

2 SSB 5156 - S AMD 051

3 By Senators Gaspard, Hochstatter, Sutherland, Long and Loveland

4 ADOPTED 3/8/95

5 Strike everything after the enacting clause and insert the
6 following:

7 "NEW SECTION. **Sec. 1.** The legislature finds that:

8 (1) It is the declared policy of the state of Washington in RCW
9 80.36.300(5) to promote diversity in the supply of telecommunications
10 services and products in telecommunications markets throughout the
11 state.

12 (2) In 1984, a federal court ordered the divestiture of the Bell
13 System separating the system into: (a) Local service companies,
14 limited to service within defined geographic areas called local access
15 transport areas, known as LATAs; and (b) an interexchange or inter-LATA
16 company, which is free to provide any lawful service, but cannot
17 purchase the operations of its divested operating companies. The local
18 service companies expected to be permitted to compete for inter-LATA
19 services as soon as interexchange providers could legally compete with
20 intra-LATA dialing parity.

21 (3) It has been lawful in Washington since 1985 for any company to
22 provide any telecommunications service so long as the company is
23 properly registered with the Washington utilities and transportation
24 commission. Two exceptions to this freedom to compete in all markets
25 exist. The carrier that serves most of the state's citizens and the
26 largest geographic area is prohibited from providing inter-LATA
27 telecommunications services. The second largest exchange company in
28 the state may only provide inter-LATA services through a separate
29 subsidiary.

30 (4) Competition in the telecommunications services industry has
31 intensified with the fast pace of changes in telecommunications
32 technology in recent years. The effect of increased competition for
33 customers on the affordability of service for consumers cannot be
34 determined without further review by the utilities and transportation
35 commission.

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

3 In order to promote diversity of supply and competition in the
4 provision of all services in the state:

5 (1) The commission shall require all carriers registered to provide
6 service in this state to allow their customers to individually choose
7 an authorized carrier to provide one plus dialed service;

8 (2) The commission shall not require any change in intra-LATA one
9 plus dialing patterns existing on January 1, 1995, under subsection (1)
10 of this section until all carriers are permitted to provide inter-LATA
11 service on an integrated basis, or June 30, 1998, whichever is earlier;
12 and

13 (3) Nothing in this section shall preclude the commission from
14 engaging in a fact-finding investigation in anticipation of the
15 requirement that all carriers provide one plus presubscription.

16 NEW SECTION. **Sec. 3.** The commission shall submit to the
17 legislature no later than December 1, 1997, a study of the intra-LATA
18 telephone market in the state of Washington as it exists at that time.
19 This study shall analyze the nature and extent of competition in the
20 intra-LATA and inter-LATA markets, including local exchange operators'
21 market power in the inter-LATA market and long distance carriers'
22 market power in the intra-LATA market; the impact of proposed changes
23 in intra-LATA dialing patterns on local business and residential basic
24 rates; the ability of telecommunications companies to meet universal
25 service obligations in light of proposed changes in intra-LATA one plus
26 dialing patterns; all relevant state and federal enactments and court
27 and regulatory decisions made after the effective date of this act
28 which affect intra-LATA services by telecommunications companies in the
29 state of Washington. This study shall objectively set forth policy
30 options regarding intra-LATA dialing patterns, and shall make
31 recommendations based upon those options. Nothing in this section
32 shall prohibit the commission from engaging in an inquiry proceeding or
33 other fact-finding investigation in anticipation of issuing orders
34 regarding intra-LATA one plus dialing.

35 NEW SECTION. **Sec. 4.** This act is necessary for the immediate
36 preservation of the public peace, health, or safety, or support of the
37 state government and its existing public institutions, and shall take

1 effect July 1, 1995."

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5 On page 1, line 2 of the title, after "telecommunications;" strike
6 the remainder of the title and insert "adding a new section to chapter
7 80.36 RCW; creating new sections; providing an effective date; and
8 declaring an emergency."

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