

SENATE BILL REPORT

SB 6046

As Reported By Senate Committee On:
Energy & Utilities, March 5, 1997

Title: An act relating to a study by the utilities and transportation commission on universal telecommunications service; and creating new sections.

Brief Description: Creating a study by the utilities and transportation commission on universal telecommunications service.

Sponsors: Senator Finkbeiner.

Brief History:

Committee Activity: Energy & Utilities: 3/4/97, 3/5/97 [DPS].

SENATE COMMITTEE ON ENERGY & UTILITIES

Majority Report: That Substitute Senate Bill No. 6046 be substituted therefor, and the substitute bill do pass.

Signed by Senators Finkbeiner, Chair; Hochstatter, Vice Chair; Brown, Jacobsen, Rossi and Strannigan.

Staff: Phil Moeller (786-7445)

Background: The concept of "universal service" in the telephone network has been prevalent since the early part of this century in the United States. It holds that the value of the network is higher when more users are interconnected.

The universal service concept was embraced by generally levelizing the costs of different areas, allowing various subsidies to cover some of the costs of areas that were more expensive to serve. With competition becoming more prevalent in the telecommunications industry, any universal service subsidies will be more challenging to impose.

Summary of Substitute Bill: By January 1, 1998, the Washington Utilities and Transportation Commission is directed to study and make recommendations on the future of providing universal service telecommunications services in the state. The study is to include a definition of basic service, analysis of potential carriers including wireless, an analysis of cost methodologies, and options for generating and disbursing universal service funding.

Substitute Bill Compared to Original Bill: The original bill did not have a specific reference to wireless carriers.

Appropriation: None.

Fiscal Note: Requested on March 4, 1997.

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

Testimony For: This is a vital issue for the future of telecommunications for all the citizens of the state. A study is the appropriate way to examine the issue.

Testimony Against: None.

Testified: PRO: Terry Vann, WITA; Heather Hansen Rainey, Washington State Grange; Bruce Shaull, Sprint; Bill Garvin, MCI; Don Dennis, PTJ; Teresa Osinski, WUTC.