

HOUSE BILL REPORT

HB 1461

As Reported By House Committee On:
Energy & Utilities

Title: An act relating to extending the prohibition on mandatory local measured service.

Brief Description: Extending the prohibition on mandatory local measured service.

Sponsors: Representatives Kremen, Miller, Jacobsen and Long.

Brief History:

Reported by House Committee on:
Energy & Utilities, February 18, 1993, DPS.

HOUSE COMMITTEE ON ENERGY & UTILITIES

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Grant, Chair; Finkbeiner, Vice Chair; Casada, Ranking Minority Member; Miller, Assistant Ranking Minority Member; Johanson; Kessler; Kremen; Long; and Ludwig.

Staff: Harry Reinert (786-7110).

Background: Most telephone customers in Washington pay a flat monthly rate for local telephone service. Many of the local exchange companies do offer their customers the option to pay for local calls on a per call basis. This is commonly known as local measured service. Under this option, the telephone customer pays a lower monthly rate and then pays for the calls actually made, based on the time of day, length of call, and in some cases, the distance of the call.

In 1985, the Legislature prohibited the Utilities and Transportation Commission from approving telecommunications tariffs which include mandatory local measured service. The prohibition has been extended twice since then and is currently set to expire June 1, 1993. The prohibition does not apply mobile services, pay telephone services, or to any other service which has traditionally been offered on a measured basis.

Summary of Substitute Bill: The prohibition on Utilities and Transportation Commission approval of a telecommunications tariff for mandatory local measured service is extended to June 1, 1998.

Substitute Bill Compared to Original Bill: The original bill made the prohibition on mandatory measured service tariffs permanent. It also included a provision allowing the Utilities and Transportation Commission to approve a mandatory local measured service tariff for a service that had been declared a competitive service by the commission. This provision is not in the substitute bill.

Fiscal Note: Not requested.

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

Testimony For: Mandatory local measured service does not make economical sense for the local exchange companies. The cost of measuring and bill for services is too great. Mandatory measured service does not make sense in today's telecommunications climate because there is no longer the concern about a lack of capacity there was 10 years ago. Mandatory measured service would be very difficult for state agencies to implement due to problems of accounting for each phone call made.

Testimony Against: Local exchange companies have no plans to offer this service. The telecommunications industry is changing so rapidly, though, that in the future such a service might make sense. The Utilities and Transportation Commission will have to approve any tariff change.

Witnesses: Mark Greenberg, and Kim Ambler, TRACER (pro); Dale Vincent, U.S. West (con, original bill); Bob Bratton, GTE Northwest (con, original bill); Roger Serwald, United Telephone (con, original bill); Terry Van, Washington Independent Telephone Association (con, original bill); and Sam Hunt, Department of Information Systems (pro).