

HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 2767

03/06/2014 Authored by Johnson, S., and Laine

The bill was read for the first time and referred to the Committee on Labor, Workplace and Regulated Industries

03/13/2014 Adoption of Report: Amended and re-referred to the Committee on Commerce and Consumer Protection Finance and Policy

03/28/2014 Adoption of Report: Amended and Placed on the General Register
Read Second Time

1.1 A bill for an act
 1.2 relating to telecommunications; eliminating antiquated, unnecessary, redundant,
 1.3 or obsolete laws; making conforming changes; amending Minnesota Statutes
 1.4 2012, sections 237.04; 237.14; 237.16, subdivisions 8, 12; 237.164; 237.17;
 1.5 237.30; 237.46; 237.491; 237.69, subdivisions 1, 15, 16; 237.71; 270B.14,
 1.6 subdivision 1; Minnesota Statutes 2013 Supplement, sections 237.036; 237.16,
 1.7 subdivision 9; repealing Minnesota Statutes 2012, sections 237.068; 237.16,
 1.8 subdivisions 10, 11, 13; 237.18; 237.33; 237.34; 237.35; 237.36; 237.37; 237.38;
 1.9 237.39; 237.40; 237.44; 237.45; 237.47; 237.67; 237.711; 237.80, subdivision 1.

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

1.11 Section 1. Minnesota Statutes 2013 Supplement, section 237.036, is amended to read:

1.12 **237.036 COIN-OPERATED OR PUBLIC PAY TELEPHONES.**

1.13 (a) Neither commission approval nor a commission certificate is required to:

1.14 (1) site a coin-operated or public pay telephone in the state; or

1.15 (2) implement changes in service, services offered, rates, or location regarding a
 1.16 coin-operated or public pay telephone. Registration under section 237.64 is required to
 1.17 own or operate a coin-operated or public pay telephone in the state.1.18 (b) This section does not change the authority of other state or local government
 1.19 entities to regulate aspects of coin-operated or public pay telephone ownership, location,
 1.20 or operation; however, an entity may not regulate aspects of these services that it did not
 1.21 regulate prior to May 26, 1999. The commission shall retain the authority delegated to
 1.22 it under federal and state law to protect the public interest with regard to coin-operated
 1.23 or public pay telephones.1.24 (c) Owners and operators of coin-operated or public pay telephones are exempt from
 1.25 sections 237.06, 237.07, 237.075, 237.09, 237.23, 237.295, and ~~237.39~~ and the annual
 1.26 reporting requirement of section 237.11.

2.1 (d) Owners of coin-operated or public pay telephones shall:

2.2 (1) provide immediate coin-free access, to the extent technically feasible, to 911
2.3 emergency service or to another approved emergency service; and

2.4 (2) provide free access to the telecommunications relay service for people with
2.5 communication disabilities.

2.6 (e) Owners of coin-operated or public pay telephones must post at each coin-operated
2.7 or public pay telephone location:

2.8 (1) customer service and complaint information, including the name, address, and
2.9 telephone number of the owner of the coin-operated or public pay telephone and the
2.10 operator service handling calls from the coin-operated or public pay telephone; a toll-free
2.11 number of the appropriate telephone company for the resolution of complaints; and the
2.12 toll-free number of the public utilities commission; and

2.13 (2) a toll-free number at which consumers can obtain pricing information regarding
2.14 rates, charges, terms, and conditions of local and long-distance calls.

2.15 Sec. 2. Minnesota Statutes 2012, section 237.04, is amended to read:

2.16 **237.04 WIRE CROSSING OR PARALLELING UTILITY LINE; RULES.**

2.17 (a) ~~The department shall determine and promulgate reasonable rules covering the~~
2.18 ~~maintenance and operation, also the nature, location, and character of the construction to~~
2.19 ~~be used, where telephone, telegraph, electric light, power, or other electric wires of any~~
2.20 ~~kind, or any natural gas pipelines, cross, or more or less parallel the lines of any railroad,~~
2.21 ~~or any other similar public service corporation; and, to this end, shall formulate and from~~
2.22 ~~time to time, issue general rules covering each class of construction, maintenance, and~~
2.23 ~~operation of such telephone, telegraph, telecommunications, cable, fiber optic, electric~~
2.24 ~~wire, or natural gas pipeline crossing, or paralleling, under the various conditions existing;~~
2.25 ~~and the department, upon the complaint of any person, railroad, municipal utility,~~
2.26 cooperative electric association, telephone company, telecommunications carrier, cable
2.27 company, fiber optic carrier, or other public utility claiming to be injuriously affected or
2.28 subjected to hazard by any ~~such~~ crossing or paralleling of the lines of any railroad or other
2.29 similar public service corporation, constructed or about to be constructed, shall, after a
2.30 hearing, make such order and prescribe such terms and conditions for the construction,
2.31 maintenance, and operation of the lines in question as may be just and reasonable.

