By Senator Haridopolos

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A bill to be entitled An act relating to telecommunications companies; creating the "Consumer Choice and Protection Act"; amending s. 364.01, F.S.; providing that it is the intent of the Legislature that the Public Service Commission not regulate Internet protocol-enabled service, including voice-over-Internet service; amending s. 364.02, F.S.; redefining the terms "basic local telecommunications service," "nonbasic service," and "telecommunications company" and defining the term "Internet protocol-enabled service"; amending ss. 364.011 and 364.013, F.S.; exempting Internet protocol-enabled services from the regulatory jurisdiction of the Public Service Commission; amending s. 364.04, F.S.; requiring each telecommunications company to publish through electronic or physical media the company's schedules showing its rates, tolls, rentals, contracts, and charges; authorizing a telecommunications company to file the published schedules with the Public Service Commission or to publish the schedules through other reasonably publicly accessible means, including on a website; deleting standards for printing schedules and notices; amending s. 364.051, F.S.; removing a limitation on eligibility to request an increase in basic rates due to storm damage; deleting provisions relating to rate increases for nonbasic services; authorizing a telecommunications company to change the price of a nonbasic service with 1 day's notice;

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amending s. 364.08, F.S.; prohibiting a telecommunications company from charging or receiving compensation for any service other than for the charge applicable to the service as specified in its schedule on file or otherwise published; providing an exception for employee concessions; amending s. 364.10, F.S.; providing the conditions that require a telecommunications carrier to provide Lifeline services to eligible customers; amending s. 364.15, F.S.; requiring that the Public Service Commission order only those repairs and improvements to telecommunications facilities which are authorized under law; amending s. 364.33, F.S.; providing that a certificate of necessity may be transferred from a person holding a certificate to another, and a person holding a certificate may acquire ownership or control of a telecommunications facility without prior approval of the commission; amending ss. 364.335 and 364.345, F.S.; conforming provisions to changes made in the act; amending s. 364.3376, F.S.; requiring providers of telephone operator services to comply with certain enumerated criteria; requiring the operator services to bill for services in accordance with published schedules; amending s. 364.3382, F.S.; requiring each local exchange telecommunications company to advise each residential customer of the least-cost service available to that customer when the residential customer initially requests basic local telecommunications service; repealing s. 364.09, F.S.,

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relating to the illegal giving of rebates or special rates by a telecommunications company; reenacting s. 364.059(1)(a), F.S., relating to petitions filed in a telecommunication proceeding seeking a stay of an anticompetitive price reduction, to incorporate the amendments made to s. 364.051 F.S., in a reference thereto; amending ss. 196.012, 199.183, 212.08, 290.007, 350.0605, 364.602, and 489.103, F.S.; conforming cross-references; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. This act may be cited as the "Consumer Choice and Protection Act."

Section 2. Subsection (3) of section 364.01, Florida Statutes, is amended to read:

364.01 Powers of commission, legislative intent.-

(3) Communications activities that are not regulated by the Florida Public Service Commission, including, but not limited to, Internet protocol-enabled service such as VoIP, wireless, and broadband, are subject to this state's generally applicable business regulation and deceptive trade practices and consumer protection laws, as enforced by the appropriate state authority or through actions in the judicial system. This chapter does not limit the availability to any party of any remedy or defense under state or federal antitrust laws. The Legislature finds that the competitive provision of telecommunications services, including local exchange telecommunications service, is in the

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public interest and will provide customers with freedom of choice, encourage the introduction of new telecommunications service, encourage technological innovation, and encourage investment in telecommunications infrastructure. The Legislature further finds that the transition from the monopoly provision of local exchange service to the competitive provision thereof will require appropriate regulatory oversight to protect consumers and provide for the development of fair and effective competition, but nothing in this chapter shall limit the availability to any party of any remedy under state or federal antitrust laws. The Legislature further finds that changes in regulations allowing increased competition in telecommunications services could provide the occasion for increases in the telecommunications workforce; therefore, it is in the public interest that competition in telecommunications services lead to a situation that enhances the high-technological skills and the economic status of the telecommunications workforce. The Legislature further finds that the provision of Internet protocol-enabled service, including voice-over-Internet protocol (VoIP) free of unnecessary regulation, regardless of the provider, is in the public interest.

