

MICROFILM DIVIDER

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



ROLL NUMBER

DESCRIPTION

1142

2007 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1142

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1142

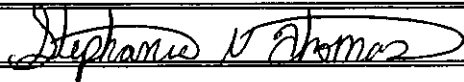
House Industry, Business and Labor Committee

Check here for Conference Committee

Hearing Date: January 15, 2006

Recorder Job Number: 1073

Committee Clerk Signature



Minutes:

Chair Keiser opened the hearing on HB 1142, relating to the jurisdiction of the public service commission over telecommunications companies.

Rep. Craig Headland, District 29: The ever-changing telecommunications industry requires constant modifications in policies, as well as evolving technologies. In many instances, the administrative agencies regulatory bodies can change that policy on their own initiative, but that's not the case in this instance. The PSC only has jurisdiction granted to them exclusively by the legislature, therefore I ask for your support in passing HB 1142.

Rep. Keiser: It's such a simple bill, why do you want to change it from 8,000 to 18,000?

Rep. Headland: It's because of ongoing competition in the state. As you're aware, telecommunications has several different carriers providing Intel communications today. You have wireless carriers, you have cable TV companies, you have voice over internet protocol, and it's hard for local telephone companies to compete against these companies when they are under regulation.

Rep. Ruby: What companies would this affect?

Rep. Headland: There are 2 companies in the state that this bill could affect. One of them is ND Telephone Company in Devils Lake, and the other one is Missouri Valley telecommunications in Bozeman.

David Crothers, ND Association of Telecommunications Cooperatives: See written testimony #2.

Rep. Keiser: 18,000, is that based on 1 of the 2 companies?

David: It is greater. There is a company that is somewhat close to that, however that company is in fact losing lines, largely the results of competition.

Rep. Ruby: What regulations or oversight go away?

David: We have an expert that we brought in that does all of our regulatory work, and we have 2 witnesses that experience it. To take a crack at it, but not go into depth is the requirement for prices to be approved, which those other 18 companies do not have services approved. In some cases, have a filing requirement that is far more extensive than the paperwork that we're required to do to comply with those monopoly era rules that we're adopted 50 years ago.

Dave Dircks, ND Telephone Company: See written testimony #3.

Rep. Nottestad: If 1142 would have been in place prior to your request for an increase, how would you have handles it then?

Dave: I guess the big thing is we wouldn't have your permission prior to doing that, which is what enabled us to adjust the rates.

Rep. Nottestad: What preparation for that adjustment would you have done?

Dave: We probably would have done our own financial study on what type of rate increase or decrease we might have needed.

Rep. Nottestad: Are you saying that it would have been an in house type of thing, not a consultant?

Dave: Possibly we would have hired a consultant to take a look at it, but it would have been an in house proceeding by the board of directors of the company.

Rep. Boe: I am a customer of ND Telephone Cooperative for my long distance; Turtle Mountain Communications is my local provider, which is owned by United Telephone. Where do I fit into this law?

David: Turtle Mountain and United Telephone are both not affected by this. You as a customer would not be affected by 1142. They are both under those 8,000 exemptions, in the case of Turtle Mountain and United cooperative exemption. This is limited to two companies that this would affect. In the ND Telephone Company, the long distance is exempt from any of this. We're just talking about local service.

Rep. Boe: I understand being that it's a cooperative, but why the exemption? I am not a holding member, I don't get to vote at an annual meeting, so why do I not get in this exemption?

David: It is for those companies with fewer than 8,000 that are regulated identically to those as cooperatives. That was a determination made in the 1990's. There were a couple of reasons for that. The state of ND felt because of local ownership, they refer to it as almost coffee shop regulation. That input by the customers is still very heavily felt. Second, are the local ownership, and the view by ND in this body 10 years ago that these companies have no interest beyond the states borders. Their success is going to be no greater than the success of there members and customers.

Rep. Lee Kaldor, District 20: In support of HB 1142.

Roger Del Fiacco, Nemont Telephone Cooperative, Inc., MT: See written testimony #4.

David Dunning, CEO Polar Communications, Park River, ND: See written testimony #5.

Susan Wheatland, PSC: I'm speaking on my own not on behalf of my fellow commissioner's.

I have some concerns about this, and I'd like to have the opportunity to explore them a bit more. The folks in these 2 companies, who are supposed to be regulated, are not members of those companies. We do have some companies that are 8,000 and under at the present time, who also are not members of the company. In this case, these companies are just now under 18,000 people, and they are bigger companies run by cooperatives, but they are not members of the cooperatives. I would also note that there are some competitive pressures in these companies, particularly in the ND Telephone Company jurisdiction, and in the Devils Lake area, but I'm not so sure about in some other exchanges. ND Telephone Company is considered a rural telephone company in the view of the federal system. People have to ask permission in order to be able to go in and provide competition with regular telephone service.

