

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 2103

Chapter 26, Laws of 2007

60th Legislature
2007 Regular Session

TELECOMMUNICATION SERVICES--COMPETITIVE CLASSIFICATION

EFFECTIVE DATE: 07/22/07

Passed by the House March 8, 2007
Yeas 96 Nays 0

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate April 2, 2007
Yeas 46 Nays 0

BRAD OWEN

President of the Senate

Approved April 10, 2007, 11:29 a.m.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Richard Nafziger, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 2103** as passed by the House of Representatives and the Senate on the dates hereon set forth.

RICHARD NAFZIGER

Chief Clerk

FILED

April 10, 2007

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 2103

Passed Legislature - 2007 Regular Session

State of Washington 60th Legislature 2007 Regular Session

By House Committee on Technology, Energy & Communications (originally sponsored by Representatives Morris, Crouse and Wallace)

READ FIRST TIME 02/22/07.

1 AN ACT Relating to competitive classification of telecommunications
2 services; amending RCW 80.36.330; and adding a new section to chapter
3 80.36 RCW.

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

5 **Sec. 1.** RCW 80.36.330 and 2006 c 347 s 4 are each amended to read
6 as follows:

7 (1) The commission may classify a telecommunications service
8 provided by a telecommunications company as a competitive
9 telecommunications service if the service is subject to effective
10 competition. Effective competition means that customers of the service
11 have reasonably available alternatives and that the service is not
12 provided to a significant captive customer base. In determining
13 whether a service is competitive, factors the commission shall consider
14 include but are not limited to:

15 (a) The number and size of alternative providers of services,
16 including those not subject to commission jurisdiction;

17 (b) The extent to which services are available from alternative
18 providers in the relevant market;

1 (c) The ability of alternative providers to make functionally
2 equivalent or substitute services readily available at competitive
3 rates, terms, and conditions; and

4 (d) Other indicators of market power, which may include market
5 share, growth in market share, ease of entry, and the affiliation of
6 providers of services.

7 (2) Competitive telecommunications services are subject to minimal
8 regulation. The commission may waive any regulatory requirement under
9 this title for companies offering a competitive telecommunications
10 service when it determines that competition will serve the same
11 purposes as public interest regulation. The commission may waive
12 different regulatory requirements for different companies if such
13 different treatment is in the public interest. A company offering a
14 competitive telecommunications service shall at a minimum:

15 (a) Keep its accounts according to rules adopted by the commission;

16 (b) File financial reports for competitive telecommunications
17 services with the commission as required by the commission and in a
18 form and at times prescribed by the commission; and

19 (c) Cooperate with commission investigations of customer
20 complaints.

21 (3) Prices or rates charged for competitive telecommunications
22 services shall cover their cost. The commission shall determine proper
23 cost standards to implement this section, provided that in making any
24 assignment of costs or allocating any revenue requirement, the
25 commission shall act to preserve affordable universal
26 telecommunications service.

27 (4) The commission may investigate prices for competitive
28 telecommunications services upon complaint. In any complaint
29 proceeding initiated by the commission, the telecommunications company
30 providing the service shall bear the burden of proving that the prices
31 charged cover cost, and are fair, just, and reasonable.

32 (5) Telecommunications companies shall provide the commission with
33 all data it deems necessary to implement this section.

34 (6) No losses incurred by a telecommunications company in the
35 provision of competitive services may be recovered through rates for
36 noncompetitive services. The commission may order refunds or credits
37 to any class of subscribers to a noncompetitive telecommunications

1 service which has paid excessive rates because of below cost pricing of
2 competitive telecommunications services.

3 (7) The commission may reclassify any competitive
4 telecommunications service if reclassification would protect the public
5 interest.

6 (8) The commission may waive the requirements of RCW 80.36.170 and
7 80.36.180 in whole or in part for a service classified as competitive
8 if it finds that competition will serve the same purpose and protect
9 the public interest.

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

12 (1) A noncompetitive telecommunications company may petition to
13 have packages or bundles of telecommunications services it offers be
14 subject to minimal regulation. The commission shall grant the petition
15 where:

16 (a) Each noncompetitive service in the packages or bundle is
17 readily and separately available to customers at fair, just, and
18 reasonable prices;

19 (b) The price of the package or bundle is equal to or greater than
20 the cost for tariffed services plus the cost of any competitive
21 services as determined in accordance with RCW 80.36.330(3); and

22 (c) The availability and price of the stand-alone noncompetitive
23 services are displayed in the company's tariff and on its web site
24 consistent with commission rules.

25 (2) For purposes of this section, "minimal regulation" shall have
26 the same meaning as under RCW 80.36.330.

27 (3) The commission may waive any regulatory requirement under this
28 title with respect to packages or bundles of telecommunications
29 services if it finds those requirements are no longer necessary to
30 protect public interest.

Passed by the House March 8, 2007.
Passed by the Senate April 2, 2007.
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