

July 6, 2006

TO: Commissioners

FROM: Karen Caille, Tom Wilson, Tani Thurston, Teri Wallace, Deborah Reynolds, and Greg Trautman

SUBJECT: Rulemaking to Eliminate Price Lists Pursuant to SSB 6473
Docket UT-060676

RE: Meeting on July 10 from 2:00 to 3:00

Purpose of Meeting

Provide overview of price list rulemaking and produce proposed rules eliminating price lists for telecommunications.

Included Materials

Suggested changes to rules
CR-101 comment summary
SSB 6473
CFR 42.10
Frequently Asked Questions

Background

On March 30, 2006, the governor signed Senate Bill 6473, eliminating the use of price lists for competitively classified telecommunications services. The new law took effect on June 8, 2006. Companies are required by the new law to withdraw existing price lists, and give customers a notice with information about ongoing rates, terms, and conditions. The new law will not affect tariffs or regulatory fees. Revising RCW 80.36.330(2) the legislature made it clear that competitive services are subject to minimal regulation, but that companies offering competitive services must continue keeping accounts, filing financial reports, and cooperating with commission investigations. Because the elimination of price lists is mandatory, and implementation of these rules does not cause any additional burden beyond the status quo, there is no requirement to perform a small business economic impact statement (SBEIS).

On May 5 a notice of opportunity to file written comments (CR-101) was issued, and on June 30 written comments were due. Four written comments were received. Staff has provided a Web site with information about the rulemaking to implement SSB 6473 at www.wutc.wa.gov/telecom/pricelists offering related information, answers to frequently asked questions, and links to the new law.

We recommend, on July 26 issuing the attached draft rule revisions in a notice of opportunity to submit written comments (August 23) and notice of proposed rule adoption hearing (CR-102) (September 13).

Overview

Proposed rule revisions anticipate:

- Instead of using price lists, companies will communicate with customers directly using a contract and references to rate and service information on a Web site in a manner that is virtually identical to federal requirements for interstate services and is consistent with current practices and rules.
- Companies will remain subject to rules setting forth various operations standards, prohibitions on cross-subsidy, investigations and complaints.
- Companies offering services pursuant to competitive classification will no longer reference Chapter 480-80 WAC governing the filing of tariffs, price lists, and contracts.
- Competitive companies will find all relevant rules governing their operations in Chapters 480-120 and 480-121 WAC governing telecommunications operations and registration respectively.
- Contracts for competitively classified services will no longer be required to be filed because current competitive contract filing requirements reference the existence of price lists, terms and conditions filed at the commission.
- Companies with price list authority that have been allowed to continue maintaining a tariff in lieu of a price list will have to withdraw their tariff.

We believe that by carefully eliminating the price list filing requirement and related rules, we are proposing revisions to carry forward all other existing requirements in commission rules not affected by mandatory elimination of price lists under SSB 6473. The suggested changes to the rules contain many of the changes suggested by commenters.

The commission accepted new price list filings until June 7. After that, new price list filings are longer being accepted and the commission has already received several notices of withdrawal. By June 30, 2007 companies must withdraw existing price lists or petition for a one-year extension. During the transition period price lists maintained on file with the commission will remain subject to existing rules. At the same time, new rules are planned to go into effect in this rulemaking in October. A complete set of affected existing rules will be maintained on the informational Web site during the transition to ensure carriers are able to determine appropriate compliance.

Calendar

2006	March 30	←	Governor Gregoire signs SSB 6743.
	May 2	←	Letter to companies about the new law and the transition steps.
	May 5	←	Notice of Proposed Rulemaking CR-101 issued.
	May 8	←	Price lists no longer required with application for registration as a telecommunications company.
	June 8	←	New law takes effect. No more "new" price lists. Existing price lists can be withdrawn. One-year transition period begins and existing price lists can still be revised.
	June 30	←	Comments on CR-101 due.
	July 26	←	Notice of proposed rules (CR-102) issued.
	August 23	←	Comments on CR-102 due.
	September 13	←	13:30 – 14:30, Public hearing on proposed rule.
	September 15	←	File adoption order (CR-103).
	October 16	←	Effective date of rule amendment.
2007	June 30	←	Deadline for cancelling price lists. Companies may petition for a one-year extension.
	July	←	Order on the commission's own motion cancelling any remaining price lists (if necessary).
2008	June 30	←	One year extensions expire.