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### Overview

H.F. 1692 repeals the bulk of chapter 237 of Minnesota Statutes, which regulates telecommunications services in the state, and creates a new chapter 237A.

#### Article 1: Telephone and Telecommunications

**1 [237A.01] Definitions.**

**2 [237A.02] Jurisdiction of commission, Department of Commerce, and attorney general.**

Specifies that the Public Utilities Commission (PUC) has authority expressly granted to it by state and federal law and the Federal Communication Commission in the following areas: wholesale telecommunications service; basic telecommunications services; administration of dialing codes and numbers; and other services. The commission has no authority over rates, terms and conditions of service, filing of schedules, market entry and exit, mergers and acquisitions, quality of service, and other aspects of telecommunications services with respect to nonbasic telecommunications services, interexchange services, and advanced services, although it retains these authorities with respect to basic telecommunications service during the 12-month transition period described in section 3. Specifies that the provision of telecommunication services must be governed exclusively by laws generally applicable to Minnesota businesses.

The Department of Commerce has only authorities expressly granted to it in this chapter with respect to telecommunications services. The attorney general has exclusive authority to investigate and enforce matters under this chapter, except for authorities specifically granted to the commission.

**3 [237A.03] Retail rate transition period for basic services; termination of alternative regulation plans.** Specifies a one-year transition period during which:

- a local exchange carrier (LEC) may not increase rates for basic service by more than \$1;
- an incumbent local exchange carrier (ILEC) must maintain basic service at a flat rate for unlimited calling; and

- an extended area of service in which an ILEC offers basic service cannot be reduced without commission approval.

- 4** [237A.04] **Alternative regulation plans terminated.** All Alternative Form of Regulation (AFOR) plans terminate on the effective date of this act, at which time providers under such plans become subject to this chapter.
- 5** [237A.05] **Wholesale telecommunications services.** Establishes PUC authority with respect to wholesale services including interconnection between ILECs and competitive local exchange carriers (CLECs), in which area the commission cannot exceed federal authority delegated to it.
- 6** [237A.06] **Schedules, tariffs, and individual contracts.** Requires a tariff to be filed with the commission for basic telecommunications service offered by LECs. Tariffs for all other services are optional. A provider may enter into contracts for retail or wholesale services at different rates than those in its filed tariff.
- 7** [237A.07] **Certification, registration, and mapping requirements.** Requires a provider to receive a certificate of authority from the commission prior to offering regulated services to end users in Minnesota. Specifies information required in the application. An amended certificate of authority is required for service provided in a new service area. Advanced services providers must register with the commission, unless the advanced service provider is also a telecommunications provider and has received a certificate of authority from the commission.
- 8** [237A.08] **End user consumer bill of rights.** Specifies consumer protection provisions a telecommunications provider must furnish to an end user, including notification of prices, changes in the end user's account, and rate increases. A provider must make certain services available to customers, including blocking options and directory assistance and is prohibited from taking certain actions, such as slamming and cramming. This section does not apply to advanced service providers.
- 9** [237A.09] **Unauthorized change of telecommunications provider.** Requires that an end user's telecommunications provider may not be changed without authorization from the end user. Requires a telecommunications provider to notify end users of this right. Specifies information a telecommunications provider must confirm with an end user prior to changing the end user's telecommunications provider, and verification procedures of such authorization that may be used. This section does not apply to advanced service providers.
- 10** [237A.10] **Unauthorized charge for goods and services.** Provides that a telecommunications provider may not charge an end user for goods or services sold by a third-party unless the end user has authorized the charge, and the provider has advised the end user of the expected charges and has provided the end user with a ready means to cancel the transaction. Describes types of acceptable written, oral, and electronic authorization. Unless the provider can submit evidence that complies with this section, the charge is deemed to be unauthorized, and the provider shall remove the charge and credit the end user for unauthorized charges made up to six months prior to the end user's complaint. This section does not apply to advanced service providers.
- 11** [237A.11] **Universal service fund.** Authorizes the commission to establish a universal service fund and a statewide benchmark rate LECs shall charge end users prior to being reimbursed.
- 12** [237A.12] **Municipal telecommunications services.** Authorizes a municipality to own and operate a telephone exchange within its borders, through construction, acquisition, or condemnation. A majority of voters must approve such an action; a 65 percent majority is required for construction of a new exchange where one already exists.
- 13** [237A.13] **Condemnation; notice, compensation, appeal.** Authorizes the commission, after a public hearing, to determine just compensation for the owner of an existing exchange acquired through

condemnation.

- 14** [237A.14] **Assessment of regulatory expenses.** Describes the administrative procedures through which the commission must assess telecommunications providers for the costs of the commission's regulatory duties. Reduces the maximum assessment by 75 percent.
- 15** [237A.15] **Proprietary information.** Requires the commission to maintain the confidentiality of proprietary information that becomes known to it, and authorizes the commission to enter into a protective order for that purpose.
- 16** [237A.16] **Commission administrative proceedings, appeals, remedies.** Authorizes the commission to adopt rules and regulations consistent with this chapter within 180 days of its effective date. Specifies procedures for handling complaints and appeals of commission orders; requires transcriptions of all proceedings; and authorizes the attorney general to enforce compliance with an order of the commission or of a court.
- 17** [237A.17] **Violations; penalties, enforcement.** Provides options for legal action to enforce commission orders, including civil penalties imposed by a court of \$100 to \$5,000.
- 18** [237A.18] **Obtaining service by fraud; injunction.** Provides that a telecommunications provider or a person harmed by an alleged act of telecommunications and information services fraud (obtaining such services illegally) can bring a civil action in district court to enjoin the violation. Provides a court with several legal options to halt the violation.
- 19** [273.19] **No private cause of action.** Provides that nothing in this chapter shall be construed to create any private cause of action or right to relief.

## Article 2: Conforming Changes

### Overview

Article 2 consists of three types of changes to chapter 237 to conform to the new language of chapter 237A:

- amending the commission's investigatory powers to refer only to investigations of violations of provisions in that chapter regarding programs for communication-impaired persons (sections 237.50 to 237.55);
- adding new definitions of "radio common carrier," "telecommunications carrier," "telephone company," and "independent telephone company;" and
- repealing of the bulk of chapter 237.

Provisions retained in section 237 include sections pertaining to:

- rights-of-way with respect to utility infrastructure (sections 237.04, 237.162, and 237.163);
- commission investigations of and administration of the Telecommunications Access Minnesota (TAM) and Telecommunications Relay Service (TRS) programs for communication-impaired persons (sections 237.081, and sections 237.50 to 237.55);
- private shared services (section 237.681);
- the Telephone Assistance Plan discounting telephone service for low-income persons (sections 237.69 to 237.711); and
- the Kelsey Smith law requiring provider cooperation in providing telecommunications device location information to law enforcement agencies in emergency situations (sections 237.82 and 237.83).