

State of South Dakota

EIGHTIETH SESSION
LEGISLATIVE ASSEMBLY, 2005

465L0524

SENATE COMMERCE COMMITTEE ENGROSSED NO.

SB 121 - 02/03/2005

Introduced by: Senators Knudson, Adelstein, Apa, Bartling, Bogue, Broderick, Dempster, Gray, Hansen (Tom), McCracken, Moore, and Sutton (Dan) and Representatives Rounds, Brunner, Cutler, Dennert, Faehn, Frost, Garnos, Hargens, Hunhoff, Hunt, Lange, Miles, Pederson (Gordon), Rave, Rhoden, Thompson, Weems, and Wick

1 FOR AN ACT ENTITLED, An Act to revise the authority of the Public Utilities Commission
2 to approve the sale or transfer of telecommunications exchanges and to revise the provisions
3 concerning the obligation of telecommunications companies to report consolidations,
4 mergers, and changes to control.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

6 Section 1. That § 49-31-20 be amended to read as follows:

7 49-31-20. Any telecommunications company that holds a certificate of authority to operate
8 in this state shall notify the commission of any consolidation or merger ~~with another~~
9 ~~telecommunications company~~ or transfer of stock or other ownership interests that will result
10 in a different person then owning more than fifty percent of the company's stock or ownership
11 interests.

12 Section 2. That § 49-31-59 be amended to read as follows:

13 49-31-59. ~~The Legislature recognizes that the sale of telephone exchanges has a profound~~



1 ~~impact upon South Dakota, especially during a time when the world is undergoing a revolution~~
2 ~~in telecommunications technology. Because the sale of any exchange in our state directly affects~~
3 ~~the continued vitality and viability of rural South Dakota during that revolution, it is the~~
4 ~~Legislature's intent that the sale of each exchange be held to a high degree of scrutiny. Any sale~~
5 ~~of a telecommunications exchange shall be approved by a vote of the Public Utilities~~
6 ~~Commission. A separate vote is required on the sale of each exchange. In voting, the~~
7 commission. Within twenty days following receipt of a telecommunications company's
8 application to sell an exchange, the commission shall publish notice of the proposed sale in a
9 newspaper of general circulation in each county in which an exchange to be sold provides
10 service. The applicant shall reimburse the commission for the cost of the publication. The notice
11 shall inform the public of their right to file a petition of intervention in the proceeding or to
12 submit comment within fifteen days following publication of the notice. The commission shall;
13 ~~if applicable,~~ consider the protection of the public interest, and to the extent applicable, the
14 adequacy of local telephone service, the reasonableness of rates for local service, the provision
15 of 911, Enhanced enhanced 911, and other public safety services, the payment of taxes, and the
16 ability and commitment of the local exchange company to provide modern, state-of-the-art
17 ~~telecommunications services that will help promote economic development, tele-medicine, and~~
18 ~~distance learning in rural South Dakota. The.~~ If no hearing is held on the application, the
19 commission shall issue its order pursuant to this section within forty-five days following the
20 publication of the notice. If a hearing is held on the application, the commission shall issue its
21 order pursuant to this section within one hundred eighty twenty days of the filing of the
22 application. For any application filed on or before March 30, 1995, the commission shall issue
23 its order no later than August 1, 1995 following the publication of the notice. The commission's
24 order may include conditions that the commission finds necessary to ensure compliance with

1 the criteria set forth in this section. For the purposes of this section, the term, sale, means the
2 passing, for consideration, of title to the assets comprising a telecommunications exchange, but
3 does not include nonasset sale transactions such as mergers, consolidations, stock sales, or
4 financing transactions. For the purposes of this section, the term, exchange, means the
5 switching, transmission, other equipment and facilities and associated permits, authorizations,
6 service rights, customer contracts, and related assets by which a telecommunication company
7 provides local exchange service throughout a local exchange area utilizing its own facilities.