Hearing Closed.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1142

House Industry, Business and Labor Committee

Check here for Conference Committee

Hearing Date: January 17, 2007

Recorder Job Number: 1252

Committee Clerk Signature

Stephanne N. Thomas

Minutes:

Chair Keiser opened the hearing on HB 1142.

Discussion of HB 1142, and discussion of testimony.

Rep. Nottestad: This bill changes what a company can do if they were under the law before, that's under \$18,000. This would permit them to fall in the same lines as the cooperatives in that same situation while making changes. There are two companies involved in this, the ND Telephone Company, and the Missouri Valley one.

Rep. Ruby: I recommend a do pass.

Rep. Vigesaa: Second.

Rep. Kasper: On Susan Wefald's written testimony where she says on the first page, the second concern is do all customers in the affected companies have an ability to choose between at least two line based companies for local telecommunications services, the answer to that is yes?

Rep. Keiser: Her testimony says there were about 4 or 5 different options out there, and that's why they were bringing it forward.

Rep. Johnson: The way I read it she wrote at least two line based companies, she didn't talk about wireless.

Rep. Keiser: That's one of my problems with her thinking. Young people today don't have lines anymore, and to require it to be two lines whether it is computer connections and/or wireless, anybody with a landline ten years from now, I'll be surprised.

Rep. Dietrich: We found that not only young folks, but in the real-estate business we found that outside city limits people are reluctant to go with cell phones.

Rep. Kasper: Even now, another land based company could subcontract with that area, without actually building a line.

Rep. Keiser: If you only had one landline company now, there's no land line company that would ever come in, in the future.

Rep. Boe: This is the one where I asked where I would fit into this, and I currently am exempt from the law right now. My provider is a for profit entity of a coop, and I'm exempt from PSC jurisdiction, so I'm sitting where everybody else will be with this law, and my service is very adequate, and I'm happy.

Roll call vote was taken. 13 Yeas, 1 Nay, 0 Absent, Carrier: Rep. Nottestad

Hearing closed.

FISCAL NOTE

Requested by Legislative Council

01/15/2007

REVISION

Bill/Resolution No.: HB 1142

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.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 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.*

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2A. Bill and fiscal impact summary: *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Currently privately owned phone companies with less than 8000 access lines are regulated in the same way as cooperative phone companies. This bill increases the 8,000 line cut-off to 18,000 lines. This will impact only two companies. We envision no fiscal impact from this change.

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

n/a

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.*

n/a

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.*

n/a

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

n/a

Name:	Illona Jeffcoat-Sacco	Agency:	PSC
Phone Number:	328-2407	Date Prepared:	01/09/2007

FISCAL NOTE
Requested by Legislative Council
01/05/2007

Bill/Resolution No.: HB 1142

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.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 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.*

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2A. Bill and fiscal impact summary: *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Currently privately owned phone companies with less than 8000 access lines are regulated in the same way as cooperative phone companies. This bill increases the 8,000 line cut-off to 18,000 lines. This will impact only one company. We envision no fiscal impact from this change.

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

n/a

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.*

n/a

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.*

n/a

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

n/a

Name:	Illona Jeffcoat-Sacco	Agency:	PSC
Phone Number:	328-2407	Date Prepared:	01/09/2007

Date: 1-17-07
Roll Call Vote #: _____

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1142

House Industry Business & Labor Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Rep. Ruby Seconded By Rep. Vigesaa

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	X		Rep. Amerman	X	
Vice Chairman Johnson	X		Rep. Boe	X	
Rep. Clark	X		Rep. Gruchalla	X	
Rep. Dietrich	X		Rep. Thorpe		X
Rep. Dosch	X		Rep. Zaiser	X	
Rep. Kasper	X				
Rep. Nottestad	X				
Rep. Ruby	X				
Rep. Vigesaa	X				

Total Yes 13 No 1

Absent 0

Floor Assignment Rep Nottestad.

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

REPORT OF STANDING COMMITTEE (410)
January 17, 2007 12:40 p.m.

Module No: HR-11-0694
Carrier: Nottestad
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1142: Industry, Business and Labor Committee (Rep. Keiser, Chairman)
recommends **DO PASS** (13 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). HB 1142
was placed on the Eleventh order on the calendar.

