

# HOUSE BILL REPORT

## ESSB 5156

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### As Passed House:

April 4, 1995

**Title:** An act relating to promoting competition for long distance telecommunications.

**Brief Description:** Promoting competition for long distance telecommunications.

**Sponsors:** Senate Committee on Energy, Telecommunications & Utilities (originally sponsored by Senators Sutherland, Gaspard, Sellar, Hochstatter and Loveland).

### Brief History:

#### Committee Activity:

Energy & Utilities: 3/28/95 [DP].

#### Floor Activity:

April 4, 1995, 87-10.

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### HOUSE COMMITTEE ON ENERGY & UTILITIES

**Majority Report:** Do pass. Signed by 9 members: Representatives Casada, Chairman; Crouse, Vice Chairman; Kessler, Ranking Minority Member; Kremen, Assistant Ranking Minority Member; Huff; Mastin; Mielke; Mitchell and Patterson.

**Minority Report:** Do not pass. Signed by 1 member: Representative Hankins, Vice Chairman.

**Staff:** Margaret Allen (786-7110).

**Background:** In 1982, a federal court ordered the break-up of the Bell telephone system. Under the court's decree, which became effective in 1984, local exchange companies (LECs) are limited to providing telephone services within defined geographic areas called local access transport areas (LATAs). By contrast, long distance companies may operate between LATAs (inter-LATA), and provide other telephone services, subject to certain conditions.

In Washington, long distance companies have been permitted to provide intra-LATA telephone services, but their customers must dial a five-digit access code to direct the call through the long distance company.

The Washington Utilities and Transportation Commission (WUTC) is considering proposals to authorize long distance companies to provide intra-LATA service by presubscription, without requiring a five-digit access code.

**Summary of Bill:** The WUTC may not authorize changes in current intra-LATA dialing patterns until such time as all carriers, including LECs, are authorized to provide inter-LATA service, or until June 30, 1998, whichever is sooner.

The WUTC must submit to the Legislature by December 1, 1997, a study reviewing the intra-LATA and inter-LATA long distance markets, applicable laws and regulations, and the impact of proposed changes in intra-LATA one-plus dialing patterns upon telephone rates and universal service. The study is to set forth policy options and recommendations regarding intra-LATA dialing patterns.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill contains an emergency clause and takes effect on July 1, 1995.

**Testimony For:** The status quo should be maintained until Congress passes legislation allowing all carriers to compete in the inter-LATA market. "One-plus" dialing for long distance carriers in the intra-LATA market would give long distance carriers an unfair competitive advantage. "One-plus" dialing might cause rates for basic telephone service to increase, to the detriment of persons with fixed incomes.

**Testimony Against:** "One-plus" intra-LATA dialing would increase competition among service providers and increase customer choice. "One-plus" dialing would lead to lower prices and better service to telephone customers. The WUTC should have the opportunity to hold public hearings and study the issue before the Legislature restricts "one-plus" dialing.

**Testified:** (Pro) Senator Sutherland, prime sponsor; Colleen Henry, Lakewood Chamber of Commerce; Suzanne Suther, Issaquah Chamber of Commerce; Paul Casey, Voices of Experience; Phil Glenn, Retired Federal Employees; Rosemary Williamson, GTE; and Dale Vincent, U.S. West.

(Con) Bill Garvin, Washington State Farm Bureau; Patrick Whalen, J. P. Whalen Company; Bill Taylor, Taylor United, Inc.; Mike Woodin, AT&T; and Gail Garey, MCI.

(Neutral) Essey Wolfrom, AARP.