

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1446

2001 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1446


2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1446

House Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date Feb. 12, 2001

Tape Number	Side A	Side B	Meter #
1	X		0-29.8
Committee Clerk Signature 			

Minutes: Chairman R. Berg, Vice-Chair G. Keiser, Rep. M. Ekstrom, Rep. R. Froelich, Rep. G. Froseth, Rep. R. Jensen, Rep. N. Johnson, Rep. J. Kasper, Rep. M. Klein, Rep. Koppang, Rep. D. Lemieux, Rep. B. Pietsch, Rep. D. Ruby, Rep. D. Severson, Rep. E. Thorpe.

Rep Rachel Disrud: Sponsoring bill relating to prior written notification of price increases for essential and nonessential telecommunications services. This bill was drafted to clarify and enhance trust with the provider. This brings every company into compliance and creates an even playing field.

Susan E. Wefald: (6.0) *Public Service Commissioner* **Written testimony in support of bill.**

Leo Reinbold: *Public Service Comm.* **Written testimony in support of bill.**

Rep Koppang: Define the difference between essential & nonessential.

Wefald: Services that are basic, local calls, are essential. Long distance is nonessential.

Tony Clark: *Insurance Commissioner* I support this because it increase the flow in communication.

Page 2

House Industry, Business and Labor Committee

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Rep Severson: Is there a penalty for not complying?

Clark: Up to \$5,000 per violation.

Tom Kelsch: AT&T We oppose this on regard of expanse.

Kent Blickensderfer: *Qwest Corp* **Written testimony in opposition to bill.**

Rep Ekstrom: Why is this more of a burden?

Blickensderfer: Why create more laws for an already highly competitive industry.

Rep M. Klein: Does Qwest already do this?

Blickensderfer: Yes, 20 days before essential services we inform the customer and we inform the Public Service Commissioner of nonessential services.

David Crothers: We are opposed to this bill for the following reasons. The word pre subscribed in the bill, we very rarely ever have an increase in rates, and only so many characters can be put on a bill before the cost increases.

Rep M. Klein: Do your companies notify of price increases?

Crothers: They've never had a price increase so they don't apply.

Rep Kasper: Do you notify of a price decrease?

Crothers: That is mainly in the marketing.

Chairman Berg: We'll close HB 1446.

Feb. 13, 2001 Tape 2 A 10.8-28.7

Rep Koppang: This is the bill dealing with written notification for telecommunications. It also had an amendment. Most companies seem to be doing this now and their prices are going down. This is a consumer friendly bill.

Page 3

House Industry, Business and Labor Committee

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Chairman Berg: The intent of this bill is good. The free market is regulating this by chance.

Vice Chair Keiser: The Public Service Commission have real strength over monopoly's and this isn't the issue here. Mandating bad businesses to match the good businesses is a wrong effort and is anti-business.

Rep Ruby: This only regulates long-distance with in the state.

Rep Koppang: I move the amendment.

Rep Lemieux: I second.

Rep Koppang: I move a do pass as amended.

Rep Lemieux: I second.

6 Yea, 9 Nay, 0 Absent

Carrier Rep Koppang

Chairman Berg: Motion fails.

Vice-Chair Keiser: I move a do not pass as amended.

Rep Ruby: I second.

10 Yea, 5 Nay, 0 Absent

Carrier Rep Pietsch

PROPOSED AMENDMENT TO HOUSE BILL NO. 1446

Page 1, line 2, remove "essential and"

Renumber accordingly

Date: 2-13-01
Roll Call Vote #: 2

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1446

House Industry, Business and Labor Committee

Legislative Council Amendment Number _____

Action Taken Do Not Pass as amended

Motion Made By Keiser Seconded By Ruby

Representatives	Yes	No	Representatives	Yes	No
Chairman- Rick Berg	✓		Rep. Jim Kasper	✓	
Vice-Chairman George Keiser	✓		Rep. Matthew M. Klein	✓	
Rep. Mary Ekstorm		✓	Rep. Myron Koppang		✓
Rep. Rod Froelich	✓		Rep. Doug Lemieux		✓
Rep. Glen Froseth	✓		Rep. Bill Pietsch	✓	
Rep. Roxanne Jensen		✓	Rep. Dan Ruby	✓	
Rep. Nancy Johnson	✓		Rep. Dale C. Severson	✓	
			Rep. Elwood Thorpe		✓

Total (Yes) 10 No 5

Absent 0

Floor Assignment Rep Pietsch

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
February 14, 2001 12:38 p.m.

Module No: HR-27-3320
Carrier: Pietsch
Insert LC: 10556.0201 Title: .0300

REPORT OF STANDING COMMITTEE

HB 1446: Industry, Business and Labor Committee (Rep. Berg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO NOT PASS** (10 YEAS, 5 NAYS, ABSENT AND NOT VOTING). HB 1446 was placed on the Sixth order on the calendar.

