

# SENATE BILL REPORT

## SB 6473

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As Reported By Senate Committee On:  
Water, Energy & Environment, January 26, 2006

**Title:** An act relating to eliminating the requirement that telecommunications companies file price lists.

**Brief Description:** Eliminating the requirement that telecommunications companies file price lists.

**Sponsors:** Senators Poulsen, Morton and Rockefeller.

**Brief History:**

**Committee Activity:** Water, Energy & Environment: 1/26/06 [DPS].

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### SENATE COMMITTEE ON WATER, ENERGY & ENVIRONMENT

**Majority Report:** That Substitute Senate Bill No. 6473 be substituted therefor, and the substitute bill do pass.

Signed by Senators Poulsen, Chair; Rockefeller, Vice Chair; Morton, Ranking Minority Member; Delvin, Fraser, Honeyford, Mulliken, Pridemore and Regala.

**Staff:** William Bridges (786-7424)

**Background:** Competitive Classifications of Telephone Companies and Services. The Washington Utilities and Transportation Commission (Commission) may classify any company or service as "competitive," which means the company or service is subject to effective competition. Minimal regulations apply to competitive companies and services, particularly in the area of pricing.

Tariffs and Price Lists. A service not classified as "competitive" must be described in a tariff, which is a detailed document, filed with the Commission, describing the rates, terms, and conditions of service. All tariffs are subject to review by the Commission when filed, and they may be suspended before they take effect.

A service classified as "competitive" is described in a "price list." While price lists look like tariffs and are also filed with the Commission, they are not reviewed or approved by the Commission. They automatically take effect ten days after notice to the Commission and customers.

**Summary of Substitute Bill:** Eliminating Price Lists. The Commission's authority to require price lists of competitive companies or services will end after June 30, 2007. Companies may no longer file and maintain price lists after that date; however, a company may extend this deadline by one year subject to Commission approval.

Authority to Waive Regulatory Requirements. For companies offering competitive services, the Commission may waive different regulatory requirements for different companies if it is in the public interest.

Transition Period. A company withdrawing a price list must inform its customers about the rates, terms, and conditions of any continuing services. Unchanged rates, terms, and conditions will have the same binding effect as the previous price list. If there are changes, however, the company must provide customers with a reasonable opportunity to accept or reject any new rate, term, or condition. If a customer does not cancel service within thirty days of being notified of the changes, the customer will be deemed to have accepted the new rates, terms, and conditions.

Other Changes. The following changes are made: (1) an archaic reference to the court order that divested the Bell System is removed; (2) provisions concerning competitive companies and services are harmonized; and (3) competitive service provisions concerning accounts, financial reports, and investigations that currently exist in rule are codified.

**Substitute Bill Compared to Original Bill:** The bill as referred to committee was not considered.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

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

**Testimony For:** This bill is part of the 20-year transition from monopoly regulation to competition in the telecommunications industry. Price lists, which can be up to 200 hundred pages long, have become too long and detailed to be of any use to consumers. Indeed, price lists could be used against customers in pricing disputes. The market now provides alternative pricing information for consumers, so filed price lists no longer make sense.

**Testimony Against:** None.

**Who Testified:** PRO: Glenn Blackmon, Wash. Utilities & Transp. Commission; Tom Walker, Qwest.