fund a deficiency due to prior year
 31 obligations under Minnesota Statutes,
 32 section 403.11, that were estimated in
 33 the December 2004 911 fund statement to
 34 be \$6,504,700 on July 1, 2005. "Prior
 35 year obligations" means reimbursable
 36 costs under Minnesota Statutes, section
 37 403.11, subdivision 1, incurred under
 38 the terms and conditions of a contract
 39 with the state for a fiscal year
 40 preceding fiscal year 2004, that have
 41 been certified in a timely manner in
 42 accordance with Minnesota Statutes,

1 section 403.11, subdivision 3a, and
 2 that are not barred by statute of
 3 limitation or other defense. The
 4 appropriations needed for this purpose
 5 are estimated to be none in fiscal year
 6 2008 and thereafter.

7 (b) Public Safety Answering Points 6,884,000 7,087,000

8 To be distributed as provided in
 9 Minnesota Statutes, section 403.113,
 10 subdivision 2.

11 This appropriation may only be used for
 12 public safety answering points that
 13 have implemented phase two wireless
 14 enhanced 911 service or whose
 15 governmental agency has made a binding
 16 commitment to the commissioner of
 17 public safety to implement phase two
 18 wireless enhanced 911 service by
 19 January 1, 2008.

20 (c) Medical Resource
 21 Communication Centers 688,000 709,000

22 For grants to the Minnesota Emergency
 23 Medical Services Regulatory Board for
 24 the Metro East and Metro West Medical
 25 Resource Communication Centers that
 26 were in operation before January 1,
 27 2000.

28 Sec. 11. [EFFECTIVE DATE.]

29 Sections 1 to 10 are effective the day following final
 30 enactment and apply to contracts entered into on or after that
 31 date.

Senators Kelley, Anderson, Stumpf and Kubly introduced--

S.F. No. 1225: Referred to the Committee on Jobs, Energy and Community Development.

1 A bill for an act

2 relating to communications; creating a broadband
3 revolving loan fund; proposing coding for new law in
4 Minnesota Statutes, chapter 446A.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

6 Section 1. [446A.086] [BROADBAND REVOLVING LOAN FUND.]

7 Subdivision 1. [DEFINITIONS.] (a) The definitions in this
8 subdivision apply to this section.

9 (b) "Authority" means the Minnesota Public Facilities
10 Authority.

11 (c) "Broadband" means data telecommunication that is
12 delivered at a minimum speed of 100 megabits per second for
13 residential users and one gigabit per second for business and
14 institutional users.

15 (d) "Commissioner" means the commissioner of employment and
16 economic development.

17 (e) "Governmental unit" means a state agency, home rule
18 charter or statutory city, county, municipal utility, or other
19 governmental subdivision.

20 (f) "Loan" means financial assistance provided for all or
21 part of the cost of a project, including money disbursed in
22 anticipation of reimbursement or repayment, loan guarantees,
23 lines of credit, credit enhancements, equipment financing
24 leases, bond insurance, or other forms of financial assistance.

25 Subd. 2. [PURPOSE.] The purpose of the broadband revolving

1 loan fund is to provide loans for local communications
2 infrastructure, including any technology that can deliver
3 broadband to residential and institutional customers. The
4 technology that delivers broadband includes, but is not limited
5 to, fiber-optic cable, coaxial cable, copper wire, wireless
6 systems, satellite systems, and electrical lines.

7 Subd. 3. [ESTABLISHMENT OF FUND.] A broadband revolving
8 loan fund is established to make loans to government units for
9 the purposes described in subdivision 2.

10 Subd. 4. [ELIGIBLE PROJECTS.] Loans may be made only for
11 broadband infrastructure projects owned by a governmental unit
12 and approved by the commissioner. The provision of retail
13 broadband service to residential and institutional customers
14 must be provided by a private entity capable of providing retail
15 broadband services, including voice, video, and data services.
16 The retail broadband service provider must enter into a use
17 agreement with the governmental unit that owns the
18 infrastructure.

19 Subd. 5. [APPLICATIONS.] Applicants for loans must submit
20 an application to the authority on forms provided by the
21 authority. The applicant must provide the following information:

22 (1) the estimated cost of the project and the amount of the
23 loan sought;

24 (2) other possible sources of funding in addition to loans
25 sought from the broadband revolving loan fund;

26 (3) the proposed methods and sources of funds to be used
27 for repayment of loans received;

28 (4) information showing the financial status and ability of
29 the borrower to repay loans;

30 (5) information showing that the demand exists for
31 broadband services; and

32 (6) information showing the experience of the retail
33 broadband service provider.

34 Subd. 6. [CERTIFICATION OF PROJECTS.] The commissioner
35 shall consider the following information when evaluating
36 projects for funding by the authority:

- 1 (1) a description of the nature and purpose of the proposed
2 broadband project, including an explanation of the need for the
3 project and the reasons why it is in the public interest;
4 (2) the estimated cost of the project and the amount of
5 loans sought;
6 (3) proposed sources of funding in addition to loans sought
7 from the broadband revolving loan fund;
8 (4) the viability of the technology that will deliver the
9 broadband service; and
10 (5) the viability of the retail broadband service provider
11 that will provide retail broadband services using the
12 infrastructure.

- 13 Subd. 7. [LOAN CONDITIONS.] When making loans from the
14 broadband revolving loan fund, the authority shall engage in
15 prior consultation with the Department of Commerce. Loans must:
16 (1) bear interest at or below market rates;
17 (2) have a repayment term not longer than 15 years;
18 (3) be fully amortized no later than 15 years after project
19 completion; and
20 (4) be subject to repayment of principal and interest
21 beginning not later than three years after the infrastructure
22 financed with a loan has been completed.

- 23 Subd. 8. [OPEN ACCESS.] Access to the infrastructure
24 financed in whole or in part by a loan under this section must
25 be nonexclusive to a provider and open to all qualified
26 providers.

Senators Kelley, Ourada, Gaither, Kubly and Metzen introduced--

S.F. No. 1370: Referred to the Committee on Jobs, Energy and Community Development.

1 A bill for an act

2 relating to telecommunications; providing for
3 standardized provider contracts; proposing coding for
4 new law in Minnesota Statutes, chapter 237.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

6 Section 1. [237.82] [CONTRACT FOR THE PROVISION OF
7 SERVICE.]

8 Subdivision 1. [COMMISSION TO DEVELOP STANDARDS.] (a) By
9 July 1, 2006, the commission shall, by rule or order, develop
10 standards for contracts under which a service provider may
11 choose to offer service to Minnesota residential and business
12 customers. A contract under this section may be offered in lieu
13 of a tariff filed at the commission if a tariff would otherwise
14 be required under this chapter.

15 (b) For the purposes of this section, "service provider"
16 means a provider of real time, two-way voice service using
17 numbers allocated for Minnesota assigned by the North American
18 Numbering Plan Administration to interconnect with the public
19 switched telephone network.

20 Subd. 2. [CONSUMER PROTECTION REQUIREMENTS.] A contract
21 offered under this section must comply with all Minnesota laws
22 governing contracts and provide at least the following consumer
23 protections:

24 (1) detailed disclosure of the rates and terms of service,
25 including activation or initiation fees; monthly access fees or

1 base charges; any required contract term; early termination
2 fees; whether prices or benefits apply only for a limited time,
3 and if so, the fees or charges to be paid for the remainder of
4 the contract term; and whether any additional taxes, fees, or
5 surcharges apply;

6 (2) a trial period for new service and clear disclosure of
7 the terms and conditions of the trial period;

8 (3) confirmation by the customer of changes in material
9 terms and conditions of service and the customer's right to
10 terminate for those changes;

11 (4) a clear and separate identification of telephone
12 company charges from government-imposed taxes and fees on
13 billing statements;

14 (5) easy access to customer service;

15 (6) specific complaint resolution guidelines and a
16 prohibition of mandatory arbitration requirements;

17 (7) protection of the customer's personal information and
18 privacy; and

19 (8) compliance with the federal Communications Assistance
20 for Law Enforcement Act.

21 Subd. 3. [OTHER REQUIREMENTS.] In addition to the
22 requirements for the protection of consumers under subdivision
23 2, the contract must provide for reasonable and appropriate
24 contributions for the 911 emergency response system; the
25 telephone assistance plan and telecommunications access
26 Minnesota programs; and telecommunications regulatory fees, as
27 well as for reasonable intercarrier compensation and financial
28 support for the public switched telephone network.

29 Subd. 4. [ELECTION REQUIREMENTS AND REGULATORY
30 FORBEARANCE.] For each type of service provider that is subject
31 to this chapter, the commission's rule or order under this
32 section must specify the requirements under which that type of
33 provider may elect to offer service under a contract under this
34 section and the regulatory requirements under this chapter, such
35 as tariff filing and approval, for which the commission would
36 forbear from applying to service offered under the contract.

1 Subd. 5. [CONTRACT USE; VIOLATION.] (a) A specific
2 contract developed under subdivision 1 must be filed with the
3 commissioner of commerce ten days prior to being used by a
4 service provider to offer service under the contract. The
5 commissioner is initially responsible for resolving disputes
6 arising under contracts developed under this section, subject to
7 appeal to the commission.

8 (b) The commission shall rescind the ability of a service
9 provider to offer service under a contract pursuant to this
10 section upon a finding of a violation or violations of this
11 section or the contract, if the commission determines that doing
12 so is in the public interest.

1 A bill for an act

2 relating to telecommunication; charges after
3 cancellation; amending Minnesota Statutes 2004,
4 section 237.74, by adding a subdivision.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

6 Section 1. Minnesota Statutes 2004, section 237.74, is
7 amended by adding a subdivision to read:

8 Subd. 14. [CANCELLATION OF LONG DISTANCE SERVICE.] (a) A
9 telecommunications carrier providing long distance service may
10 not charge a customer for long distance service after the
11 customer has requested that carrier to cancel the customer's
12 long distance service.

13 (b) Notwithstanding the limitation on charges in paragraph
14 (a), if a customer with a fixed term contract requests that a
15 telecommunications carrier providing long distance service
16 cancel that customer's long distance service, the
17 telecommunications carrier may charge the customer for long
18 distance service until the end of the contract term but not
19 after the end of the contract term.

20 (c) A telecommunications carrier providing long distance
21 service may not require a customer to contact the customer's
22 local telephone service provider in order for the customer to
23 cancel long distance service with the carrier.

Senators Dibble and Kelley introduced--

S.F. No. 640: Referred to the Committee on Jobs, Energy and Community Development.

1 A bill for an act

2 relating to consumer protection; regulating the
3 creation and maintenance of wireless directory
4 assistance service databases; protecting consumer
5 privacy; proposing coding for new law in Minnesota
6 Statutes, chapter 325E.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

8 Section 1. [325E.317] [DEFINITIONS.]

9 Subdivision 1. [SCOPE.] For purposes of this section and
10 section 325E.318, the terms defined in subdivisions 2 to 7 have
11 the meanings given them.

12 Subd. 2. [CALLING PARTY'S IDENTITY.] "Calling party's
13 identity" means the telephone number of the calling party or the
14 name of the subscriber to the telephone, or an oral or text
15 message that provides sufficient information to enable a
16 commercial mobile services subscriber to determine who is
17 calling.

18 Subd. 3. [CURRENT SUBSCRIBER.] "Current subscriber" means
19 any subscriber to commercial mobile service as of the date when
20 a wireless directory assistance is implemented by a provider of
21 commercial mobile service.

22 Subd. 4. [NEW SUBSCRIBER.] "New subscriber" means any
23 subscriber to commercial mobile service who becomes a subscriber
24 after the date when a wireless directory assistance service is
25 implemented by a provider of commercial mobile service, and
26 includes any subscriber of a different provider of commercial

1 mobile service who subsequently switches to a new provider of
2 commercial mobile service.

3 Subd. 5. [UNLISTED COMMERCIAL MOBILE SERVICES
4 SUBSCRIBER.] "Unlisted commercial mobile services subscriber"
5 means:

6 (1) a current subscriber to commercial mobile services who
7 has not provided express prior consent to a commercial mobile
8 service provider to be included in a wireless directory
9 assistance service database; and

10 (2) a new subscriber to commercial mobile service who has
11 exercised the right contained in section 325E.318, subdivision
12 2, clause (2), to decline or refuse inclusion in a wireless
13 directory assistance database.

14 Subd. 6. [WIRELESS DIRECTORY ASSISTANCE
15 SERVICE.] "Wireless directory assistance service" means any
16 service for connecting calling parties to a subscriber of
17 commercial mobile service when the calling parties themselves do
18 not possess the subscriber's wireless telephone number
19 information.

20 Subd. 7. [WIRELESS TELEPHONE NUMBER
21 INFORMATION.] "Wireless telephone number information" means the
22 telephone number, electronic address, and any other identifying
23 information by which a calling party may reach a subscriber to
24 commercial mobile services, and which is assigned by a
25 commercial mobile service provider to the subscriber, and
26 includes the subscriber's name and address.

27 Sec. 2. [325E.318] [WIRELESS CONSUMER PRIVACY PROTECTION.]

28 Subdivision 1. [CURRENT SUBSCRIBERS.] A provider of
29 commercial mobile services, or any direct or indirect affiliate
30 or agent of a provider, may not include the wireless telephone
31 number information of any current subscriber in any wireless
32 directory assistance service database unless:

33 (1) the mobile service provider provides a conspicuous,
34 separate notice to the subscriber informing the subscriber of
35 the right not to be listed in any wireless directory assistance
36 service; and

1 (2) the mobile service provider obtains express prior
2 authorization for listing from the subscriber, separate from any
3 authorization obtained to provide the subscriber with commercial
4 mobile service, or any calling plan or service associated with
5 the commercial mobile service, and the authorization has not
6 been subsequently withdrawn.

7 Subd. 2. [NEW SUBSCRIBERS.] A provider of commercial
8 mobile services, or any direct or indirect affiliate or agent of
9 such a provider, may include the wireless telephone number
10 information of any new subscriber in a wireless directory
11 assistance service database only if the commercial mobile
12 service provider:

13 (1) provides a conspicuous, separate notice to the
14 subscriber, at the time of entering into an agreement to provide
15 commercial mobile service, and at least once a year thereafter,
16 informing the subscriber of the right not to be listed in any
17 wireless directory assistance service database; and

18 (2) provides the subscriber with convenient mechanisms by
19 which the subscriber may decline or refuse to participate in the
20 database, including mechanisms at the time of entering into an
21 agreement to provide commercial mobile service, in the billing
22 of the service, and when receiving any connected call from a
23 wireless directory assistance service.

24 Subd. 3. [CALL FORWARDING.] A provider of commercial
25 mobile services, or any direct or indirect affiliate or agent of
26 the provider, may connect a calling party from a wireless
27 directory assistance service to a commercial mobile service
28 subscriber only if:

29 (1) the subscriber is provided prior notice of the calling
30 party's identity and is permitted to accept or reject the
31 incoming call on a per call basis;

32 (2) the subscriber's wireless telephone number information
33 is not disclosed to the calling party; and

34 (3) the subscriber is not an unlisted commercial mobile
35 service subscriber.

