

HOUSE BILL REPORT

HB 1286

As Reported by House Committee On:
Technology, Telecommunications & Energy

Title: An act relating to promotional service offerings.

Brief Description: Regarding promotional service offerings.

Sponsors: Representatives Ruderman, Crouse, Morris, Nixon, Sullivan and Delvin.

Brief History:

Committee Activity:

Technology, Telecommunications & Energy: 1/29/03, 2/7/03 [DPS].

Brief Summary of Substitute Bill

- Allows promotional tariffs or price lists filed by a telecommunications company to become effective upon filing or some other time specified by the company.

HOUSE COMMITTEE ON TECHNOLOGY, TELECOMMUNICATIONS & ENERGY

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 17 members: Representatives Morris, Chair; Ruderman, Vice Chair; Sullivan, Vice Chair; Crouse, Ranking Minority Member; Nixon, Assistant Ranking Minority Member; Anderson, Blake, Bush, DeBolt, Delvin, Hudgins, Kirby, McMahan, Romero, Tom, Wallace and Wood.

Staff: Pam Madson (786-7166).

Background:

When telecommunications companies file changes in their rates with the Washington Utilities and Transportation Commission (WUTC), the WUTC may suspend the change pending a hearing on the reasonableness of the proposed change. The change is subject to a notice requirement and does not become effective until 30 days after the filing or publication of notice.

If the change in rates is a decrease, the WUTC may not suspend the change in rates pending a reasonableness hearing if the filing does not contain an offsetting increase and

the company agrees not to file an increase to make up for any decrease in revenue for a period of one year. This change in rates is effective 10 days after notice is given of the change.

Temporary promotional price reductions or waivers are authorized for specific services offered to existing or new customers that do not exceed 60 days and are not subject to suspension by the WUTC pending a hearing. These temporary changes are effective 10 days after notice is given of the change.

Competitive telecommunications companies are subject to minimal regulation. If they file price lists, they must still provide notice of changes in rates to the public. Changes are effective after 10 days notice to the WUTC and customers. Similar provisions apply to services offered by a telecommunications company that have been found to be competitive by the WUTC.

Summary of Substitute Bill:

The filing of a promotional tariff may not be suspended by the WUTC. A promotional tariff is a temporary change that waives or reduces charges or conditions of service for existing or new customers. This change may be for a period up to 90 days and is for the purpose of retaining or increasing the number of customers who subscribe to or use a service.

A promotional offering may be effective upon filing with the WUTC and publication. A promotional offering is the same as a promotional tariff but applies to both tariffs and price lists.

Substitute Bill Compared to Original Bill:

The substitute bills makes clarifying changes to the structure of the current statute. It also clarifies language to reflect when the WUTC may suspend a promotional tariff and when a promotional offering becomes effective.

Appropriation: None.

Fiscal Note: Not Requested.

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

Testimony For: This bill will allow promotional offerings of 90 days or less to be effective upon filing. Reduced prices and a waiving of connection charges are two

examples of the promotional service offerings affected by this bill. Right now there is a 30-day WUTC review process that can be delayed beyond those 30 days. This bill gets the offering to the consumer faster and is available to all telecommunication providers including those that are currently price listed. There is a current 10-day price decrease option in place but it is for permanent decreases only. There is no known opposition to this bill. Customers will appreciate this bill as well as providers. Some friendly amendments are offered that do not change the substance of the bill but attempt to decrease confusion in the statute being affected.

Testimony Against: None.

Testified: Rosemary Davis, Verizon and Beth Redfield, Washington Utilities and Transportation Commission.