2.32 (b) The department may, upon request of any municipal utility, electric cooperative
2.33 association, public utility, telephone company, telecommunications carrier, cable
2.34 company, or fiber optic carrier determine the just and reasonable charge which a railroad,
2.35 or owner of an abandoned railroad right-of-way, other than the state or a regional railroad

3.1 authority, can prescribe for a new or existing crossing of a railroad right-of-way by any
3.2 telephone, telegraph, telecommunications, cable, fiber optic, electric, or gas line, or new
3.3 or existing telephone, telegraph, telecommunications, cable, fiber optic, electric, or gas
3.4 line more or less paralleling a railroad right-of-way, based on the diminution in value
3.5 caused by the crossing or paralleling of the right-of-way by the telephone, telegraph,
3.6 telecommunications, cable, fiber optic, electric, or gas line. This section shall not be
3.7 construed to eliminate the right of a public utility, municipal utility, or electric cooperative
3.8 association to have any of the foregoing issues determined pursuant to an eminent domain
3.9 proceeding commenced under chapter 117. Unless the railroad, or owner of an abandoned
3.10 railroad right-of-way, other than the state or a regional railroad authority, asserts in writing
3.11 that the proposed crossing or paralleling is a serious threat to the safe operations of the
3.12 railroad or to the current use of the railroad right-of-way, a crossing can be constructed
3.13 following filing of the requested action with the department, pending review of the
3.14 requested action by the department.

3.15 (c) The department shall assess the cost of reviewing the requested action, and of
3.16 determining a just and reasonable charge, equally among the parties.

3.17 (d) For the purposes of this section, "parallel" or "paralleling" means that the
3.18 relevant utility facilities run adjacent to and alongside the lines of a railroad for no more
3.19 than one mile, or another distance agreed to by the parties, before the utility facilities cross
3.20 the railroad lines, terminate, or exit the railroad right-of-way.

3.21 Sec. 3. Minnesota Statutes 2012, section 237.14, is amended to read:

3.22 **237.14 RATE FOR SERVICE TO OFFICER.**

3.23 A telephone company may furnish service free or at reduced rates to its officers,
3.24 agents, or employees in furtherance of their employment, but it shall charge full schedule
3.25 rates without discrimination for all other services. ~~Nothing herein shall release any~~
3.26 ~~telephone company from carrying out any contract now existing between it and any~~
3.27 ~~municipality for the furnishing of any service free or at reduced rates. Any contract for~~
3.28 ~~telephone service, at discriminatory rates, other than those with municipalities, shall be~~
3.29 ~~terminated by the company as soon as the same becomes terminable by its terms.~~

3.30 Sec. 4. Minnesota Statutes 2012, section 237.16, subdivision 8, is amended to read:

3.31 Subd. 8. **Rules.** (a) ~~Before August 1, 1997,~~ The commission shall adopt rules
3.32 applicable to all telephone companies and telecommunications carriers required to obtain
3.33 or having obtained a certificate for provision of telephone service using any existing
3.34 federal standards as minimum standards and incorporating any additional standards

4.1 or requirements necessary to ensure the provision of high-quality telephone services
4.2 throughout the state. The rules must, at a minimum:

4.3 (1) define procedures for competitive entry and exit;

4.4 (2) require the provisions of equal access and interconnection with the company's
4.5 network and other features, functions, and services which the commission considers
4.6 necessary to promote fair and reasonable competition;

4.7 (3) require unbundling of network services and functions to at least the level required
4.8 by existing federal standards;

4.9 (4) prescribe, if necessary, methods of reciprocal compensation between telephone
4.10 companies;

4.11 (5) provide for local telephone number portability;

4.12 (6) prescribe appropriate regulatory standards for new local telephone service
4.13 providers, that facilitate and support the development of competitive services;

4.14 (7) protect against cross-subsidization, unfair competition, and other practices
4.15 harmful to promoting fair and reasonable competition;

4.16 (8) prescribe methods for the preservation of universal and affordable local
4.17 telephone services;

4.18 (9) prescribe standards for quality of service;

4.19 (10) provide for the continued provision of local emergency telephone services
4.20 under chapter 403; and

4.21 (11) protect residential and commercial customers from unauthorized changes in
4.22 service providers in a competitively neutral manner.