36 Subd. 4. [PUBLICATION OF DIRECTORIES PROHIBITED.] A

1 provider of commercial mobile services, or any direct or
2 indirect affiliate or agent of a provider, may not publish, in
3 printed, electronic, or other form, the contents of any wireless
4 directory assistance service database, or any portion or segment
5 of it.

6 Subd. 5. [NO CONSUMER FEE FOR RETAINING PRIVACY.] A
7 provider of commercial mobile services may not charge any
8 subscriber for exercising any of the rights under this
9 subdivision.

Senators Kelley, Ourada, Anderson, Gaither and Sparks introduced--
S.F. No. 688: Referred to the Committee on Jobs, Energy and Community Development.

1 A bill for an act

2 relating to telecommunications; changing requirements
3 for granting additional cable franchises; amending
4 Minnesota Statutes 2004, section 238.08, subdivision
5 1, by adding a subdivision.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

7 Section 1. Minnesota Statutes 2004, section 238.08,
8 subdivision 1, is amended to read:

9 Subdivision 1. [REQUIREMENT; CONDITIONS.] (a) A
10 municipality or its franchise authority shall require a
11 franchise or extension permit of any cable communications system
12 providing service within the municipality.

13 (b) No municipality shall grant an additional franchise for
14 cable service for an area included in an existing franchise on
15 terms and conditions more favorable or less burdensome than
16 those in the existing franchise pertaining to ~~---(1)---the-area~~
17 ~~served;-(2)---public, educational, or governmental access~~
18 ~~requirements; or-(3) franchise fees. The provisions of this~~
19 ~~paragraph shall not apply when the area in which the additional~~
20 ~~franchise is being sought is not actually being served by any~~
21 ~~existing cable communications system holding a franchise for the~~
22 ~~area.---Nothing in this paragraph prevents a municipality from~~
23 ~~imposing additional terms and conditions on any additional~~
24 ~~franchises.~~ The grant of an additional franchise may include an
25 area for cable service similar to that in an existing franchise

1 or another area that the municipality or its franchise authority
2 determines is necessary or desirable to reasonably meet the
3 needs of the municipality or its franchise authority.
4 Additional franchises must be granted or rejected by a
5 municipality within 180 days of the notice of application being
6 published in a newspaper of general circulation unless the date
7 is extended by mutual agreement of the additional franchise
8 provider and municipality.

9 Sec. 2. Minnesota Statutes 2004, section 238.08, is
10 amended by adding a subdivision to read:

11 Subd. 1a. [LOCAL PUBLIC, EDUCATIONAL, AND GOVERNMENTAL
12 ACCESS CHANNELS.] (a) An additional franchise must ensure that
13 all subscribers receive local public, educational, and
14 governmental access channels within the additional franchise
15 provider's franchise area.

16 (b) An additional franchise must ensure that all
17 subscribers receive local public, educational, and governmental
18 access channels and local origination channels as specified in
19 the existing franchise, and on channels designated within the
20 existing franchise or actually used for the delivery of public,
21 educational, and governmental access and local origination. An
22 additional franchise provider must not be required to provide
23 any public, educational, and governmental access or local
24 origination channels not specified in an existing franchise or
25 in actual use for those purposes.

26 (c) An existing franchise provider must be required to
27 permit an additional franchise provider to connect with its
28 local public, educational, and governmental access and local
29 origination channel feeds and provide an additional franchise
30 provider with the programming on those channels. An additional
31 franchise provider and the existing franchise provider may
32 decide how to accomplish this connection, taking into
33 consideration the exact physical and technical circumstances of
34 the systems involved. An agreement must be negotiated between
35 the additional franchise provider and the existing franchise
36 provider specifying these requirements.

1 The additional franchise provider may proceed with
2 providing its services before public, educational, and
3 governmental access negotiations are completed. If the
4 additional franchise provider and existing franchise provider
5 cannot agree on how to accomplish this within three months from
6 the effective date of the granting of the additional franchise,
7 the municipality or its franchising authority may adopt a
8 resolution specifying these requirements. The costs of
9 connection to the existing franchise provider's public,
10 educational, and governmental access channel feed must be borne
11 by the additional franchise provider. The municipality or its
12 franchise authority may require that the connection occur on
13 government property or on public rights-of-way.

14 (d) An additional franchise provider shall make financial
15 contributions that are equivalent annually, on a per customer
16 basis, to the public, educational, and governmental access
17 services, facilities, and equipment provided or made available
18 by the existing franchise provider.

19 (e) For in-kind contributions, such as cameras and
20 production studios, an additional franchise provider may satisfy
21 its requirements by negotiating mutually agreeable terms with
22 the existing franchise provider and the municipality or its
23 franchise authority so that public, educational, and
24 governmental access and local origination services to the
25 community are improved or increased.

26 (f) An additional franchise provider must adjust its
27 systems to comply with new public, educational, and governmental
28 access and local origination obligations imposed by a cable
29 franchise renewal. The additional franchise provider must not,
30 however, be required to displace other programmers using its
31 system to accommodate public, educational, and governmental
32 access and local origination channels. The additional franchise
33 provider must comply with the public, educational, and
34 governmental access and local origination obligations whenever
35 additional capacity is or becomes available, whether it is due
36 to increased channel capacity or decreased demand for channel

1 capacity.

2 (g) A municipality or its franchising authority may not
3 impose public, educational, and governmental access or local
4 origination obligations on the additional franchise provider
5 that would exceed those imposed on the existing franchise
6 provider.

7 Sec. 3. [EFFECTIVE DATE.]

8 Sections 1 and 2 are effective the day following final
9 enactment.

Senators Dibble and Kelley introduced--

S.F. No. 1068: Referred to the Committee on Jobs, Energy and Community Development.

1 A bill for an act

2 relating to telecommunication; charges after

3 cancellation; amending Minnesota Statutes 2004,

4 section 237.74, by adding a subdivision.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

6 Section 1. Minnesota Statutes 2004, section 237.74, is

7 amended by adding a subdivision to read:

8 Subd. 14. [CANCELLATION OF LONG DISTANCE SERVICE.] (a) A

9 telecommunications carrier providing long distance service may

10 not charge a customer for long distance service after the

11 customer has requested that carrier to cancel the customer's

12 long distance service.

13 (b) Notwithstanding the limitation on charges in paragraph

14 (a), if a customer with a fixed term contract requests that a

15 telecommunications carrier providing long distance service

16 cancel that customer's long distance service, the

17 telecommunications carrier may charge the customer for long

18 distance service until the end of the contract term but not

19 after the end of the contract term.

20 (c) A telecommunications carrier providing long distance

21 service may not require a customer to contact the customer's

22 local telephone service provider in order for the customer to

23 cancel long distance service with the carrier.

Senators Neuville, Dibble and Bachmann introduced--
S.F. No. 1353: Referred to the Committee on Jobs, Energy & Community Development

1 A bill for an act

2 relating to consumer protection; regulating wireless
3 telephone directories; protecting consumer privacy;
4 proposing coding for new law in Minnesota Statutes,
5 chapter 325F.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

7 Section 1. [325F.6951] [DEFINITIONS.]

8 Subdivision 1. [CALLING PARTY'S IDENTITY.] "Calling
9 party's identity" means the telephone number of the calling
10 party or the name of the customer to the telephone, or an oral
11 or text message that provides sufficient information to enable a
12 wireless telecommunications services customer to determine who
13 is calling.

14 Subd. 2. [PROVIDER.] "Provider" means a provider of
15 wireless telecommunications services.

16 Subd. 3. [TELECOMMUNICATIONS
17 SERVICES.] "Telecommunications services" has the meaning given
18 in section 297A.61, subdivision 24, paragraph (a).

19 Subd. 4. [WIRELESS DIRECTORY ASSISTANCE
20 SERVICE.] "Wireless directory assistance service" means any
21 service for connecting calling parties to a wireless
22 telecommunications services customer when the calling parties
23 themselves do not possess the customer's wireless telephone
24 number information.

25 Subd. 5. [WIRELESS TELECOMMUNICATIONS SERVICES.] "Wireless

1 telecommunications services" has the meaning given in section
2 325F.695.

3 Subd. 6. [WIRELESS TELEPHONE DIRECTORY.] "Wireless
4 telephone directory" means a directory or database containing
5 wireless telephone number information or any other identifying
6 information by which a calling party may reach a wireless
7 telecommunications services customer.

8 Subd. 7. [WIRELESS TELEPHONE NUMBER
9 INFORMATION.] "Wireless telephone number information" means the
10 telephone number, electronic address, and any other identifying
11 information by which a calling party may reach a wireless
12 telecommunications services customer, which is assigned by a
13 provider to the customer and includes the customer's name and
14 address.

15 Sec. 2. [325F.6952] [WIRELESS TELEPHONE DIRECTORY.]

16 Subdivision 1. [NOTICE.] (a) A provider, or any direct or
17 indirect affiliate or agent of a provider, may not disclose,
18 provide, or sell a customer's wireless telephone information for
19 inclusion in a wireless telephone directory of any form, and may
20 not sell a wireless telephone directory containing a customer's
21 wireless telephone number information without first providing a
22 customer with a conspicuous, separate notice that unambiguously
23 discloses that:

24 (1) by providing prior express authorization, a customer
25 consents to allow a provider to sell the customer's wireless
26 telephone number information for inclusion in a wireless
27 telephone directory; and

28 (2) if permitted under the customer's contract with a
29 provider, the customer may be billed for receiving unsolicited
30 calls or text messaging.

31 (b) The notice must state that the customer has the right
32 not to be listed in any wireless telephone directory and that no
33 fee may be charged to a subscriber for choosing not to be listed.

34 (c) The provider must send the notice to all customers once
35 a year and to new customers within 30 days of the date of the
36 contract for wireless telecommunications services.

1 Subd. 2. [AUTHORIZATION.] (a) A provider, or any direct or
2 indirect affiliate or agent of a provider, may not disclose,
3 provide, or sell a customer's wireless telephone information for
4 inclusion in a wireless telephone directory of any form, and may
5 not sell a wireless telephone directory containing a customer's
6 wireless telephone number information without first receiving
7 prior express authorization from the customer.

8 (b) The customer must indicate in the authorization whether
9 only the customer's name and telephone number are authorized to
10 be included in a wireless telephone directory, or whether
11 additional information, including the customer's physical
12 address, e-mail address, ENUM, and any other identifying
13 information by which a calling party may reach a customer, is
14 also authorized to be included. For purposes of this paragraph,
15 "ENUM" means the technology that enables a user to store contact
16 information that can be accessed by another person through the
17 use of one telephone number.

18 (c) A provider meets the prior express authorization
19 requirement of this section only if it obtains a customer's
20 written authorization in the form of a letter of agency, a
21 customer's oral authorization verified by an independent third
22 party, or a copy of an e-mail notice of verification as
23 described in clause (3).

24 (1) If a provider obtains a customer's written
25 authorization in the form of a letter of agency, it must be a
26 separate or easily separable document. The sole purpose of the
27 letter of agency is to authorize the provider to provide the
28 customer's wireless telephone number information for inclusion
29 in a directory. The letter of agency must be clearly legible,
30 must contain clear and unambiguous language, and must be signed
31 and dated by the customer.

32 (2) A customer's oral authorization must be verified by an
33 independent third-party verifier. The verification is valid
34 only if:

35 (i) the independent third party confirms the customer's
36 identity with information unique to the customer, unless the

1 customer refuses, which fact must be noted; and

2 (ii) the independent third party informs the customer that
3 the customer is agreeing to authorize the provider to provide
4 the customer's wireless telephone number information for
5 inclusion in a wireless telephone directory, which may result in
6 additional billing to the customer for receiving unsolicited
7 calls or text messaging.

8 (3) If a customer enters a contract via the Internet with a
9 provider for wireless telephone service, the third-party service
10 provider must, within 48 hours of receiving the customer's
11 authorization, send the customer, via e-mail, a notice of
12 verification confirming the authorization.

13 (4) The provider shall maintain a record of the customer's
14 express authorization for the duration of the contract by
15 retaining a copy of the letter of agency, documentation of the
16 oral verification, or the notice of verification, as appropriate.

17 (d) A customer may revoke the express prior authorization
18 provided under this subdivision at any time by written
19 authorization, oral authorization verified by an independent
20 third-party verifier, or via the Internet, utilizing the
21 procedures in paragraph (c). A provider must comply with a
22 customer's request to revoke the customer's express prior
23 authorization within 60 days of the request.

24 Subd. 3. [EXCEPTIONS.] This section does not apply to the
25 provision of a customer's assigned wireless telephone number
26 information in order to implement a customer's request to
27 transfer the customer's assigned telephone number from the
28 customer's existing provider to a new telecommunications
29 services provider.

30 Sec. 3. [325F.6953] [CALL FORWARDING.]

31 A provider, or any direct or indirect affiliate or agent of
32 a provider, may connect a calling party from a wireless
33 directory assistance service to a customer who has given the
34 provider prior express authorization to provide the customer's
35 wireless telephone number information for inclusion in a
36 wireless telephone directory only if:

1 (1) the customer is provided prior notice of the calling
2 party's identity and is permitted to accept or reject the
3 incoming call on a per-call basis; and

4 (2) the customer's wireless telephone number information is
5 not disclosed to the calling party.

6 Sec. 4. [325F.6954] [NO FEE TO RETAIN PRIVACY.]

7 A provider may not charge a customer for exercising any of
8 the rights under sections 325F.6952 to 325F.6955.

9 Sec. 5. [325F.6955] [REMEDIES.]

10 A person found to have violated sections 325F.6952 to
11 325F.6954 is subject to the penalties and remedies as provided
12 in section 8.31, excluding a private right of action to recover
13 damages, as set forth in section 8.31, subdivision 3a.

14 Sec. 6. [EFFECTIVE DATE.]

15 Sections 1 to 5 are effective the day following final
16 enactment.

Senators Kelley, Ourada, Sparks and Gaither introduced--

S.F. No. 1540: Referred to the Committee on Jobs, Energy and Community Development.

1 A bill for an act

2 relating to telecommunications; providing for basic

3 services regulation of telephone companies; proposing

4 coding for new law in Minnesota Statutes, chapter 237.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

6 Section 1. [237.85] [DEFINITIONS.]

7 Subdivision 1. [SCOPE.] The definitions in this section

8 apply to sections 237.85 to 237.88.

9 Subd. 2. [BASIC SERVICES.] "Basic services" means one

10 unbundled, single line, unlimited usage, residential voice local

11 exchange telephone services or unbundled, single line, unlimited

12 usage, business voice local exchange telephone services. "Basic

13 services" does not include any state or federally authorized or

14 mandated services.

15 Subd. 3. [BASIC SERVICES REGULATED COMPANY.] "Basic

16 services regulated company" means a telephone company that

17 chooses to operate under basic service regulation under section

18 237.86.

19 Subd. 4. [COMMISSION.] "Commission" means the Public

20 Utilities Commission.

21 Subd. 5. [RETAIL.] "Retail" means provision of local

22 exchange service or interexchange telephone service, or both, to

23 an end user.

