

# SENATE BILL REPORT

## SB 6356

---

As Reported By Senate Committee On:  
Energy & Utilities, February 5, 1998

**Title:** An act relating to streamlining and clarifying regulatory requirements of telecommunication providers regulated by the utilities and transportation commission.

**Brief Description:** Concerning information required to be filed with the utilities and transportation commission.

**Sponsors:** Senators Finkbeiner, Brown and Rossi; by request of Utilities & Transportation Commission.

**Brief History:**

**Committee Activity:** Energy & Utilities: 1/20/98, 2/5/98 [DPS].

---

### SENATE COMMITTEE ON ENERGY & UTILITIES

**Majority Report:** That Substitute Senate Bill No. 6356 be substituted therefor, and the substitute bill do pass.

Signed by Senators Finkbeiner, Chair; Hochstatter, Vice Chair; Brown, Rossi, T. Sheldon and Strannigan.

**Staff:** Karen Kirkpatrick (786-7403)

**Background:** A telecommunications company may petition the Washington Utilities and Transportation Commission (WUTC) for classification as a competitive telecommunications company. A competitive telecommunications company is one in which the company's customers have reasonably available alternatives and the company does not have a significant captive customer base.

When a telecommunications company or service is found to be subject to competition by the WUTC, it is exempted from many of the regulations on rates that apply to monopoly services, thereby reducing the regulatory burden on the company. As competition emerges in Washington, the commission expects to consider an increasing number of competitive classification petitions.

Current law requires all petitions for competitive classification by telecommunications companies to be handled by an adjudicated proceeding or a formal investigation and fact finding. Both processes require a number of months to complete.

The commission is requesting this legislation to speed the processing of non-controversial applications.

It has been suggested that petitions should be processed and approved for a specific geographic area rather than the whole service area.

Currently, companies are constrained in how they can market services to customers when a package of services contains a mix of competitive and non-competitive (regulated) services. It has been suggested that companies should be allowed to market a mixed package of services without being required to file a special tariff for the specific package.

**Summary of Substitute Bill:** An additional process is created by which the commission may review a competitive classification petition in a shortened period. A petition may include an effective date, not less than 30 days from filing, on which the classification takes effect unless suspended by the commission or set for a hearing. The commission must issue a final order within six months.

Other clarifying and technical changes are made.

**Substitute Bill Compared to Original Bill:** The original bill included a provision that a company that is the subject of a competitive classification petition or motion could request a hearing on the petition or motion. The substitute bill does not include this provision.

The original bill included an amendment to the petition process to clarify that a petition may be approved for a specific geographic area rather than a full service area. The substitute bill does not include the geographic area language.

The original bill authorized companies to package products and services for sale whether fully regulated, price listed, or unregulated under specified conditions. The substitute bill does not contain this packaging provision.

The original bill created a rebuttable presumption that for all subsequent proceedings a service or company classified as competitive is competitive. The substitute bill does not contain the rebuttable presumption provision.

The original bill included encouragement of investment in infrastructure and creation of infrastructure as policy statements. The substitute bill does not include these policy statements.

Other clarifying and technical changes are made.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** This legislation will update and streamline procedures to accommodate competition, make procedures less formal and less legalistic and shorten delays. This legislation will give customers more options within a geographic zone within a shorter period of time while protecting consumers where there is no competition. It promotes competition on a competitively neutral basis.

**Testimony Against:** This legislation undermines competition. The rebuttable presumption that competition exists does not equate with actual competition. It is premature and places

the burden on the consumer to prove there is no competition. The price ceiling on the packaging provision doesn't address the power of the incumbent to undercut the market. This legislation sets up legal arguments that will promote challenges.

**Testified:** Teresa Osinski, WUTC (pro); Susan McAdams, Electric Lightwave (con); Gary Gardner, Washington Association of ISPs; Gail Garey, MCI (con); Ross Baker, AT&T Wireless; Mike Woodin, AT&T; Rosemary Williamson, Lida Tong, GTE (pro); Mark Greenberg, Art Butler, Tracer (con); Tom Walker, US West (pro); Bruce Shaull, Sprint (pro); Terry Vann, WITA (pro).