4.23 (b) ~~Before January 1, 1998, in a separate rulemaking,~~ The commission shall adopt
4.24 separate rules regarding the issues described in paragraph (a), clauses (1) to (11), as may
4.25 be appropriate to provision of competitive local telephone service in areas served by
4.26 telephone companies with less than 50,000 subscribers ~~originally certified to provide local~~
4.27 ~~telephone services before January 1, 1988.~~

4.28 Sec. 5. Minnesota Statutes 2013 Supplement, section 237.16, subdivision 9, is
4.29 amended to read:

4.30 Subd. 9. **Universal service fund.** The commission shall establish and require
4.31 contributions to a universal service fund, to be supported by all providers of telephone
4.32 services, whether or not they are telephone companies under section 237.01, including, but
4.33 not limited to, local telephone companies, independent telephone companies, cooperative
4.34 telephone companies, municipal telephone companies, telecommunications carriers,
4.35 radio common carriers, personal communication service providers, and cellular carriers.

5.1 Services that should be considered for inclusion as universal include, at a minimum,
5.2 single-party service including access, usage and touch-tone capability; line quality
5.3 capable of carrying facsimile and data transmissions; equal access; emergency services
5.4 number capability; statewide telecommunications relay service for people with hearing
5.5 loss; and blocking of long-distance toll services. The fund must be administered and
5.6 distributed in accordance with rules adopted by the commission and designed to preserve
5.7 the availability of universal service throughout the state. Any state universal service fund
5.8 must be coordinated with any federal universal service fund and be consistent with section
5.9 254(b)(1) to (5) of the federal Telecommunications Act of 1996, Public Law 104-104. The
5.10 department shall make recommendations to the legislature by January 1, 1996, regarding a
5.11 plan for contributions to and expenditures from the universal service fund. In particular,
5.12 the department shall address the following issues:

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

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

5.17 (3) whether expenditures from the fund should be used to encourage construction
5.18 of infrastructure for, and access to, advanced services, especially in high-cost areas of
5.19 the state, and, if the commission determines the fund should be used for this purpose, a
5.20 plan to accomplish these goals.

5.21 Sec. 6. Minnesota Statutes 2012, section 237.16, subdivision 12, is amended to read:

5.22 Subd. 12. **Extension of interexchange facility.** In order to promote the
5.23 development of competitive interexchange services and facilities, any interexchange
5.24 facility that is owned by a certified telephone company, independent telephone company,
5.25 telecommunications carrier or an affiliate and that is used to provide service to customers
5.26 located in areas for which it has been previously certified to provide service may be
5.27 extended to meet and interconnect with the facility of another telephone company, small
5.28 telephone company, or telecommunications carrier, whether at a point inside or outside
5.29 of its territories, without further proceeding, order, or determination of current or future
5.30 public convenience and necessity, upon mutual consent with the other telephone company,
5.31 small telephone company, or telecommunications carrier whose facilities will be met and
5.32 interconnected. Written notice of the extension and interconnection must be provided to
5.33 the Public Utilities Commission and Department of Public Safety within 30 days after
5.34 completion. The written notice must be served on all incumbent local exchange companies
5.35 certified before January 1, 1988, in all areas where the facilities are located.

6.1 Sec. 7. Minnesota Statutes 2012, section 237.164, is amended to read:

6.2 **237.164 UNIVERSAL SERVICE DISCOUNT FOR SCHOOL OR LIBRARY.**

6.3 The commission shall establish intrastate service discounts for schools and libraries
6.4 by order to the extent ~~and within the time frame~~ necessary to enable schools and libraries
6.5 to ~~begin receiving~~ receive federally supported discounts ~~at the earliest date permitted by~~
6.6 ~~the Federal Communications Commission.~~

6.7 Sec. 8. Minnesota Statutes 2012, section 237.17, is amended to read:

6.8 **237.17 EXTENSION OF LONG-DISTANCE LINE.**

6.9 Any telephone company may extend its long-distance lines into or through any city
6.10 of this state for the furnishing of long-distance service only, subject to ~~the regulation of~~
6.11 ~~the governing body of such city relative to the location of the poles and wires and the~~
6.12 ~~preservation of the safe and convenient use of such streets and alleys to the public~~ sections
6.13 237.162 and 237.163.