24 Sec. 2. [237.86] [BASIC SERVICES REGULATION.]

25 A form of alternative regulation known as "basic services

1 regulation" is available to a telephone company that provides
2 local exchange service in Minnesota. A telephone company may
3 opt into basic services regulation by giving the commission at
4 least 30 days written notice of its election. Under basic
5 services regulation a telephone company offering local exchange
6 telephone service must file tariffs for basic services. These
7 tariffs must be filed, initially, at least 30 days in advance to
8 become effective on the date the election becomes effective.

9 Sec. 3. [237.87] [COMMISSION AUTHORITY.]

10 (a) The commission has the following authority over a basic
11 services regulated company:

12 (1) receive and investigate complaints against telephone
13 companies to the extent the complaints relate to the authority
14 retained by the commission in this section;

15 (2) adopt necessary rules that are equally applicable to
16 all providers of telecommunications services that:

17 (i) require customer notice of tariff rate changes or
18 withdrawal of tariffed service offerings;

19 (ii) provide for disconnection of basic services customers
20 for nonpayment of local exchange service, late payment fees, and
21 deposits for customers, including the payment of interest on
22 customer deposits; and

23 (iii) establish service quality standards; and

24 (3) administer the telecommunications relay service and
25 telephone assistance plan, including the assessment to telephone
26 companies pursuant to sections 237.49, 237.50 to 237.56, and
27 237.69 to 237.711.

28 (b) Notwithstanding any other provision of law, basic
29 services regulation exempts all retail telephone services,
30 including their rates, types, and manner of offering, and
31 service quality, from the jurisdiction of the commission except
32 to the extent specifically provided in this section. The
33 commission retains all authority contained elsewhere in this
34 chapter.

35 Sec. 4. [237.88] [IMPLEMENTATION PROCEDURES; DUTIES.]

36 (a) A basic services regulated company must file and

1 maintain on file with the commission tariffs for its basic
2 services that contain service descriptions and the terms and
3 conditions, including rates, under which the services are
4 offered to the public. No telephone company or
5 telecommunications carrier is prohibited from offering customer
6 incentives of the type offered by other telephone companies,
7 telecommunications carriers, or providers of voice or data
8 services.

9 (b) A basic services regulated company offering local
10 exchange telephone service must tariff its monthly rates for
11 each basic service. The basic services regulated company must
12 provide its basic services at its current monthly tariffed
13 rates, except during any transition period described in this
14 section. A basic services regulated company may not increase
15 its rates for each basic service offering by more than 50 cents
16 per month per line during the first calendar year, or portion of
17 a year, it opts into basic services regulation. A basic
18 services regulated company may increase its rates by up to 50
19 cents per line per month for each of the following five calendar
20 years.

21 (c) After five years, the commission shall use the gross
22 domestic Product Price Index, as published by the federal
23 government, for an inflation measure to determine the amount a
24 basic services regulated telephone company may increase its
25 monthly per line prices for its basic service offerings. The
26 commission may adopt by rule a more current measure of inflation
27 for communications services.

28 (d) The initial rates for each basic service of a basic
29 service regulated company may not exceed the highest tariffed
30 rate in effect in its service territory for the corresponding
31 basic service prior to opting into basic service regulation.
32 The rates shall remain in effect for a minimum of one year from
33 its initial effective date. Any subsequent increases in the
34 rates may not be effective until a minimum of 12 months have
35 passed since any previous increase.

36 (e) Nothing in this section prohibits a telephone company

1 or a telecommunications carrier from decreasing its basic
2 service rates. A basic services regulated telephone company or
3 telecommunications carrier may subsequently increase rates, but
4 may not exceed the authorized transitional or inflation adjusted
5 monthly rates. Except as necessary to comply with this section,
6 no basic service may be priced below the total service long-run
7 incremental cost for the service.

8 Sec. 5. [EFFECTIVE DATE.]

9 Sections 1 to 4 are effective the day following final
10 enactment.

Senators Sparks, Rosen, Gaither, Metzen and Ourada introduced--

S.F. No. 1612: Referred to the Committee on Jobs, Energy and Community Development.

1 A bill for an act

2 relating to telecommunications; providing for basic
3 services regulation of telephone companies; proposing
4 coding for new law in Minnesota Statutes, chapter 237.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

6 Section 1. [237.85] [DEFINITIONS.]

7 Subdivision 1. [SCOPE.] The definitions in this section
8 apply to sections 237.85 to 237.88.

9 Subd. 2. [BASIC SERVICES.] "Basic services" means one or
10 more unbundled, single line, unlimited usage, residential voice
11 local exchange telephone services or unbundled, single line,
12 unlimited usage, business voice local exchange telephone
13 services.

14 Subd. 3. [COMMISSION.] "Commission" means the Public
15 Utilities Commission.

16 Subd. 4. [EXEMPT TELEPHONE COMPANY.] "Exempt telephone
17 company" means a local exchange carrier that elects to operate
18 under basic services regulation pursuant to section 237.86.

19 Subd. 5. [LOCAL EXCHANGE CARRIER.] "Local exchange carrier"
20 means an entity that holds a certificate of authority to furnish
21 local exchange service or interexchange telephone service, or
22 both, and that has an effective tariff on file with the
23 commission.

24 Subd. 6. [RETAIL.] "Retail" means provision of local
25 exchange service or interexchange telephone service, or both, to

1 an end user.

2 Sec. 2. [237.86] [BASIC SERVICES REGULATION.]

3 A form of alternative regulation known as "basic services
4 regulation" is available to a telephone company that has been
5 issued a certificate of authority by the commission. A
6 telephone company may opt into basic services regulation by
7 giving the commission at least 30 days written notice of its
8 election. Under basic services regulation an exempt telephone
9 company offering local exchange telephone service must file
10 tariffs for basic services. These tariffs must be filed,
11 initially, at least 30 days in advance to become effective on
12 the date the election becomes effective.

13 Sec. 3. [237.87] [COMMISSION AUTHORITY.]

14 (a) The commission has the following authority over exempt
15 telephone companies:

16 (1) receive and investigate complaints against telephone
17 companies to the extent the complaints relate to the authority
18 retained by the commission in this section;

19 (2) enforce the standards of network service necessary to
20 maintain the public health and safety by adopting rules setting
21 network performance standards equally applicable to all
22 telephone companies;

23 (3) enforce the emergency 911 technical network standards
24 by adopting rules equally applicable to all telephone companies;

25 (4) review new and revised tariffs, other than rates, filed
26 by exempt telephone companies to ensure that proposed tariffs
27 will not unreasonably affect any class of exempt telephone
28 company customers and to enforce those tariffs. Tariffs, other
29 than rates, on file with the commission prior to the telephone
30 company electing to become an exempt telephone company may be
31 adopted by the exempt telephone company without notice or review
32 by the commission. The commission must apply the same standard
33 of nonrate tariff review to all new entrant nonrate tariffs;

34 (5) adopt necessary rules that are equally applicable to
35 new entrants that:

36 (i) require customer notice of tariff rate changes or

1 withdrawal of tariffed service offerings; and

2 (ii) provide for disconnection of residential customers for
3 nonpayment of local exchange service, late payment fees, and
4 deposits for customers, including the payment of interest on
5 customer deposits;

6 (6) administer the telecommunications relay service and
7 telephone assistance plan, including the assessment to telephone
8 companies pursuant to sections 237.49, 237.50 to 237.56, and
9 237.69 to 237.711;

10 (7) enforce the Underground Utility Damage Prevention Act
11 pursuant to chapter 216D;

12 (8) enforce the provisions of law relating to rights-of-way
13 affecting telephone companies pursuant to sections 237.162 and
14 237.163;

15 (9) discharge the responsibilities of state commissions
16 under the federal Telecommunications Act of 1996, Public Law
17 104-104, and enforce its lawful orders; and

18 (10) retain authority to require a telephone company opting
19 into basic services regulation to furnish basic services to any
20 person, firm, or corporation in its service area desiring basic
21 services.

22 (b) Notwithstanding any other provision of law, basic
23 services regulation exempts all retail telephone services,
24 including their rates, types, and manner of offering, and
25 service quality, from the jurisdiction of the commission except
26 to the extent specifically provided in this section. The
27 commission has no jurisdiction over the affiliate transactions,
28 equity and debt financing, transfers, or other public utility
29 operations of an exempt telephone company except to the extent
30 specifically permitted in this section. Small telephone
31 companies under section 237.773 are not subject to basic service
32 regulation.

33 Sec. 4. [237.88] [TELEPHONE COMPANY IMPLEMENTATION
34 PROCEDURES; DUTIES.]

35 (a) An exempt telephone company must file and maintain on
36 file with the commission tariffs for its basic services that

1 contain service descriptions and the terms and conditions,
2 including rates, under which the services are offered to the
3 public.

4 (b) An exempt telephone company must also file and maintain
5 on file with the commission tariffs for the network components
6 of its enhanced 911 services that contain terms and conditions,
7 including rates under which services are offered to the public.

8 (c) An exempt telephone company must file and maintain on
9 file with the commission tariffs for extended area local calling
10 rates implemented previously. An exempt telephone company may,
11 at its option, continue to file tariffs for its nonbasic
12 telephone services. Any nonbasic services tariffs filed must
13 contain service descriptions and the terms and conditions,
14 including rates, under which the services are offered to the
15 public. An exempt telephone company filing tariffs for nonbasic
16 services must offer these tariffed telephone services where
17 available throughout its service area at that tariffed rate.
18 However, an exempt telephone company may offer nonbasic services
19 under special promotions and optional customer agreements that
20 contain terms and conditions, including rates that vary from any
21 tariffed terms and conditions.

22 (d) An exempt telephone company must provide basic services
23 at a month tariffed rate where available throughout its service
24 area, except during any transition period described in section
25 237.86.

26 Sec. 5. [EFFECTIVE DATE.]

27 Sections 1 to 4 are effective the day following final
28 enactment.

1 A bill for an act

2 relating to telecommunications; providing for a
3 combined per number fee; amending Minnesota Statutes
4 2004, sections 237.295, subdivisions 1, 2; 237.69,
5 subdivision 16, by adding a subdivision; 237.70,
6 subdivisions 2, 5; 237.701, subdivision 1; 403.06,
7 subdivision 1a; 403.11, subdivision 1; 403.113,
8 subdivision 1; 403.30, subdivision 1; proposing coding
9 for new law in Minnesota Statutes, chapters 237; 325F;
10 repealing Minnesota Statutes 2004, section 237.69,
11 subdivisions 5, 17; Laws 1999, chapter 125, section 4,
12 as amended.

13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

14 Section 1. Minnesota Statutes 2004, section 237.295,
15 subdivision 1, is amended to read:

16 Subdivision 1. [~~PAYMENT-FOR-INVESTIGATION FILING FEE FOR~~
17 NEW AUTHORITY.] ~~(a)-Whenever-the-department-or-commission,-in-a~~
18 ~~proceeding-upon-its-own-motion,-on-complaint,-or-upon-an~~
19 ~~application-to-it,-considers-it-necessary,-in-order-to-carry-out~~
20 ~~the-duties-imposed-on-it,-to-investigate-the-books,-accounts,-~~
21 ~~practices,-and-activities-of-any-company,-parties-to-the~~
22 ~~proceeding-shall-pay-the-expenses-reasonably-attributable-to-the~~
23 ~~proceeding.--The-department-and-commission-shall-ascertain-the~~
24 ~~expenses,-and-the-department-shall-render-a-bill-for-those~~
25 ~~expenses-to-the-parties,-at-the-conclusion-of-the-proceeding.-~~
26 ~~The-department-is-authorized-to-submit-billings-to-parties-at~~
27 ~~intervals-selected-by-the-department-during-the-course-of-a~~
28 ~~proceeding.-~~

29 ~~(b)-The-allocation-of-costs-may-be-adjusted-for-cause-by~~

1 the-commission-during-the-course-of-the-proceeding, or-upon-the
2 closing-of-the-docket-and-issuance-of-an-order.--In-addition-to
3 the-rights-granted-in-subdivision-3, parties-to-a-proceeding-may
4 object-to-the-allocation-at-any-time-during-the-proceeding.
5 Withdrawal-by-a-party-to-a-proceeding-does-not-absolve-the-party
6 from-paying-allocated-costs-as-determined-by-the-commission.
7 The-commission-may-decide-that-a-party-should-not-pay-any
8 allocated-costs-of-the-proceeding.

9 (c)-The-bill-constitutes-notice-of-the-assessment-and-a
10 demand-for-payment.--The-amount-of-the-bills-assessed-by-the
11 department-under-this-subdivision-must-be-paid-by-the-parties
12 into-the-state-treasury-within-30-days-from-the-date-of
13 assessment.--The-total-amount, in-a-calendar-year, for-which-a
14 telephone-company-may-become-liable, by-reason-of-costs-incurred
15 by-the-department-and-commission-within-that-calendar-year, may
16 not-exceed-two-fifths-of-one-percent-of-the-gross-jurisdictional
17 operating-revenue-of-the-telephone-company-in-the-last-preceding
18 calendar-year.--Direct-charges-may-be-assessed-without-regard-to
19 this-limitation-until-the-gross-jurisdictional-operating-revenue
20 of-the-telephone-company-for-the-preceding-calendar-year-has
21 been-reported-for-the-first-time.--Where, under-this
22 subdivision, costs-are-incurred-within-a-calendar-year-that-are
23 in-excess-of-two-fifths-of-one-percent-of-the-gross
24 jurisdictional-operating-revenues, the-excess-costs-are-not
25 chargeable-as-part-of-the-remainder-under-subdivision-2.

26 (d)-Except-as-otherwise-provided-in-paragraph-(e), for
27 purposes-of-assessing-the-cost-of-a-proceeding-to-a-party,
28 "party"-means-any-entity-or-group-subject-to-the-laws-and-rules
29 of-this-state, however-organized, whether-public-or-private,
30 whether-domestic-or-foreign, whether-for-profit-or-nonprofit,
31 and-whether-natural, corporate, or-political, such-as-a-business
32 or-commercial-enterprise-organized-as-any-type-or-combination-of
33 corporation, limited-liability-company, partnership, limited
34 liability-partnership, proprietorship, association, cooperative,
35 joint-venture, carrier, or-utility, and-any-successor-or
36 assignee-of-any-of-them, a-social-or-charitable-organization,

~~1 and-any-type-or-combination-of-political-subdivision, which
2 includes-the-executive, judicial, or-legislative-branch-of-the
3 state, a-local-government-unit, an-agency-of-the-state-or-a
4 local-government-unit, or-a-combination-of-any-of-them.~~

~~5 (e)-For-assessment-and-billing-purposes, "party" does-not
6 include-the-Department-of-Commerce-or-the-Residential-Utilities
7 Division-of-the-Office-of-Attorney-General, any-entity-or-group
8 instituted-primarily-for-the-purpose-of-mutual-help-and-not
9 conducted-for-profit, intervenors-awarded-compensation-under
10 section-237.075, subdivision-10, or-any-individual-or-group-or
11 counsel-for-the-individual-or-group-representing-the-interests
12 of-end-users-or-classes-of-end-users-of-services-provided-by
13 telephone-companies-or-telecommunications-carriers, as
14 determined-by-the-commission~~ An application for a new authority
15 must be accompanied by a payment not to exceed \$2,000 as
16 determined by the Public Utilities Commission. This fee will be
17 reviewed annually and adjusted accordingly.

