

***Transportation Committee***

***SSB 5376***

***Brief Description:*** Restricting telephone service for household goods carriers operating without a permit.

***Sponsors:*** By Senate Committee on Transportation (originally sponsored by Senators Gardner, Horn and Haugen).

***Brief Summary of Substitute Bill***

- *Upon petition of the Utilities and Transportation Commission (UTC), the superior court of a county has the power to order a telecommunications company to terminate the telephone number of a household goods moving carrier who is operating in violation of permit laws.*

***Hearing Date:*** 3/29/01

***Staff:*** Reema Griffith (786-7301).

***Background:***

*Prior to 1999, acquiring a household goods moving carrier permit from the UTC was a rarity due to restrictive regulations which severely limited the ability for new moving companies to enter the market. This fact contributed to and encouraged the creation of many illegal moving companies who provided services to the general public with no regulatory oversight, frequently resulting in unfortunate outcomes for many consumers. In an attempt to address this problem, the UTC implemented a number of rule changes and modifications in 1999 which drastically improved the ability of new moving companies to receive a permit from the commission. Unfortunately, this improvement has not significantly diminished the occurrence of various entities operating illegally and the UTC has limited means by which to enforce permitting requirements.*

*In providing enforcement of permit requirements, the UTC is currently authorized to hold administrative hearings, issue cease and desist orders, and assess monetary penalties of up to \$1,500 for violations. If none of these enforcement measures work, the only option left*

*to the commission is to turn to a superior court to provide additional enforcement of the penalty assessments. This current enforcement process is very slow and costly as well as having limited effectiveness due to the fact that the UTC is an administrative agency and is not equipped to efficiently handle and process each known violation, which thus allows for many businesses to continue operating illegally.*

***Summary of Bill:***

*To provide a more direct enforcement measure with increased impact, SSB 5376 grants the superior court of a county the power, upon petition from the UTC, to order a telecommunications company to terminate the telephone number of a household goods moving carrier who is in violation of permit laws. The court must issue such an order if it finds: a) that the entity using the phone number is conducting business without a permit; b) that the phone number is being used to violate or assist in violating permit laws; or c) that the UTC has already obtained or is petitioning for an order of the superior court to enforce a cease and desist order against the entity.*

*If a phone number is terminated under these circumstances, the terminated number cannot be reused by any telecommunications company in the state for one year unless a lesser period of time is specified by the court.*

*The telecommunications company terminating the number must provide written notification of the termination to the subscriber within five business days and enclose a copy of the court order. The telecommunications company must comply with the court order within 14 days.*

***Appropriation:*** None.

***Fiscal Note:*** Fiscal Note to original bill is available. Fiscal Note for the substitute bill was requested on March 29, 2001.

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