Page 1, line 2, remove "essential and"

Renumber accordingly

2001 TESTIMONY

HB 1446

House Bill 1446

Presented by: **Kent Blickensderfer**
 Qwest Corporation

Before: **House Industry, Business and Labor Committee**
 Representative Rick Berg, Chairman

Date: **February 12, 2001**

- Qwest opposes HB 1446 because it creates burdensome, unnecessary regulation on services that are already highly competitive.
- If customers don't like the service they are getting from one company, they may choose from a wide variety of toll providers in North Dakota.
- As a regulated company, Qwest already files price changes with the Public Service Commission prior to implementation on both essential and non-essential services. Non-essential services include intrastate toll. On essential services, such as basic dial tone, Qwest notifies customers of any changes at least 20 days prior to making them pursuant to 49-21-04.
- Toll prices are not increasing, they are decreasing. July 1, 2000 was the last time Qwest changed its intrastate toll rates. The new rates represented reductions of 23-30 percent and customers were notified via bill stuffers.
- Questions

HB 1446

Presented By: Susan E. Wefald
Public Service Commissioner

Before: House Industry, Business, and Labor Committee
Representative Rick Berg, Chairman

Date: February 12, 2001

TESTIMONY

Mr. Chairman and members of the House Committee on Industry, Business, and Labor, I am Public Service Commissioner Susan Wefald. I am in support of HB 1446.

Presently, many intrastate long distance providers are deregulated and are not required to file price changes with the Commission or to provide notice to customers of price increases.

One very frustrating problem for North Dakota telephone customers is that the prices they pay for long distance telephone services may change without notice. Although they may sign up for a plan for "7 cents a minute, all day every day," a few months later they may open their bill and see that they have been paying a higher charge for the most recent month due to a price change. They received no notification of the higher price until they received their bill.

A good example of this happened in the spring of 1999 when AT&T raised their intrastate prices from 10 cents a minute to 15 cents a minute. North Dakota AT&T Customers did not know about this change until they opened their bills and saw that they had been paying 15 cents a minute for intrastate long distance.

Within the 14 state Qwest region, seven states require notification to customers of price increases, with an advance notice ranging from one to 14 days. (See attached letter from MCI Worldcom dated December 8, 1999.

In competitive markets, it is important that customers have the ability to know about price increases before they happen, so that they are able to decide whether or not to change carriers. This is especially important for business customers who may incur hundreds of dollars of long distance charges a month.

Attached find sample price increase problems that North Dakotans encountered from September 1, 1999, to August 31, 2000.

At the present time, the Federal Communications Commission requires companies to indicate on customer bills when rates for long distance change. However, it can be up to a month before customers receive this notice on their bills. The legislation before you would allow business and residential customers to know in advance the long distance rate they are paying.

The attached amendment eliminates the words "essential and" in line 2 since the services referred to in Section 1 are only non essential telecommunications services.

Telecom

Subject: BILLING

CM Year:

Seq:

Company: OPEX

Title:

BusinessType:

6415

Added: 5/3/2000 11:18:38

Customer Info: Name - First

Last

Represents:

Address:

City:

Upham

St:

ND

Zip:

Phone:

E-mail:

PUD

Detailed - On Agenda

Helbling

Explanation of Issue:

Sent complaint to AG's office about the fact that OPEX raised his rates without notification. AG forwarded complaint to us.

Resolution:

I wrote David a letter explaining long distance companies are not regulated and therefore can change their rates whenever they wish, and there is no law or rule requiring them to notify their customers of any changes.

Additional Notes:

Resolved:

05/03/00 11:18 AM

Jurisdictional: Yes

No

Referred To:

Regarding:

Telecom

Subject: BILLING

CM Year:

Seq:

Company:

OptiCom

Location:

BusinessType: Reseller

6391

Added: 4/28/2000 14:59:2

Customer Info: Name - First

Last

Represents:

Address:

City:

Williston

St:

ND

Zip:

Phone:

E-mail:

PUD

Detailed - On Agenda

Helbling

Explanation of Issue:

Wife was in Minot b/c mother was in hospital. Made call to brother in Alabama from hospital pay phone using her calling card. Bill was \$191. He called SRT, and pay phone company. Pay phone company told him they should use quarters in pay phones b/c it's cheaper. Is there any PSC can do?

Resolution:

I told him pay phones and long distance companies are not regulated. I also explained that whenever they use calling cards, there is a charge to connect to the line, plus the per minute charges (pay phone company told him that too). He said he will pay the bill and chalk it up to experience.

