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**SUBSTITUTE SENATE BILL 6598**

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**State of Washington**

**58th Legislature**

**2004 Regular Session**

**By** Senate Committee on Technology & Communications (originally sponsored by Senators Esser, Schmidt, Mulliken, Rasmussen, Parlette and Stevens)

READ FIRST TIME 02/04/04.

1 AN ACT Relating to the provision of wholesale telecommunications  
2 services by public utility districts; and amending RCW 54.16.330.

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

4 **Sec. 1.** RCW 54.16.330 and 2000 c 81 s 3 are each amended to read  
5 as follows:

6 (1) A public utility district in existence on June 8, 2000, may  
7 construct, purchase, acquire, develop, finance, lease, license, handle,  
8 provide, add to, contract for, interconnect, alter, improve, repair,  
9 operate, and maintain any telecommunications facilities within or  
10 without the district's limits for the following purposes:

- 11 (a) For the district's internal telecommunications needs; and  
12 (b) For the provision of wholesale telecommunications services  
13 within the district and by contract with another public utility  
14 district.

15 Nothing in this subsection shall be construed to authorize public  
16 utility districts to provide telecommunications services to end users.

17 (2) A public utility district providing wholesale  
18 telecommunications services shall ensure that rates, terms, and  
19 conditions for such services are not unduly or unreasonably

1 discriminatory or preferential. Rates, terms, and conditions are  
2 discriminatory or preferential when a public utility district offering  
3 rates, terms, and conditions to an entity for wholesale  
4 telecommunications services does not offer substantially similar rates,  
5 terms, and conditions to all other entities seeking substantially  
6 similar services.

7 (3) ~~((When))~~ A public utility district ~~((establishes a separate~~  
8 ~~utility function for the provision of wholesale telecommunications~~  
9 ~~services, it shall account for any and all revenues and expenditures~~  
10 ~~related to its wholesale telecommunications facilities and services~~  
11 ~~separately from revenues and expenditures related to its internal~~  
12 ~~telecommunications operations))~~ providing wholesale telecommunications  
13 services may establish a separate utility system or function for such  
14 purpose. In either case, a public utility district providing wholesale  
15 telecommunications services shall separately account for any revenues  
16 and expenditures for those services according to standards established  
17 by the state auditor pursuant to its authority in chapter 43.09 RCW and  
18 consistent with the provisions of this chapter. Any revenues received  
19 from the provision of wholesale telecommunications services must be  
20 dedicated to ~~((the utility function that includes the provision of~~  
21 ~~wholesale telecommunications services for))~~ costs incurred to build and  
22 maintain ~~((the))~~ any telecommunications facilities constructed,  
23 installed, or acquired to provide such services, including payments on  
24 debt issued to finance such services, until such time as any bonds or  
25 other financing instruments executed after June 8, 2000, and used to  
26 finance ~~((the))~~ such telecommunications facilities are discharged or  
27 retired.

28 (4) When a public utility district ~~((establishes a separate utility~~  
29 ~~function for the provision of))~~ provides wholesale telecommunications  
30 services, all telecommunications services rendered ~~((by the separate~~  
31 ~~function))~~ to the district for the district's internal  
32 telecommunications needs shall be allocated or charged at its true and  
33 full value. A public utility district may not charge its  
34 nontelecommunications operations rates that are preferential or  
35 discriminatory compared to those it charges entities purchasing  
36 wholesale telecommunications services.

37 (5) A public utility district shall not exercise powers of eminent

1 domain to acquire telecommunications facilities or contractual rights  
2 held by any other person or entity to telecommunications facilities.

3 (6) Except as otherwise specifically provided, a public utility  
4 district may exercise any of the powers granted to it under this title  
5 and other applicable laws in carrying out the powers authorized under  
6 this section. Nothing in chapter 81, Laws of 2000 limits any existing  
7 authority of a public utility district under this title.

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