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**SUBSTITUTE HOUSE BILL 1111**

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**State of Washington**

**54th Legislature**

**1995 Regular Session**

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

Read first time 02/03/95.

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; providing an expiration  
4 date; and declaring an emergency.

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

6       NEW SECTION.   **Sec. 1.** The legislature has declared the policy of  
7 the state of Washington in RCW 80.36.300 to be in favor of promoting  
8 diversity in the supply of telecommunications services and products in  
9 telecommunications markets throughout the state, ever since the  
10 federally ordered divestiture of the Bell System in 1984. That  
11 divestiture separated the Bell System into: (1) Local service  
12 companies, limited to just service within defined geographic areas  
13 called local access transport areas and known as LATAs; and (2) an  
14 interexchange or inter-LATA company, which is free to provide any  
15 lawful service but can not purchase the operations of its divested  
16 operating companies. The expectation was that the operating companies  
17 would be permitted to compete in the inter-LATA arena as soon as  
18 interexchange providers could legally compete intra-LATA. In  
19 Washington, it has been lawful since 1985 for any company to provide

1 any telecommunications service so long as it was properly registered  
2 with the Washington utilities and transportation commission. The only  
3 exceptions to this freedom for all telecommunications carriers in this  
4 state to compete in all markets is that the largest carrier in the  
5 state, which serves most of the state's citizens and geography, remains  
6 prohibited from providing inter-LATA telecommunications services, and  
7 the second largest exchange company in the state may only provide  
8 inter-LATA services through a separate subsidiary. The legislature  
9 finds that these prohibitions and restrictions are unreasonable and are  
10 frustrating diversity of supply in all telecommunications markets in  
11 the state and harming the fair competitive provision of all carriers of  
12 all telecommunications services.

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

15 In order to promote diversity of supply and competition in the  
16 provision of all services in the state, the commission shall require  
17 all carriers that are registered to provide service in this state to  
18 allow their customers to select the carrier the customers wish to  
19 provide their one plus dialed service. However, the commission shall  
20 not require any change in current intra-LATA one plus dialing patterns  
21 until all carriers are permitted to provide inter-LATA service on an  
22 integrated basis.

23 NEW SECTION. **Sec. 3.** This act shall be known as the fair long  
24 distance telecommunications competition act.

25 NEW SECTION. **Sec. 4.** This act shall expire on June 1, 1998.

26 NEW SECTION. **Sec. 5.** This act is necessary for the immediate  
27 preservation of the public peace, health, or safety, or support of the  
28 state government and its existing public institutions, and shall take  
29 effect July 1, 1995.

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