

SENATE BILL REPORT

SB 5888

As Reported By Senate Committee On:
Water, Energy & Telecommunications, February 23, 2007

Title: An act relating to competitive classification of telecommunications services.

Brief Description: Modifying the competitive classification of telecommunications services.

Sponsors: Senators Poulsen and Morton.

Brief History:

Committee Activity: Water, Energy & Telecommunications: 2/21/07, 2/23/07 [DPS].

SENATE COMMITTEE ON WATER, ENERGY & TELECOMMUNICATIONS

Majority Report: That Substitute Senate Bill No. 5888 be substituted therefor, and the substitute bill do pass.

Signed by Senators Poulsen, Chair; Rockefeller, Vice Chair; Honeyford, Ranking Minority Member; Delvin, Fraser, Holmquist, Marr, Morton, Oemig, Pridemore and Regala.

Staff: William Bridges (786-7424)

Background: Competitive Telecommunications Services: The Washington Utilities and Transportation Commission (WUTC) may classify a telephone service as "competitive," which means the service is subject to effective competition. In determining whether a service is competitive, the commission considers several factors, including the number and size of alternative providers of services. Competitive telecommunications services are subject to minimal regulation, which is defined in statute.

Tariffs: A non-competitive service must be described in a tariff. A tariff is a document that contains a company's rates and terms of service, and a change to a tariff is subject to the review and approval of the WUTC.

Bundled Services: In an effort to provide one-stop-shopping for customers, some telecommunications companies "bundle" or package different services into one bill. Sometimes competitively classified services are bundled with tariffed services, which has raised questions about the regulatory classification of the bundle.

Summary of Bill: The bill as referred to committee not considered.

SUMMARY OF RECOMMENDED SUBSTITUTE AS PASSED COMMITTEE (Water, Energy & Telecommunications): In determining whether a competitive telecommunications service is subject to effective competition, the WUTC may consider the

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number and size of alternative providers of telecommunications services not subject to WUTC's jurisdiction in addition to the those that are regulated by the WUTC.

A noncompetitive telecommunications company may petition the WUTC to have packages or bundles of telecommunications services subject to minimal regulation. The WUTC must grant the petition if:

- each noncompetitive service in the packages or bundle is readily and separately available to customers at fair, just, and reasonable prices;
- the price of the package or bundle is equal to or greater than the cost for tariffed services plus the cost of any competitive services as determined by the WUTC; and
- the availability and price of the stand-alone noncompetitive services are displayed in the company's tariff and on its website, consistent with WUTC rules.

The Commission may waive any regulatory requirement with respect to packages or bundles of telecommunications services if it finds those requirements are no longer necessary to protect public interest.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: The bill maintains consumer protection and provides regulatory flexibility.

Persons Testifying: PRO: Dave Danner, Washington Utilities and Transportation Commission; Barb Young, Embarq.