

entity listed in clauses (1), (2), and (3) of this paragraph must be treated separately for purposes of determining compliance with this paragraph, except that the legislative coordinating commission and all groups under its jurisdiction must be treated as one unit. For purposes of this paragraph, "professional or technical service contract" has the meaning defined in section 16B.17, but does not include contracts for actuarial services entered into by the legislative commission on pensions and retirement, or contracts with other legislative or state executive agencies. The house of representatives committee on rules and legislative administration, the senate committee on rules and administration, and the legislative coordinating commission must each determine the amount of the reduction to be made under this paragraph.

**Sec. 10. REPEALER.**

Minnesota Statutes 1994, sections 268.367; 268.37, subdivision 5; 268.38, subdivision 11; Minnesota Statutes 1995 Supplement, section 268.92, subdivision 10, are repealed.

**Sec. 11. EFFECTIVE DATE.**

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

Presented to the governor March 18, 1996

Signed by the governor March 19, 1996, 3:56 p.m.

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**CHAPTER 340—H.F.No. 2055**

*An act relating to telecommunications; requiring notice to customers of the right to require written authorization before changing intrastate telecommunications carrier or local telephone company; amending Minnesota Statutes 1994, section 237.66, subdivision 3, and by adding a subdivision; Minnesota Statutes 1995 Supplement, section 237.16, subdivision 8.*

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

Section 1. Minnesota Statutes 1995 Supplement, section 237.16, subdivision 8, is amended to read:

Subd. 8. **RULES.** (a) Before August 1, 1997, the commission shall adopt rules applicable to all telephone companies and telecommunications carriers required to obtain or having obtained a certificate for provision of telephone service using any existing federal standards as minimum standards and incorporating any additional standards or requirements necessary to ensure the provision of high quality telephone services throughout the state. The rules must, at a minimum:

- (1) define procedures for competitive entry and exit;
- (2) require the provisions of equal access and interconnection with the company's network and other features, functions, and services which the commission considers necessary to promote fair and reasonable competition;
- (3) require unbundling of network services and functions to at least the level required by existing federal standards;

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(4) prescribe, if necessary, methods of reciprocal compensation between telephone companies;

(5) provide for local telephone number portability;

(6) prescribe appropriate regulatory standards for new local telephone service providers, that facilitate and support the development of competitive services;

(7) protect against cross-subsidization, unfair competition, and other practices harmful to promoting fair and reasonable competition;

(8) prescribe methods for the preservation of universal and affordable local telephone services;

(9) prescribe standards for quality of service; and

(10) provide for the continued provision of local emergency telephone services under chapter 403; and

(11) protect residential and commercial customers from unauthorized changes in service providers in a competitively neutral manner.

(b) Before January 1, 1998, in a separate rulemaking, the commission shall adopt separate rules regarding the issues described in paragraph (a), clauses (1) to ~~(4)~~ (11), as may be appropriate to provision of competitive local telephone service in areas served by telephone companies with less than 50,000 subscribers originally certified to provide local telephone services before January 1, 1988.

Sec. 2. Minnesota Statutes 1994, section 237.66, is amended by adding a subdivision to read:

Subd. 1a. NOTICE TO CUSTOMERS. (a) Each residential and commercial telecommunications carrier customer may elect to require that the telephone company serving the customer receive authorization from the customer before a request to serve that customer from a different intrastate telecommunication carrier than the carrier currently serving the customer is processed.

(b) For new installations, a telephone company shall notify a residential or commercial customer of the right described in paragraph (a) when the customer initially requests intraexchange service.

(c) Within one year of the date of enactment of this subdivision, a telecommunication carrier shall notify each of its existing residential and commercial customers of the right described in paragraph (a). The notice may be made as a billing insert. Any customer notification of the rights set forth in this subdivision shall be provided utilizing uniform, competitively neutral language and the form, content, and style of the authorization shall be consistent with federal law and regulation and shall use language provided and approved by the public utilities commission.

(d) A customer may change this election at any time by notifying the telephone company of that decision. No separate charge may be imposed on the customer for electing to exercise the right described in paragraph (a) or to change that election, but a telephone company may recover in rates the reasonable costs of administering the election.

(e) If a customer has elected to exercise the right described in paragraph (a), the telephone company shall not process a request to serve the customer by another telecommunications carrier without prior authorization from the customer. If a customer has not

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electd to exercise the right described in paragraph (a), the company may process a request to serve the customer by another telecommunications carrier.

(f) A carrier may request such a change if the customer has authorized the change either orally or in writing signed by the customer. If the carrier requests a change in a customer's service provider, the carrier must:

- (1) notify the customer in writing that the request has been processed; and
- (2) be able to present, upon complaint by the customer, verified authorization for the change by the customer.

If the initial authorization was made orally, the carrier must be able to present verified authorization received from the customer within 14 business days of the date the oral authorization was made.

(g) In the case of an oral authorization, if a telecommunications carrier does not receive the verified authorization within 14 business days of the date of the oral authorization, the carrier must either bear the risk that the change to the service of the carrier will be deemed unauthorized under paragraph (h) or:

- (1) immediately return the customer to the service of the customer's original service provider;
- (2) bear all costs associated with returning the customer; and
- (3) bill the customer for services rendered at the rate the customer would have paid for such services if the request to serve the customer had not been made.

(h) If the carrier is not able to present, upon complaint by the customer, verified authorization received from the customer as required under paragraph (f) and the carrier did not return the customer to the service of the customer's original service provider as required under paragraph (g), the change to the service of the carrier shall be deemed to be unauthorized from the date the carrier requested the change. In that event, the carrier shall:

- (1) bear all costs of immediately returning the customer to the service of the customer's original service provider; and
- (2) bear all costs of serving that customer during the period of unauthorized service.

(i) For purposes of paragraphs (f), (g), and (h), authorization required in those paragraphs may be verified utilizing any method that is consistent with federal law and regulation.

Sec. 3. Minnesota Statutes 1994, section 237.66, subdivision 3, is amended to read:

Subd. 3. **ENFORCEMENT.** If, after an expedited procedure conducted under section 237.61, the commission finds that a telephone company is failing to provide disclosure as required under subdivision 1, or the notification required under subdivision 1a, paragraphs (b) and (c), it shall order the company to take corrective action as necessary.

Sec. 4. **EFFECTIVE DATE.**

Section 1 is effective the day following final enactment. Sections 2 and 3 are effective January 1, 1997.

Presented to the governor March 18, 1996

Signed by the governor March 19, 1996, 3:58 p.m.

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