

# 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.

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House Industry, Business and Labor Committee

Bill/Resolution Number HB 1446

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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.

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

Location: BusinessType: 6415 Added: 5/3/2000 11:18:38

Customer Name - First Last

PUD

Represents:

Detailed - On Agenda

Address:

Helbling

City: Upham St: ND Zip:

Phone: E-mail:

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:

[Empty box for 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 Name - First Last

PUD

Represents:

Detailed - On Agenda

Address:

Helbling

City: Williston St: ND Zip:

Phone: E-mail:

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:

[Empty box for additional notes]

Resolved: 04/28/00 02:59 PM Jurisdictional: Yes No Referred To:

