

FINAL BILL REPORT

SHB 2465

Synopsis as Enacted

C 68 L 92

Brief Description: Allowing temporary price reductions to promote a telecommunications service.

By House Committee on Energy & Utilities (originally sponsored by Representatives Grant, May, H. Myers, Miller, Paris, Forner and Casada).

House Committee on Energy & Utilities
Senate Committee on Energy & Utilities

Background: When a business introduces a new service or product, especially one with which the public might not be familiar, the business often temporarily offers the new service or product at reduced prices or perhaps even free. As soon as the product becomes familiar or proves worthwhile, the price rises to a profitable but competitive level.

As a regulated utility, at least in some of their services, telecommunications companies may be precluded by statute from offering new telecommunications services at reduced rates. Applicable statutes are those requiring service to be uniformly offered to all persons and in accordance with existing approved rates (unless filed under a new rate that would presumably be continued for a long time). An exception would have to be added to statutes to enable introductory temporarily reduced pricing.

Summary: Telecommunications companies may file a temporary tariff that reduces or totally waives charges for up to 60 days for new or existing subscribers for the following services:

- (1) Custom calling service;
- (2) Second access line; or
- (3) Other services that the Utilities and Transportation Commission (UTC) specifies by rule

The purpose of this authorization is to introduce and promote new services. The UTC may suspend any promotional tariff that is not among those listed above.

Votes on Final Passage:

House 91 3
Senate 44 1

Effective: June 11, 1992