

1.1 A bill for an act

1.2 relating to telecommunications; regulating private shared services; modifying
1.3 regulatory provisions; amending Minnesota Statutes 2008, sections 237.411,
1.4 subdivision 3; 237.74, subdivision 9; proposing coding for new law in Minnesota
1.5 Statutes, chapter 237.

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

1.7 Section 1. Minnesota Statutes 2008, section 237.411, subdivision 3, is amended to read:

1.8 Subd. 3. **Reduced rate regulation.** The rates, prices, tariffs, or charges to a business
1.9 customer in a competitive area by a telephone company or a telecommunications carrier
1.10 offering local service are only subject to sections 237.07, subdivision 1; 237.66; and
1.11 237.663, and are not subject to any rules imposing rate or price restrictions beyond those
1.12 sections or to other order or investigation of local rates under section 237.081. A telephone
1.13 company or telecommunications carrier subject to this subdivision is not required to file
1.14 specific price information. However, upon request of the department, the commission, or
1.15 the Office of Attorney General, a telephone company or telecommunications carrier must
1.16 demonstrate that its pricing complies with subdivision 4.

1.17 Sec. 2. Minnesota Statutes 2008, section 237.74, subdivision 9, is amended to read:

1.18 Subd. 9. **Discontinuance.** If a physical connection exists between a telephone
1.19 exchange system operated by a telephone company and the toll line or lines operated by a
1.20 telecommunications carrier, neither of the companies shall have the connection severed or
1.21 the service between the companies discontinued without first obtaining an order from the
1.22 commission upon an application for permission to discontinue the physical connection.
1.23 Upon the filing of an application for discontinuance of the connection, the department
1.24 shall investigate and ascertain whether public convenience requires the continuance

2.1 of the physical connection, and if the department so finds, the commission shall fix
2.2 the compensation, terms, and conditions of the continuance of the physical connection
2.3 and service between the telephone company and the telecommunications carrier. Prior
2.4 commission approval is not required for severing connections where multiple local
2.5 exchange companies are authorized to provide service. However, the commission may
2.6 require ~~the~~ local exchange connections if it finds that the connections are in the public
2.7 interest.

2.8 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.9 Sec. 3. **[237.681] PRIVATE SHARED SERVICES.**

2.10 Subdivision 1. **Definition.** For the purposes of this section, "private shared
2.11 services" means the provision of telephone services and equipment, the provision of video
2.12 programming services, or the provision of broadband services within a user group located
2.13 in discrete private premises, in building complexes, campuses, or high-rise buildings,
2.14 by a commercial shared services provider or by a user association, through privately
2.15 owned customer premises equipment and associated data processing and information
2.16 management services and includes the provision of connections to the facilities of a local
2.17 exchange and to long-distance telephone companies.

2.18 Subd. 2. **Requirements.** A person who owns or operates a building, property,
2.19 complex, or other facility where a private shared system is operated shall establish a single
2.20 demarcation point for services and facilities provided by a telephone company providing
2.21 local exchange service in the area that is mutually agreeable to the property owner or
2.22 operator and the telephone company. The obligation of a telephone company to provide
2.23 service to a customer at a location where a private shared system is operated is limited to
2.24 providing telephone company service and facilities up to the demarcation point established
2.25 for the property where the private shared telecommunications system is located. The
2.26 owner or operator of a private shared system may not (1) impose unreasonable restrictions
2.27 on access to the demarcation point on the premises by a telephone company or (2)
2.28 discriminate against or in favor of an occupant in any manner, including charging the
2.29 occupant higher or lower rental charges, because of the occupant's choice of telephone
2.30 company.

2.31 Subd. 3. **Access to alternative provider.** A tenant of a building, property,
2.32 complex, or other facility where a private shared system is operated may establish a
2.33 direct connection to and receive telephone service from a telephone company providing
2.34 local exchange service in the area where the private shared system is located. At the
2.35 request of a tenant where a private shared system is operated, the owner or manager of

3.1 the property shall make facilities or conduit space available to the tenant to allow the
3.2 tenant to make separate connection to and to receive telephone service directly from
3.3 the telephone company operating local exchange service in the area. The tenant has the
3.4 choice of installing the tenant's own facilities or using the existing facilities. The facilities
3.5 or conduit space must be provided by the owner or operator to the tenant at a reasonable
3.6 rate and on reasonable terms and conditions. It is the obligation of the tenant to arrange
3.7 for premises wire, cable, or other equipment necessary to connect the tenant's telephone
3.8 equipment with the facilities of the telephone company operating local exchange service
3.9 at the location of the demarcation point.

3.10 Subd. 4. **Enforcement.** If the commission finds that the owner or operator of
3.11 a private shared system has failed to comply with a request under this section, the
3.12 commission may order the owner or operator to make facilities or conduit space available
3.13 sufficient to allow the tenant to make separate connection with the telephone company,
3.14 and provide the services at reasonable prices and on reasonable terms and conditions.

3.15 Subd. 5. **Exemption.** A provider of private shared services is exempt from
3.16 section 237.16 if the telecommunications services are only provided to tenants or for
3.17 the provider's own use.

3.18 Subd. 6. **Service by local telephone company.** A telephone company providing
3.19 local exchange service shall provide service to anyone located within a shared services
3.20 building at the demarcation point within a reasonable time upon request.