

SENATE BILL REPORT

SB 5470

As of January 30, 1995

Title: An act relating to telecommunications companies.

Brief Description: Regulating billing for telecommunications services.

Sponsors: Senator McCaslin.

Brief History:

Committee Activity: Energy, Telecommunications & Utilities: 1/31/95.

SENATE COMMITTEE ON ENERGY, TELECOMMUNICATIONS & UTILITIES

Staff: Phil Moeller (786-7445)

Background: Several hundred telecommunications companies are registered to conduct business in Washington. Companies may petition the Washington Utilities and Transportation Commission (WUTC) to be classified as "competitive," a status that results in being subject to less regulation. Additionally, companies that cannot be classified as competitive can still petition to have certain services or products granted competitive status if the WUTC finds that the market allows for adequate consumer choice.

Local exchange telecommunications companies provide basic "dial tone" and a variety of other products and services. These companies typically provide billing services for providers of toll (long-distance) service. Most local exchange companies in Washington provide this service at tariffed rates; however, three companies have had their billing services classified as competitive. Among other advantages, this status allows for greater pricing flexibility by the company when it provides billing services.

In addition to providing billing services to better-known toll providers, companies also provide billing for other carriers, including alternate operator service companies. Several of these types of companies have been the subject of consumer complaints at the WUTC for excessive rates and poor service quality. If a consumer disputes a specific billing by a company for which billing is provided, the company providing billing service usually directs the person to contact directly the company that provided the service. Complaints have been made that some of these companies are difficult to contact.

Summary of Bill: Any telecommunications company that provides billing services for another telecommunications company is required to indicate in any billing statement amounts in dispute between a customer and the company for which billing is provided. Companies are prohibited from disclosing this information to credit reporting bureaus. Billing services may only be provided to companies that can be contacted by a toll-free number for at least 12 hours each day, excluding holidays. The WUTC may adopt additional rules to regulate billing.

Appropriation: None.

Fiscal Note: Requested on January 30, 1995.

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