
Technology & Economic Development Committee

HB 1938

Brief Description: Ensuring economic development by authorizing public utility districts to provide retail telecommunications services.

Sponsors: Representatives Tharinger, J. Walsh, Blake, Chapman and Stanford.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Authorizes public utility districts to provide retail telecommunications services, and provides a process for the provision of those services.
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Hearing Date: 2/8/17

Staff: Lily Smith (786-7175).

Background:

Public utility districts (PUDs) are a type of special purpose district authorized, among other things, to provide electricity, water, and sewer service. Public utility districts have additional incidental and implied authorities that are necessary for accomplishing their primary purposes.

In 2000 legislation was passed authorizing PUDs to provide telecommunications services for their own use. Public utility districts are also authorized to provide wholesale telecommunications services within district limits and to other PUDs by contract, but are specifically prohibited from providing telecommunications services to end users. Public utility districts must ensure that rates, terms, and conditions for services are not unduly or unreasonably discriminatory or preferential.

In 2001 the Attorney General concluded that "end user" means "retail customer," and that a PUD may not sell or lease telecommunications facilities or services to other public agencies.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The Telecommunications Act of 1996 requires the Federal Communications Commission to report annually on the deployment of advanced telecommunications capability. The 2016 report found that 14 percent of rural areas, 3 percent of all areas, and 1 percent of urban areas in Washington lack access to fixed advanced telecommunications capability.

Summary of Bill:

A PUD may provide retail telecommunications services and facilities within the district. A PUD may provide retail telecommunications services or facilities outside the district by contract with another PUD or other political subdivision authorized to provide retail services.

As when providing wholesale telecommunications services, a PUD providing retail telecommunications services must ensure that the rates, terms, and conditions are not unduly or unreasonably discriminatory or preferential. Complaints regarding the reasonableness of the rates, terms, and conditions may be filed with the district commission.

If a dominant Internet service provider ceases to provide end-use Internet access, a PUD that provides wholesale telecommunications services may provide end-use access until a replacement Internet service provider is found.

A PUD may provide any retail telecommunications services through a majority vote by the district commission; or a petition to the district commission, signed by at least 10 percent of the PUD's registered voters, and after:

- a mandatory hearing to determine whether to provide broadband services; and
- approval by majority vote of the commission.

Prior to construction, financing, or a number of other activities related to the provision of retail telecommunications services, a PUD must develop a written implementation plan.

A legislative finding is made relating to access to broadband services in Washington.

"District commission" means the governing board of a PUD.

"Dominant Internet service provider" means an Internet service provider that provides retail Internet access to at least 51 percent of end-use customers connected to telecommunications facilities owned or leased by a PUD.

"Retail telecommunications services" means the sale, lease, license, or indivisible right of use of telecommunications or telecommunications facilities directly to end users.

Appropriation: None.

Fiscal Note: Preliminary fiscal note available.

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