6.14 Sec. 9. Minnesota Statutes 2012, section 237.30, is amended to read:

6.15 **237.30 TELEPHONE INVESTIGATION FUND; APPROPRIATION.**

6.16 ~~The sum of \$25,000 is hereby appropriated out of any moneys in the state treasury~~
6.17 ~~not otherwise appropriated, to establish and provide a revolving fund to be known as the~~
6.18 A Minnesota Telephone Investigation Fund shall exist for the use of the Department of
6.19 Commerce and of the attorney general in investigations, valuations, and revaluations
6.20 under section 237.295. All sums paid by the telephone companies to reimburse the
6.21 department for its expenses pursuant to section 237.295 shall be credited to the revolving
6.22 fund and shall be deposited in a separate bank account and not commingled with any other
6.23 state funds or moneys, but any balance in excess of \$25,000 in the revolving fund at the
6.24 end of each fiscal year shall be paid into the state treasury and credited to the general fund.
6.25 ~~The sum of \$25,000 herein appropriated and~~ All subsequent credits to said revolving fund
6.26 shall be paid upon the warrant of the commissioner of management and budget upon
6.27 application of the department or of the attorney general to an aggregate amount of not
6.28 more than one-half of such sums to each of them, which proportion shall be constantly
6.29 maintained in all credits and withdrawals from the revolving fund.

6.30 Sec. 10. Minnesota Statutes 2012, section 237.46, is amended to read:

6.31 **237.46 GROSS MISDEMEANOR VIOLATION.**

7.1 Any telephone company or telecommunications carrier and, if it be a corporation,
7.2 the officers thereof, violating any provisions of ~~sections 237.01 to 237.27,~~ this chapter
7.3 shall be guilty of a gross misdemeanor.

7.4 Sec. 11. Minnesota Statutes 2012, section 237.491, is amended to read:

7.5 **237.491 COMBINED PER NUMBER FEE.**

7.6 Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this
7.7 section.

7.8 (b) "911 emergency and public safety communications program" means the program
7.9 governed by chapter 403.

7.10 (c) "Minnesota telephone number" means a ten-digit telephone number being used
7.11 to connect to the public switched telephone network and starting with area code 218, 320,
7.12 507, 612, 651, 763, or 952, or any subsequent area code assigned to this state.

7.13 (d) "Service provider" means a provider doing business in this state who provides
7.14 real-time, two-way voice service with a Minnesota telephone number.

7.15 (e) "Telecommunications access Minnesota program" means the program governed
7.16 by sections 237.50 to 237.55.

7.17 (f) "Telephone assistance program" means the program governed by sections 237.69
7.18 to ~~237.71~~ 237.71.

7.19 Subd. 2. **Per number fee.** (a) ~~By January 15, 2006, the commissioner of commerce~~
7.20 ~~shall report to the legislature and to the senate Committee on Jobs, Energy and Community~~
7.21 ~~Development and the house of representatives Committee on Regulated Industries,~~
7.22 ~~recommendations for the amount of and method for assessing a fee that would apply to~~
7.23 ~~each service provider based upon the number of Minnesota telephone numbers in use by~~
7.24 ~~current customers of the service provider. Annually, the commission shall set the fee~~
7.25 ~~would be set at a level calculated to generate only the amount of revenue necessary to fund:~~

7.26 (1) the telephone assistance program and the telecommunications access Minnesota
7.27 program at the levels established by the commission under sections 237.52, subdivision
7.28 2, and 237.70; and

7.29 (2) the 911 emergency and public safety communications program at the levels
7.30 appropriated by law to the commissioner of public safety and the commissioner of
7.31 management and budget for purposes of sections 403.11, 403.113, 403.27, 403.30, and
7.32 403.31 for each fiscal year.

7.33 (b) The recommendations must include any changes to Minnesota Statutes necessary
7.34 to establish the procedures whereby each service provider, to the extent allowed under
7.35 federal law, would collect and remit the fee proceeds to the commissioner of revenue. The

8.1 commissioner of revenue would allocate the fee proceeds to the three funding areas in
8.2 paragraph (a) and credit the allocations to the appropriate accounts.

8.3 (c) ~~The recommendations must be designed to allow the combined per telephone~~
8.4 ~~number fee to be collected beginning July 1, 2006.~~ The per access line fee used to collect
8.5 revenues to support the TAP, TAM, and 911 programs remains in effect until the statutory
8.6 changes necessary to implement the per telephone number fee have been enacted into
8.7 law and taken effect.

8.8 (d) ~~As part of the process of developing the recommendations and preparing the~~
8.9 ~~report to the legislature required under paragraph (a), the commissioner of commerce~~
8.10 ~~must, at a minimum, consult regularly with the Departments of Public Safety, Management~~
8.11 ~~and Budget, and Administration, the Public Utilities Commission, service providers,~~
8.12 ~~the chairs and ranking minority members of the senate and house of representatives~~
8.13 ~~committees, subcommittees, and divisions having jurisdiction over telecommunications~~
8.14 ~~and public safety, and other affected parties.~~

8.15 Sec. 12. Minnesota Statutes 2012, section 237.69, subdivision 1, is amended to read:

8.16 Subdivision 1. **Scope.** The terms used in sections 237.69 to ~~237.71~~ 237.71 have
8.17 the meanings given them in this section.

