

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 2151

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Version: First engrossment

Authors: Westrom and others

Subject: Amends statutes governing telephone and cable companies and other utilities

Analyst: Bob Eleff, 651-296-8961

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Overview

House File 2151

- requires a telephone company to immediately credit a customer who informs it that directory assistance information provided by the company was incorrect;
- prohibits third-party charges on telephone bills unless the provider has obtained express prior authorization from the customer to be charged for those goods and services;
- makes numerous technical changes in statutes governing cable communication systems and repeals rules relating to telephone equipment; and
- amends the method by which annual interest on customer utility deposits is calculated.

Section

Article 1: Credit for Wrong Directory Assistance

- 1 Definitions.** Adds a subdivision defining "local exchange carrier" as a telephone company or telecommunications company providing local exchange service.
- 2 Credit for incorrect directory assistance.** Requires a local exchange carrier providing

Section

directory assistance for a fee, either directly or through a third party, to immediately credit a customer who informs it that the directory assistance information was incorrect.

- 3 Prohibition against billing for unauthorized charges.** Prohibits a telephone company or telecommunications carrier providing local service from including third party charges for goods or services on a customer's bill unless the third-party service provider has obtained the customer's express authorization to include such charges.

Once notified of an unauthorized third-party charge by the customer, the company or carrier must remove it from the bill and refund the customer for the charge for each month it was billed, up to six months, unless the company or carrier produces evidence to the customer of his or her prior express authorization of the charge within 14 days of the complaint.

Prior express authorization may take three forms: written authorization by the customer in the form of a letter of agency; oral authorization as verified by an independent third-party verifier; or a copy of an e-mail notice of verification sent to the customer confirming authorization of a contract entered into via the Internet.

For direct-dialed calls, evidence that the call was placed from the number that was billed is considered sufficient evidence of authorization for billing purposes.

Article 2: Cable System Changes

Overview

Makes numerous technical changes to statutes governing the regulation of cable communications systems. Strikes requirements in franchise provisions relating to engineering, design, permitting, and construction schedules. Specifies conditions requiring the provision of additional public access channels and the minimum equipment that must be provided for public use. Repeals various statutes governing cable communications systems and repeals rules relating to telephone company equipment and testing.

Article 3: Interest on Deposits

- 1 1 Rates and deposits.** Deletes provision in current law prohibiting telephone companies from requiring deposits in excess of \$50.
- 2 Customer deposits.** Repeals the requirement that utilities pay interest on deposits above \$20 of not less than 3 percent annually. Sets the annual rate of interest that must be paid on deposits as the weekly average yield of one-year United States Treasury securities adjusted for constant maturity for the last full week in November. The commissioner of the Department of Commerce is to announce, by December 15, the rate for the coming year.
- 3 Rules or orders superseded.** Establishes that the interest rate set in Section 2 supersedes any rate set in rule or by administrative order, thereby relieving telephone companies of the requirement under current rules (Chapter 7810.1600) to pay an interest rate of 6 percent annually on deposits.
- 4 Effective date.** This law applies to interest paid on all deposits as of January 1, 2005.

