

These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks

report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes.

SENATE COMMITTEE ON
TELECOMMUNICATIONS AND CONSUMER AFFAIRS

May 16, 1991Hearing Room B
1:00 p.m.Tape 58

MEMBERS PRESENT:Senator Jolin, Chair
 Senator Otto, Vice-Chair
 Senator Kennemer
 Senator Bunn
 Senator Shoemaker

STAFF PRESENT: Cherie Copeland, Committee Administrator
 Apryl Poff, Committee Assistant

MEASURES HEARD: HB 2903 Telecommunications price listing, PUB.

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PUBLIC HEARING.
TAPE 58, SIDE A

005 CHAIR JOLIN: Calls the hearing to order at 1:41 p.m.

HB 2903 TELECOMMUNICATIONS PRICE LISTING, PUB.
 Witnesses: Gary Wilhelms, US WEST Communications.
 David Booth, Public Utility Commission.
 John Socolofsky, Public Utility Commission.

010 CHAIR JOLIN: Announces possible reconsideration of SB 902.

012 CHERIE COPELAND: Summarizes the proposed amendments to HB 2903-A suggested by US WEST and the PUC. The amendments involve technical changes in some language that has been agreed to by US WEST and the Public Utility Commission.

022 GARY WILHELMS: US WEST is in favor of HB 2903-A with the proposed amendments. In previous legislation the Commission was given the authority to determine the manner and the extent of regulation of telecommunication services within the state. Under that law, if the Commission determines that a product or service offered by a telecommunications utility isn't an essential product or service or if the product or service is subject to competition the Commission may authorize the utility to file a price list containing the terms and the prices for such services and products. The price list allows the telecommunications utility the flexibility to revise prices which may become effective immediately upon filing rather than require 30 days notice as required under tariff procedures.

The PUC has determined that the price list should list a price, but the terms and conditions for the product or service should remain tariffed. The changes outlined in HB 290 3-A provide clarification to existing law to ensure that once a service is price listed then no tariff

would be required. The amendments are a change in the way things are stated.

062 SENATOR OTTO: What are some of the items you're going to price list?

067 GARY WILHELMS: The price listing statute would include any item that is on the non-essential list that has been prepared by the PUC. The things that are price listed are mostly service orientated.

092 JOHN SOCOLOFSKY: As the bill was originally written there was a sentence that said "no tariff shall be required for price listed services." By definition a price list is also a tariff. In the sentences preceding the measure describes the price list which shall be filed with the Commission. In the next sentence it says that no tariff shall be required. Since those are inconsistent we asked that language be changed to the language that has been proposed in the amendment.

105 DAVID BOOTH: Submits and summarizes written testimony on behalf of Mike Kane (EXHIBIT B). While the Commission isn't enthusiastic about HB 2903-A, its adoption shouldn't be detrimental to ratepayers. Therefore, we see no harm in its adoption. When a service is price listed, a telephone utility is allowed to change its price without seeking the Commission's approval. This is in contrast to a tariff, which does require Commission approval to change. The statutes allow the Commission to permit a service to be priced listed when a utility can demonstrate that the service is "subject to competition." The current statute also gives the Commission discretion in determining what terms and conditions of the service may be price listed in addition to the price of the service.

HB 2903-A limits the Commission's discretion in deciding how a telephone utility may price list a service. Currently, the Commission has complete discretion in this area. Flexibility in price listing is designed to protect the consumer. There are some services for which a change in one or more of their terms and conditions could significantly change the competitive nature of these services. In some cases it wouldn't be prudent to allow price listing without adequate safeguards to preclude this from happening. Despite this difficulty, the Commission still doesn't view HB 2903-A as harmful to the consumer. The bill could make it more difficult for the company to get approval to price list a service at all. This is because HB 2903-A would put the Commission in the position of considering an "all or nothing" proposition. The workability of this bill will depend upon the good will and cooperation of the telephone utility in obtaining approval for price-listing services.

167 SENATOR SHOEMAKER: Why should this be a all or nothing situation?

170 GARY WILHELMS: Those are the PUC words and not US WEST's. We don't agree that it's an all or nothing proposition. Our intent behind the bill is to eliminate the need to file both a price list and a tariff in those cases where we wish to price list a service.

175 SENATOR SHOEMAKER: If we can find a way to say this then do you have a problem with the PUC's position?

177 GARY WILHELMS: We have no problem with the PUC's position. Anytime we can gain neutrality from the PUC we are happy.

180 SENATOR SHOEMAKER: The way I understand it, the PUC is in opposition to HB 2903-A if it is an all or nothing proposition.

186 GARY WILHELMS: US WEST can't price list anything without the approval of the PUC. We would like to be able to get the approval of the PUC to price list and once we do that then not have to

go through the tariff filing procedure which doubles up the administrative burden.

195 SENATOR SHOEMAKER: If they approve it then you would price list the price, terms, and the conditions of a particular service. Once they have given their approval would you be free to change any of those without further approval?

202 GARY WILHELMS: It always comes under review of the PUC in the end. If they saw anything improper then they would be able to stop us from doing what we are doing. Once they approve us moving to a price list then we wouldn't have to go through the tariff procedure unless they found some reason to force us to do this.

230 SENATOR BUNN: I thought that if the PUC was in a position that they felt it could happen then they would not approve the price listing.

235 JOHN SOCOLOFSKY: The PUC could withdraw their approval of the price listing if they didn't like a term or condition without regard to whether or not it was no longer competitive because the PUC has absolute discretion in the first place.

240 SENATOR SHOEMAKER: If they withdraw their approval how does that affect that particular product?

243 JOHN SOCOLOFSKY: The product can no longer be offered until it's put under tariff.

259 CHAIR JOLIN: The consumer is going to be protected in that there will be that review and ultimate discretion by the PUC.

263 JOHN SOCOLOFSKY: When this legislation was originally drawn, the word "may" was "shall". Then the PUC would have been excited because no longer would it have had the discretion that it still has. The discretion that the Commission has in this legislation as it's now gives the customers the protection that you're suggesting.

269 SENATOR SHOEMAKER: Does the PUC concur that this is the way it would work?

270 DAVE BOOTH: Yes. The Commission is saying that they still have the authority to regulate in this area. The nature of their decision will be as they described it, an all or nothing. The Commission can step in any time and turn a filing into a tariff.

280 SENATOR SHOEMAKER: How long would it take a filing to reach the attention of the appropriate people?

285 DAVE BOOTH: That depends on the nature of the service. If there is a very high profile service with many people using it then we would watch it closely. Any filing that came in we would review promptly and thoroughly. A service that is somewhat more obscure we will look at it but it may not be quite as quick.

320 CHAIR JOLIN: We have an LC amendment that the PUC and US WEST agree on.

325 MOTION: Senator Otto moves to adopt the HB 2903-A amendments in concept
with
with the understanding that it goes to Legislative Council.

VOTE: There being no objections the motion carries.

337 CHAIR JOLIN: Adjourns hearing at 2:05 p.m.

Submitted by: Reviewed by:

Apryl Poff Cherie Copeland
Committee Assistant Committee Administrator

EXHIBIT LOG:

- A - HB 2903-A hand-engrossed proposed amendments submitted by staff, 2 pages.
- B - Written testimony submitted by Dave Booth on behalf of Mike Kane, 3 pages.