18 Sec. 2. Minnesota Statutes 2004, section 237.295,
19 subdivision 2, is amended to read:

20 Subd. 2. [ASSESSMENT OF COSTS.] The department and
21 commission shall quarterly, at least 30 days before the start of
22 each quarter, estimate the total of their expenditures in the
23 performance of their duties relating to telephone companies,
24 other than amounts chargeable to telephone companies under
25 subdivision 1, 5, or 6. The remainder must be assessed by the
26 department to the telephone companies operating in this state in
27 proportion to their respective gross jurisdictional operating
28 revenues during the last calendar year. The assessment must be
29 paid into the state treasury within 30 days after the bill has
30 been mailed to the telephone companies. The bill constitutes
31 notice of the assessment and demand of payment. ~~The-total~~
32 ~~amount-that-may-be-assessed-to-the-telephone-companies-under~~
33 ~~this-subdivision-may-not-exceed-one-eighth-of-one-percent-of-the~~
34 ~~total-gross-jurisdictional-operating-revenues-during-the~~
35 ~~calendar-year.~~ The assessment for the third quarter of each
36 fiscal year must be adjusted to compensate for the amount by

1 which actual expenditures by the commission and department for
2 the preceding fiscal year were more or less than the estimated
3 expenditures previously assessed. A telephone company with
4 gross jurisdictional operating revenues of less than \$5,000 is
5 exempt from assessments under this subdivision.

6 Sec. 3. [237.491] [COMBINED PER NUMBER FEE.]

7 Subdivision 1. [DEFINITIONS.] (a) The definitions in this
8 subdivision apply to this section.

9 (b) "911 emergency and public safety communications program"
10 means the program governed by chapter 403.

11 (c) "Service provider" means a provider doing business in
12 Minnesota who provides real time, two-way voice service with a
13 Minnesota telephone number. "Minnesota telephone number" means
14 a ten-digit telephone number being used to connect to the public
15 switched telephone network and starting with area code 651, 612,
16 763, 952, 320, 218, or 507, or any subsequent area code assigned
17 to Minnesota.

18 (d) "Telecommunications access Minnesota program" means the
19 program governed by sections 237.50 to 237.55.

20 (e) "Telephone assistance program" means the program
21 governed by sections 237.69 to 237.711.

22 Subd. 2. [PER NUMBER FEE.] (a) By July 1, 2006, the Public
23 Utilities Commission shall establish a fee that applies to each
24 service provider based upon the number of Minnesota telephone
25 numbers in use by current customers of the service provider.
26 The fee must be set at a level calculated to generate only the
27 amount of revenue necessary to fund:

28 (1) the telephone assistance program and the
29 telecommunications access Minnesota program at the levels
30 established by the commission under sections 237.52, subdivision
31 2, and 237.70; and

32 (2) the 911 emergency and public safety communications
33 program at the levels certified by the commissioner of public
34 safety for purposes of sections 403.11, 403.113, 403.27, 403.30,
35 and 403.31 for current fiscal years.

36 (b) Notwithstanding any law to the contrary, the Public

1 Utilities Commission shall, by order, establish the procedures
2 by which each service provider, to the extent allowed under
3 federal law, shall collect and remit the fee proceeds to the
4 Department of Revenue. The commissioner of revenue shall
5 allocate the fee proceeds to the three funding areas in
6 paragraph (a) and shall deposit the allocations into the
7 appropriate accounts.

8 (c) The per access line fee used to collect revenues to
9 support the TAP, TAM, and 911 programs shall remain in effect
10 until replaced by the per telephone number fee.

11 Sec. 4. Minnesota Statutes 2004, section 237.69,
12 subdivision 16, is amended to read:

13 Subd. 16. [TELEPHONE ASSISTANCE PLAN.] "Telephone
14 assistance plan" means the plan to be adopted by the commission
15 and to be jointly administered by the commission, the Department
16 of Human-Services, ~~and the telephone companies~~ Commerce, and the
17 local service providers, as required by sections 237.69 to
18 237.711.

19 Sec. 5. Minnesota Statutes 2004, section 237.69, is
20 amended by adding a subdivision to read:

21 Subd. 18. [LOCAL SERVICE PROVIDER.] "Local service
22 provider" means:

23 (1) a telephone company or telecommunications carrier
24 providing local service in Minnesota pursuant to a certificate
25 of authority granted by the commission; or

26 (2) a commercial mobile radio service (CMRS) provider,
27 personal communications services (PCS) provider, or other
28 wireless provider offering the functional equivalent of CMRS or
29 PCS in Minnesota, which has been designated by the commission as
30 an eligible telecommunications carrier in Minnesota pursuant to
31 United States Code, title 47, section 214, and relevant federal
32 regulations.

33 Sec. 6. Minnesota Statutes 2004, section 237.70,
34 subdivision 2, is amended to read:

35 Subd. 2. [SCOPE.] The telephone assistance plan must be
36 statewide and apply to local service providers that provide

1 ~~local-exchange~~ service in Minnesota.

2 Sec. 7. Minnesota Statutes 2004, section 237.70,
3 subdivision 5, is amended to read:

4 Subd. 5. [NATURE AND EXTENT OF CREDITS.] The telephone
5 assistance plan may provide for telephone assistance credits to
6 eligible households up to the amounts available under the
7 federal matching plan. However, the credits available under the
8 telephone assistance plan may not exceed:

9 (1) more than 50 percent of the local exchange rate charged
10 for the local exchange service provided to the household by that
11 household's local service provider; and

12 (2) the level of credits that can actually be funded in
13 accordance with the limitations contained in subdivision 6.

14 Sec. 8. Minnesota Statutes 2004, section 237.701,
15 subdivision 1, is amended to read:

16 Subdivision 1. [FUND CREATED; AUTHORIZED EXPENDITURES.]
17 The telephone assistance fund is created as a separate account
18 in the state treasury to consist of amounts received by the
19 commissioner of public safety representing the surcharge
20 authorized by section 237.70, subdivision 6, and amounts earned
21 on the fund assets. Money in the fund may be used only for:

22 (1) reimbursement to local service providers for expenses
23 and credits allowed in section 237.70, subdivision 7, paragraph
24 (d), clause (5);

25 (2) reimbursement of the reasonable administrative expenses
26 of the commission not-to-exceed-\$25,000-annually, a portion of
27 which may be used for periodic promotional activities,
28 including, but not limited to, radio or newspaper
29 advertisements, to inform eligible households of the
30 availability of the telephone assistance program; and

31 (3) reimbursement of the statewide indirect cost of the
32 commission.

33 Sec. 9. [325F.991] [911 EMERGENCY PHONE SERVICE
34 REPRESENTATIONS.]

35 Subdivision 1. [DEFINITIONS.] For purposes of this
36 section, the terms defined in this subdivision have the meanings

1 given them.

2 (a) "911 emergency telecommunications system" means a
3 dedicated emergency telecommunications system required by
4 section 403.025.

5 (b) "Person" means an individual, corporation, firm, or
6 other legal entity.

7 (c) "Service provider" means a person doing business in
8 Minnesota who provides real time, two-way voice service
9 interconnected with the public switched telephone network using
10 numbers allocated for Minnesota by the North American Numbering
11 Plan Administration.

12 Subd. 2. [REPRESENTATIONS OF 911 SERVICE.] A person shall
13 not advertise, market, or otherwise represent that the person
14 furnishes a service capable of providing access to emergency
15 services by dialing 911 unless the person provides a service
16 that routes 911 calls through the 911 emergency
17 telecommunications system.

18 Subd. 3. [DISCLOSURE.] A service provider that does not
19 provide 911 dialing that routes 911 calls through the 911
20 emergency telecommunications system must disclose that fact in
21 all advertisements, marketing materials, and contracts. The
22 disclosure must be in capital letters, in 12-point font, and on
23 the front page of the advertisement, marketing materials, and
24 contracts. The disclosure must state: "THIS SERVICE DOES NOT
25 ROUTE 911 CALLS THROUGH THE 911 EMERGENCY SYSTEM."

26 Subd. 4. [CERTAIN CALLS NOT 911 CALLS.] For purposes of
27 this section, 911 calls routed to the general access number at a
28 public safety answering point do not qualify as being routed
29 through a 911 emergency telecommunications system.

30 Sec. 10. Minnesota Statutes 2004, section 403.06,
31 subdivision 1a, is amended to read:

32 Subd. 1a. [BIENNIAL BUDGET; ANNUAL FINANCIAL REPORT.] The
33 commissioner shall prepare a biennial budget for maintaining the
34 911 system. By December 15 of each year, the commissioner shall
35 submit a report to the legislature detailing the expenditures
36 for maintaining the 911 system, the 911 fees collected deposited

1 by the Department of Revenue, the balance of the 911 fund, and
2 the 911-related administrative expenses of the commissioner.
3 The commissioner is authorized to expend money that has been
4 appropriated to pay for the maintenance, enhancements, and
5 expansion of the 911 system.

6 Sec. 11. Minnesota Statutes 2004, section 403.11,
7 subdivision 1, is amended to read:

8 Subdivision 1. [EMERGENCY TELECOMMUNICATIONS SERVICE FEE.]

9 (a) Each customer of a wireless or wire-line telecommunications
10 service provider that furnishes service capable of originating a
11 911 emergency telephone call is assessed a fee under section
12 237.491 to cover the costs of ongoing maintenance and related
13 improvements for trunking and central office switching equipment
14 for 911 emergency telecommunications service, plus
15 administrative and staffing costs of the commissioner related to
16 managing the 911 emergency telecommunications service program.
17 Recurring charges by a wire-line telecommunications service
18 provider for updating the information required by section
19 403.07, subdivision 3, must be paid by the commissioner if the
20 wire-line telecommunications service provider is included in an
21 approved 911 plan and the charges are made pursuant to tariff,
22 price list, or contract. A portion of the fee assessed under
23 this section 237.491 must also be used for the purpose of
24 offsetting the costs, including administrative and staffing
25 costs, incurred by the State Patrol Division of the Department
26 of Public Safety in handling 911 emergency calls made from
27 wireless phones.

28 (b) Money remaining in the 911 emergency telecommunications
29 service account after all other obligations are paid must not
30 cancel and is carried forward to subsequent years and may be
31 appropriated from time to time to the commissioner to provide
32 financial assistance to counties for the improvement of local
33 emergency telecommunications services. The improvements may
34 include providing access to 911 service for telecommunications
35 service subscribers currently without access and upgrading
36 existing 911 service to include automatic number identification,

1 local location identification, automatic location
2 identification, and other improvements specified in revised
3 county 911 plans approved by the commissioner.

4 ~~(c) The fee may not be less than eight cents nor more than~~
5 ~~40 cents a month for each customer access line or other basic~~
6 ~~access service, including trunk equivalents as designated by the~~
7 ~~Public Utilities Commission for access charge purposes and~~
8 ~~including wireless telecommunications services. With the~~
9 ~~approval of the commissioner of finance, the commissioner of~~
10 ~~public safety shall establish the amount of the fee within the~~
11 ~~limits specified and inform the companies and carriers of the~~
12 ~~amount to be collected. When the revenue bonds authorized under~~
13 ~~section 403.27, subdivision 1, have been fully paid or defeased,~~
14 ~~the commissioner shall reduce the fee to reflect that debt~~
15 ~~service on the bonds is no longer needed. The commissioner~~
16 ~~shall provide companies and carriers a minimum of 45 days~~
17 ~~notice of each fee change. The fee must be the same for all~~
18 ~~customers.~~

19 ~~(d) The fee must be collected by each wireless or wire-line~~
20 ~~telecommunications service provider subject to the fee. Fees~~
21 ~~are payable to and must be submitted to the commissioner monthly~~
22 ~~before the 25th of each month following the month of collection,~~
23 ~~except that fees may be submitted quarterly if less than \$250 a~~
24 ~~month is due, or annually if less than \$25 a month is due.~~
25 ~~Receipts must be deposited in the state treasury and credited to~~
26 ~~a 911 emergency telecommunications service account in the~~
27 ~~special revenue fund. The money in the account may only be used~~
28 ~~for 911 telecommunications services.~~

29 ~~(e) This subdivision does not apply to customers of~~
30 ~~interexchange carriers.~~

31 ~~(f) (d) The installation and recurring charges for~~
32 ~~integrating wireless 911 calls into enhanced 911 systems must be~~
33 ~~paid by the commissioner if the 911 service provider is included~~
34 ~~in the statewide design plan and the charges are made pursuant~~
35 ~~to tariff, price list, or contract.~~

36 Sec. 12. Minnesota Statutes 2004, section 403.113,

1 subdivision 1, is amended to read:

2 Subdivision 1. [~~FEE GRANT.~~] (a) ~~Each customer receiving~~
3 ~~service from a wireless or wire-line telecommunications service~~
4 ~~provider is assessed a fee~~ The commissioner shall budget for and
5 provide grants to PSAPs to fund implementation, operation,
6 maintenance, enhancement, and expansion of enhanced 911 service,
7 including acquisition of necessary equipment and the costs of
8 the commissioner to administer the program. ~~The actual fee~~
9 ~~assessed under section 403.11 and the enhanced 911 service fee~~
10 ~~must be collected as one amount and may not exceed the amount~~
11 ~~specified in section 403.11, subdivision 1, paragraph (c).~~

12 (b) ~~The enhanced 911 service fee must be collected and~~
13 ~~deposited in the same manner as the fee in section 403.11 and~~
14 ~~used solely for the purposes of paragraph (a) and subdivision 3.~~

15 (c) The commissioner, in consultation with counties and 911
16 system users, shall determine the amount of the enhanced 911
17 service fee grant. The fee grant must include at least ten
18 cents per month the amount funded in fiscal year 2005 to be
19 distributed under subdivision 2. ~~The commissioner shall inform~~
20 ~~wireless and wire-line telecommunications service providers that~~
21 ~~provide service capable of originating a 911 emergency telephone~~
22 ~~call of the total amount of the 911 service fees in the same~~
23 ~~manner as provided in section 403.11.~~

24 Sec. 13. Minnesota Statutes 2004, section 403.30,
25 subdivision 1, is amended to read:

26 Subdivision 1. [STANDING APPROPRIATION; COSTS COVERED.]
27 For each fiscal year beginning with the fiscal year commencing
28 July 1, 1997, the amount necessary to pay the following costs is
29 appropriated to the commissioner of public safety from the 911
30 emergency telecommunications service account established under
31 section 403.11:

32 (1) debt service costs and reserves for bonds issued
33 pursuant to section 403.27;

34 (2) repayment of the right-of-way acquisition loans;

35 (3) costs of design, construction, maintenance of, and
36 improvements to those elements of the first, second, and third

1 phases that support mutual aid communications and emergency
2 medical services;

3 (4) recurring charges for leased sites and equipment for
4 those elements of the first, second, and third phases that
5 support mutual aid and emergency medical communication services;
6 or

7 (5) aid to local units of government for sites and
8 equipment in support of mutual aid and emergency medical
9 communications services.

