

MICROFILM DIVIDER

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



ROLL NUMBER

DESCRIPTION

1134

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Date

10/2/03

2003 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1134

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Deanna Holbrook
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10/2/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1134

House Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date 1-14-03

Tape Number	Side A	Side B	Meter #
1	XX		20.03--27.6
Committee Clerk Signature <i>Pam Weaver</i>			

Minutes: Chair Kelser: Opened the hearing.

Illona Jeffcoat-Sacco, PSC: (20.7) In support of HB1134. (SEE ATTACHED) This bill allows local companies to have the computer connections. Without this bill, there will be fewer offerings of data for internet options. This bill makes this legal. If they don't offer regular phone service, they don't need to offer unbundled or regular phone service alone. Now bundling, is like Qwest just released they are authorized to provide long distance. Their press release said we are going to start offering all kinds of packages. That's bundling.

Rep. Nottestad: If this bill passes, do you think it will bring in more providers that will offer these services? Will this increase competition or have they just disregarded to a point of looking the other way?

Illona: I don't think it will bring in any more. They just won't be in violation anymore.

Chair Kelser: Any more testimony? Any opposition? Seeing none, we are closed. What are the wishes of the committee?

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Doreen G. Ball
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10/2/03
Date

Page 2
House Industry, Business and Labor Committee
Bill/Resolution Number HB 1134
Hearing Date 1-14-03

Rep. N. Johnson: I move a DO PASS.

Rep. Boe: I second

VOTE: 14 - YES 0 - NO 0 - AB Rep. Boe will carry the bill.

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Dennis Hall
Operator's Signature

10/2/03
Date

FISCAL NOTE
Requested by Legislative Council
01/02/2003

Bill/Resolution No.: HB 1134

1A. State fiscal effect: Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

1B. County, city, and school district fiscal effect: Identify the fiscal effect on the appropriate political subdivision.

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. Narrative: Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.

Bill clarifies that telephone companies need not offer unbundled local service (essential service) unless they are in the business of providing essential service to end users. No fiscal impact.

3. State fiscal effect detail: For information shown under state fiscal effect in 1A, please:

A. Revenues: Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

see above

B. Expenditures: Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

see above

C. Appropriations: Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.

see above

Name:	Ilona Jeffcoat-Sacco	Agency:	PSC
Phone Number:	701-328-2407	Date Prepared:	01/02/2003

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Date: 1/14/03
Roll Call Vote #: 1

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1134

House Industry, Business & Labor Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS.

Motion Made By Johnson Seconded By Boe

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	✓		Rep.Boe	✓	
Rep. Severson, Vice-Chair	✓		Rep. Ekstrom	✓	
Rep. Dosch	✓		Rep. Thorpe	✓	
Rep. Froseth	✓		Rep. Zaiser	✓	
Rep. Johnson	✓				
Rep. Kasper	✓				
Rep. Klein	✓				
Rep. Nottlestad	✓				
Rep. Ruby	✓				
Rep. Tjerman	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Rep. Boe.

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

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Dan Hall 1/21/03
Operator's Signature Date

REPORT OF STANDING COMMITTEE (410)
January 15, 2003 1:35 p.m.

Module No: HR-07-0606
Carrier: Severson
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE
HB 1134: Industry, Business and Labor Committee (Rep. Kelsor, Chairman)
recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).
HB 1134 was placed on the Eleventh order on the calendar.

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Danna Baller
Operator's Signature

1/21/03
Date

2003 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1134

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Operator's Signature

10/2/03
Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1134

Senate Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date 02-17-03

Tape Number	Side A	Side B	Meter #
1		xxx	572
Committee Clerk Signature <i>J. Huber</i>			

Minutes: Chairman Mutch opened the hearing on HB 1134. All Senators were present.

HB 1134 relates to unbundling of essential services in telecommunications services.

Testimony in support of HB 1134

Illona Jeffcoat-Sacco introduced the bill. See written testimony. She stated that in North Dakota telephone business we operate under regulatory scheme that protects the consumer in the purchase of "essential services." The term essential services is another name for plain old phone service or plain old dial tone. In North Dakota, some of the protections that apply to essential services are price restrictions, price schedule filing requirements, and disconnect protections. A problem developed with this statute because there are some companies that are local service phone companies and technically must comply with this statute, but they do not sell any regular, plain old essential service to anyone.

Senator Nething: What companies are you talking about?

Illona: This bill applies to local resellers, competitive local and incumbent.