Section 3. Section 364.02, Florida Statutes, is amended to read:

364.02 Definitions.—As used in this chapter, the term:

(1) "Basic local telecommunications service" means voicegrade, single-line, flat-rate residential, and flat-rate single-line business local exchange service that provides services which provide dial tone, local usage necessary to place unlimited calls within a local exchange area, dual tone

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multifrequency dialing, and access to the following: emergency services such as "911," all locally available interexchange companies, directory assistance, operator services, relay services, and an alphabetical directory listing. For a local exchange telecommunications company, the term <u>includes shall</u> include any extended area service routes, and extended calling service in existence or ordered by the commission on or before July 1, 1995.

- (2) "Broadband service" means any service that consists of or includes the offering of the capability to transmit or receive information at a rate that is not less than 200 kilobits per second and either:
 - (a) Is used to provide access to the Internet; or
- (b) Provides computer processing, information storage, information content, or protocol conversion in combination with the service.

The definition of broadband service does not include any intrastate telecommunications services that have been tariffed with the commission on or before January 1, 2005.

- (3) "Commercial mobile radio service provider" means a commercial mobile radio service provider as defined by and pursuant to 47 U.S.C. ss. 153(n) and 332(d).
- (4) "Commission" means the Florida Public Service Commission.
- (5) "Competitive local exchange telecommunications company" means any company certificated by the commission to provide local exchange telecommunications services in this state on or after July 1, 1995.

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(6) "Corporation" includes a corporation, company, association, or joint stock association.

- (7) "Internet protocol-enabled service" means a service, capability, functionality, or application that is provided using Internet protocol or a successor protocol to enable an end user to send or receive data, video, or voice communications in Internet protocol format or a successor format.
- (8) (7) "Intrastate interexchange telecommunications company" means any entity that provides intrastate interexchange telecommunications services.
- (9) (8) "Local exchange telecommunications company" means any company certificated by the commission to provide local exchange telecommunications service in this state on or before June 30, 1995.
- $\underline{(10)}$ "Monopoly service" means a telecommunications service for which there is no effective competition, either in fact or by operation of law.
- (11) (10) "Nonbasic service" means any telecommunications service provided by a local exchange telecommunications company other than a basic local telecommunications service, a local interconnection arrangement described in s. 364.16, or a network access service described in s. 364.163. Any combination of basic service along with a nonbasic service or an unregulated service is nonbasic service.
- (12)(11) "Operator service" includes, but is not limited to, billing or completion of third-party, person-to-person, collect, or calling card or credit card calls through the use of a live operator or automated equipment.
 - (13) (12) "Operator service provider" means a person who

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furnishes operator service through a call aggregator.

(14) (13) "Service" is to be construed in its broadest and most inclusive sense. The term "service" does not include broadband service or Internet protocol-enabled service, including voice-over-Internet protocol service for purposes of regulation by the commission. Nothing herein shall affect the rights and obligations of any entity related to the payment of switched network access rates or other intercarrier compensation, if any, related to Internet protocol-enabled service, including voice-over-Internet protocol service. Notwithstanding s. 364.013, and the exemption of services pursuant to this subsection, the commission may arbitrate, enforce, or approve interconnection agreements, and resolve disputes as provided by 47 U.S.C. ss. 251 and 252, or any other applicable federal law or regulation. With respect to the services exempted in this subsection, regardless of the technology, the duties of a local exchange telecommunications company are only those that the company is obligated to extend or provide under applicable federal law and regulations.

- (15) (14) "Telecommunications company" includes every corporation, partnership, and person and their lessees, trustees, or receivers appointed by any court whatsoever, and every political subdivision in the state, offering two-way telecommunications service to the public for hire within this state by the use of a telecommunications facility. The term "telecommunications company" does not include:
- (a) An entity $\underline{\text{that}}$ which provides a telecommunications facility exclusively to a certificated telecommunications company;

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(b) An entity that which provides a telecommunications facility exclusively to a company which is excluded from the definition of a telecommunications company under this subsection;

- (c) A commercial mobile radio service provider;
- (d) A facsimile transmission service;
- (e) A private computer data network company not offering service to the public for hire;
- (f) A cable television company providing cable service as defined in 47 U.S.C. s. 522; or
 - (g) An intrastate interexchange telecommunications company.