2007 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1142

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. **HB 1142**

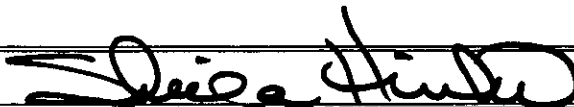
Senate Industry, Business and Labor Committee

Check here for Conference Committee

Hearing Date: **February 26, 2007**

Recorder Job Number: **3826**

Committee Clerk Signature



PSC Telecommunications Companies:

David Crothers –ND Association of Telecommunications Cooperatives - In Favor

TESTIMONY # 1 *Read over testimony ended 8:08m*

Representative Craig Hedland – Distict 29 - In Favor

S Klein: 18,000, why, where's that level, is that a number? Where did we pick that from?

David C: 18,000 will include the locally owned telecommunications companies in the state.

S Klein: So this covers all groups and opportunity to expand.

David C: Yes. All of the competitors that now exist, anyone offering new prices in essence, that is the heart of what this is. Price cap regulation is not the determining factor when you have competitors in a marketplace. The customers are at a multitude of companies. 18,000 is an adequate number.

S Klein: In years past we have had bills that put they put everyone under regulation with PSC, I always felt they did a pretty good job, as explained and you don't see a problem with expanding those numbers to keep that same regulation within your smaller telcos.

David C: We've adopted a regulatory model which is proven successful, it is no different with a larger company and that's why it's chosen.

Dave Dircks – GM of ND Telephone company NDTC – Devils Lake - *In Favor*

TESTIMONY # 2 *Covered Testimony ending 15:02m*

S Klein: Is working through the PSC is that a timely issue or costly? Is that some of the things you run into?

Dave D: Yes, in July of 2005, we filed a PSC to rebalance our rates because of the changes in the towns. We tried to get one local rate a year before the rate was approved.

S Klein: Is there a struggle with you and the other companies on the outside but still part of the greater group as you work through and work at whether it's conventions or meetings of similar interests? The same rules don't apply to you, is that a problem?

Dave D: It is a little bit of a problem. We are on different regulations.

S Potter: You're at 17,400 customers already and only 3.5% of the new limit, why are you happy with that?

Dave D: We have competition, we lost couple 100 customers to cable services. We sold our Velva exchange to Minot and lost a good number to that.

S Behm: I don't understand how the cell phones aren't regulated by the PSC.

Dave D: Not sure.

S Klein: *Asked Crothers to answer.*

David Crothers: When the Federal Telcom Act was passed, they included several provisions that specifically barred states from regulating rates on a number of issues with wireless carriers including rates and "entry" and that has to do with the terms and conditions of offering service to their wireless customers, so the state is literally prohibited from making any rule regulation statute affecting wireless carriers by the Fed. Telecommunications Act.

Roger Del Fiacco – Finance, Accounting and Regulatory Mgr. for Nemont Telephone Cooperative, MT (NEMONT) *In Favor*

TESTIMONY # 3 *Went over testimony, ended 25:10m*

S Klein: I'm hearing about the competitive issues, there are some major concerns with hanging on to what you got and are you expanding your services to help with that?

Roger D: We are attempting to expand in the High Speed internet and offering wireless alternatives for voice. We are not currently in the cable business; that will be a long-term approach. We don't have cable.

S Heitkamp: Some of what you said surprises me. I use Red River and get great service, the nature of ND is to hang with the neighbors. Are the times changing, is it marketing from the other companies? Are we going far enough in this bill?

Roger D: We're at 8900 lines, that's not counting 1200 lost to Midco. This bill would cover 2 companies involved today.

S Heitkamp: You think you know NDakotans through and through and someone calls me at 6 pm and sells me that "I've got better service for you than what you can get through Red River," and I feel rude after I hang up. What's happening?

Roger D: The ones owned by US West, they're not members of the co op.

S Potter: It's regional differences, I have an ethnic voting study of ND. Why do we regulate coops at all? How does Montana differ in this?

Roger D: Montana is pretty much the same, there is no access line for commercial companies. Commercial companies are regulated in the state and the coops are not

Dave Dunning – CEO Polar Communications, Park River, ND - In Favor

TESTIMONY #4 *Covered testimony, 29:25-31:42m*

S Wanzek: When I hear you talk, I think about all the different options there are out there and the changing times and the better things to come, would there be any companies that would be companies regulated over 18,000? Why is there a threshold at all?

Dave D: It was decided that 18,000 would work for us now, the only company that's left is Quest.

S Wanzek: If we eliminated threshold you wouldn't object.

Dave D: We wouldn't object at all.