10 This appropriation shall be used to pay annual debt service
11 costs and reserves for bonds issued pursuant to section 403.27
12 prior to use of fee money to pay other costs eligible under this
13 subdivision. In no event shall the appropriation for each
14 fiscal year exceed an amount equal to ~~four-cents-a-month-for~~
15 ~~each-customer-access-line-or-other-basic-access-service,~~
16 ~~including-trunk-equivalents-as-designated-by-the-Public~~
17 ~~Utilities-Commission-for-access-charge-purposes-and-including~~
18 ~~cellular-and-other-nonwire-access-services,-in-the-fiscal~~
19 year 4/40 of the amount collected by the fiscal year 2005 911
20 fee. Beginning July 1, ~~2004~~ 2005, this amount will increase
21 to ~~13-cents-a-month~~ 13/40 of the amount collected by the fiscal
22 year 2005 911 fee.

23 Sec. 14. [REPEALER.]

24 (a) Minnesota Statutes 2004, section 237.69, subdivisions 5
25 and 17, are repealed.

26 (b) Laws 1999, chapter 125, section 4, as amended by Laws
27 2002, chapter 398, section 7, is repealed.

28 Sec. 15. [EFFECTIVE DATE.]

29 Sections 1 to 14 are effective the day following final
30 enactment.

APPENDIX
Repealed Minnesota Statutes for S1647-1

237.69 TELEPHONE ASSISTANCE PLAN; DEFINITIONS.

Subd. 5. **Access line.** "Access line" means telephone company-owned facilities furnished to permit switched access to the telecommunications network that extend from a central office to the demarcation point on the property where the subscriber is served. The term includes access lines provided to residential and business subscribers, includes centrex access lines on a trunk-equivalent basis, but does not include private nonswitched or wide area telephone service access lines.

Subd. 17. **Telephone company.** "Telephone company" has the meanings given it in section 237.01, subdivisions 3 and 7, that provides local exchange telephone service.

Senators Anderson, Rosen, Kelley and Gaither introduced--

S.F. No. 1647: Referred to the Committee on Jobs, Energy and Community Development.

2

1 A bill for an act
2 relating to telecommunications; providing for a
3 combined per number fee; amending Minnesota Statutes
4 2004, section 403.11, subdivision 1; proposing coding
5 for new law in Minnesota Statutes, chapter 237;
6 repealing Minnesota Statutes 2004, sections 237.295,
7 subdivisions 1, 2, 3, 4; 237.49; 237.52, subdivisions
8 2, 3; 237.70, subdivision 6; 403.113, subdivision 1.
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
10 Section 1. [237.491] [COMBINED PER NUMBER FEE.]
11 Subdivision 1. [DEFINITIONS.] (a) The definitions in this
12 subdivision apply to this section.
13 (b) "911 emergency and public safety communications program"
14 means the program governed by chapter 403.
15 (c) "Service provider" means a provider doing business in
16 Minnesota who provides real time, two-way voice service
17 interconnected with the public switched telephone network using
18 numbers allocated for Minnesota assigned by the North American
19 Numbering Plan Administration.
20 (d) "State's telecommunications regulatory activities"
21 means the activities of the Department of Commerce and the
22 Public Utilities Commission to oversee the provision of real
23 time, two-way voice service interconnected with the public
24 switched telephone network.
25 (e) "Telecommunications access Minnesota program" means the
26 program governed by sections 237.50 to 237.55.
27 (f) "Telephone assistance program" means the program

1 governed by sections 237.69 to 237.711.

2 Subd. 2. [PER NUMBER FEE.] (a) By July 1, 2006, the Public
3 Utilities Commission shall establish a fee that applies to each
4 service provider based upon the amount of numbers allocated for
5 Minnesota assigned by the North American Numbering Plan
6 Administration in use by the provider. The fee must be set at a
7 level calculated to generate only the amount of revenue
8 necessary to fund the telephone assistance program, the
9 telecommunications access Minnesota program, the 911 emergency
10 and public safety communications program, and the state's
11 telecommunications regulatory activities at the levels funded in
12 fiscal years 2004 and 2005.

13 (b) Notwithstanding any law to the contrary, the Public
14 Utilities Commission shall, by order, establish the procedures
15 by which each service provider, to the extent allowed under
16 federal law, shall collect and remit the fee proceeds to the
17 Department of Revenue. The commissioner of revenue shall
18 allocate the fee proceeds to the four funding areas in paragraph
19 (a) in the proportion each area comprised of the total funding
20 for those areas in fiscal years 2004 and 2005, and shall deposit
21 the allocations into the appropriate accounts. The Department
22 of Commerce's allocation must be deposited into the special
23 revenue account established under section 237.30. Once
24 established, a change in the amount of the fee or the allocation
25 of fee revenues may only be made by legislative action.

26 Sec. 2. Minnesota Statutes 2004, section 403.11,
27 subdivision 1, is amended to read:

28 Subdivision 1. [EMERGENCY TELECOMMUNICATIONS SERVICE FEE.]
29 (a) Each customer of a wireless or wire-line telecommunications
30 service provider that furnishes service capable of originating a
31 911 emergency telephone call is assessed a fee under section
32 237.491 to cover the costs of ongoing maintenance and related
33 improvements for trunking and central office switching equipment
34 for 911 emergency telecommunications service, plus
35 administrative and staffing costs of the commissioner related to
36 managing the 911 emergency telecommunications service program.

1 Recurring charges by a wire-line telecommunications service
2 provider for updating the information required by section
3 403.07, subdivision 3, must be paid by the commissioner if the
4 wire-line telecommunications service provider is included in an
5 approved 911 plan and the charges are made pursuant to tariff,
6 price list, or contract. A portion of the fee assessed under
7 this section 237.491 must also be used for the purpose of
8 offsetting the costs, including administrative and staffing
9 costs, incurred by the State Patrol Division of the Department
10 of Public Safety in handling 911 emergency calls made from
11 wireless phones.

12 (b) Money remaining in the 911 emergency telecommunications
13 service account after all other obligations are paid must not
14 cancel and is carried forward to subsequent years and may be
15 appropriated from time to time to the commissioner to provide
16 financial assistance to counties for the improvement of local
17 emergency telecommunications services. The improvements may
18 include providing access to 911 service for telecommunications
19 service subscribers currently without access and upgrading
20 existing 911 service to include automatic number identification,
21 local location identification, automatic location
22 identification, and other improvements specified in revised
23 county 911 plans approved by the commissioner.

24 ~~(c) The fee may not be less than eight cents nor more than~~
25 ~~40 cents a month for each customer access line or other basic~~
26 ~~access service, including trunk equivalents as designated by the~~
27 ~~Public Utilities Commission for access charge purposes and~~
28 ~~including wireless telecommunications services. With the~~
29 ~~approval of the commissioner of finance, the commissioner of~~
30 ~~public safety shall establish the amount of the fee within the~~
31 ~~limits specified and inform the companies and carriers of the~~
32 ~~amount to be collected. When the revenue bonds authorized under~~
33 ~~section 403.27, subdivision 1, have been fully paid or defeased,~~
34 ~~the commissioner shall reduce the fee to reflect that debt~~
35 ~~service on the bonds is no longer needed. The commissioner~~
36 ~~shall provide companies and carriers a minimum of 45 days~~

1 ~~notice-of-each-fee-change.---The-fee-must-be-the-same-for-all~~
2 ~~customers.~~

3 ~~(d)-The-fee-must-be-collected-by-each-wireless-or-wire-line~~
4 ~~telecommunications-service-provider-subject-to-the-fee.---Fees~~
5 ~~are-payable-to-and-must-be-submitted-to-the-commissioner-monthly~~
6 ~~before-the-25th-of-each-month-following-the-month-of-collection,~~
7 ~~except-that-fees-may-be-submitted-quarterly-if-less-than-\$250-a~~
8 ~~month-is-due,or-annually-if-less-than-\$25-a-month-is-due.~~
9 ~~Receipts-must-be-deposited-in-the-state-treasury-and-credited-to~~
10 ~~a-911-emergency-telecommunications-service-account-in-the~~
11 ~~special-revenue-fund.---The-money-in-the-account-may-only-be-used~~
12 ~~for-911-telecommunications-services.~~

13 ~~(e) This subdivision does not apply to customers of~~
14 ~~interexchange carriers.~~

15 ~~(f) (d) The installation and recurring charges for~~
16 ~~integrating wireless 911 calls into enhanced 911 systems must be~~
17 ~~paid by the commissioner if the 911 service provider is included~~
18 ~~in the statewide design plan and the charges are made pursuant~~
19 ~~to tariff, price list, or contract.~~

20 Sec. 3. [REPEALER.]

21 Minnesota Statutes 2004, sections 237.295, subdivisions 1,
22 2, 3, and 4; 237.49; 237.52, subdivisions 2 and 3; 237.70,
23 subdivision 6; and 403.113, subdivision 1, are repealed.

24 Sec. 4. [EFFECTIVE DATE.]

25 Section 1 is effective the day following final enactment.

26 Sections 2 and 3 are effective December 31, 2006.

APPENDIX
Repealed Minnesota Statutes for 05-0322

237.295 ASSESSMENT OF REGULATORY EXPENSES.

Subdivision 1. Payment for investigation. (a)

Whenever the department or commission, in a proceeding upon its own motion, on complaint, or upon an application to it, considers it necessary, in order to carry out the duties imposed on it, to investigate the books, accounts, practices, and activities of any company, parties to the proceeding shall pay the expenses reasonably attributable to the proceeding. The department and commission shall ascertain the expenses, and the department shall render a bill for those expenses to the parties, at the conclusion of the proceeding. The department is authorized to submit billings to parties at intervals selected by the department during the course of a proceeding.

(b) The allocation of costs may be adjusted for cause by the commission during the course of the proceeding, or upon the closing of the docket and issuance of an order. In addition to the rights granted in subdivision 3, parties to a proceeding may object to the allocation at any time during the proceeding. Withdrawal by a party to a proceeding does not absolve the party from paying allocated costs as determined by the commission. The commission may decide that a party should not pay any allocated costs of the proceeding.

(c) The bill constitutes notice of the assessment and a demand for payment. The amount of the bills assessed by the department under this subdivision must be paid by the parties into the state treasury within 30 days from the date of assessment. The total amount, in a calendar year, for which a telephone company may become liable, by reason of costs incurred by the department and commission within that calendar year, may not exceed two-fifths of one percent of the gross jurisdictional operating revenue of the telephone company in the last preceding calendar year. Direct charges may be assessed without regard to this limitation until the gross jurisdictional operating revenue of the telephone company for the preceding calendar year has been reported for the first time. Where, under this subdivision, costs are incurred within a calendar year that are in excess of two-fifths of one percent of the gross jurisdictional operating revenues, the excess costs are not chargeable as part of the remainder under subdivision 2.

(d) Except as otherwise provided in paragraph (e), for purposes of assessing the cost of a proceeding to a party, "party" means any entity or group subject to the laws and rules of this state, however organized, whether public or private, whether domestic or foreign, whether for profit or nonprofit, and whether natural, corporate, or political, such as a business or commercial enterprise organized as any type or combination of corporation, limited liability company, partnership, limited liability partnership, proprietorship, association, cooperative, joint venture, carrier, or utility, and any successor or assignee of any of them; a social or charitable organization; and any type or combination of political subdivision, which includes the executive, judicial, or legislative branch of the state, a local government unit, an agency of the state or a local government unit, or a combination of any of them.

(e) For assessment and billing purposes, "party" does not include the Department of Commerce or the Residential Utilities Division of the Office of Attorney General; any entity or group instituted primarily for the purpose of mutual help and not conducted for profit; intervenors awarded compensation under

APPENDIX
Repealed Minnesota Statutes for 05-0322

section 237.075, subdivision 10; or any individual or group or counsel for the individual or group representing the interests of end users or classes of end users of services provided by telephone companies or telecommunications carriers, as determined by the commission.

Subd. 2. **Assessment of costs.** The department and commission shall quarterly, at least 30 days before the start of each quarter, estimate the total of their expenditures in the performance of their duties relating to telephone companies, other than amounts chargeable to telephone companies under subdivision 1, 5, or 6. The remainder must be assessed by the department to the telephone companies operating in this state in proportion to their respective gross jurisdictional operating revenues during the last calendar year. The assessment must be paid into the state treasury within 30 days after the bill has been mailed to the telephone companies. The bill constitutes notice of the assessment and demand of payment. The total amount that may be assessed to the telephone companies under this subdivision may not exceed one-eighth of one percent of the total gross jurisdictional operating revenues during the calendar year. The assessment for the third quarter of each fiscal year must be adjusted to compensate for the amount by which actual expenditures by the commission and department for the preceding fiscal year were more or less than the estimated expenditures previously assessed. A telephone company with gross jurisdictional operating revenues of less than \$5,000 is exempt from assessments under this subdivision.

Subd. 3. **Objection.** Within 30 days after the date of the mailing of any bill as provided by subdivisions 1, 2, 5, and 6, the parties to the proceeding, against which the bill has been assessed, may file with the commission objections setting out the grounds upon which it is claimed the bill is excessive, erroneous, unlawful, or invalid. The commission shall within 60 days issue an order in accordance with its findings. The order shall be appealable in the same manner as other final orders of the commission.

Subd. 4. **Interest imposed.** The amounts assessed against any telephone company or other party that is not paid after 30 days after the mailing of a notice advising the telephone company or other party of the amount assessed against it, shall draw interest at the rate of six percent per annum, and upon failure to pay the assessment the attorney general shall proceed by action in the name of the state against the telephone company or other party to collect the amount due, together with interest and the cost of the suit.

237.49 COMBINED LOCAL ACCESS SURCHARGE.

Each local telephone company shall collect from each subscriber an amount per telephone access line representing the total of the surcharges required under sections 237.52, 237.70, and 403.11. Amounts collected must be remitted to the commissioner of public safety in the manner prescribed in section 403.11. The commissioner of public safety shall divide the amounts received proportional to the individual surcharges and deposit them in the appropriate accounts. The commissioner of public safety may recover from the agencies receiving the surcharges the personnel and administrative costs to collect and distribute the surcharge. A company or the billing agent for a company shall list the surcharges as one amount on a billing statement sent to a subscriber.

APPENDIX
Repealed Minnesota Statutes for 05-0322

237.52 TELECOMMUNICATIONS ACCESS MINNESOTA FUND.

Subd. 2. **Assessment.** The commissioner of commerce shall annually recommend to the commission an adequate and appropriate surcharge and budget to implement sections 237.50 to 237.56. The Public Utilities Commission shall review the budget for reasonableness and may modify the budget to the extent it is unreasonable. The commission shall annually determine the funding mechanism to be used within 60 days of receipt of the recommendation of the department and shall order the imposition of surcharges effective on the earliest practicable date. The commission shall establish a monthly charge no greater than 20 cents for each customer access line, including trunk equivalents as designated by the commission pursuant to section 403.11, subdivision 1.