However, each commercial mobile radio service provider and each intrastate interexchange telecommunications company shall continue to be liable for any taxes imposed under chapters 202, 203, and 212 and any fees assessed under s. 364.025. Each intrastate interexchange telecommunications company shall continue to be subject to ss. 364.04, 364.10(3)(a) and (c) $\frac{(d)}{(d)}$, 364.163, 364.285, 364.336, 364.501, 364.603, and 364.604, shall provide the commission with the current information as the commission deems necessary to contact and communicate with the company, and shall continue to pay intrastate switched network access rates or other intercarrier compensation to the local exchange telecommunications company or the competitive local exchange telecommunications company for the origination and termination of interexchange telecommunications service, and shall reduce its intrastate long distance toll rates in accordance with former s. 364.163(2).

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(16) (15) "Telecommunications facility" includes real

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estate, easements, apparatus, property, and routes used and operated to provide two-way telecommunications service to the public for hire within this state.

(17) "VoIP" means the voice-over-Internet protocol as that term is defined in federal law.

Section 4. Section 364.011, Florida Statutes, is amended to read:

364.011 Exemptions from commission jurisdiction.—The following services are exempt from oversight by the commission, except to the extent delineated in this chapter or specifically authorized by federal law:

- (1) Intrastate interexchange telecommunications services.
- (2) Broadband services, regardless of the provider, platform, or protocol.
 - (3) Internet protocol-enabled services, including VoIP.
- (4) Wireless telecommunications, including commercial mobile radio service providers.

Section 5. Section 364.013, Florida Statutes, is amended to read:

364.013 Emerging and advanced services.—Broadband service and the provision of <u>Internet protocol-enabled services</u>, <u>including voice-over-Internet-protocol (VoIP)</u>, are exempt from <u>commission jurisdiction and</u> shall be free of state regulation, except as delineated in this chapter or as specifically authorized by federal law, regardless of the provider, platform, or protocol.

Section 6. Section 364.04, Florida Statutes, is amended to read:

364.04 Schedules of rates, tolls, rentals, contracts, and

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charges; filing; public inspection.-

- (1) Upon order of the commission, Every telecommunications company shall publish through electronic or physical media file with the commission, and shall print and keep open to public inspection, schedules showing the rates, tolls, rentals, contracts, and charges of that company for service to be performed within the state. A telecommunications company may, as an option, file the published schedules with the commission or publish its schedules through other reasonably publicly accessible means, including on a website. A telecommunications company that does not file its schedule with the commission shall inform its customers where a customer may view the telecommunications company's schedules.
- (2) The schedule, as printed and open to public inspection, shall plainly state the places between which telecommunications service will be rendered and shall also state separately all charges and all privileges or facilities granted or allowed and any rules or regulations or forms of contract which may in anywise change, affect, or determine any of the aggregate of the rates, tolls, rentals, or charges for the service rendered.
- (3) A schedule shall be plainly printed in large type, and a copy thereof shall be kept by every telecommunications company readily accessible to, and for convenient inspection by, the public at such places as may be designated by the commission.

 Any such schedule shall be immediately produced by the telecommunications company upon the demand of any person.
- (4) A notice printed in bold type and stating that such schedules are on file and open to inspection by any person, the places where the schedules are kept, and that the agent will

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assist any person to determine from such schedules any rate, toll, rental, rule, or regulation which is in force shall be kept posted by every telecommunications company as the commission designates.

Section 7. Paragraph (c) of subsection (1), paragraph (c) of subsection (2), paragraph (b) of subsection (4), and subsection (5) of section 364.051, Florida Statutes, are amended to read:

364.051 Price regulation.

- (1) SCHEDULE.—Notwithstanding any other provisions of this chapter, the following local exchange telecommunications companies shall become subject to the price regulation described in this section on the following dates:
- (c) Each company subject to this section <u>is</u> shall be exempt from rate base, rate of return regulation and the requirements of ss. 364.03, 364.035, 364.037, 364.05, 364.055, 364.14, 364.17, and 364.18, and 364.19.
- (2) BASIC LOCAL TELECOMMUNICATIONS SERVICE.—Price regulation of basic local telecommunications service shall consist of the following:
- (c) There shall be a flat-rate pricing option for basic local telecommunications <u>service</u> services, and mandatory measured service for basic local telecommunications <u>service</u> shall not be imposed.

