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## Technology, Energy & Communications Committee

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### HB 2600

**Brief Description:** Concerning the provision of telecommunications services to public utility districts and rural port districts.

**Sponsors:** Representatives McCoy, Chase, Kenney and Hasegawa.

#### Brief Summary of Bill

- Allows a public utility district (PUD) or a rural port district to partner with a non-profit organization, federally recognized tribe, or its political subdivision, to provide retail telecommunications service, if approved by the voters.
- Requires PUDs and rural port districts to provide broadband information to the third party mapping vendor under contract with the Department of Information Services.

**Hearing Date:** 1/20/10

**Staff:** Kara Durbin (786-7133).

#### **Background:**

##### Wholesale Telecommunication Services.

Public utility districts (PUDs) are municipal corporations authorized to provide electricity, water, and sewer service. In 2000, the Legislature authorized PUDs to acquire and operate telecommunications facilities for the following purposes: (1) to serve their own internal telecommunications needs; (2) to provide wholesale telecommunications services within their district limits; and (3) to provide wholesale telecommunications services to other PUDs by contract.

PUDs must ensure their rates, terms, and conditions on wholesale telecommunications services are not unduly or unreasonably discriminatory or preferential. In addition, PUDs must keep

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separate accountings of revenues and expenditures for their wholesale telecommunications activities and may establish a separate utility function to provide wholesale telecommunications services. Revenues from the wholesale activities must be used to pay off the costs incurred in building and maintaining the telecommunications facilities.

The Washington Utilities and Transportation Commission (WUTC) is authorized to review petitions concerning a PUD's wholesale telecommunications rates, terms, and conditions.

#### Broadband Mapping.

In 2009, the Legislature authorized the Department of Information Services (DIS) to oversee implementation of federally funded or mandated broadband programs on behalf of the state. This included authorization to the DIS to engage in a competitive bidding process to procure a geographic information map from a third party vendor detailing broadband infrastructure, service availability, and adoption in the state. On December 28, 2009, the DIS executed a services contract with a third party mapping vendor to meet the broadband data requirements of the federal broadband mapping program.

#### **Summary of Bill:**

##### Retail Telecommunications Services.

An existing public utility district (PUD) or rural port district may construct, develop, finance, lease, or operate telecommunications facilities for the purpose of providing retail telecommunications services in the district if the PUD or rural port district: (1) does not individually provide telecommunications service but instead enters into a partnership with a non-profit organization, federally recognized tribe, or its political subdivision; and (2) secures the approval of the voters of the district.

##### Accounting for Revenues.

A PUD or rural port district providing retail telecommunications services in partnership with a non-profit organization, a federally recognized tribe, or its political subdivision, must separately account for any revenues and expenditures for those services according to standards established by the State Auditor. Any revenues received from providing this service must be used to pay off the costs incurred in building and maintaining the telecommunications facilities. All telecommunications services provided to the PUD or rural port district for its internal telecommunications needs must be allocated at their true and full value. A PUD or rural port district may not charge its non-telecommunications operations rates that are preferential or discriminatory compared to the rates it charges entities purchasing retail telecommunications services.

##### Public Vote.

An electric PUD or a rural port district may expand their operations to include the provision of retail telecommunications services in partnership with a non-profit organization, a federally recognized tribe, or its political subdivision, if the PUD or rural port district secures the approval of the voters of the district. Upon receipt of a petition and certification of sufficiency from the

county auditor, the county legislative authority must submit the proposition to the voters of the district at the next general election in an even-numbered year. If the proposal is approved by the majority of voters, the district is authorized to expand their operations to include retail telecommunications services.

Broadband Mapping Information.

By July 1, 2010, PUDs and rural port districts that own, lease, or have rights to telecommunications infrastructure must provide information requested by the Department of Information Services (DIS) to the third party mapping vendor under contract with the DIS. This information must include, to the extent available: (1) the location of middle mile and last mile infrastructure; (2) the location of dark fiber; (3) identification of broadband service area; (5) the penetration and adoption rate of broadband in their service area; (6) the type of technology used; and (7) the advertised speeds.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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