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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. **2107**

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Authored by Masin, Bly, Sertich, Laine and Sailer

The bill was read for the first time and referred to the Committee on Commerce and Labor

1.1 A bill for an act
1.2 relating to telecommunications; setting certain goals; providing for a broadband
1.3 policy director and advisory board; amending Minnesota Statutes 2006, sections
1.4 237.011; 237.082; 237.16, subdivision 9; proposing coding for new law in
1.5 Minnesota Statutes, chapter 237.

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

1.7 Section 1. Minnesota Statutes 2006, section 237.011, is amended to read:

1.8 **237.011 TELECOMMUNICATIONS GOALS.**

1.9 The following are state goals that should be considered as the commission executes
1.10 its regulatory duties with respect to telecommunication services:

1.11 (1) supporting universal service;

1.12 (2) maintaining just and reasonable rates;

1.13 (3) ~~encouraging economically efficient deployment of infrastructure for higher speed~~
1.14 ~~telecommunication services and greater capacity for voice, video, and data transmission~~
1.15 making available to all residents of Minnesota by 2015 ultra high-speed data transmission
1.16 services at speeds equal to at least 1,000,000,000 bits per second;

1.17 (4) encouraging fair and reasonable competition for local exchange telephone
1.18 service in a competitively neutral regulatory manner;

1.19 (5) maintaining or improving quality of service;

1.20 (6) promoting customer choice;

1.21 (7) ensuring consumer protections are maintained in the transition to a competitive
1.22 market for local telecommunications service; and

1.23 (8) encouraging voluntary resolution of issues between and among competing
1.24 providers and discouraging litigation.

2.1 Sec. 2. **[237.021] BROADBAND POLICY.**

2.2 Subdivision 1. **Broadband policy director.** The governor shall appoint a state
 2.3 agency officer to be the broadband policy director for the state. The director shall
 2.4 coordinate policies designed to achieve the goal of making available to all residents of
 2.5 Minnesota by 2015 ultra high-speed data transmission services at speeds at least equal to
 2.6 the goal set in section 237.011, clause (3).

2.7 Subd. 2. **Broadband Advisory Board.** There is established a Broadband
 2.8 Advisory Board chaired by the broadband policy director. The governor shall appoint up
 2.9 to 15 members of the board, including representatives of providers, customers, local
 2.10 governments, and individuals knowledgeable about telecommunications issues. The board
 2.11 shall discuss and make recommendations to the governor and the legislature that contain:

2.12 (1) a comprehensive statewide plan for achieving the goal established in section
 2.13 237.011, clause (3);

2.14 (2) a description of the policies and actions necessary to achieve that goal, including
 2.15 the elimination of obstacles to investment;

2.16 (3) a description of the opportunities for public and private sector cooperation in
 2.17 achieving that goal;

2.18 (4) an evaluation of strategies and financing methods used in other states and
 2.19 countries that support the deployment of ultra high-speed data services; and

2.20 (5) an evaluation of the security and redundancy actions necessary to ensure the
 2.21 reliability of ultra high-speed telecommunications statewide.

2.22 Sec. 3. Minnesota Statutes 2006, section 237.082, is amended to read:

2.23 **237.082 TELECOMMUNICATION RATE AND SERVICE GOALS.**

2.24 When setting rates, adopting rules, or issuing orders related to telecommunication
 2.25 matters that affect deployment of the infrastructure, the commission ~~may~~ must apply the
 2.26 goals of:

2.27 (1) achieving ~~economically efficient investment in:~~

2.28 ~~(i) higher speed telecommunication services; and~~

2.29 ~~(ii) greater capacity for voice, video, and data transmission~~ the deployment to all

2.30 Minnesotans of a telecommunications network capable of the speed standard set in section
 2.31 237.011; and

2.32 (2) just and reasonable rates.

2.33 The department may apply the same goals in its regulation of and recommendations
 2.34 regarding telecommunication services.

3.1 Sec. 4. Minnesota Statutes 2006, section 237.16, subdivision 9, is amended to read:

3.2 Subd. 9. **Universal service fund.** The commission shall establish and require
 3.3 contributions to a universal service fund, to be supported by all providers of telephone
 3.4 services, whether or not they are telephone companies under section 237.01, including, but
 3.5 not limited to, local telephone companies, independent telephone companies, cooperative
 3.6 telephone companies, municipal telephone companies, telecommunications carriers,
 3.7 radio common carriers, personal communication service providers, and cellular carriers.
 3.8 Services that should be considered for inclusion as universal include, at a minimum,
 3.9 single-party service including access, usage and touch-tone capability; line quality capable
 3.10 of carrying facsimile and data transmissions; equal access; emergency services number
 3.11 capability; statewide telecommunications relay service for the hearing-impaired; and
 3.12 blocking of long-distance toll services. The fund must be administered and distributed
 3.13 in accordance with rules adopted by the commission and designed to preserve the
 3.14 availability of universal service throughout the state. Any state universal service fund
 3.15 must be coordinated with any federal universal service fund and be consistent with section
 3.16 254(b)(1) to (5) of the federal Telecommunications Act of 1996, Public Law 104-104. The
 3.17 department shall make recommendations to the legislature ~~by January 1, 1996,~~ regarding a
 3.18 plan for contributions to and expenditures from the universal service fund. In particular,
 3.19 the department shall address the following issues:

3.20 (1) what additional services should be included in the basic set of essential telephone
 3.21 services which the state should encourage in its mandate to ensure universal service;

3.22 (2) whether and how expenditures from the fund should be used to ensure citizens
 3.23 access to local government and other public access programming; and

3.24 (3) ~~whether~~ how expenditures from the fund should be used to encourage
 3.25 construction of infrastructure ~~for, and access to, advanced services~~ capable of providing
 3.26 services at the speed goal set in section 237.011, especially in high-cost areas of the state,
 3.27 ~~and, if the commission determines the fund should be used for this purpose, a plan to~~
 3.28 accomplish ~~these goals~~ that goal.