

SENATE BILL REPORT

SB 5410

As of February 2, 2001

Title: An act relating to telecommunications services provided by public utility and rural port districts.

Brief Description: Regarding telecommunications services provided by rural port districts and public utility districts.

Sponsors: Senators Stevens, Hochstatter, Fairley, Finkbeiner, McAuliffe, Rossi, Johnson and Rasmussen.

Brief History:

Committee Activity: Economic Development & Telecommunications: 2/6/01.

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT & TELECOMMUNICATIONS

Staff: Andrea McNamara (786-7483)

Background: In 2000, the Legislature authorized public utility districts (PUDs) and rural port districts to construct telecommunications facilities and provide wholesale telecommunications services within their districts. The law further authorized PUDs to provide wholesale telecommunications services within other PUD service areas by contract with the other district.

The 2000 legislation (SB 6675) requires PUDs and rural port districts to keep separate accountings of revenues and expenditures from their wholesale telecommunications activities as compared to their internal telecommunications operations. It also requires them to dedicate the revenues from the wholesale activities toward paying off the costs incurred in building and maintaining the telecommunications facilities. Districts are required to charge themselves the true and full value of telecommunications services provided by their separate telecommunications functions to the district.

Under Washington law, the authority of PUDs and port districts is governed by the powers they are granted in statute, as well as a long history of interpretive court decisions. PUDs and ports have additional incidental and implied authorities that are necessary for accomplishing their primary purposes. The 2000 legislation expressly preserved these existing authorities.

State law authorizes public agencies to enter into interlocal agreements for the purpose of exercising their powers jointly or cooperatively. The Interlocal Cooperation Act defines public agencies to include any agency, political subdivision or unit of local government, political subdivisions of another state, and federally- recognized Indian tribes.

Summary of Bill: Public utility districts and rural port districts (districts) are prohibited from providing telecommunications services or facilities to end users.

Existing contracts between districts and other government entities entered into under authority of the Interlocal Cooperation Act are terminated within 24 months or as soon as an authorized telecommunications or internet provider can provide service.

Districts must establish separate utility functions for their wholesale telecommunications services.

Appropriation: None.

Fiscal Note: Not requested.

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