

# HOUSE BILL REPORT

## ESSB 5299

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**As Passed House:**

April 14, 2003

**Title:** An act relating to promotional service offerings.

**Brief Description:** Concerning tariff and price list notices.

**Sponsors:** By Senate Committee on Technology & Communications (originally sponsored by Senators Stevens, Reardon, Esser, Finkbeiner, Johnson and T. Sheldon).

**Brief History:**

**Committee Activity:**

Technology, Telecommunications & Energy: 3/21/03, 3/26/03 [DP].

**Floor Activity:**

Passed House: 4/14/03, 92-0.

**Brief Summary of Engrossed Substitute Bill**

- Allows promotional tariffs or price lists filed by a telecommunications company to become effective upon filing or some other time specified by the company.
- Allows changes in tariffs and price lists to become effective without notice at the discretion of the Washington Utilities and Transportation Commission.

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### HOUSE COMMITTEE ON TECHNOLOGY, TELECOMMUNICATIONS & ENERGY

**Majority Report:** Do pass. Signed by 16 members: Representatives Morris, Chair; Ruderman, Vice Chair; Sullivan, Vice Chair; Crouse, Ranking Minority Member; Nixon, Assistant Ranking Minority Member; Anderson, Blake, Bush, DeBolt, Delvin, Hudgins, McMahan, Romero, Tom, Wallace and Wood.

**Staff:** Pam Madson (786-7166).

**Background:**

Telecommunications companies may be categorized in two ways: Those companies that have held historic monopolies over local markets, informally called "incumbent local exchange carriers" (ILECs); and those companies offering services that are subject to effective competition, called "competitive local exchange carriers" (CLECs).

ILECs must file tariffs with the Washington Utilities and Transportation Commission (WUTC) that contain a company's rates and terms of service. When ILECs file changes in their rates, the change is subject to a notice requirement and does not become effective until 30 days after the filing or publication of notice. During that time, the WUTC may suspend the change pending a hearing on the reasonableness of the proposed change.

If the change in rates is a decrease, the WUTC may not suspend the change in rates pending a hearing if the filing does not contain an offsetting increase and the company agrees not to file an increase to make up for any decrease in revenue for a period of one year. This change in rates is effective 10 days after notice is given of the change.

Temporary promotional offerings for certain services are not subject to suspension by the WUTC if the offerings do not exceed 60 days. These temporary changes are effective 10 days after notice is given of the change.

CLECs are subject to minimal regulation. If they file price lists, they must still provide notice of changes in rates to the public. Changes are effective after 10 days notice to the WUTC and customers. Similar provisions apply to services offered by a telecommunications company that have been found to be competitive by the WUTC.

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**Summary of Bill:**

A promotional tariff is effective upon filing with the Washington Utilities and Transportation Commission (WUTC) and is not subject to suspension by the WUTC. A promotional price list offering is also effective upon filing.

A promotional tariff or offering is a temporary change that waives or reduces charges or condition of service for existing or new customers. This change may not exceed 90 days and is made for the purpose of retaining or increasing the number of customers who subscribe to or use a service.

The WUTC may allow changes to rates and charges in either a tariff or a price list to take effect upon filing without the required notice and publication of the changes.

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**Appropriation:** None.

**Fiscal Note:** Not Requested.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.

**Testimony For:** This is a very simple bill. It will allow Verizon and all other

telecommunications service providers to get service offerings to the customer quicker. It allows us to have "sales." Promotional offerings or decreases in rates and other changes can become effective when they are filed. The benefit gets to the consumer faster. The Senate bill has one addition to the House bill that passed out of committee earlier. It includes language drafted by the Washington Utilities and Transportation Commission and agreed to by the telecommunications companies.

**Testimony Against:** None.

**Testified:** Senator Stevens, prime sponsor; Rosemary Davis, Verizon; and Mike Woodin, AT&T.