

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	8 - 0 - 0
Yeas:	Beyer, Gilliam, Krieger, Roblan, Schaufler, VanOrman, Wingard, Clem
Nays:	0
Exc.:	0
Prepared By:	Cheyenne Ross, Administrator
Meeting Dates:	3/12, 4/9

WHAT THE MEASURE DOES: Allows the Public Utility Commission to waive a provider's obligation to provide services to four or more residences within that provider's allocated territory, when those residences have contracted exclusively with a different provider. Provides process to allow the Public Utility Commission to reinstate such obligation and directs that costs be borne equally by residences that stand to benefit.

ISSUES DISCUSSED:

- Alternative bill, House Bill 2096
- Leaving things as they are, carriers of last resort (CLRs) may sometimes bear costs of enabling access to services for customers who subscribe with other providers
- Wireless alternatives
- CLRs' perspective: If the consumer doesn't want their services, then they should be "off the hook," but the way things are currently, a CLR is required to enable access to services regardless of whether the customer wants it — a consumer can reside in a development that has contracted with company A, and still demand the CLR, company B, to enable access to services that they would not be using
- Contracts exists between developers and providers, not between customers and providers
- If measure becomes law CLRs could seek a waiver of their obligation where an exclusive contract existed with another provider
- If the consumer needed services later the CLR could be re-obligated via a petition process
- Measure creates process for both exemption and reinstatement of CLR
- Potential gaps in the provision of services
- Consumers would bear the costs instead of CLRs, but because such providers are regulated, it would not be an opportunity to "pad," but rather a reimbursement of actual out-of-pocket costs
- Shift of cost burden to customer where otherwise the CLR would be required, regardless of demand
- Situation could exist where some customers within a development paid to bring services while others didn't, simply waiting and piggybacking on their neighbors without paying their share
- Developers may be putting homeowners in a bind and buyers should beware of exclusive provider contracts, when the provider is not the CLR
- Infrastructure should be required at outset, at development level, to protect consumers
- Do away with "carrier of last resort" altogether

EFFECT OF COMMITTEE AMENDMENT: Clarifies process to petition for reinstatement of carrier of last resort. Provides for equal distribution of costs among benefitting residences.

BACKGROUND: When the Public Utilities Commission assigns a geographic area to a telecommunications service provider (called an "allocated territory"), that provider is obliged to provide services to everyone within that area, and is subsequently referred to as the "carrier of last resort." Problems arise when a resort development or gated community within an allocated territory contracts exclusively for such services with a different provider, and then later, for example, that other provider goes out of business. House Bill 2097 A exempts the carrier of last resort, inside whose allocated territory such exclusive agreements exist, from its obligation to provide the services that are the subject of the agreement.

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This summary has not been adopted or officially endorsed by action of the committee.