

**Senator Frentz from the Committee on Energy, Utilities, Environment, and Climate,
to which was re-referred**

S.F. No. 2224: A bill for an act relating to commerce; relieving telephone companies or telecommunications carriers of the obligation to serve certain areas; requiring the Public Utilities Commission to resolve disputes; proposing coding for new law in Minnesota Statutes, chapter 237.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2024, section 216B.62, is amended by adding a subdivision to read:

Subd. 9. **Administrative costs for discontinuation of telecommunication services.** The commission may assess fees for the actual commission costs of administering the discontinuation of telecommunication services under section 237.181. The money received from the assessment shall be deposited into an account in the special revenue fund and all funds deposited are appropriated to the commission for the purposes of this subdivision. The commission may initially assess for estimated costs under section 237.181, then must adjust subsequent assessments for actual costs incurred under section 237.181. An assessment made under this subdivision is not subject to the cap on assessments provided in subdivision 3 or any other law.

EFFECTIVE DATE. This section is effective July 1, 2026.

Sec. 2. [237.181] CUSTOMER TRANSITION PLANS FOR AREAS WITH VOIP ALTERNATIVES.

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Alternative providers" means one or more providers the Federal Communications Commission has identified through Broadband Data Collection, location fabric data, or a successor data program as having a provider offering wireline broadband access service through fiber optic cable to the home capable of carrying VOIP of at least 25 megabits per second download speed and three megabit per second upload speed and offers VOIP services at a rate no more than 120 percent of the current rate for local flat rated voice service. Other Federal Communications Commission-approved adequate replacements shall be considered by the commission upon request of the telephone company or telecommunications carrier if the telephone company or telecommunications carrier fulfills the required obligations set forth in this section.

2.1 (c) "Commission" means the Public Utilities Commission.

2.2 (d) "Voice over internet protocol" or "VOIP" has the meaning given in section 237.025.

2.3 Subd. 2. **Customer transition plans.** (a) A telephone company or telecommunications
2.4 carrier may submit a petition to the commission for approval of a customer transition plan
2.5 to discontinue telecommunications service in an area where the telephone company or
2.6 telecommunications carrier has shown that customers in the affected area have access to
2.7 one or more providers for the telecommunications service provided by the telephone company
2.8 or telecommunications carrier.

2.9 (b) The proposed customer transition plan must:

2.10 (1) clearly identify the area and affected customers;

2.11 (2) clearly identify the alternative providers available to customers in the affected area;

2.12 (3) provide for technical assistance to affected customers who request assistance with
2.13 the transition to an alternate provider;

2.14 (4) draft consumer dispute forms for commission approval;

2.15 (5) describe the public education meeting plans for affected customers when required
2.16 by the commission; and

2.17 (6) provide onetime connection fees and device costs for households eligible for credit
2.18 as defined by section 237.70, subdivision 4a.

2.19 Subd. 3. **Commission process.** The commission shall provide for notice and comment
2.20 on the petition for a customer transition plan. The commission shall approve, modify, or
2.21 reject a petition filed under this section. The commission shall only approve a plan under
2.22 this section if it finds that the telephone company or telecommunications carrier:

2.23 (1) has met its burden of demonstrating to the commission that customers in the affected
2.24 area have at least one alternative provider available to those customers;

2.25 (2) has demonstrated that it will put sufficient resources into assisting customers to
2.26 transition to an alternate provider, including providing onetime connection fees and device
2.27 costs for households eligible for credit as defined by section 237.70, subdivision 4a; and

2.28 (3) has held a public meeting in the affected area as required by the commission and
2.29 provided written notice of the meeting to customers 60 days in advance.

2.30 Subd. 4. **Obligations upon approval.** Upon approval of a petition for a customer
2.31 transition plan under this section, the telephone company or telecommunications carrier

that proposed the petition must continue to serve an affected customer until the telephone company or telecommunications carrier completes the required actions in subdivision 2 and any disputes brought by the customer before the commission are resolved.

Subd. 5. Dispute resolution. The commission must resolve any dispute over whether a location has service available at the rates described in subdivision 1 on an expedited basis pursuant to section 237.61, prior to the date services will be discontinued. Such disputes must be submitted at least 90 days prior to the date of service discontinuance and resolved 15 days prior to the date of service discontinuation.

Subd. 6. Reinstatement of service. (a) The commission may reinstate existing obligations on the telephone company or telecommunications carrier to provide services to customers affected by this section:

(1) on the commission's own initiative; or

(2) in response to a request for agency action.

(b) Before acting under subdivision 4, paragraph (a), the commission must:

(1) provide notice and conduct a hearing; and

(2) determine that reinstating any existing obligation to serve is necessary because customers lack access to one or more providers.

(c) The telephone company or telecommunications carrier that would be affected by modification or reinstatement of service shall bear the burden of proof in a proceeding under this subdivision.

EFFECTIVE DATE. This section is effective July 1, 2026."

Amend the title numbers accordingly

And when so amended the bill do pass and be re-referred to the Committee on Commerce and Consumer Protection. Amendments adopted. Report adopted.

Nich A. Funtz

.....
(Committee Chair)

April 2, 2025.....
(Date of Committee recommendation)