Subd. 3. **Collection.** Every telephone company or communications carrier that provides service capable of originating a telecommunications relay call, including cellular communications and other nonwire access services, in this state shall collect the charges established by the commission under subdivision 2 and transfer amounts collected to the commissioner of public safety in the same manner as provided in section 403.11, subdivision 1, paragraph (d). The commissioner of public safety must deposit the receipts in the fund established in subdivision 1.

237.70 DEVELOPMENT OF TELEPHONE ASSISTANCE PLAN.

Subd. 6. **Funding.** The commission shall provide for the funding of the telephone assistance plan by assessing a uniform recurring monthly surcharge, not to exceed ten cents per access line, applicable to all classes and grades of access lines provided by each local service provider in the state.

403.113 ENHANCED 911 SERVICE COSTS; FEE.

Subdivision 1. **Fee.** (a) Each customer receiving service from a wireless or wire-line telecommunications service provider is assessed a fee to fund implementation, operation, maintenance, enhancement, and expansion of enhanced 911 service, including acquisition of necessary equipment and the costs of the commissioner to administer the program. The actual fee assessed under section 403.11 and the enhanced 911 service fee must be collected as one amount and may not exceed the amount specified in section 403.11, subdivision 1, paragraph (c).

(b) The enhanced 911 service fee must be collected and deposited in the same manner as the fee in section 403.11 and used solely for the purposes of paragraph (a) and subdivision 3.

(c) The commissioner, in consultation with counties and 911 system users, shall determine the amount of the enhanced 911 service fee. The fee must include at least ten cents per month to be distributed under subdivision 2. The commissioner shall inform wireless and wire-line telecommunications service providers that provide service capable of originating a 911 emergency telephone call of the total amount of the 911 service fees in the same manner as provided in section 403.11.

BLO904-3

1 Senator moves to amend ~~S.F. No.~~ as
2 follows:

3 Page .., after line .., insert:

4 "Sec. .. Minnesota Statutes 2004, section 237.462, is
5 amended by adding a subdivision to read:

6 Subd. 13. [REMEDIAL PAYMENTS.] The commission's authority
7 under section 237.081 includes authority to require refunds,
8 payments, or credits intended to provide compensation for
9 financial harm resulting from any unlawful, anticompetitive
10 conduct, including unlawful discrimination under section 237.09,
11 violations of the Telecommunications Act of 1996, Public Law
12 104-10, or its successor, or breach of an interconnection
13 agreement. Any remedial payments under section 237.081 shall
14 offset penalty payments ordered under subdivision 2 for the same
15 violations.

16 Sec. .. Minnesota Statutes 2004, section 237.462, is
17 amended by adding a subdivision to read:

18 Subd. 14. [WHOLESALE SERVICE QUALITY.] The commission's
19 authority to adopt wholesale service quality standards includes
20 the authority to establish remedy payments to provide
21 compensation and enforce those standards.

22 Sec. .. Minnesota Statutes 2004, section 237.462; is
23 amended by adding a subdivision to read:

24 Subd. 15. [SMALL CARRIER EXEMPTION.] The penalty and
25 remedial authority under subdivision ¹³~~2~~ does not apply to any
26 telephone company or telecommunications carrier that serves
27 fewer than 50,000 access lines in Minnesota.

28 Sec. .. Minnesota Statutes 2004, section 237.462, is
29 amended by adding a subdivision to read:

30 Subd. 16. [ENFORCEMENT OF FEDERAL TELECOMMUNICATIONS ACT.]
31 The commission retains the authority to enforce the federal
32 Telecommunications Act of 1996, Public Law 104-10, or its
33 successor.

34 Sec. .. Minnesota Statutes 2004, section 237.462, is
35 amended by adding a subdivision to read:

36 Subd. 17. [AUTHORITY TO RESOLVE INTERCARRIER

Passed

Not Passed

already addressed
BLO904-3

not passed

1 DISPUTES.] The commission retains the authority to resolve
2 intercarrier disputes regarding interconnection, compensation,
3 access to network facilities, or other similar or related
4 matters, and require or enforce intercarrier compensation for
5 use of the telephone company's network.

6 Sec. .. Minnesota Statutes 2004, section 237.469, is
7 amended by adding a subdivision to read:

8 Subd. 18. [PREDATORY PRICING PROTECTIONS.] A telephone
9 company or a telecommunications carrier may decrease its basic
10 service rates or any other telecommunications service rates.
11 However, a telephone company shall not reduce the price of its
12 telecommunications services, either alone or in combination with
13 other telecommunications services, below the total service
14 long-run incremental cost for the service or services as defined
15 in section 237.772.

16 Sec. .. Laws 1999, chapter 224, section 7, as amended by
17 Laws 2004, chapter 261, article 6, section 3, is amended to read:

18 Sec. 7. [SUNSET.]

19 ~~Sections-2-and-4-expire-on-August-17-2005,~~ and Minnesota
20 Statutes 1998, sections 237.63, 237.65, and 237.68, expire on
21 December 31, 2004."

22 Renumber the sections in sequence and correct the internal
23 references

24 Amend the title accordingly

1 Section 1. [237.85] [DEFINITIONS.]

2 Subdivision 1. [SCOPE.] The definitions in this section
3 apply to sections 237.85 to 237.90.

4 Subd. 2. [BASIC SERVICE.] "Basic service" means one
5 unbundled, single line, unlimited local usage, residential voice
6 telephone service or unbundled single line, unlimited local
7 usage, business voice telephone service. Basic service includes:

8 (1) single party voice-grade service and touch-tone
9 capability;

10 (2) 911 or enhanced 911 access;

11 (3) 1+intraLATA and interLATA presubscription and
12 code-specific equal access to interexchange carriers subscribing
13 to its switched access service;

14 (4) access to directory assistance, directory listings, and
15 operator services;

16 (5) toll and information service-blocking;

17 (6) a white pages and directory assistance listing, or upon
18 customer request, a private listing that allows the customer to
19 have an unlisted or unpublished telephone number;

20 (7) call-tracing capability according to Minnesota Rules,
21 chapter 7813; and

22 (8) telecommunications relay service capability or access
23 necessary to comply with state and federal regulations.

24 Subd. 3. [CLASS OF SERVICES.] "Class of services" includes
25 all services provided to a particular class of customers,
26 including the residential class and the business class.

27 Subd. 4. [COMMISSION.] "Commission" means the Public
28 Utilities Commission.

29 Subd. 5. [COMPETITIVE REGULATION TELEPHONE
30 COMPANY.] "Competitive regulation telephone company" is a
31 telephone company that the commission authorizes to operate
32 under competitive regulation as provided in sections 237.86 to
33 237.90.

34 Subd. 6. [COMPETITIVE SERVICES REGULATION.] "Competitive
35 services regulation" means regulation of services determined to
36 be competitive as provided in sections 237.86 to 237.90.

1 Sec. 2. [237.86] [COMPETITIVE SERVICES REGULATION.]

2 Subdivision 1. [COMPETITION STANDARD.] Competitive

3 regulation as provided in sections 237.86 to 237.90 is permitted
4 for the residential services offered by a telephone company in
5 an exchange where three or more competitors offer comparable
6 retail residential services in the exchange. A residential
7 service is not comparable unless it provides basic service with
8 911 access through the dedicated 911 network. Competitive
9 regulation as provided in sections 237.86 to 237.90 is permitted
10 for the business class of services offered by a telephone
11 company in an exchange where three or more competitors offer
12 comparable service in an exchange through the use of unbundled
13 network elements, resale, voice over Internet protocol,
14 wireless, or a provider's own facilities, including cable. The
15 competitors must not be affiliated with the telephone company
16 seeking to be regulated under sections 237.86 to 237.90.

17 Subd. 2. [PETITION AND APPROVAL PROCESS.] (a) A telephone

18 company may petition the commission to have its retail
19 residential or business services in an exchange regulated as
20 provided in sections 237.86 to 237.90. The petition shall be
21 served upon the residential and small business utilities
22 division of the office of the attorney general, the Department
23 of Commerce, and any other persons who have requested to be on a
24 commissioner service list for petitions filed under this section.

25 (b) A petition shall be approved by the commission within

26 20 days after it is filed if it includes a signed affidavit that
27 identifies three or more competitors to the customer class or
28 classes in the exchange or exchanges covered by the petition.
29 The affidavit must be signed by an employee of the telephone
30 company with knowledge and the authority to make representations
31 on behalf of the company. Within 30 days after filing of the
32 affidavit, any interested person may file objections to the
33 petition setting forth the grounds upon which the person
34 believes the standard set forth in this section for competitive
35 services regulation has not been met. If the commission
36 determines after a hearing that the telephone company has failed

1 to meet the standard for competitive services regulation for a
2 particular class of services in a particular exchange, the
3 commission shall revoke the telephone company's competitive
4 regulation authority under sections 237.86 to 237.90 for those
5 services in the exchange in questions consistent with its
6 findings.

7 Sec. 3. [237.87] [RATES FOR SERVICES SUBJECT TO
8 COMPETITIVE SERVICES REGULATION.]

9 Subdivision 1. [PRICE AND SERVICE OFFERINGS.] A
10 competitive regulation telephone company may offer new local
11 services or change the prices, terms, or conditions of existing
12 local services as provided in this section for each class of
13 services in each exchange in which the commission has approved a
14 petition under section 237.86, subdivision 2.

15 Subd. 2. [BASIC SERVICE RATES.] (a) A competitive
16 regulation telephone company shall not increase its monthly
17 one-party residential and one-party business rates and
18 nonrecurring basic service rates for three years after the
19 commission has approved a petition under section 237.86,
20 subdivision 2. After three years, a basic services regulated
21 company may annually increase its monthly one-party residential
22 and one-party business rates and nonrecurring one-party
23 residential and one-party business installation service rates by
24 a percentage equal to or less than the inflation rate for the
25 prior year as measured by the Gross Domestic Product Price
26 Index, published by the federal government.

27 (b) Extended area service rates shall not be increased by a
28 competitive regulation telephone company without prior
29 commission approval.

30 (c) A competitive regulation telephone company may assess
31 special construction charges approved by the commission if
32 existing facilities are not available to the customer.

33 (d) Notwithstanding paragraph (a), a competitive regulation
34 telephone company may petition the commission and the commission
35 may authorize changes in residential or business local rates
36 associated with exongeous changes, including, but not limited

1 to, changes in the intrastate financial impact of:

2 (1) changes in intercarrier compensation;

3 (2) comprehensive local service rate restructuring;

4 (3) rate deaveraging;

5 (4) changes in universal service or funding payments;

6 (5) changes in local, state, or federal taxes;

7 (6) changes in the commission's application of

8 jurisdictional separation, the Uniform System of Accounts, or

9 other mandatory Financial Accounting Standards Board accounting

10 standards;

11 (7) assessments related to the use of telephone numbers,

12 including mandated number conservation efforts; and

13 (8) financial impacts of government mandates to construct

14 specific telecommunications infrastructure or develop systems.

15 Subd. 3. [OTHER PRICES SUBJECT TO EFFECTIVE

16 COMPETITION.] A competitive regulation telephone company's

17 prices for its intrastate retail services, other than basic

18 services and extended area service rates, are not subject to any

19 rate or price regulation except that the commission may, upon

20 complaint, order a competitive regulation telephone company to

21 change a retail or wholesale price or pricing practice or take

22 other appropriate action if the commission determines, after an

23 investigation, that:

24 (1) the price or pricing practice unreasonably restricts

25 resale in violation of Minnesota Statutes, section 237.121,

26 paragraph (a), clause (5);

27 (2) the price or pricing practice is unreasonably

28 discriminatory in violation of subdivision 6;

29 (3) the price or pricing practice is deceptive, misleading,

30 fraudulent, as those terms are defined in state or federal law,

31 or is otherwise unlawful under state or federal law; or

32 (4) the price or pricing practice has caused or will result

33 in substantial customer harm.

34 Subd. 4. [TARIFF CHANGES.] A competitive regulation

35 telephone company may offer new services or change the prices,

36 terms, or conditions of existing local service as permitted by

1 this section by filing amendments to its tariffs. These tariff
2 filings take effect as follows:

3 (a) A new service, price decrease, promotion, or
4 insubstantial change in the terms or conditions of a service may
5 take effect immediately upon filing without prior notice to
6 customers.

7 (b) A price increase, a substantial change in a term or
8 condition of a service, or a discontinuation of a service other
9 than basic local service may take effect 20 days after filing
10 and providing written notice to affected customers as provided
11 in clauses (1) and (2):

12 (1) the written notice of a price increase must be given in
13 simple and clear language by bill insert, bill notice, or direct
14 mail. To be simple and clear, the notice must bear the heading
15 "NOTICE OF PRICE INCREASE."

16 (2) the written notice of a substantial change in a term or
17 condition of service or of the discontinuance of a service must
18 be given in simple and clear language by bill insert, bill
19 notice, or direct mail. To be simple and clear, the notice
20 must, at a minimum, bear a heading such as "NOTICE OF CHANGE IN
21 TERMS" or "NOTICE OF DISCONTINUANCE," as appropriate.

22 Subd. 5. [COST INFORMATION.] The commission shall not
23 require a competitive regulation telephone company to file cost
24 information unless the commission determines that cost
25 information is needed to resolve a complaint or investigation
26 alleging that the competitive regulation telephone company is
27 violating a standard set forth in this section.

28 Subd. 6. [DISCRIMINATION.] No competitive regulation
29 telephone company may offer competitive services within the
30 state on terms or rates that are unreasonably discriminatory.
31 At a minimum, a competitive regulation telephone company must
32 provide its competitive services in accordance with paragraphs
33 (a) to (c).

34 (a) A competitive regulation telephone company shall charge
35 uniform rates for local services within its service area.
36 However, a competitive regulation telephone company may, upon a

1 filing under subdivision 4:

2 (1) offer unique pricing to certain customers or to certain
3 geographic locations for promotions as provided in section
4 237.626 or customer incentives of the type offered by other
5 providers and may offer local service as part of a package that
6 may include goods and services other than telecommunications
7 services. Nothing in this section is intended to give the
8 commission or department regulatory authority over
9 nontelecommunications services provided by the competitive
10 regulation telephone company;

11 (2) provide volume or term discounts;

12 (3) offer prices unique to particular customers, or groups
13 of customers, when differences in the cost of providing a
14 service, market conditions, or pricing practices of a competitor
15 justify a different price;

16 (4) pass through any legislatively authorized local taxes,
17 franchise fees, or special surcharges imposed by local or
18 regional governmental units on the services provided by the
19 competitive regulation telephone company in specific geographic
20 areas from which the taxes, fees, or surcharges originate; or

21 (5) furnish service free or at a reduced rate to its
22 officers, agents, or employees in furtherance of their
23 employment.

24 (b) A tariff providing for prices unique to particular
25 customers or groups of customers under paragraph (a), clause
26 (3), shall identify the service for which a unique price is
27 available and the conditions under which the unique price is
28 available.

29 (c) In addition to the exceptions provided in paragraph
30 (a), a competitive regulation telephone company may also charge
31 different rates for competitive local services within its
32 service territory upon a prior finding by the commission that
33 the competitive regulation telephone company has good cause to
34 do so.

