

SENATE BILL REPORT

SB 5299

As Reported By Senate Committee On:
Technology & Communications, February 6, 2003

Title: An act relating to promotional service offerings.

Brief Description: Concerning promotional service offerings.

Sponsors: Senators Stevens, Reardon, Esser, Finkbeiner, Johnson and T. Sheldon.

Brief History:

Committee Activity: Technology & Communications: 2/3/03, 2/6/03 [DPS].

SENATE COMMITTEE ON TECHNOLOGY & COMMUNICATIONS

Majority Report: That Substitute Senate Bill No. 5299 be substituted therefor, and the substitute bill do pass.

Signed by Senators Esser, Chair; Finkbeiner, Vice Chair; Eide, Poulsen, Reardon, Schmidt and Stevens.

Staff: William Bridges (786-7424)

Background: The Washington Utilities and Transportation Commission classifies telephone companies into two groups: those companies that have held historic monopolies over local markets, informally called "incumbent local exchange carriers" or ILECs, and those companies offering services that are subject to effective competition, called "competitive carriers." Washington has 24 ILECs and 567 competitive carriers.

Because of their historic monopoly position, ILECs must file tariffs for some of their services. A tariff is a document that contains a company's rates and terms of service, and a change to a tariff is subject to the review and approval of the commission. Changes to a tariff are typically not effective until 30 days after they are filed with the commission, but the effective date may be suspended by the commission.

There are two exceptions to the commission's usual process of reviewing changes to a tariff. First, ILECs may temporarily waive or reduce rates for up to 60 days, without being subject to suspension by the commission, if the changes are for the promotion of certain services, such as call waiting, call forwarding, and second access lines. Second, certain changes that decrease rates in a tariff may take effect upon ten days notice to the commission.

Unlike ILECs, competitive carriers file "price lists." Price lists are not reviewed or approved by the commission at the time of filing, but take effect upon ten days notice to the commission and customers.

Summary of Substitute Bill: A change to a telecommunications tariff or price list may take effect upon filing and publication if the following conditions are met: (1) the change is for

a promotional service offering of up to ninety days in duration; and (2) the change waives or reduces charges or conditions of service for existing or new subscribers for the purpose of retaining or increasing the number of customers who subscribe to or use a service. A change to a tariff or price list meeting these conditions is not subject to commission suspension.

Substitute Bill Compared to Original Bill: The substitute divides large paragraphs into smaller subsections. The substitute also clarifies that a promotional tariff may waive or reduce charges or conditions of service for existing or new subscribers for the purpose of retaining or increasing the number of customers who subscribe to or use a service.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: This is a simple, straightforward bill. It benefits consumers and companies by allowing the quick delivery of new services. The Washington Utilities and Transportation Commission supports the faster filing of promotional offerings. The commission believes that discounted promotional services bring value to the phone network by bringing in more customers. Verizon concurs in the friendly amendments proposed by the WUTC.

Testimony Against: None.

Testified: Rosemary Davis, Verizon (pro); Beth Redfield, WUTC (pro).