Additional Notes:

Resolved:

04/28/00 02:59 PM

Jurisdictional: Yes

No

Referred To:

ording **Telecom** Subject: **BILLING** CM Year: ☐ Seq: ☐
Company **AT&T**
Location: BusinessType: 4690 Added: **10/4/1999 10:11:0**
Caller Info: Name - First Last
Represents: **PUD**
Address: **Transferred from Contact**
City: **McHenry** St: **ND** Zip: **Helbling**
Phone: E-mail:

Explanation of Issue:

Explanation: See Additional Notes

Resolution:

Resolution: See Additional Notes.

Additional Notes:

The last two months AT&T has been charging her 15 cents/minute for Instate calls. She signed up for a 10 cents/minute plan. She's called AT&T twice and both times was told the rate is now 15 cents and that's the way it is. She told them she wasn't notified and they told her she should have received a card in the mail. Can they do this? I told her AT&T is deregulated and can change its rates whenever it chooses and there is no law or rule requiring that they notify their customers of those changes.

Resolved: **10/04/99 10:14 AM** Jurisdictional: Yes ☐ No ☒ Referred To:
Regarding **Telecom** Subject: **BILLING** CM Year: ☐ Seq: ☐
Company **AT&T**
Location: BusinessType: 5521 Added: **2/3/2000 16:29:51**
Caller Info: Name - First **PUD**
Represents: **Sen Dorgan** **Detailed - On Agenda**
Address: **Jeffcoat_Sacco**
City: St: Zip:
Phone: E-mail:

Explanation of Issue:

Sen. Dorgan staff has been getting a bill directly from AT&T for a phone that was disconnected 11-18-98. The charges are for \$2 and change and they have been getting the bill for over 1.5 years. thy have called AT&T repeatedly, but no resolution. It is under account # 100018009. Colleen had contacted

Resolution:

I gave the info to Tom Burkleman who said he'd look into it.

Additional Notes:

Resolved: **02/03/00 04:29 PM** Jurisdictional: Yes ☒ No ☐ Referred To:

Regarding **Telecom** Subject: **BILLING** CM Year ☐ Seq: ☐
Company:
Location: BusinessType: 5365 Added: **1/21/2000 13:44:4**
Caller Info: Name - First: Last:
Represents:
Address:
City: **Fargo** St: Zip:
Phone: E-mail:
PUD
Detailed - On Agenda
Fortney

Explanation of Issue:

MCI business plan with 9 cents per minute rate on credit card. Many calls are billed at much higher rates. She has to call each month with difficulties with the bill and not always receives satisfaction.

Resolution:

She will call them herself and possibly discontinue using the card or change companies.

Additional Notes:

Resolved: **01/21/00 01:44 PM** Jurisdictional: Yes ☒ No ☐ Referred To:
Regarding **Telecom** Subject: **BILLING** CM Year: ☐ Seq: ☐
Company:
Location: BusinessType: 5384 Added: **1/24/2000 12:31:4**
Caller Info: Name - First: Last:
Represents:
Address:
City: St: Zip:
Phone: E-mail:
PUD
Quick Referral - Not on A
Helbling

Explanation of Issue:

Resolution:

Additional Notes:

Resolved: **01/24/00 12:31 PM** Jurisdictional: Yes ☐ No ☐ Referred To: **Consumer Protection**

arding **Telecom** Subject: **BILLING** CM Year: ☐ Seq: ☐
Company: **AT&T**
Location: BusinessType: **Telecom** 6935 Added: **6/30/2000 11:19:4**
Caller Info: Name - First: PUD
Represents: Detailed - On Agenda
Address: Fortney
City: St: Zip:
Phone: E-mail:

Explanation of Issue:

Was told by AT&T it would take 3 months for a refund and they raised her rates without notifying her from 15 to 19 cents per minute.

Resolution:

Confirmed what they quoted was their policy. She asked for an internet site to compare prices. Gave her labeltolls.com.

Additional Notes:

Resolved: **06/30/00 11:19 AM** Jurisdictional: Yes ☒ No ☐ Referred To:
Regarding **Telecom** Subject: **BILLING** CM Year: ☐ Seq: ☐
Company: **AT&T**
Location: BusinessType: **Telecom** 6640 Added: **5/30/2000 13:56:0**
Caller Info: Name - First: PUD
Represents: Detailed - On Agenda
Address: Helbling
City: **Mandan** St: **ND** Zip:
Phone: E-mail:

Explanation of Issue:

4-17-00 he attempted to call AT&T to cancel long distance services, spent 15 minutes waiting and got message telling him call could not be completed so wrote letter. Acct. still not cancelled.