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Operator's Signature

10/2/03
Date

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Senate Industry, Business and Labor Committee

Bill/Resolution Number 1134

Hearing Date 02-17-03

Senator Nething: Which of these companies were the problem?

Illona: There are some companies with facility or resell based authority that don't provide regular service to people. They are there for internet connection or service provided. All this bill is that IF they offer essential services, then they have to offer a basic plan.

Senator Krebsbach: Can you give me an example of a company that does data or internet service?

Illona: I can't remember their names. Level Three or Covad(someone else in the room interjected)

There was no opposition.

Senator Nething moved a DO PASS. Senator Krebsbach seconded.

Roll Call Vote: 7 yes. 0 no. 0 absent.

Carrier: Senator Nething

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Date

10/2/03

Date: 2-17-03
Roll Call Vote #: 1

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1134

Senate _____ Committee _____

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Nothing Seconded By Krebsbach

Senators	Yes	No	Senators	Yes	No
Sen. Jerry Klein, Vice Chairman	X				
Sen. Karen Krebsbach	X				
Sen. Dave Nothing	X				
Sen. Joel Heitkamp	X				
Sen. Mike Every	X				
Sen. Duane Espegard	X				
Sen. Duane Mutch, Chairman	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Nothing

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

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Donna H. Ball
Operator's Signature

10/2/03
Date

REPORT OF STANDING COMMITTEE (410)
February 26, 2003 1:58 p.m.

Module No: SR-34-3529
Carrier: Nothing
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE
HB 1134: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends
DO PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1134 was placed
on the Fourteenth order on the calendar.

(2) DESK, (3) COMM

Page No. 1

SR-34-3529

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10/2/03
Date

2003 TESTIMONY

HB 1134

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Dorinda G. Galt
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10/2/03
Date

H.B. 1134

Presented by: Illona A. Jeffcoat-Sacco
Director, Public Utilities Division
Public Service Commission

Before: House Committee on Industry, Business and Labor
Honorable George J. Kelser, Chairman

Date: 14 January 2003

TESTIMONY

Chairman and committee members, my name is Illona Jeffcoat-Sacco. I am the director of the Public Service Commission's Public Utilities Division. The Public Utilities Division administers the Commission's jurisdiction over telephone, gas and electric public utilities in North Dakota. The commission asked me to appear here today to testify in favor of House Bill 1134, introduced at our request.

House Bill 1134 almost qualifies as housekeeping, but I need to provide a bit of background in order for you to see why.

In the North Dakota telephone business we operate under a regulatory scheme that protects the consumer in the purchase of "essential services." The term essential services is another name for plain old phone service or plain old dial tone. (You can find a specific definition of the term in the beginning of chapter 49-21.) In North Dakota, some of the protections that apply to essential services are price restrictions, price schedule filing requirements, and disconnect protections.

One additional essential services customer protection is the one at issue in this bill, section 49-21-01.4. Today this statute states that even if a

company offers different "bundles" of services to its customers, with different types of pricing benefits, that company must also offer plain old phone service by itself (unbundled). If a customer wants to buy just essential services, under North Dakota law he or she must be allowed to do so. A phone company cannot require a customer to buy a bundle of services.

A problem developed with this statute because there are some companies that are local service phone companies and technically must comply with this statute, but they do not sell any regular, plain old essential services to anyone. Rather they are local companies that provide data services or access to Internet service providers, for example. These companies should not be under a statutory requirement (and should not be subject to penalty for violation) to provide unbundled essential services when they are not in the business of providing, and indeed, do not provide, any essential services at all. HB 1134 tweaks 49-21-01.4 to accomplish this purpose.

This completes my testimony. I will be happy to answer any questions you may have.

H.B. 1134

Presented by: Illona A. Jeffcoat-Sacco
Director, Public Utilities Division
Public Service Commission

Before: Senate Industry, Business and Labor Committee
Honorable Duane Mutch, Chairman

Date: 17 February 2003

TESTIMONY

Chairman and committee members, my name is Illona Jeffcoat-Sacco. I am the director of the Public Service Commission's Public Utilities Division. The Public Utilities Division administers the Commission's jurisdiction over telephone, gas and electric public utilities in North Dakota. The commission asked me to appear here today to testify in favor of House Bill 1134, introduced at our request.

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Duane Mutch
Operator's Signature

10/2/03
Date

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This completes my testimony. I will be happy to answer any questions you may have.

Donna Ballin
Operator's Signature

10/2/03
Date