

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 2529

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Version: As introduced

Authors: Hoppe and others

Subject: Modification of local telephone calling areas

Analyst: Bob Eleff, 651-296-8961

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Overview

House File 2529 requires local telephone companies providing local exchange service and extended area service to modify their local calling areas to be congruent with the boundaries of existing LATAs and to provide statewide local calling. The Public Utilities Commission (PUC) is required to develop a plan to expand local calling areas in the state.

The bill also contains provisions to govern the operations and compensation of exchange traffic after these modifications have been implemented, provides for a cost recovery system to recoup switched access revenue losses resulting from the modifications, and makes the recovery mechanism subject to the PUC's complaint process.

Section

1 Expansion of local calling areas.

Subd. 1. Commission implementation. Requires the PUC to implement a plan to expand local calling areas within the state.

Subd. 2. Modification of calling areas. Requires all local telephone companies providing local exchange service to modify their local calling areas and extended areas of service to be congruent with the boundaries of the LATAs within the state by January 1, 2005. Customers in a LATA that extends outside Minnesota must be

Section

included in the new local calling area of the adjacent Minnesota LATA.

Once local calling areas have been so modified, the provisions governing the operations and compensation of the exchange of traffic among carriers must be in accordance with the reciprocal compensation methodology adopted by the PUC in Docket No. P-421/CI-03-384.

Subd. 3. Statewide local calling. By January 1, 2006, companies providing local exchange service and extended area service within Minnesota must modify their local calling areas to provide statewide local calling. Following modification, the provisions governing the operations and compensation of the exchange of traffic among carriers must be (1) based on the ownership of the facilities carrying that traffic, whether leased, purchased, or owned outright; and (2) in accordance with the reciprocal compensation methodology adopted by the PUC in Docket No. P-421/CI-03-384.

Subd. 4. Cost recovery mechanism. Incumbent local exchange carriers may recover any actual shortfall in switched access revenue directly resulting from these modifications by assessing a separate monthly tariffed retail charge on its local service customers that make toll calls.

Subd. 5. Complaint process. A separate monthly tariffed retail charge implemented in accordance with subdivision 4 is subject to the PUC's complaint process under section 237.081. If a formal complaint is filed, the burden of proving that the charge is being implemented lawfully is on the incumbent local exchange carrier.