
ENGROSSED SUBSTITUTE SENATE BILL 5156

State of Washington

54th Legislature

1995 Regular Session

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

Read first time 01/25/95.

1 AN ACT Relating to promoting competition for long distance
2 telecommunications; adding a new section to chapter 80.36 RCW; creating
3 new sections; providing an effective date; and declaring an emergency.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The legislature finds that:

6 (1) It is the declared policy of the state of Washington in RCW
7 80.36.300(5) to promote diversity in the supply of telecommunications
8 services and products in telecommunications markets throughout the
9 state.

10 (2) In 1984, a federal court ordered the divestiture of the Bell
11 System separating the system into: (a) Local service companies,
12 limited to service within defined geographic areas called local access
13 transport areas, known as LATAs; and (b) an interexchange or inter-LATA
14 company, which is free to provide any lawful service, but cannot
15 purchase the operations of its divested operating companies. The local
16 service companies expected to be permitted to compete for inter-LATA
17 services as soon as interexchange providers could legally compete with
18 intra-LATA dialing parity.

19 (3) It has been lawful in Washington since 1985 for any company to
20 provide any telecommunications service so long as the company is

1 properly registered with the Washington utilities and transportation
2 commission. Two exceptions to this freedom to compete in all markets
3 exist. The carrier that serves most of the state's citizens and the
4 largest geographic area is prohibited from providing inter-LATA
5 telecommunications services. The second largest exchange company in
6 the state may only provide inter-LATA services through a separate
7 subsidiary.

8 (4) Competition in the telecommunications services industry has
9 intensified with the fast pace of changes in telecommunications
10 technology in recent years. The effect of increased competition for
11 customers on the affordability of service for consumers cannot be
12 determined without further review by the utilities and transportation
13 commission.

14 NEW SECTION. **Sec. 2.** A new section is added to chapter 80.36 RCW
15 to read as follows:

16 In order to promote diversity of supply and competition in the
17 provision of all services in the state:

18 (1) The commission shall require all carriers registered to provide
19 service in this state to allow their customers to individually choose
20 an authorized carrier to provide one plus dialed service;

21 (2) The commission shall not require any change in intra-LATA one
22 plus dialing patterns existing on January 1, 1995, under subsection (1)
23 of this section until all carriers are permitted to provide inter-LATA
24 service on an integrated basis, or June 30, 1998, whichever is earlier;
25 and

26 (3) Nothing in this section shall preclude the commission from
27 engaging in a fact-finding investigation in anticipation of the
28 requirement that all carriers provide one plus presubscription.

29 NEW SECTION. **Sec. 3.** The commission shall submit to the
30 legislature no later than December 1, 1997, a study of the intra-LATA
31 telephone market in the state of Washington as it exists at that time.
32 This study shall analyze the nature and extent of competition in the
33 intra-LATA and inter-LATA markets, including local exchange operators'
34 market power in the inter-LATA market and long distance carriers'
35 market power in the intra-LATA market; the impact of proposed changes
36 in intra-LATA dialing patterns on local business and residential basic
37 rates; the ability of telecommunications companies to meet universal

1 service obligations in light of proposed changes in intra-LATA one plus
2 dialing patterns; all relevant state and federal enactments and court
3 and regulatory decisions made after the effective date of this act
4 which affect intra-LATA services by telecommunications companies in the
5 state of Washington. This study shall objectively set forth policy
6 options regarding intra-LATA dialing patterns, and shall make
7 recommendations based upon those options. Nothing in this section
8 shall prohibit the commission from engaging in an inquiry proceeding or
9 other fact-finding investigation in anticipation of issuing orders
10 regarding intra-LATA one plus dialing.

11 NEW SECTION. **Sec. 4.** This act is necessary for the immediate
12 preservation of the public peace, health, or safety, or support of the
13 state government and its existing public institutions, and shall take
14 effect July 1, 1995.

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