

SENATE BILL REPORT

SHB 1111

As Reported By Senate Committee On:
Energy, Telecommunications & Utilities, March 23, 1995

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

Brief Description: Promoting competition for long distance telecommunications.

Sponsors: House Committee on Energy & Utilities (originally sponsored by Representatives Casada, Kessler, Chandler, Kremen, Horn, Patterson, Mielke, G. Fisher, Campbell, Mitchell, Grant, Huff and Basich).

Brief History:

Committee Activity: Energy, Telecommunications & Utilities: 3/21/95, 3/23/95 [DP, DNP].

SENATE COMMITTEE ON ENERGY, TELECOMMUNICATIONS & UTILITIES

Majority Report: Do pass.

Signed by Senators Sutherland, Chair; Loveland, Vice Chair; Hochstatter and Owen.

Minority Report: Do not pass.

Signed by Senator Finkbeiner.

Staff: David Danner (786-7784)

Background: In 1982, a federal court mandated 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 local geographic zones known as local access transport areas (LATAs). By contrast, long distance companies may operate between LATAs (inter-LATA), and provide any other telephone services, subject to certain conditions.

In Washington, long distance companies have been permitted to provide intra-LATA telephone services so long as their customers dial a four-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 four-digit access code. Such proposals have raised concerns of competitive imbalance in the telecommunications marketplace, insofar as LECs are barred by federal law from competing in the inter-LATA market.

Summary of Bill: Until June 1, 1998, the WUTC may not require changes in current intra-LATA dialing patterns until such time as all carriers, including LECs, are authorized to provide inter-LATA service.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect on July 1, 1995.

Testimony For: Full competition in the national telephone marketplace requires that all carriers have equal access to all markets nationwide. Changes to allow long distance carriers into short-haul long distance without reciprocal access by local exchange carriers into long-haul would further market imbalances. The state should wait for federal action in removing line-of-business restrictions.

Testimony Against: The Legislature should ensure full competition at the local level. "One-plus" intra-LATA dialing will lead to lower prices and better services to residential and business consumers. WUTC should have the opportunity to hold public hearings and study the issue before the Legislature restricts one-plus dialing.

Testified: Representative Casada, prime sponsor; Rosemary Williamson, GET-NW (pro); Thomas L. Tochtelman, Bellevue Chamber of Commerce (pro); Casey Cochrane, Tacoma Chamber of Commerce (pro); Dale Vincent, US WEST (pro); Mike Bookey, Digital Network Architects (con); Bill Taylor, Taylor United Inc. (con); Mike Woodin, AT&T (con); Andrew Isar, Telecommunications Resellers Assn. (con); Bill Garvin, WA Farm Bureau, MCI (con); Gail Garey, MCI (con); Essey Wolfrom, AARP.