(4)

(b) For purposes of this section, evidence of damage occurring to the lines, plants, or facilities of a local exchange telecommunications company that is subject to the carrier-of-last-resort obligations, which damage is the result

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of a tropical system occurring after June 1, 2005, and named by the National Hurricane Center, constitutes a compelling showing of changed circumstances.

- 1. A company may file a petition to recover its intrastate costs and expenses relating to repairing, restoring, or replacing the lines, plants, or facilities damaged by a named tropical system.
- 2. The commission shall verify the intrastate costs and expenses submitted by the company in support of its petition.
- 3. The company must show and the commission shall determine whether the intrastate costs and expenses are reasonable under the circumstances for the named tropical system.
- 4. A company having a storm-reserve fund may recover tropical-system-related costs and expenses from its customers only in excess of any amount available in the storm-reserve fund.
- 5. The commission may determine the amount of any increase that the company may charge its customers, but the charge per line item may not exceed 50 cents per month per customer line for a period of not more than 12 months.
- 6. The commission may order the company to add an equal line-item charge per access line to the billing statement of the company's retail basic local telecommunications service customers, its retail nonbasic telecommunications service customers, and, to the extent the commission determines appropriate, its wholesale loop unbundled network element customers. At the end of the collection period, the commission shall verify that the collected amount does not exceed the amount authorized by the order. If collections exceed the

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ordered amount, the commission shall order the company to refund the excess.

- 7. In order to qualify for filing a petition under this paragraph, a company with 1 million or more access lines, but fewer than 3 million access lines, must have tropical-system-related costs and expenses exceeding \$1.5 million, and a company with 3 million or more access lines must have tropical-system-related costs and expenses of \$5 million or more. A company with fewer than 1 million access lines is not required to meet a minimum damage threshold in order to qualify to file a petition under this paragraph.
- 8. A company may file only one petition for storm recovery in any 12-month period for the previous storm season, but the application may cover damages from more than one named tropical system.

This paragraph is not intended to adversely affect the

commission's consideration of any petition for an increase in

basic rates to recover costs related to storm damage which was

- filed before the effective date of this act.
- (5) NONBASIC SERVICES.—Price regulation of nonbasic services shall consist of the following:
- (a) Each company subject to this section shall, at its option, maintain tariffs with the commission or otherwise publicly publish the terms, conditions, and rates for each of its nonbasic services, and may set or change, on 1 day's notice, the rate for each of its nonbasic services. For a company electing to publicly publish the terms, conditions, and rates for each of its nonbasic services, the commission may establish

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guidelines for the publication. The guidelines may not require more information than what is required to be filed with a tariff. The price increase for any nonbasic service category shall not exceed 6 percent within a 12-month period until there is another provider providing local telecommunications service in an exchange area at which time the price for any nonbasic service category may be increased in an amount not to exceed 20 percent within a 12-month period, and the rate shall be presumptively valid. However, for purposes of this subsection, the prices of:

1. A voice-grade, flat-rate, multi-line business local exchange service, including multiple individual lines, centrex lines, private branch exchange trunks, and any associated hunting services, that provides dial tone and local usage necessary to place a call within a local exchange calling area; and

2. Telecommunications services provided under contract service arrangements to the SUNCOM Network, as defined in chapter 282,

shall be capped at the rates in effect on July 1, 1995, and such rates shall not be increased prior to January 1, 2000; provided, however, that a petition to increase such rates may be filed pursuant to subsection (4) utilizing the standards set forth therein. There shall be a flat-rate pricing option for multiline business local exchange service, and mandatory measured service for multi-line business local exchange service shall not be imposed. Nothing contained in This chapter does not section shall prevent the local exchange telecommunications company from

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meeting offerings by any competitive provider of the same, or functionally equivalent, nonbasic services in a specific geographic market or to a specific customer by deaveraging the price of any nonbasic service, packaging nonbasic services together or with basic services, using volume discounts and term discounts, and offering individual contracts. However, the local exchange telecommunications company <u>may shall</u> not engage in any anticompetitive act or practice <u>or</u>, nor unreasonably discriminate among similarly situated customers.

