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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE NO. **3845**

May 13, 2010

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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 consumer protection; specifying procedures for contract renewals for
1.3 telecommunications services for business customers; proposing coding for new
1.4 law in Minnesota Statutes, chapter 325F.

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

1.6 Section 1. [325F.6951] TELECOMMUNICATIONS SERVICES CONTRACT
1.7 RENEWALS.

1.8 Subdivision 1. Definitions. (a) "Contract" means a written agreement of definite
1.9 duration between a provider and a customer, describing the telecommunications services
1.10 to be provided to the customer, and their terms and conditions.

1.11 (b) "Customer" means a business that is a party to a valid existing contract with a
1.12 provider to receive telecommunications services.

1.13 (c) "Existing contract" means a contract in force between a customer and a provider
1.14 as of the date of issue of the notice of contract renewal required under subdivision 3.

1.15 (d) "Proposed renewed contract" means a contract proposed by a provider to govern
1.16 the continued provision of services to a customer immediately following termination
1.17 of an existing contract with that customer.

1.18 (e) "Provider" means a provider of telecommunications services.

1.19 (f) "Telecommunications services" has the meaning given in United States Code,
1.20 title 47, section 153, paragraph 46.

1.21 Subd. 2. Application. All contract renewals for telecommunications services for
1.22 business customers are governed by this section.

1.23 Subd. 3. Notice of contract renewal. Between 60 and 90 days before the
1.24 termination date of an existing contract, the provider must send written notice to the

2.1 customer, in a letter mailed separately from any bill or other written material, except
2.2 as provided in this subdivision:

2.3 (1) a copy of the proposed renewed contract;

2.4 (2) a postage-paid postcard as described in clause (3), addressed to the provider; and

2.5 (3) a document that states the following: "Your contract with [name of provider] will
2.6 terminate on [termination date]. You have the following three choices regarding receiving
2.7 future telecommunications services from [name of provider]:

2.8 (a) You may allow your contract to terminate on [termination date] without paying
2.9 any financial penalty. To choose this option, you may:

2.10 (1) fill out the enclosed addressed and postage-paid postcard, check the box marked
2.11 "I want my contract to terminate on [termination date]," and place the postcard in the mail
2.12 before [15 days prior to termination date];

2.13 (2) before [ten days prior to termination date] call [name of provider] at [provider
2.14 telephone number] and tell an account representative that you want to allow your contract
2.15 to terminate on [termination date]; or

2.16 (3) before [ten days prior to termination date], go to the company's Web site at [web
2.17 address], and click on "Terminate contract" and follow the instructions.

2.18 (b) You may renew your contract under the terms and conditions described in the
2.19 enclosed renewal contract. To choose this option, you don't need to contact [name of
2.20 provider]. The enclosed contract will automatically continue your service subject to the
2.21 terms and conditions of the enclosed renewal contract.

2.22 (c) You may indicate that you would like to continue service with [name of provider],
2.23 but would like to discuss services provided, terms, or conditions that are different from
2.24 those contained in the enclosed renewal contract. To choose this option, you may:

2.25 (1) fill out the enclosed addressed and postage-paid postcard, check the box marked
2.26 "I want to discuss the terms of my renewal contract" and place the postcard in the mail
2.27 before [30 days prior to termination date];

2.28 (2) before [30 days prior to termination date], call [name of provider] at [provider
2.29 telephone number] and tell an account representative that you want to discuss the terms
2.30 of your renewal contract. If you choose this option, you retain your right to terminate
2.31 your existing contract without penalty if no agreement is reached on the contents of a
2.32 renewal contract; or

2.33 (3) before [30 days prior to termination date], go to the company's Web site at [web
2.34 address], and click on "Discuss renewal contract" and follow the instructions. If you
2.35 choose this option, you retain your right to terminate your existing contract without
2.36 penalty if no agreement is reached on the contents of a renewal contract."

3.1 A provider may meet the requirements of this subdivision by providing the customer
3.2 an electronic copy of the required documents at the customer's request.

3.3 Subd. 4. **Termination without penalty; notice.** (a) A customer receiving notice of
3.4 a proposed contract renewal under subdivision 3 may elect to allow the existing contract
3.5 to terminate on the termination date without penalty of any kind, including any payment
3.6 of termination fees, provided that the customer notifies the provider in writing at least ten
3.7 days before the existing contract's termination date. A provider must terminate an existing
3.8 contract on the termination date contained in the existing contract following receipt of
3.9 a notice of termination from a customer.

3.10 (b) No provision of this section releases a customer from the obligation to comply
3.11 with the provisions of an existing contract.

3.12 **EFFECTIVE DATE.** This section is effective October 1, 2010, and applies to
3.13 contracts for telecommunications services entered into on or after that date.