35 Subd. 7. [PROTECTION FROM ANTICOMPETITIVE PRICING.] This
36 subdivision applies to prices governed by this section other

1 than one single-line local residential voice service or one
2 single-line local business voice telephone service. A
3 competitive regulation telephone company must not price its
4 local telephone services, whether offered singly or as part of a
5 bundle of services, below the total service long-run incremental
6 cost of providing the service or services.

7 Subd. 8. [RETAIL SERVICES ONLY.] The provisions of this
8 section apply only to retail services.

9 Subd. 9. [WHOLESALE OBLIGATIONS UNDER STATE AND FEDERAL
10 LAW.] Nothing in this section shall alter any wholesale
11 obligation of a competitive regulation telephone company under
12 state or federal law or the ability of the commission to enforce
13 applicable provisions of state or federal law.

14 Subd. 10. [COMPLAINTS.] The commission may investigate on
15 its own motion or upon a complaint an alleged violation of this
16 section. If the commission finds by a preponderance of the
17 evidence after a proceeding that existing rates, tariffs,
18 charges, schedules, or practices violate an applicable provision
19 of this chapter, the commission shall take appropriate action,
20 which may include ordering the competitive regulation telephone
21 company to;

22 (1) change the rate, tariff, charge, schedule, or practice;

23 (2) make the service reasonable, adequate, or obtainable;

24 or

25 (3) take other appropriate action.

26 Sec. 4. [237.88] [RATES NOT SUBJECT TO EFFECTIVE
27 COMPETITION.]

28 A competitive regulation telephone company's rates for
29 services in exchanges which the commission has not permitted to
30 be regulated under sections 237.86 to 237.90 shall be regulated
31 as otherwise provided in this chapter, except that a new
32 alternative form of regulation plan may apply only to those
33 services which have not been determined to be subject to
34 competitive services regulation or have been exempted from rate
35 regulation under section 237.411.

36 Sec. 5. [237.89] [AFOR SERVICE QUALITY; INTERIM

1 PROVISION.]

2 A competitive regulation telephone company shall comply
3 with the service quality standards, penalties, and remedies in
4 an AFOR plan in effect on June 1, 2005, until one year after the
5 commission authorizes competitive regulation for that telephone
6 company or the expiration of the AFOR plan, whichever is
7 earlier. After that time, competitive services are subject to
8 commission service quality rules of general applicability.

9 Sec. 6. [237.90] [APPLICABILITY OF OTHER LAWS;
10 COMMISSION.]

11 A competitive regulation telephone company is not subject
12 to rate-of-return regulation or the earnings investigations
13 provisions of sections 237.075, 237.081, and 237.22 during the
14 term of the election. Except as specifically provided in this
15 section, the commission retains all authority under this chapter
16 and competitive regulation telephone companies are subject to
17 the requirements of this chapter and rules of the commission,
18 including, but not limited to, laws and rules relating to the
19 provider of last resort obligations and service quality.

20 Sec. 7. Laws 1999, chapter 224, section 7, as amended by
21 Laws 2004, chapter 261, article 6, section 3, is amended to read:

22 Sec. 7. [SUNSET.]

23 ~~Sections 2 and 4 expire on August 17, 2005, and~~ Minnesota
24 Statutes 1998, sections 237.63, 237.65, and 237.68, expire on
25 December 31, 2004.

26 **[EFFECTIVE DATE.]** This section is effective the day
27 following final enactment.

ARTICLE 5

CONTRACT REGULATION

Section 1. [237.82] [CONTRACT FOR THE PROVISION OF SERVICE.]

Subdivision 1. [COMMISSION TO DEVELOP CONTRACT TERMS AND CONDITIONS.] By January 15, 2007, the commission shall, by rule or order, develop standard consumer protection contract terms and conditions that a telephone company or telecommunications carrier may use in lieu of tariffs when offering retail service to Minnesota residential and business customers.

Subd. 2. [CONSUMER PROTECTION REQUIREMENTS.] (a) A contract offered under this section must comply with all Minnesota laws governing contracts.

(b) In addition, each contract shall include, but is not limited to, the following consumer protections:

(1) detailed disclosure of the rates and terms of service, including activation or initiation fees; monthly access fees or base charges; any required contract term; early termination fees; whether prices or benefits apply only for a limited time, and if so, the fees or charges to be paid for the remainder of the contract term; and whether any additional taxes, fees, or surcharges apply;

(2) a trial period for new service and clear disclosure of the terms and conditions of the trial period;

(3) how the customer will be notified of changes in material terms and conditions of service allowed by the contract and the process for the customer to terminate for those changes without penalty or charges;

(4) a clear and separate identification of charges for government-imposed taxes and fees on billing statements;

(5) reasonable access to customer service;

(6) specific complaint resolution guidelines and a prohibition of mandatory arbitration requirements, unless the customer explicitly agrees to mandatory arbitration;

(7) a description of the company's policy for protecting the customer's personal information and privacy; and

1 (8) compliance with the federal Communications Assistance
2 for Law Enforcement Act.

3 Subd. 3. [ASSURANCE OF PUBLIC SERVICE AND SAFETY NET.] In
4 addition to the consumer protection requirements under
5 subdivision 2, the contract form must provide for reasonable and
6 appropriate contributions for the 911 emergency response system;
7 the telephone assistance plan; and telecommunications access
8 Minnesota programs.

9 Subd. 4. [CONTRACT USE AND REVIEW.] (a) An approved
10 contract form may be used by a telephone company or
11 telecommunications carrier in lieu of a tariff filed at the
12 commission if a tariff would otherwise be required under this
13 chapter.

14 (b) Once the commission has issued standard consumer
15 protection terms and conditions under subdivision 1, a telephone
16 company or telecommunications carrier shall file with the
17 commissioner of commerce ten days prior to being used a contract
18 form containing the provisions required in subdivisions 2 and 3.

19 (c) The commissioner of commerce shall review the contract
20 form for compliance with this section.

21 Subd. 5. [CONTRACT DISPUTES AND VIOLATION.] (a) Disputes
22 arising under contracts developed under this section shall be
23 resolved in a timely and expeditious manner by the commissioner
24 of commerce. A dispute resolution decision made by the
25 commissioner of commerce may be appealed to the commission by
26 either party to the dispute.

27 (b) The commission may rescind the ability of a telephone
28 company or telecommunications carrier to offer service under a
29 contract pursuant to this section, upon a finding of a violation
30 or violations of this section or the contract, if the commission
31 determines that doing so is in the public interest.

32 (c) Nothing in this section alters the commission's
33 complaint and investigation authority under chapter 237.

34 Sec. 2. [SERVICE QUALITY RULES UPDATE.]

35 By January 15, 2007, the commission shall develop new and
36 updated service quality rules that are applicable to all

1 providers interconnecting with the public switched telephone
2 network. Assuring a reasonable quality of retail service should
3 be the primary purpose of these rules.

4 Sec. 3. [ANTISLAMMING AND OTHER FRAUD.]

5 Nothing in this act undermines or changes the consumer
6 protection laws found in Minnesota Statutes, sections 237.661;
7 237.663; and 237,665; or 325F.692.

8 Sec. 4. [JOINT LEGISLATIVE TASK FORCE ON
9 TELECOMMUNICATIONS.]

10 (a) The joint legislative task force on telecommunications
11 is created. It consists of four members from each body of the
12 Minnesota legislature, two of whom must be from the minority
13 caucus in each body, to be designated by the chairs of the
14 senate and house committees having subject matter responsibility
15 for telecommunications. The cochairs are the respective chairs
16 of the senate and house committees having subject matter
17 responsibility for telecommunications, or their designees.
18 Members must include at least one representative from the
19 following stakeholder groups recommended by the legislative
20 members of the task force and invited to participate by the
21 cochairs:

- 22 (1) Minnesota Telecommunications Alliance;
- 23 (2) competitive local exchange carriers;
- 24 (3) large ILECS;
- 25 (4) small ILECS;
- 26 (5) long-distance providers;
- 27 (6) wireless providers;
- 28 (7) cable services providers;
- 29 (8) Internet service;
- 30 (9) VOIP providers;
- 31 (10) cable services administrator associations;
- 32 (11) municipal associations;
- 33 (12) municipal utilities associations;
- 34 (13) residential consumer associations (two members);
- 35 (14) business consumer associations (two members);
- 36 (15) office of the attorney general;

1 (16) Department of Commerce; and

2 (17) Public Utilities Commission (ex officio).

3 (b) The task force must:

4 (1) conduct a full review of existing Minnesota
5 telecommunications regulation and rules in chapters 237 and 238;
6 and

7 (2) make recommendations for revision of Minnesota
8 telecommunications regulation and rules by January 15, 2006, to
9 the Minnesota Senate Jobs, Energy and Community Development
10 Committee and to the Minnesota House Regulated Industries
11 Committee.

12 (c) On request by the cochairs of the task force, the
13 commissioner of commerce shall assess from telephone companies,
14 in addition to assessments made under section 237.295, the
15 amount requested for the operation of the task force but not to
16 exceed \$100,000 in a fiscal year. The amount assessed is
17 appropriated to the Department of Commerce for the purposes of
18 the task force, and is available until expended. The department
19 shall apportion those costs among all telephone companies in
20 proportion to their respective gross operating revenues from the
21 sale of telephone services within the state during the last
22 calendar year. The department shall assess telephone companies
23 and issue bills in accordance with the billing and assessment
24 procedures provided in section 237.295, to the extent that these
25 procedures do not conflict with this section.

26 (d) The Department of Commerce must provide staff and
27 expertise to the task force directly or by contract and may
28 reimburse the expenses of persons requested to assist the task
29 force in its duties other than state employees or employees of
30 telephone companies. The Department of Commerce must provide
31 administrative assistance to the task force.

32 (e) The joint legislative task force on telecommunications
33 shall expire July 1, 2007.

1 Senator moves to amend S.F. No. (BL0904-3) as
2 follows:

3 Page 3, delete lines 9 to 36

4 Page 4, delete lines 1 to 14 and insert:

5 "Subdivision 1. [PRICE AND SERVICE OFFERINGS.] A
6 competitive regulation telephone company may offer new local
7 services or change the prices, terms, or conditions of existing
8 local services as provided in this section for each class of
9 services in each exchange in which the commission has approved a
10 petition under section 237.86, subdivision 2.

11 Subd. 2. [BASIC SERVICE RATES.] (a) A competitive
12 regulation telephone company shall not increase its basic
13 service rates for three years after the commission has approved
14 a petition under section 237.86, subdivision 2. After three
15 years, basic service rates will be regulated as provided for in
16 subdivision 3.

17 (b) Extended area service rates shall not be increased by a
18 competitive regulation telephone company without prior
19 commission approval."

1 Senator moves to amend S.F. No. as follows:

2 Page, after line, insert:

3 "ARTICLE

4 Sec. .. Laws 2002, chapter 329, section 5, is amended to
5 read:

6 Sec. 5. [JOINT VENTURE AUTHORITY.]

7 (a) The city of Alexandria may enter into a joint
8 venture or joint ventures with one, two, or three of the
9 entities known as Runestone Telephone Association and, Runestone
10 Electric Association, and Gardonville Telephone Cooperative for
11 the purpose of providing local niche service, including internet
12 services, and point to point transmission of digital information.

13 (b) For purposes of this section, with respect to the
14 services described in paragraph (a), the city of Alexandria and
15 a joint venture to which it is a party shall have the rights and
16 authority granted by, and be subject to, Minnesota Statutes 2001
17 Supplement, section 452.25, except for the provisions of that
18 section which relate specifically and only to electric utilities.

19 (c) For the purposes of this section, "local niche service"
20 refers to point-to-point connections between end-user locations
21 within a service area and any telecommunications services under
22 the public utilities commission's jurisdiction under Minnesota
23 Statutes, chapter 237 that do not fall within the definition of
24 local service or the definition of interexchange service.

25 (d) If the city of Alexandria obtains authority to provide
26 local service or interexchange service under chapter 237, it may
27 enter into a joint venture with the entities identified in
28 paragraph (a) for those purposes.

29 Sec. 3. [EFFECTIVE DATE; LOCAL APPROVAL.]

30 Section 2 is effective as to the city of Alexandria the day
31 after the city of Alexandria's governing body and its chief
32 clerical officer timely complete compliance with Minnesota
33 Statutes, section 645.021, subdivisions 2 and 3."

1 Senator moves to amend BL0904-3 as follows:
2 Page 4, line 31, delete the third "or"
3 Page 4, line 33, before the period, insert "; or
4 (5) the price or pricing practice will impede the
5 development of fair and reasonable competition or reflects the
6 absence of an effectively competitive market as determined on
7 the basis of factors such as:
8 (i) the timely availability of comparable substitutes from
9 other local service providers;
10 (ii) the availability of facilities-based competitors; and
11 (iii) evidence of rivalrous price competition, as
12 demonstrated by the existence of multiple competitors competing
13 on price for the same or similar services"

1 Senator moves to amend BL0904-3 as follows:

2 Page 1, before line 1, insert:

3 "Section 1. Minnesota Statutes 2004, section 237.11, is
4 amended to read:

5 237.11 [INSPECTING RECORDS AND PROPERTY; REPORTS REQUIRED.]

6 Every telephone company subject to the provisions of this
7 chapter, wherever organized, shall keep an office in this state,
8 and make such reports to the department as it shall from time to
9 time require. ^{require} ~~request~~ The department shall only request information for
10 an annual report from a telephone company, competitive local
11 exchange carrier, or independent telephone company that consists
12 of the name of the company, contact person, annual revenue, and
13 the annual status of the 911 plan update. All books, records,
14 and files, whether they relate to competitive or noncompetitive
15 services, and all of its property shall be at all times subject
16 to inspection by the commission and the department. It shall
17 close its accounts and take therefrom a balance sheet on
18 December 31 of each year, and on or before May 1 following, such
19 balance sheet, together with such other information as the
20 department shall require, verified by an officer of the
21 telephone company, shall be filed with the commission and the
22 department.

23 In the event that any telephone company shall fail to file
24 its annual report, as provided by this section, the department
25 is authorized to make such an examination of the books, records,
26 and vouchers of the company as is necessary to procure the
27 necessary data for the annual report and cause the same to be
28 prepared. The expense of procuring this data and preparing this
29 report shall be paid by the telephone company failing to report,
30 and the amount paid shall be credited by the commissioner of
31 finance to funds appropriated for the expense of the department.

32 The department is authorized to force collection of such
33 sum by an action at law in the name of the department."

34 Renumber the sections in sequence and correct the internal
35 references

36 Amend the title accordingly

- 1 Senator moves to amend S.F. No. 1045 as follows:
- 2 Page 2, line 20, reinstate the stricken language and delete
- 3 the new language
- 4 Page 4, line 9, reinstate the stricken language and delete
- 5 the new language
- 6 Page 8, lines 22 and 31, delete "13" and insert "..."

1 Senator moves to amend S.F. No. 1540 as follows:

2 Delete everything after the enacting clause and insert:

3 "Section 1. [237.85] [DEFINITIONS.]