8.18 Sec. 13. Minnesota Statutes 2012, section 237.69, subdivision 15, is amended to read:

8.19 Subd. 15. **Income.** For purposes of sections 237.69 to ~~237.71~~ 237.71, "income"
8.20 has the meaning given it in section 290A.03, subdivision 3.

8.21 Sec. 14. Minnesota Statutes 2012, section 237.69, subdivision 16, is amended to read:

8.22 Subd. 16. **Telephone assistance plan.** "Telephone assistance plan" means the plan
8.23 to be adopted by the commission and to be jointly administered by the commission, the
8.24 Department of Human Services, and the telephone companies, as required by sections
8.25 237.69 to ~~237.71~~ 237.71.

8.26 Sec. 15. Minnesota Statutes 2012, section 237.71, is amended to read:

8.27 **237.71 TAP RULES.**

8.28 The commission shall adopt rules under the Administrative Procedure Act necessary
8.29 or appropriate to ~~establish~~ administer the telephone assistance plan in accordance with
8.30 this chapter ~~so that the telephone assistance plan is effective as of January 1, 1988, or as~~
8.31 ~~soon after that date as Federal Communications Commission approval of the telephone~~
8.32 ~~assistance plan is obtained.~~

9.1 Sec. 16. Minnesota Statutes 2012, section 270B.14, subdivision 1, is amended to read:

9.2 Subdivision 1. **Disclosure to commissioner of human services.** (a) On the request
9.3 of the commissioner of human services, the commissioner shall disclose return information
9.4 regarding taxes imposed by chapter 290, and claims for refunds under chapter 290A, to
9.5 the extent provided in paragraph (b) and for the purposes set forth in paragraph (c).

9.6 (b) Data that may be disclosed are limited to data relating to the identity,
9.7 whereabouts, employment, income, and property of a person owing or alleged to be owing
9.8 an obligation of child support.

9.9 (c) The commissioner of human services may request data only for the purposes of
9.10 carrying out the child support enforcement program and to assist in the location of parents
9.11 who have, or appear to have, deserted their children. Data received may be used only
9.12 as set forth in section 256.978.

9.13 (d) The commissioner shall provide the records and information necessary to
9.14 administer the supplemental housing allowance to the commissioner of human services.

9.15 (e) At the request of the commissioner of human services, the commissioner of
9.16 revenue shall electronically match the Social Security numbers and names of participants
9.17 in the telephone assistance plan operated under sections 237.69 to ~~237.71~~ 237.71, with
9.18 those of property tax refund filers, and determine whether each participant's household
9.19 income is within the eligibility standards for the telephone assistance plan.

9.20 (f) The commissioner may provide records and information collected under sections
9.21 295.50 to 295.59 to the commissioner of human services for purposes of the Medicaid
9.22 Voluntary Contribution and Provider-Specific Tax Amendments of 1991, Public Law
9.23 102-234. Upon the written agreement by the United States Department of Health and
9.24 Human Services to maintain the confidentiality of the data, the commissioner may provide
9.25 records and information collected under sections 295.50 to 295.59 to the Centers for
9.26 Medicare and Medicaid Services section of the United States Department of Health and
9.27 Human Services for purposes of meeting federal reporting requirements.

9.28 (g) The commissioner may provide records and information to the commissioner of
9.29 human services as necessary to administer the early refund of refundable tax credits.

9.30 (h) The commissioner may disclose information to the commissioner of human
9.31 services necessary to verify income for eligibility and premium payment under the
9.32 MinnesotaCare program, under section 256L.05, subdivision 2.

9.33 (i) The commissioner may disclose information to the commissioner of human
9.34 services necessary to verify whether applicants or recipients for the Minnesota family
9.35 investment program, general assistance, food support, Minnesota supplemental aid

10.1 program, and child care assistance have claimed refundable tax credits under chapter 290
10.2 and the property tax refund under chapter 290A, and the amounts of the credits.

10.3 (j) The commissioner may disclose information to the commissioner of human
10.4 services necessary to verify income for purposes of calculating parental contribution
10.5 amounts under section 252.27, subdivision 2a.

10.6 Sec. 17. **REPEALER.**

10.7 Minnesota Statutes 2012, sections 237.068; 237.16, subdivisions 10, 11, and 13;
10.8 237.18; 237.33; 237.34; 237.35; 237.36; 237.37; 237.38; 237.39; 237.40; 237.44; 237.45;
10.9 237.47; 237.67; 237.711; and 237.80, subdivision 1, are repealed.

237.068 MULTIPARTY LINE TELEPHONE SERVICE.

After October 31, 1993, no telephone company may offer or provide multiparty line telephone service to more than two subscribers per line, unless otherwise approved by the commission.