S Heitkamp: You could eliminate the threshold for coops. We could be specific.

Dave D: These are commercial companies.

OPPOSITION

Susan Wefald, Public Service Commisisoner - Oppose

TESTIMONY # 5 *Read testimony 34:24 – 43:02m*

Is there enough competition to justify deregulation? Suggest for 2 years and not put off forever. Will have cellular competition. If you want competition, need price control.

S Hacker: Cellular companies, line-based competition, heat is not a substitute, you can't change heat easily, but you can change phone services. I don't have a house line, I use a cell phone. How can you explain to me that there is no competition with cellular and line based?

Susan W: Line based is still important, some of those folks still want to have a line based phone for computer even if they don't use on a daily basis, that's why we want to have line based available.

S Hacker: Do they have cable carriers that carry internet?

Susan W: I don't have that information

S Heitkamp: A statement that you made, "I would hope that a company that serves 18,000 subscribers in ND would always hire a consultant to prepare cost study to insure the proper rates." I managed a utility for 23 years and I don't think I could have brought in a consultant that understood our rate structure better than we did, board, staff, our numbers were beyond

this. Why do you feel it is necessary to expend that amount of money when you know what the needs are to have a rate study? Why an outside consultant, why would they know better?

Susan W: They offer their own expertise.

S Heitkamp: So you're going back to the case study with YOU.

I'm talking about this statement in general. To me, if I go to one of my rural telephone managers, I'm going to trust them better on what they need to do with their rates than someone I'm going to hire out of Minneapolis.

Susan W: I do have some faith in outside consulting. They can take a look at rates presently being offered, costs are allocated and make an unbiased determination.

S Heitkamp: What's fair, what is the service area? What does it take to speak from the commission as you said you were speaking for yourself and not the commission? If two of you say "yes," and one says "no," then do you come to the room with the power of the commissioner or does it take a unanimous vote?

Susan W: It takes two. My fellow commissioners are neutral on this bill.

S Potter: Have the coops that make up these private telephone companies, have they given up their control, or just added another layer of management and the consumer still votes for his coop board of directors?

Susan W: My understanding is that the ND Telephone companies, there are 3 coops that have their own members, this is a group with 18,000 customers

S Potter: The coops still run that company.

Susan W: Yes

S Wanzek: We passed this bill on the major regulatory authority that removes the rate.

Susan W: Yes.

S Wanzek: My concern is in the areas of competition. If it is major competition, shouldn't you want to lower rates? Do you also control the rate control structure if rates are raised or lowered? Couldn't that be good for consumers?

Susan W: Yes, in the future. It could be good for customers in short term.

S Klein: We have 160,000 of rural customers currently and now we're suggesting in here to add an additional 27,000 who are now going to be under the rules of what the other coops have used, what I believe, is a good job in the state. Do you think that releasing those 27,000 is going to create an anti-competitive swallowing up or throwing away of competition?

Susan W: We are medium cities in the state of ND where companies compete. Small towns, small exchanges are protected from competition. We haven't had competition requests in small areas.

S Heitkamp: Potential competition will lower rates. The fear would be that without this regulation, what we pay for that service might be inflated by the existing carrier, is that what we're talking about?

Susan W: *Covered discount* If the price is lowered, then Midcontinent communications get the 16% discount gets a much lower level of profit. The amount of money would be much less.

S Wanzek: Are you proposing that maybe we should pass the bill and amend it to an effective date or....?

Susan W: Either one.

CLOSE

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. **HB 1142 B**

Senate Industry, Business and Labor Committee

Check here for Conference Committee

Hearing Date: **February 26, 2007**

Recorder Job Number: **3828 @ 10:36**

Committee Clerk Signature



Telecommunications Companies and PSC:

Move a DO PASS by S Heitkamp

Second by S Wanzek

Roll Call on a DO PASS HB 1142 – 7-0-0 – Passed

Carrier: S Hacker

Date: 2-26-07

Roll Call Vote: 1

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. AB 1142

Senate INDUSTRY BUSINESS & LABOR Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS

Motion Made By Heitkamp Seconded By Wanzek

Senators	Yes	No	Senators	Yes	No
Chairman Klein, Jerry	✓		Senator Behm, Arthur	✓	
Senator Hacker, Nick VC	✓		Senator Heitkamp, Joel	✓	
Senator Andrist, John	✓		Senator Potter, Tracy	✓	
Senator Wanzek, Terry	✓				

Total Yes 7 No 0

Absent _____

Floor Assignment Hacker

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

REPORT OF STANDING COMMITTEE (410)
February 26, 2007 10:57 a.m.