Resolution:

I faxed correspondence to AT&T, asking them to check into it and let me know how they resolve. On 6-6-00 I rec'd fax from AT&T. Mr. Ruff's acct. was closed on 5-31-00 and an adjustment of \$30.30 was issued zeroing out his account.

Additional Notes:

Resolved: **06/06/00 11:58 AM** Jurisdictional: Yes ☐ No ☒ Referred To:

MCI WORLD COM**BY FACSIMILE AND U.S. MAIL**

December 8, 1999

Kathy Fortney
Administrative Assistant
North Dakota Public Service Commission
600 East Boulevard
Bismarck, ND 58505

Dear Ms. Fortney:

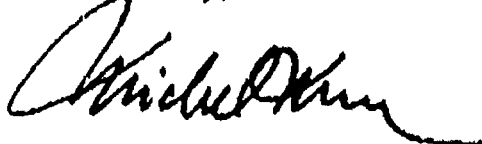
This letter will respond to your recent inquiry concerning customer notification in the 14-state U S WEST region. Seven states require notification to customers of rate increases, with an advance notice ranging from one to 14 days, as follows:

<u>State</u>	<u>No. of Days Prior to Effective Date</u>
Arizona	anytime before the new rate becomes effective
Colorado	14 days
Idaho	10 days
Minnesota	1 day
Nebraska	10 days
South Dakota	1 day
Washington	10 days

All seven states allow carriers to use various notification methods such as invoice messaging, separate mailing, and newspaper ads.

Do not hesitate to contact me at 303-390-6804, with any additional questions.

Sincerely,



Michel Murray
State Regulatory Manager

Western Public Policy
707 17th Street, Suite 3600
Denver, CO 80202
888 475 7218
Fax 303 390 6333

Public Utilities

20:10

Post-It Fax Note 7871 Date 9-22 # of pages 1

To Kathy Fortner	From R. Wilson
Co/Dept NDPSC	Co. SDPUC
Phone #	Phone # 605-773-3207
Fax # 701-328-2410	Fax # 605-773-3809

bill shall contain a clear, concise the name of the telecommunications r where the subscriber may call with

DR 167, effective July 1, 1999. 89.

Law Implemented: SDCL 49-31-3, 49-31-11, 49-31-05, 49-31-89.

20:10:34:10. Notification of increase in rates. Prior to changing any rate, term, or condition of service, a telecommunications company shall notify the subscriber of the change if it may result in an increase in rates. (Written notification of an increase in rates shall be stated on the bill, a bill insert, or a separate letter for each customer who has pre-subscribed to the company for toll or local exchange service. If the customer has not pre-subscribed to the company, notification of an increase in rates shall be made through newspaper publication or by any other reasonable means.

Source: 25 SDR 89, effective December 27, 1998; 25 SDR 167, effective July 1, 1999.

General Authority: SDCL 49-31-77, 49-31-85, 49-31-89.

Law Implemented: SDCL 49-31-3, 49-31-77, 49-31-85, 49-31-89.

20:10:34:10.01. Complaints of unauthorized billing of products or services. Upon receipt of an oral or written complaint alleging the billing of an unauthorized product or service from a subscriber, the subscriber's local exchange service company, or from the commission or its staff on behalf of a subscriber or applicant, the telecommunications company that initiated the billing shall provide documentation, within 30 days and without cost, that the billing was authorized. The documentation shall be provided to the person alleging the unauthorized billing. The company that initiates the billing is the company that requests billing for a product or service on behalf of a subscriber and seeks to provide the product or service to the subscriber. If a telecommunications company fails to provide the documentation, the charge is considered invalid.

The telecommunications company shall also notify the subscriber that if the subscriber is not satisfied with the documentation provided by the company, the subscriber may contact the commission. The telecommunications company shall provide the subscriber with the commission's toll free number.

Source: 25 SDR 167, effective July 1, 1999.

General Authority: SDCL 49-31-89.

Law Implemented: SDCL 49-31-89, 49-31-93.

20:10:34:11. Refund or credit of unauthorized charges -- Payment for unauthorized charge -- Opportunity for hearing. A telecommunications company which initiates billing for a product or service without authorization from the subscriber shall issue to the subscriber a full credit or refund of the entire amount of the unauthorized charges. The credit or refund must be issued within a period not to exceed 60 days from the date it is determined that the charge was unauthorized.

In addition, the telecommunications company shall pay the subscriber the amount required by SDCL 49-31-93 regardless of whether the subscriber has contacted the commission. Failure of the telecommunications company to pay the subscriber for an unauthorized charge may result in a civil fine as authorized by SDCL 49-31-94. If there is a dispute as to whether the charge was authorized, the subscriber or telecommunications company may request a hearing before the commission pursuant to SDCL chapter 1-26.