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**HOUSE BILL 1702**

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**State of Washington 65th Legislature 2017 Regular Session**

**By** Representatives Dye, Tarleton, Nealey, Fey, Klippert, Young, Vick, J. Walsh, Stonier, Fitzgibbon, Johnson, Muri, and Stanford

AN ACT Relating to the authority of port districts to provide telecommunications services; amending RCW 53.08.370; and creating a new section.

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

NEW SECTION. **Sec.**  The legislature finds that:

(1) Adequate access to telecommunications facilities and services is essential to the economic well-being of communities in Washington state.

(2) Many communities, particularly in remote areas, do not have adequate access to telecommunications facilities and services.

(3) Some communities along the outer borders of the state may be served by a port district that does not fall within the definition of a rural port district, but due to their location, face similar telecommunications service issues.

(4) Specifying that port districts in these areas have authority to enter into contracts to attract private telecommunications companies may help to create a sufficient market for the provision of adequate retail telecommunications services.

**Sec.**  RCW 53.08.370 and 2000 c 81 s 7 are each amended to read as follows:

(1) Both rural port districts in existence on June 8, 2000, and port districts within a county that has at least one border along the southern, eastern, or northern border of the state may construct, purchase, acquire, develop, finance, lease, license, handle, provide, add to, contract for, interconnect, alter, improve, repair, operate, and maintain any telecommunications facilities within or without the district's limits for the following purposes:

(a) For the district's own use and for the use of other public bodies, as defined in RCW 39.10.210; and

(b) For the provision of wholesale telecommunications services within or without the district's limits. Nothing in this subsection shall be construed to authorize ((~~rural~~)) port districts to provide telecommunications services to end users.

(2) ((~~A rural~~)) Port districts providing wholesale telecommunications services under this section shall ensure that rates, terms, and conditions for such services are not unduly or unreasonably discriminatory or preferential. Rates, terms, and conditions are discriminatory or preferential when a ((~~rural~~)) port district offering such rates, terms, and conditions to an entity for wholesale telecommunications services does not offer substantially similar rates, terms, and conditions to all other entities seeking substantially similar services.

(3) When a ((~~rural~~)) port district establishes a separate utility function for the provision of wholesale telecommunications services under this section, it shall account for any and all revenues and expenditures related to its wholesale telecommunications facilities and services separately from revenues and expenditures related to its internal telecommunications operations. Any revenues received from the provision of wholesale telecommunications services must be dedicated to the utility function that includes the provision of wholesale telecommunications services for costs incurred to build and maintain the telecommunications facilities until such time as any bonds or other financing instruments executed after June 8, 2000, and used to finance the telecommunications facilities are discharged or retired.

(4) When a ((~~rural~~)) port district establishes a separate utility function for the provision of wholesale telecommunications services under this section, all telecommunications services rendered by the separate function to the district for the district's internal telecommunications needs shall be charged at its true and full value. A ((~~rural~~)) port district may not charge its nontelecommunications operations rates that are preferential or discriminatory compared to those it charges entities purchasing wholesale telecommunications services.

(5) A ((~~rural~~)) port district under this section shall not exercise powers of eminent domain to acquire telecommunications facilities or contractual rights held by any other person or entity to telecommunications facilities.

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

(7) In accordance with any other applicable laws, a port district under this section may select a telecommunications company to operate the port district's telecommunications facilities. The company may be the exclusive provider of telecommunications services to end users under terms specified in the contract with the port district. For purposes of this section, "telecommunications company" means any for-profit entity owned by investors that sells telecommunications services to end users. Nothing in this subsection (7) is intended to limit or otherwise restrict any other authority provided by law.

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