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HOUSE BILL 1702

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State of Washington

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2017 Regular Session

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

Read first time 01/26/17. Referred to Committee on Technology & Economic Development.

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

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

5 NEW SECTION. **Sec. 1.** The legislature finds that:

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

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

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

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

19 **Sec. 2.** RCW 53.08.370 and 2000 c 81 s 7 are each amended to read  
20 as follows:

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

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

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

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

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

36 (4) When a (~~rural~~) port district establishes a separate utility  
37 function for the provision of wholesale telecommunications services  
38 under this section, all telecommunications services rendered by the  
39 separate function to the district for the district's internal  
40 telecommunications needs shall be charged at its true and full value.

1 A (~~rural~~) port district may not charge its nontelecommunications  
2 operations rates that are preferential or discriminatory compared to  
3 those it charges entities purchasing wholesale telecommunications  
4 services.

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

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

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

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