Module No: SR-36-3833
Carrier: Hacker
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1142: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends DO PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1142 was placed on the Fourteenth order on the calendar.

2007 TESTIMONY

HB 1142



NORTH DAKOTA ASSOCIATION OF
TELECOMMUNICATIONS COOPERATIVES

P.O. Box 1144 • Mandan, ND 58554
Phone 701-663-1099 • Fax 701-663-0707
www.ndatc.com

HOUSE BILL 1142

HOUSE INDUSTRY, BUSINESS AND LABOR COMMITTEE

JANUARY 15, 2007

DAVID CROTHERS
NORTH DAKOTA ASSOCIATION OF
TELECOMMUNICATIONS COOPERATIVES

My name is David Crothers from the North Dakota Association of Telecommunications Cooperatives. The Association represents all of the cooperative and independent telephone companies in the State. Those companies serve over 160,000 homes and small businesses and approximately 96 percent of the geographic territory of the State.

House Bill 1142 is a proposal to end monopoly era regulation for two independent telecommunications companies in North Dakota and adopt a regulatory model for those telcos that has already been proven successful in the State. The level of regulation in place for a telephone company with greater than 8,000 lines, and any that surpass that threshold in the future, is virtually identical to how telephone companies were regulated fifty years ago when there was no competition, the subscriber had no choice in whom their telephone company would be, what services that customer would take, what long distance company they would use or the color of their telephone.

The introduction of competition and evolution of technology have made the telecommunications market a vastly different landscape than it was when this level of regulation was adopted by the State of North Dakota. Voice over Internet Protocol (VoIP) providers, wireless telecommunications companies and cable television firms providing telephony all are robust competitors using the latest technologies while facing a fraction, if any, of the regulatory oversight of the incumbent, locally-owned

telephone companies in North Dakota. House Bill 1142 will allow the telcos with greater than 8,000 lines, but fewer than 18,000 the ability to more effectively compete with these new providers.

Very generally speaking, there are three tiers of regulation for incumbent telecommunications companies in North Dakota. The first level is for all of the telephone cooperatives and commercial companies with fewer than 8,000 lines; the second is for commercial companies with greater than 8,000 lines; and the third level is Qwest's regulation, which is substantially similar to other commercial companies in level two but has its local service rate established in State statutes.

House Bill 1142, if adopted, would regulate telcos with fewer than 18,000 lines identically to how the State of North Dakota currently regulates cooperatives and telecom companies with fewer than 8,000 lines. The Association believes that level of regulatory oversight has been extremely successful for both the telecommunications companies and the members and customers they serve.

There is a common misperception that cooperatives and small commercial companies are deregulated and face no Public Service Commission oversight. While those companies are not rate regulated or required to have the services they offer approved by the Commission, the PSC still retains jurisdiction for:

- NDCC 49-21-01.4: A customer's right to purchase essential services separately from a bundled service offering.
- NDCC 49-21-02.4: Telecom companies prohibited from slamming or cramming.
- NDCC 49-21-23: Determination of whether construction costs are recoverable.
- NDCC 49-21-24: Prohibits discrimination against another telecommunications company.
- NDCC 49-21-25: Regulation of competitive local exchange carriers (CLEC's).

- Sections 6-14 of
NDCC 49-21-01.7: PSC authority to enact competition provisions of the Federal Telecommunications Act of 1996.
- NDCC 49-21-01.2: Statute creating price cap regulation.
- NDCC 49-21-01.3: Regulation of price cap charges for essential telecommunications.
- NDCC 49-21-06: Hearing of complaints about access charges.
- NDCC 49-21-07: Prohibition against discrimination against customers or other telecommunications company.
- NDCC 49-21-09: Authority to require connections between two telecommunications companies.
- NDCC 49-21-10: Prohibition against delaying another telecom companies traffic.
- NDCC 49-03.1: Telcos required to request certificate of Public, Convenience and Necessity (PC&N) before offering service.
- NDCC 49-04-05: Requirement that telcos receive permission before selling or encumbering.
- NDCC 49-04-06: Permission required to purchase assets of another utility.

The current level of Public Service Commission jurisdiction has been proven quite successful for all parties. Traditionally, it was telephone cooperatives and commercial companies with fewer than 3,000 subscriber lines that were subject to the lesser standard of Public Service Commission authority. In 1997, however, the subscriber line ceiling was raised to the current 8,000 line limit. The belief at that time was that a locally-owned telecommunications industry would have every incentive to keep rates reasonable and deploy the latest technologies to further its own interests, as well as those of the customer.