237.16 LOCAL EXCHANGE COMPETITION, RULES.

Subd. 10. **Interim authority.** (a) Before adopting the rules required under subdivision 8, the commission shall grant an applicant a certificate to provide a proposed local telephone service when the commission finds that the applicant meets the conditions of subdivision 1. Any applicant for a certificate pursuant to subdivision 1 shall, at the time its application is filed, provide notice of its application to all local telephone companies authorized to provide local exchange service in the geographic area identified in the application. The applicant and telephone companies shall negotiate a temporary arrangement pertaining to interconnection matters for the effective interconnection of local exchange networks, pending the adoption of the rules under subdivision 8. If the applicant and the telephone companies fail to reach agreement within 60 days of filing the application, the commission shall set the terms of the temporary arrangement at the time of the issuance of the certificate.

(b) Any company previously certified to provide local telephone services may request a temporary arrangement for the effective interconnection with the local exchange network of another telephone company in the same territory, pursuant to the time frames and procedures of this subdivision.

(c) In addition, through and until the rules are adopted under subdivision 8, each telephone company serving more than 50,000 access lines in the state shall:

(1) permit interconnection or discontinue interconnection for intrastate services to the same extent and in the same manner and time frame as the Federal Communications Commission requires interconnection or permits discontinuance of interconnection for interstate services; and

(2) unbundle its intrastate services and facilities used for intrastate services to the same extent and in the same manner as the Federal Communications Commission requires unbundling for interstate purposes.

Subd. 11. **Interim authority in area served by small telephone company.** (a) Before adopting the rules required under subdivision 8 for telephone companies with less than 50,000 subscribers, when an applicant requests certification to provide local telephone service in an area served by a telephone company with less than 50,000 subscribers originally certified to provide local telephone service before January 1, 1988, the commission shall grant the application if it finds the applicant meets the requirements of subdivision 1. The commission shall make its determination on the application, including whether to provide a temporary arrangement for the effective interconnection of the local exchange networks, after a hearing under chapter 14 or expedited proceeding under section 237.61, within nine months of the application, and considering any facts unique to that telephone company. In addition, if an application is granted, that telephone company shall:

(1) permit interconnection or discontinue interconnection for intrastate services to the same extent and in the same manner and time frame as the Federal Communications Commission may thereafter require for that small telephone company for interstate purposes; and

(2) unbundle its intrastate services and facilities used for intrastate services to the same extent and in the same manner as the Federal Communications Commission may thereafter require for that telephone company for interstate purposes.

(b) If a telephone company with less than 50,000 subscribers is authorized by the Federal Communications Commission to provide video common carrier services before the rules required under subdivision 8 are adopted, an application under this subdivision for certification to provide local telephone service in an area served by that telephone company shall be determined within 120 days of its filing.

Subd. 13. **Application of other law.** Notwithstanding any provisions of sections 237.035 and 237.74 to the contrary, before adopting the rules under subdivision 8, the local services provided by a telecommunications carrier are subject to this chapter in the same manner as those local services of a telephone company regulated under this chapter, except that the telecommunications carrier is not subject to section 237.22 and is not subject to rate-of-return regulation or earnings

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investigations under section 237.075 or 237.081. Before offering a local telephone service a telecommunications carrier must be certified to provide local service under this section.

237.18 SURRENDERING OLD LICENSE; NEW AUTHORITY.

Any telephone company operating under any existing license, permit, or franchise or which shall, before the taking effect of Laws 1915, chapter 152, acquire any license, permit, or franchise, upon filing with the clerk of the municipality which granted such franchise, a written declaration that it surrenders such license, permit, or franchise, may receive in lieu thereof, an indeterminate permit, as defined in this chapter; and such telephone company shall thereafter hold such permit under all the terms, conditions, and limitations of this chapter. The filing of such declaration shall be deemed a waiver by such telephone company of the right to insist upon the fulfillment by any municipality of any contract theretofore entered into relating to any rate, charge, or service made subject to regulation by this chapter. Upon filing such written declaration by the telephone company, the clerk of the municipality shall file with the commission a certificate showing that fact and the date thereof, and thereupon it shall receive an indeterminate permit from the commission conferring the same rights as if originally granted under this chapter.

