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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE No. 1149

February 26, 2009

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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; modifying provisions relating to reduced rate
1.3 regulation and promotion activities; amending Minnesota Statutes 2008, sections
1.4 237.411, subdivision 2; 237.626.

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

1.6 Section 1. Minnesota Statutes 2008, section 237.411, subdivision 2, is amended to read:

1.7 Subd. 2. **Competitive area; defined.** A "competitive area" is an exchange located:
1.8 (1) in the metropolitan area extended area service toll-free calling area; ~~or~~
1.9 (2) in the ~~cities~~ city of Duluth or St. Cloud; or
1.10 (3) in the serving area of a telephone company with less than 500,000 access lines.

1.11 Sec. 2. Minnesota Statutes 2008, section 237.626, is amended to read:

1.12 **237.626 PROMOTION ACTIVITIES.**

1.13 Subdivision 1. **Promotions.** A telephone company may promote the use of its
1.14 services by offering a waiver of part or all of a recurring or a nonrecurring charge, a
1.15 redemption coupon, or a premium with the purchase of a service. Section 237.09 does not
1.16 apply to promotions under this section, but the customer group to which the promotion is
1.17 available must be based on reasonable distinctions among customers. ~~No single promotion~~
1.18 ~~may be effective for longer than 90 days at a time. The benefits to a particular customer~~
1.19 ~~of a promotion must not extend beyond nine months. The service being promoted must~~
1.20 ~~have a price that is above the incremental cost of the service, including amortized cost~~
1.21 ~~of the promotion.~~ A promotion may take effect the day after the notice is filed with the
1.22 commission. The notice must identify customers to whom the promotion is available.
1.23 ~~A telephone company is not required to file cost information except upon request of~~

2.1 ~~the department, the Office of the Attorney General, or the commission to determine if~~
 2.2 ~~a promotion complies with applicable legal requirements. Within five business days~~
 2.3 ~~of receipt of a request pursuant to this subdivision, or an order of the commission, the~~
 2.4 ~~telephone company shall provide the requested cost information demonstrating the service~~
 2.5 ~~being promoted has a price above the incremental cost of service to the Office of the~~
 2.6 ~~Attorney General, the department, and the commission. The telephone company shall file~~
 2.7 ~~this cost information with the commission soon thereafter.~~

2.8 Subd. 2. **Bundled service.** (a) A telephone company may offer telecommunications
 2.9 services subject to the regulatory jurisdiction of the commission as part of a package of
 2.10 services that may include goods and services other than those subject to the commission's
 2.11 regulatory jurisdiction. Subject to the requirements of this chapter and the associated rules
 2.12 and orders of the commission applicable to those regulated services, a telephone company
 2.13 may establish the prices, terms, and conditions of a package of services, except that:

2.14 (1) each telecommunications service subject to the regulatory jurisdiction of the
 2.15 commission must be available to customers on a stand-alone basis; and

2.16 (2) at the time the packaged offering is introduced or at the time the packaged price
 2.17 is subsequently changed, the packaged rate or price may not exceed the sum of the
 2.18 unpackaged rates or prices for the individual service elements or services; ~~and.~~

2.19 ~~(3) in addition to the tariff requirements that apply to the telecommunications~~
 2.20 ~~elements of the package, the tariff must also contain a general description of the~~
 2.21 ~~nontelecommunications components of the package.~~

2.22 (b) Nothing in this subdivision is intended to extend or diminish the regulatory
 2.23 authority of the commission or the department.

2.24 Subd. 3. **Promotions available for resale.** Any promotional offering lasting more
 2.25 than 90 days and filed with the commission under subdivision 1 must be available to
 2.26 qualifying carriers for resale. A qualifying carrier must hold a certificate of authority from
 2.27 the commission and must have an approved interconnection agreement with the company
 2.28 offering the promotion, the terms of which include language governing the resale of
 2.29 services. The resale discount contained in the applicable interconnection agreement will
 2.30 not apply to promotional offerings.