

**SENATE**  
**STATE OF MINNESOTA**  
**EIGHTY-NINTH SESSION**

**S.F. No. 736**

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DATE	D-PG	OFFICIAL STATUS
02/12/2015	265	Introduction and first reading
		Referred to Jobs, Agriculture and Rural Development
04/07/2015		Comm report: To pass as amended and re-refer to Finance

1.1 A bill for an act  
1.2 relating to telecommunications; providing for competitive market regulation for  
1.3 certain local exchange carriers; proposing coding for new law in Minnesota  
1.4 Statutes, chapter 237.

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

1.6 Section 1. **[237.025] COMPETITIVE MARKET REGULATION.**

1.7 Subdivision 1. **Market regulation; election and regulation.** (a) A local exchange  
1.8 carrier facing competition may elect to be regulated by competitive market regulation  
1.9 under this section.

1.10 (b) A local exchange carrier that elects to be regulated under this section shall be  
1.11 regulated as a competitive local exchange carrier under Minnesota Rules, parts 7811.2210  
1.12 and 7812.2210, effective 30 days after its petition under subdivision 3 has been approved  
1.13 by the commission under subdivision 5.

1.14 (c) If a local exchange carrier elects and is approved to be regulated under this  
1.15 section, any existing alternative form of plan, price, or service regulation terminates on the  
1.16 day the competitive market regulation election becomes effective.

1.17 (d) A local exchange carrier subject to competitive market regulation under this  
1.18 section is not subject to rate-of-return regulation or earning investigations under this  
1.19 chapter.

1.20 Subd. 2. **Consumer protections.** A local exchange carrier that elects to be regulated  
1.21 under this section remains subject to chapter 403 and sections 237.069, 237.121, 237.295,  
1.22 237.411, 237.49, 237.52, 237.66, 237.661, 237.662, 237.663, 237.665, 237.70, 237.701,  
1.23 and 237.74, subdivision 6.

2.1 Subd. 3. **Petition; contents.** (a) A local exchange carrier may petition the  
2.2 commission to be regulated under this section. The petition must be served on the  
2.3 commission, the department, the Office of the Attorney General, and any other person  
2.4 designated by the commission.

2.5 (b) If the local exchange carrier contends that it serves less than 50 percent of the  
2.6 households within its service territory, the petition must provide evidence demonstrating  
2.7 the percentage of households it serves.

2.8 (c) If the local exchange carrier serves more than 50 percent of the households  
2.9 within its service territory, the petition must provide:

2.10 (1) a list of the known alternative providers of local service available in the  
2.11 company's service territory;

2.12 (2) a description of affiliate relationships with any other provider of local service in  
2.13 the company's market area;

2.14 (3) documentation demonstrating the loss of local residential voice customers over  
2.15 the period consisting of, at a minimum, the previous five years; and

2.16 (4) facts sufficient to demonstrate the local exchange carrier satisfies the criteria in  
2.17 subdivision 5.

2.18 Subd. 4. **Process; objection and review.** (a) A petition by a local exchange carrier  
2.19 to be regulated under this section shall be reviewed by the commission as provided under  
2.20 this subdivision.

2.21 (b) A party objecting to the local exchange carrier's petition must file an objection  
2.22 within 20 days, and provide with its filing evidence that the petitioning local exchange  
2.23 carrier does not satisfy the criteria under subdivision 5.

2.24 (c) If no party objects to the petitioning local exchange carrier's proposed election  
2.25 within 20 days of the filing of the petition, the petition is deemed approved.

2.26 (d) If a party raises an objection to a local exchange carrier's petition, the commission  
2.27 must provide interested parties an opportunity to comment on the merits of the petition.

2.28 (e) The commission shall make a final determination within 60 days of the date all  
2.29 information required under subdivision 3 was submitted.

2.30 Subd. 5. **Evaluation criteria; approval.** (a) If the petitioning local exchange carrier  
2.31 demonstrates that it serves less than 50 percent of the households in its service territory,  
2.32 the commission shall immediately grant the petition.

2.33 (b) If the petitioning local exchange carrier serves more than 50 percent of the  
2.34 households in its service territory, the commission shall grant the petition if the petitioner  
2.35 demonstrates that competitive service providers make voice service available to over 50  
2.36 percent of the households in its service territory.

3.1 (c) For the purposes of this subdivision, "competitive service provider" means a  
3.2 provider offering local residential voice service to telephone numbers throughout the local  
3.3 calling area, without regard to the technology used to deliver the service. Competitive  
3.4 service providers include, but are not limited to, wireless providers using Voice over  
3.5 Internet Protocol (VoIP) technologies.

3.6 Subd. 6. **Relation to other law.** Nothing in this section effects or modifies:

3.7 (1) any entity's obligations or rights, or the commission's authority, under the Federal  
3.8 Communications Act of 1934, United States Code, title 47, sections 251 and 252;

3.9 (2) any commission jurisdiction over (i) intrastate switched access rates, (ii) terms  
3.10 and conditions, including the implementation of federal law with respect to intercarrier  
3.11 compensation, or (iii) commission authority to address or affect the resolution of disputes  
3.12 regarding intercarrier compensation; or

3.13 (3) the rights of any entity, or the authority of the commission or local government  
3.14 authorities, with respect to the use and regulation of public rights-of-way under sections  
3.15 237.162 and 237.163.

3.16 **EFFECTIVE DATE.** This section is effective July 1, 2015.