237.33 TOWN TELEPHONE SYSTEM.

For the purpose of preventing the starting and spreading of forest or prairie fires and extinguishing the same, promoting public welfare, public health, and public safety, and facilitating the work of public improvements, the electors of any organized town of this state shall have power, at their annual town meeting or at any special town meeting called in the manner provided by law for special town meetings, to authorize the town to construct, or otherwise acquire, operate, and maintain a township telephone system, including the necessary poles, wires, telephones and telephone equipment, and by itself or in conjunction with one or more other towns to construct, equip, acquire, operate, and maintain a local telephone exchange, or one or more trunk lines of wires connecting such town or towns with the local exchange, or with a local exchange owned by some other corporation or persons, and to determine by ballot the amount of money to be raised for the purposes aforesaid. No such local exchange as herein provided for shall be constructed or maintained in municipalities where a local exchange is already in operation.

237.34 TOWN TELEPHONE LINE OUTSIDE CORPORATE LIMITS.

For the purpose of carrying out the provisions of section 237.33, any town may, by itself or in conjunction with one or more other towns, construct, maintain, acquire, own, or lease telephone lines, telephone equipment, or a local exchange outside the corporate limits of such town. The authority herein granted to any town to acquire, construct, or maintain, by itself, lines outside of its corporate limits shall be solely for the purpose of connecting telephones inside its corporate limits with a telephone exchange or switching center outside its corporate limits. The department may order any service to be extended across any township line to any person or concern adjacent thereto when, in the judgment of the department, such person or concern is entitled to telephone service and the same cannot be reasonably required of any other telephone company.

237.35 TAX LEVY FOR CONSTRUCTION.

When any town has authorized the construction, acquiring, operation, or maintenance of a telephone system, as set forth in sections 237.33 and 237.34, and determined the amount of money to be raised for that purpose, the town board of supervisors may levy a tax for the amount of money to be raised therefor.

237.36 RENTAL, CHARGE, TOLL; TAXATION; NONPAYMENT.

The electors of such town shall have power at their annual town meeting, or at any special meeting, to determine and, in case the electors fail to do so, the town board of supervisors shall determine, the manner of payment of rentals and charges to be paid per phone for operating a local exchange service; and such charges and all tolls payable by the users of such township system shall, in the first instance, be collected by the town board or under its direction. Any local exchange may, by agreement with any town board of supervisors, collect the long-distance tolls directly from the users. No such town shall be subjected to or liable for any gross earnings or other tax by reason of moneys collected or property owned by it for such township telephone system. In case of the failure on the part of any user to pay such charges or tolls in the manner

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so provided, the town board may institute an action at law to collect such charges or tolls in arrears, and may also discontinue telephone service to such user, until all charges and tolls in arrears, the court costs, if any, taxed and allowed in an action to collect such arrears, and the reasonable cost of disconnecting the telephone from the general service, and reconnecting the same shall have been paid.

237.37 BONDS TO CONSTRUCT.

For the purpose of constructing, acquiring, operating, or maintaining a township telephone system or local exchange, as in sections 237.33 to 237.40 provided, any organized town is hereby authorized to issue and sell its bonds in the same manner, under the same procedure, and within the same limitations as provided by law for the issuance and sale of town road and bridge bonds; and the board of supervisors and their successors are hereby authorized to levy and in due form certify to the auditor of the county in which such town is situated, a tax upon the taxable property of the town to provide for the payment of installments of principal and interest as they mature, in the manner provided in the case of town road and bridge bonds.

237.38 LOCAL EXCHANGE PERMITS CONNECTION.

When public convenience requires the same, every local telephone exchange shall for a reasonable compensation permit a physical connection or connections to be made and telephone service to be furnished between such local telephone exchange system and township telephone system. In case of failure of the local telephone exchange to allow or agree upon such physical connection or connections, or the terms and conditions upon which the same shall be made, application may be made to the department for an order requiring such connection, and fixing the compensation, terms, and conditions thereof; and if after investigation and hearing the department shall find that such physical connections will not result in irreparable injury to such telephone properties, it shall by order direct such connections to be made and prescribe reasonable conditions and compensation therefor and for the joint use thereof, and by whom the expense of making and maintaining such connection or connections shall be paid. When application is made to the department requesting physical connection, it shall be presumed that such connection is necessary and that the public convenience will be promoted thereby, and the burden of overcoming such presumption shall be upon the party resisting such application.

237.39 ACQUIRING OR SELLING TELEPHONE SYSTEM.

When, under the provisions of sections 237.33 to 237.40, a township telephone system is established in any township in which any of the inhabitants of the town are already provided with telephone service furnished by any other telephone company or person, the town shall, when so requested by the telephone company or person, acquire from the telephone company all telephone equipment used by the telephone company or person in furnishing telephone service to the inhabitants of the town exclusively. For the purpose of determining the purchase price of the equipment, application shall be made to the department which shall determine the just compensation which the owner of the telephone equipment is entitled to receive for it from the town. Before deciding upon the compensation, the department shall, at a public meeting, which may be adjourned from time to time, hear all interested persons of the question involved. The department shall by order fix the compensation and furnish a copy of its order to the town, and to the telephone company or person concerned. An appeal may be taken to the district court of the county in which the town is situated from that part of the order fixing the compensation to be paid, within 30 days, by either party. The appeal shall be tried in the same manner as other appeals hereunder. If no appeal is taken, the order of the department shall become final at the end of 30 days.