4 Subdivision 1. [SCOPE.] The definitions in this section
5 apply to sections 237.85 to 237.89.

6 Subd. 2. [BASIC SERVICE.] "Basic service" means one
7 unbundled, single line, unlimited local usage, residential voice
8 telephone service, or unbundled single line, unlimited local
9 usage, business voice telephone service. Basic service does not
10 include any state or federally authorized or mandated rates.

11 Subd. 3. [BASIC SERVICES REGULATED TELEPHONE COMPANY.] A
12 "basic services regulated telephone company" is a telephone
13 company that elects to operate under basic services regulation
14 as provided in section 237.86.

15 Subd. 4. [COMMISSION.] "Commission" means the Public
16 Utilities Commission.

17 Subd. 5. [RETAIL.] "Retail" means relating to the
18 provision of local exchange or interexchange telephone service,
19 or both, to an end-user.

20 Sec. 2. [237.86] [PURPOSE.]

21 A form of alternative regulation known as basic services
22 regulation is available to any telephone company. A telephone
23 company may opt into basic services regulation by giving the
24 commission at least 30-days written notice of its election. A
25 company electing to operate under basic services regulation must
26 file tariffs for basic services. These tariffs must be filed,
27 initially, at least 30 days in advance to become effective on
28 the same date that the election becomes effective.

29 Sec. 3. [237.87] [COMMISSION AUTHORITY.]

30 Subdivision 1. [BASIC SERVICE REGULATION;
31 EXEMPTION.] Notwithstanding any other provision of law, basic
32 services regulation exempts all retail telephone services,
33 including their rates, types and manner of offering, and service
34 quality, from the jurisdiction of the commission except to the
35 extent specifically provided in this section. In addition and
36 further notwithstanding any other provision of law, the

1 commission shall have no jurisdiction over the affiliate
2 transactions, equity and debt financing, transfers, or other
3 public utility operations of an exempt telephone company except
4 to the extent specifically permitted in this section.

5 Subd. 2. [BASIC SERVICE AUTHORITY.] The commission shall
6 have only the following authority over a basic services
7 regulated company:

8 (1) receive and investigate any complaints against
9 telephone companies to the extent the complaint relates to the
10 authority retained by the commission in this section;

11 (2) enforce the standards of network service necessary to
12 maintain the public health and safety, setting network
13 performance standards equally applicable to all
14 telecommunications carriers;

15 (3) enforce the emergency 911 technical network standards
16 equally applicable to all telephone companies;

17 (4) to enforce rules as they may be necessary and that are
18 equally applicable to all telecommunications carriers that:

19 (i) require customer notice of tariff rate changes or
20 withdrawal of tariffed service offerings; and

21 (ii) proscribe the procedures for disconnection of
22 residential customers for nonpayment of local exchange service,
23 late payment fees, and deposits for customers, including the
24 payment of interest on customer deposits;

25 (5) to administer the telecommunications relay service and
26 telephone assistance plan, including the assessment of telephone
27 companies under sections 237.49; 237.50 to 237.56; and 237.69 to
28 237.711;

29 (6) to enforce the Underground Utility Damage Prevention
30 Act under chapter 216D;

31 (7) to enforce the provisions of law relating to
32 rights-of-way affecting telephone companies under sections
33 237.162 and 237.163;

34 (8) to discharge the responsibilities of state commissions
35 under the federal Telecommunications Act of 1996, Public Law
36 104-104, and to enforce its lawful orders;

1 (9) to retain all authority to require a telephone company
2 opting into basic services regulation to furnish basic services
3 to any person, firm, or corporation in its service area desiring
4 basic services; and

5 (10) to perform duties as required by section 237.88.

6 Sec. 4. [237.88] [IMPLEMENTATION PROCEDURES; DUTIES.]

7 Subdivision 1. [TARIFFS.] A basic services regulated
8 company must file and maintain on file with the commission
9 tariffs for its basic services that contain service descriptions
10 and the terms and conditions, including rates, under which the
11 services are offered to the public. No telephone company or
12 telecommunications carrier is prohibited from offering customer
13 incentives of the type offered by other telephone companies,
14 telecommunications carriers, or providers of voice or data
15 services.

16 Subd. 2. [BASIC SERVICE RATES.] The initial single line
17 flat rated residential and business service rates shall be the
18 corresponding rates charged by the basic service regulated
19 company as of January 1, 2005. The initial basic service
20 residential monthly service rates may be increased by an amount
21 not to exceed \$1 per 12-month period beginning July 1, 2005, and
22 ending June 30, 2008. The initial basic service business
23 monthly service rates may be increased by an amount not to
24 exceed \$2 per 12-month period beginning July 1, 2005, and ending
25 June 30, 2008.

26 Subd. 3. [EXTENDED AREA SERVICE.] Each telephone company's
27 extended area service rates shall not be greater than the
28 corresponding rates charged by the telephone company as of July
29 31, 2005. The commission shall determine a telephone company's
30 extended area service rates for new extended area service
31 established on or after July 31, 2005. This subdivision does
32 not apply to optional extended area calling plans.

33 Subd. 4. [RATE ADJUSTMENTS.] If a telephone company does
34 not impose an allowed rate increase during any 12-month period,
35 the utility may impose the unused increase in any subsequent
36 year. In addition to the rate increases permitted under this

1 section, the telephone utility may adjust its basic service
2 residential and business service rates by a percentage equal to
3 the most recent annual percentage change in the gross domestic
4 product price index as published by the federal government.

5 Subd. 5. [ADDITIONAL RATE ADJUSTMENTS.] In addition to the
6 rate adjustment provisions in subdivisions 1 to 4, the
7 commission may also authorize additional changes in the monthly
8 rates for basic service regulated residential and business
9 services to reflect exogenous factors beyond the control of the
10 telephone company, including, but not limited to, changes in
11 intercarrier compensation or access charges, changes in
12 universal service or funding payments, changes in local, state,
13 or federal taxes, and other government or regulatory mandates.

14 Subd. 6. [COMMISSION RETAIL JURISDICTION.] Effective July
15 1, 2008, the retail rate jurisdiction of the commission shall no
16 longer be applicable to basic services residential and business
17 rates unless the commission during the first six calendar months
18 of 2008 extends its retail rate jurisdiction over basic services
19 residential or business rates provided by a previously basic
20 services regulated telephone company. The commission may extend
21 its jurisdiction under this subdivision for not more than one
22 year and may do so only after a finding that the action is
23 necessary for the public interest.

24 Sec. 5. [237.89] [ANTICOMPETITIVE PRICING.]

25 Subdivision 1. [PROTECTION FROM ANTICOMPETITIVE
26 PRICING.] This section applies to prices governed by section 4.
27 A telephone company must not price its basic services below the
28 lower of total service long-run incremental cost of providing
29 the service or a competitor's price. For the purposes of this
30 subdivision, "telephone company" means any company authorized by
31 the commission to provide voice services to end-user customers,
32 either residential or business, and includes a city utility
33 authorized to provide local exchange services.

34 Subd. 2. [ENFORCEMENT.] (a) The powers and duties granted
35 to the commission by section 237.081 apply to violations or
36 suspected violations of this section. A person aggrieved by a

1 violation of this section may file a complaint as provided in
2 section 237.081, which shall be treated as any other complaint
3 filed under that section. The commissioner of commerce may
4 investigate violations or alleged violations of this section.

5 (b) Sections 237.461 and 237.462 apply to violations of
6 this section.

7 Subd. 3. [PRICE DECREASES.] Nothing in this section
8 prohibits a telephone company from decreasing its basic service
9 rates. Except as necessary to comply with this section, no
10 basic service may be priced below the total service long-run
11 incremental cost for the service.

12 Sec. 6. [EFFECTIVE DATE.]

13 Sections 1 to 5 are effective the day following final
14 enactment."

1 Senator moves to amend S.F. No. 688 as follows:

2 Delete everything after the enacting clause and insert:

3 "Section 1. Minnesota Statutes 2004, section 238.08,
4 subdivision 1, is amended to read:

5 Subdivision 1. [REQUIREMENT; CONDITIONS.] (a) A
6 municipality or its joint commission created pursuant to
7 subdivision 5 shall require a franchise or extension permit of
8 any cable communications system providing service within the
9 municipality.

10 (b) No municipality or its joint commission shall grant an
11 additional franchise for cable service for an area included in
12 an existing franchise on terms and conditions more favorable or
13 less burdensome than those in the existing franchise pertaining
14 to: (1) ~~the area served;~~ (2) public, educational, or
15 governmental access requirements; or (3) (2) franchise fees.
16 ~~The provisions of this paragraph shall not apply when the area~~
17 ~~in which the additional franchise is being sought is not~~
18 ~~actually being served by any existing cable communications~~
19 ~~system holding a franchise for the area. Nothing in this~~
20 ~~paragraph prevents a municipality from imposing additional terms~~
21 ~~and conditions on any additional franchises~~ The provisions of
22 this paragraph shall not apply when the area in which the
23 additional franchise is being sought is not actually being
24 served by any existing cable communications system holding a
25 franchise for the area. Nothing in this paragraph prevents a
26 municipality from imposing additional terms and conditions on
27 any additional franchises related to the unserved area. The
28 grant of an additional franchise may include an area for cable
29 service similar to that in an existing franchise or another area
30 that the municipality or its joint commission determines is
31 necessary or desirable to reasonably meet the needs of the
32 municipality or its joint commission. If an additional
33 franchise area is not similar to an existing franchise area, the
34 municipality or joint commission shall ensure that access to
35 cable service is not denied because of the income status of
36 subscribers. Additional franchises must be granted or rejected

or joint commission

1 by a municipality within 120 days of an application deemed
2 complete in compliance with section 238.081, subdivision 4, by
3 the municipality or the joint commission unless the date is
4 extended by mutual agreement of the applicant and the
5 municipality or its joint commission.

6 Sec. 2. Minnesota Statutes 2004, section 238.08, is
7 amended by adding a subdivision to read:

8 Subd. 1a. [LOCAL PUBLIC, EDUCATIONAL, AND GOVERNMENTAL
9 ACCESS CHANNELS.] (a) An additional franchisee must ensure that
10 all subscribers receive local public, educational, governmental
11 access and public local origination channels within the
12 additional franchisee's franchise area.

13 (b) An additional franchise must ensure that all
14 subscribers receive local public, educational, and governmental
15 access channels and public local origination channels as
16 specified in the existing franchise and on the same channel
17 numbers as the existing franchisee. Every cable franchisee
18 shall permit any other franchisee to interconnect all local
19 public, educational, governmental access, and public local
20 origination programming and channel feeds. The municipality or
21 its joint commission shall determine all terms and conditions of
22 such interconnection to permit the interconnection and provision
23 of the public, educational, and governmental services. The
24 municipality or its joint commission may require that such
25 interconnection occur on government property or on public
26 rights-of-way. The costs of connection to the existing
27 franchisee's public, educational, governmental access and public
28 local origination programming and channel feeds must be borne by
29 the additional franchisee.

30 (c) An additional franchise provider shall make financial
31 contributions that are equivalent on a per customer basis or
32 mutually agreed upon terms, proportionate to contributions made
33 to the public, educational, and government access service,
34 facilities, and equipment provided or made available by the
35 existing franchise provider.

36 (d) A municipality or its joint commission may not impose

1 public, educational, and governmental access, local origination,
2 institutional network, or other obligations on the additional
3 franchisee that would exceed those imposed on the existing
4 franchisee.

5 Sec. 3. [EFFECTIVE DATE.]

6 Sections 1 and 2 are effective the day following final
7 enactment."

8 Amend the title accordingly

1 Senator moves to amend S.F. No. 640. as follows:

2 Delete everything after the enacting clause and insert:

3 "Section 1. [325E.317] [DEFINITIONS.]

4 Subdivision 1. [SCOPE.] For the purposes of sections
5 325E.317 and 325E.318, the terms defined in this section have
6 the meanings given them.

7 Subd. 2. [PROVIDER.] "Provider" means a provider of
8 wireless telecommunications services.

9 Subd. 3. [TELECOMMUNICATIONS
10 SERVICES.] "Telecommunications services" has the meaning given
11 in section 297A.61, subdivision 24, paragraph (a).

12 Subd. 4. [WIRELESS DIRECTORY ASSISTANCE
13 SERVICE.] "Wireless directory assistance service" means any
14 service for connecting calling parties to a wireless
15 telecommunications services customer when the calling parties
16 themselves do not possess the customer's wireless telephone
17 number information.

18 Subd. 5. [WIRELESS TELECOMMUNICATIONS SERVICES.] "Wireless
19 telecommunications services" has the meaning given in section
20 325F.695.

21 Subd. 6. [WIRELESS TELEPHONE DIRECTORY.] "Wireless
22 telephone directory" means a directory or database containing
23 wireless telephone number information or any other identifying
24 information by which a calling party may reach a wireless
25 telecommunications services customer.

26 Subd. 7. [WIRELESS TELEPHONE NUMBER
27 INFORMATION.] "Wireless telephone number information" means the
28 telephone number, electronic address, and any other identifying
29 information by which a calling party may reach a wireless
30 telecommunications services customer, which is assigned by a
31 provider to the customer and includes the customer's name and
32 address.

33 Sec. 2. [325E.318] [WIRELESS DIRECTORIES.]

34 Subdivision 1. [NOTICE.] No provider of wireless
35 telecommunications service, or any direct or indirect affiliate
36 or agent of a provider, may include the wireless telephone

1 number information of a customer in a wireless telephone
2 directory assistance service database or publish, sell, or
3 otherwise disseminate the contents of a wireless telephone
4 directory assistance service database unless the provider
5 provides a conspicuous notice to the subscriber informing the
6 subscriber that the subscriber will not be listed in a wireless
7 directory assistance service database without the subscriber's
8 prior express authorization.

9 Subd. 2. [AUTHORIZATION.] (a) A provider, or any direct or
10 indirect affiliate or agent of a provider, may not disclose,
11 provide, or sell a customer's wireless telephone number
12 information, or any part thereof, for inclusion in a wireless
13 telephone directory of any form, and may not sell a wireless
14 telephone directory containing a customer's wireless telephone
15 number information without first receiving prior express
16 authorization from the customer. The customer's authorization
17 must meet the following requirements:

18 (1) consent shall be affirmatively obtained separately from
19 the execution of the service contract via verifiable means; and

20 (2) consent shall be unambiguous and conspicuously disclose
21 that the subscriber is consenting to have the customer's dialing
22 number sold or licensed as part of a publicly available
23 directory assistance database.

24 (b) A record of the authorization shall be maintained for
25 the duration of the service contract or any extension of the
26 contract.

27 (c) A subscriber who provides express consent pursuant to
28 paragraph (a) may revoke that consent at any time. A provider
29 must comply with the customer's request to be removed from the
30 directory and remove such listing from directory assistance
31 within 60 days.

32 Subd. 3. [NO FEE TO RETAIN PRIVACY.] A customer shall not
33 be charged for opting not to be listed in a wireless telephone
34 directory.

35 Subd. 4. [REMEDIES.] A person who violates this section is
36 subject to the remedies under section 8.31, except subdivision

1 3a.

2 Sec. 3. [EFFECTIVE DATE.]

3 Sections 1 and 2 are effective the day following final

4 enactment."