
Technology, Energy & Communications Committee

HB 2601

Brief Description: Studying telecommunication regulatory reform.

Sponsors: Representatives McCoy, Chase, Kenney and Morris.

<p>Brief Summary of Bill</p> <ul style="list-style-type: none">• Requires the Technology Law and Public Policy Clinic at the University of Washington School of Law to conduct a telecommunication study.
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Hearing Date: 1/28/10

Staff: Kara Durbin (786-7133).

Background:

In 1994, Governor Lowry established the Governor's Telecommunications Policy Coordination Task Force (Task Force). The Task Force's objective was to assess current telecommunications policies and recommend ways the state could better attract telecommunications companies and jobs while also encouraging the deployment of advanced networks. In 1996, the Task Force issued its report, which contained a set of policy recommendations to the Legislature. These recommendations included: (1) achieving regulatory consistency in converging industries; (2) leveling the taxation playing field; (3) bringing infrastructure to rural areas; and (4) leveraging the state's role as a large purchaser, user, and provider of telecommunications services. With respect to taxation, the report proposed that additional analysis be conducted to review the tax structure as it applies to the telecommunications industry. In 1997, the Task Force released a second report, which contained several proposals pertaining to equalizing the tax burdens among telecommunications providers.

The Legislature has adopted and signed into law a number of the Task Force's recommendations, including proposals regarding cellular tower siting, utility pole attachment, telecommunications

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infrastructure along state rights-of-way, and the deployment of the K-20 network. Much of the tax-related policy recommendations of the Task Force have not been substantively addressed.

Summary of Bill:

By December 1, 2011, the Technology Law and Public Policy Clinic at the University of Washington School of Law (Clinic) must prepare a comprehensive report analyzing trends in the telecommunications industry and pathways for regulatory reform.

The report must address the following issues:

- (1) the taxation treatment of all telecommunications services that provide the same or functionally equivalent services;
- (2) the character and degree of competition in the telecommunications market;
- (3) the regulatory, legal, and economic barriers to competition;
- (4) what changes could be made in policy, law, or administrative to address any barriers to competition; and
- (5) the role of the Washington Utilities and Transportation Commission (WUTC) in the oversight and regulation of telecommunications services.

The Clinic must consult with telecommunications providers in preparing its report.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.