When, under the provisions of sections 237.33 to 237.40 a township telephone system has been established in any town, and it has been determined by the board of supervisors of the town to be for the best interest of public service and all persons concerned, to sell and transfer the township telephone system to any telephone company or person giving service organized for that purpose and qualified to purchase the system and operate it, the board of supervisors may sell, transfer, and convey the township telephone system upon such reasonable price and terms as it may determine; provided, that there shall be presented to the board of supervisors by a petition signed by at least 25 percent of the landowners of the town asking for the sale. If the sale and agreed sale price are approved at an annual or special town meeting, it being stated in the notice of the annual and special meeting that the proposition will be considered at it, by 66 percent of the legal voters attending the meeting.

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If any township telephone lines are sold under the provisions of sections 237.33 to 237.40, and the town has previously issued bonds for their construction, and any part of the bonds are then outstanding and unpaid, the entire consideration received from the sale, or such part as may be necessary, shall be held and applied only for the payment and retirement of the bonds.

237.40 MANAGEMENT.

The board of supervisors of any such town is hereby vested with all necessary authority to manage, maintain, and operate any township telephone system constructed under the provisions of sections 237.33 to 237.40; and, to that end, may, among other things, contract for the connection of such town lines with exchanges owned by others for switching, lease the system for a reasonable compensation, local exchange and toll connections, hire and discharge such employees as may be necessary to operate and maintain such township system, establish rules and regulations; and, subject to the approval of the department, establish and from time to time, change rates and charges covering the service furnished the users.

237.44 TELEGRAPH LINE, LIABILITY.

If any person or corporation owning or operating a telegraph line wholly or partly within the state shall fail to transmit any message within a reasonable time, or to exercise due diligence to that end, after its reception, or shall fail to deliver any message to the party to whom it is addressed within a reasonable time after its arrival at the place of destination, the person or corporation shall be liable in a civil action at the suit of the party injured for all damages sustained by reason of such neglect or omission. The company delivering the message shall state plainly thereon the exact time when it was received at the original point for transmission.

237.45 TELEPHONE AND TELEGRAPH LINES CONSTRUCTED.

Natural persons, copartnerships, and associations may construct, maintain, and operate telephone and telegraph lines, and shall have and possess the same rights, powers, and privileges with reference thereto as corporations formed for such purpose.

237.47 ALARM TRANSMISSION TELEPHONE DEVICE; RULES.

Subdivision 1. **Permission required.** Any person desiring to install or use any automatic, electrical, or mechanical device or attachment to any telephone that reproduces any taped or prerecorded message to report any police, fire, or other emergency to any official emergency reporting telephone number shall obtain permission, in writing, from the sheriff of the county in which located or the police chief or fire chief of the municipality into whose emergency telephone number the attachment or device is connected.

Subd. 2. **Conditions for connection.** The sheriff, police chief, or fire chief may determine the conditions, if any, under which the device or attachment may be connected, provided such conditions are reasonable in accordance with local conditions and further provided that the device or attachment complies with the rules of the Minnesota Public Utilities Commission.

Subd. 3. **Removal.** Whenever the sheriff, police chief, or fire chief has knowledge of the use of any such attachment or device not operated or maintained in accordance with the provisions of this section, that official may order its removal.

Subd. 4. **Penalty.** Violation of any of the provisions of this section shall constitute a misdemeanor.

237.67 ANNUAL LEGISLATIVE REPORT.

Beginning January 1, 1988, the commission and the department shall annually report to the legislature on the implementation of Laws 1987, chapter 340, and recommend changes necessary to assure high-quality and affordable telephone services for the residents of the state.

237.711 TAP IMPLEMENTATION RULES.

The commission may adopt rules to implement Laws 1988, chapter 621, sections 1 to 16.

237.80 INTEREXCHANGE TELEPHONE SERVICE.

Subdivision 1. **Definition, findings, and purpose.** (a) For purposes of this section, "act" means the federal Telecommunications Act of 1996, Public Law 104-104.

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(b) The act establishes procedures whereby former Bell Operating Companies or their affiliates may obtain Federal Communications Commission authorization to provide intrastate inter-LATA telecommunications services and to promote the development of fair and reasonable competition.

(c) The purpose of this section is to promote the development of fair and reasonable competition in the telecommunications industry in Minnesota.