

1999 SENATE INDUSTRY, BUSINESS AND LABOR

SB 2093


1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2093

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date January 12, 1999

Tape Number	Side A	Side B	Meter #
1	x		0-2245
Committee Clerk Signature 			

Minutes:

Senator Mutch opened the hearing on SB2093. One senator was absent.

Illonna Jeffcoat-Sacco introduced the bill. Her testimony is included.

Senator Krebsbach asked if the license fee would be \$250 each year. Illonna Jeffcoat-Sacco told her that she was correct. She then asked her how many that they currently have. Ms.

Jeffcoat-Sacco told her that they currently have 361 certified long distance resellers, 51 local resellers and 82 operator service providers. Senator Krebsbach asked if any renewal would be the same amount. Illonna told her that that was the way that she envisioned it.

Senator Mutch asked her if they are reselling local service. Her reply was yes.

Senator Mutch asked if anyone would like to speak in opposition.

Thomas Kelsh, Western Wireless, asked Ms. Jeffcoat-Sacco how this would effect the cellular industry. She said that according to the definition taking from her rules cellular service is a reseller.

Senator Heitkamp asked why she couldn't have interaction with out going through an administrative process. She said that unless the company need something from them, they never hear from them again.

Senator Krebsbach asked if when the current resellers initially registered there was a fee. Her reply was no.

Senator Mutch asked if they wanted to know how much business they were doing for tax purposes. She said yes.

Senator Sand asked her how the consumer is hurt now. Ms. Jeffcoat-Sacco said when she gets a consumer complaint she often doesn't have current information to go after them with.

Senator Heitkamp asked if the PSC has made any effort to make contact with these companies. She said that they were.

Senator Krebsbach asked if other states had a similar legislation. She said that they do.

Thomas Kelsh asked for a delay in action on the bill.

Committee discussion took place on January 27, 1999.

Senator Heitkamp moved for a do not pass. Senator Klein seconded his motion. The motion was successful with a unanimous vote.

FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: SB 2093

Amendment to:

Requested by Legislative Council

Date of Request: 12-30-98

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative: *See attached supplement*

2. State fiscal effect in dollar amounts:

	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds
Revenues:	N/A	N/A	\$50,000	N/A	\$50,000	N/A
Expenditures:	N/A	N/A	N/A	N/A	N/A	N/A

3. What, if any, is the effect of this measure on the appropriation for your agency or department:

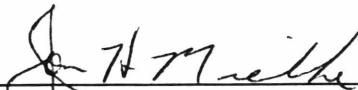
- a. For rest of 1997-99 biennium: N/A
- b. For the 1999-2001 biennium: N/A
- c. For the 2001-03 biennium: N/A

4. County, City, and School District fiscal effect in dollar amounts: *No Effect*

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

If additional space is needed, attach a supplemental sheet.

Date Prepared: *January 5, 1999*

Signed:  \_\_\_\_\_

Typed Name: Jon H. Mielke, Executive Secretary

Department: Public Service Commission

Phone Number: 328-2400

*Public Service Commission  
Fiscal Note Supplement  
SB 2093*

1. Narrative: *This bill requires the payment of an annual license fee of \$250 by all telephone resellers, which will generate an estimated \$25,000 annually (100 resellers x \$250 per year) for the general fund. (\$50,000 per biennium).*

Date: 1/27/99  
Roll Call Vote #: 2093

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO.

Senate INDUSTRY, BUSINESS AND LABOR COMMITTEE Committee

Subcommittee on \_\_\_\_\_  
or  
 Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken DO NOT PASS

Motion Made By HEITKAMP Seconded By KLEIN

Senators	Yes	No	Senators	Yes	No
Senator Mutch	X				
Senator Sand	X				
Senator Klein	X				
Senator Krebsbach	X				
Senator Heitkamp	X				
Senator Mathern	X				
Senator Thompson	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment HEITKAMP

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

**REPORT OF STANDING COMMITTEE**

**SB 2093: Industry, Business and Labor Committee (Sen. Mutch, Chairman)** recommends **DO NOT PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2093 was placed on the Eleventh order on the calendar.

1999 TESTIMONY

SB 2093



## **S.B. 2093**

**Presented by:** Illona Jeffcoat-Sacco  
Public Service Commission

**Before:** Industry, Business and Labor Committee  
Senator Duane Mutch, Chairman

**Date:** January 12, 1999

### **TESTIMONY**

Mr. Chairman and committee members, I am Illona Jeffcoat-Sacco, director of the Public Utilities Division of the Public Service Commission (Commission). I appear on behalf of the Commission in support of SB 2093.

The Public Service Commission proposes SB 2093 to provide an efficient and simple mechanism by which resellers of telecommunications services become authorized to do business in North Dakota.

Currently, state law (Chapter 49-03.1) provides that telecommunications companies must obtain a certificate of public convenience and necessity from the Commission before building or operating a telecommunications plant in North Dakota. A traditional application for a certificate of public convenience and necessity involves a formal application by the company, the publication of a formal notice by the Commission, review of the factors in the law, including financial, managerial and technical ability of the applicant, and a formal or informal hearing on the issues.

Over a decade ago, after a finding of effective competition, the Commission deregulated resale of telecommunications service, requiring only a

streamlined registration process for resellers, not a full-blown certification proceeding. This action worked well, and North Dakota saw hundreds of resellers enter the long distance (and to a lesser extent, local) market. The problem is that the registration process is a one-time action, and we believe many formally registered resellers no longer actively do business in North Dakota. In addition, the information available in our offices on any particular reseller can be very outdated if the reseller originally registered some time ago.

We believe an annual license procedure is the better alternative. Licensing is as streamlined and efficient as registration, but has the advantage of providing new information on an annual basis. An annual licensing scheme will enable our office to have accurate names, addresses and service information. Also, resellers who no longer do business in North Dakota will no longer be on our lists of providers (and no longer need to be served with notices and orders, etc.).

Prepared by Public Service Commission  
Dated 1-12-99

PROPOSED AMENDMENTS TO SENATE BILL NO. 2093

Page 1, line 23, replace "1" with "4"

Renumber accordingly

Sls/legal/AmendSB2093.doc

**MEMORANDUM**

TO: Senator Duane Mutch and members of the Industry, Business and Labor Committee

FROM: Commissioner Susan Wefald <sup>sw.</sup> and Commissioner Leo Reinbold *LR*

RE: SB 2093

DATE: January 12, 1999

As you think about Senate Bill 2093 that would put in place a simple annual licensing process for resellers, we would like you to know that the Commission is not committed to a \$250 licensing fee. If the Committee wishes to amend the bill to include a smaller licensing fee, the Commission would have no objection. We are more interested in the licensing concept than the fee amount.