- (b) The commission has shall have continuing regulatory oversight of nonbasic services for purposes of ensuring resolution of service complaints, preventing cross-subsidization of nonbasic services with revenues from basic services, and ensuring that all providers are treated fairly in the telecommunications market. The cost standard for determining cross-subsidization is whether the total revenue from a nonbasic service is less than the total long-run incremental cost of the service. Total long-run incremental cost means service-specific volume and nonvolume-sensitive costs.
- (c) The price charged to a consumer for a nonbasic service shall cover the direct costs of providing the service and shall, to the extent a cost is not included in the direct cost, include as an imputed cost the price charged by the company to competitors for any monopoly component used by a competitor in the provision of its same or functionally equivalent service.

Section 8. Section 364.08, Florida Statutes, is amended to read:

364.08 Unlawful to charge other than schedule rates or charges; free service and reduced rates prohibited.—

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(1) A telecommunications company may not charge, demand, collect, or receive for any service rendered or to be rendered any compensation other than the charge applicable to such service as specified in its schedule on file or otherwise published and in effect at that time. A telecommunications company may not refund or remit, directly or indirectly, any portion of the rate or charge so specified or extend to any person any advantage of contract or agreement or the benefit of any rule or regulation or any privilege or facility not regularly and uniformly extended to all persons under like circumstances for like or substantially similar service.

- (2) A telecommunications company subject to this chapter may <u>provide</u> not, <u>directly or indirectly</u>, <u>give any free or reduced service between points within this state. However, it shall be lawful for the commission to authorize employee concessions without approval by the commission if in the public interest.</u>
- Section 9. Subsection (3) of section 364.10, Florida Statutes, is amended to read:
- 364.10 Undue advantage to person or locality prohibited; Lifeline service.—
- (3) (a) Each Effective September 1, 2003, any local exchange telecommunications company that has more than 1 million access lines and that is designated as an eligible telecommunications carrier authorized by the commission to reduce its switched network access rate pursuant to s. 364.164 shall have tariffed and shall provide Lifeline service to any otherwise eligible customer or potential customer who meets an income eligibility test at 135 percent or less of the federal poverty income

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guidelines for Lifeline customers. Such a test for eligibility must augment, rather than replace, the eligibility standards established by federal law and based on participation in certain low-income assistance programs. Each intrastate interexchange telecommunications company shall, effective September 1, 2003, file or publish a schedule tariff providing at a minimum the intrastate interexchange telecommunications carrier's current Lifeline benefits and exemptions to Lifeline customers who meet the income eligibility test set forth in this subsection. The Office of Public Counsel shall certify and maintain claims submitted by a customer for eligibility under the income test authorized by this subsection.

- (b) Each eligible telecommunications carrier subject to this subsection shall provide to each state and federal agency providing benefits to persons eligible for Lifeline service applications, brochures, pamphlets, or other materials that inform the persons of their eligibility for Lifeline, and each state agency providing the benefits shall furnish the materials to affected persons at the time they apply for benefits.
- (c) Any local exchange telecommunications company customer receiving Lifeline benefits shall not be subject to any residential basic local telecommunications service rate increases authorized by s. 364.164 until the local exchange telecommunications company reaches parity as defined in s. 364.164(5) or until the customer no longer qualifies for the Lifeline benefits established by this section or s. 364.105, or unless otherwise determined by the commission upon petition by a local exchange telecommunications company.
 - (c) (d) An eligible telecommunications carrier may not

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discontinue basic local exchange telephone service to a subscriber who receives Lifeline service because of nonpayment by the subscriber of charges for nonbasic services billed by the telecommunications company, including long-distance service. A subscriber who receives Lifeline service shall be required to pay all applicable basic local exchange service fees, including the subscriber line charge, E-911, telephone relay system charges, and applicable state and federal taxes.

- (d) (e) An eligible telecommunications carrier may not refuse to connect, reconnect, or provide Lifeline service because of unpaid toll charges or nonbasic charges other than basic local exchange service.
- (e)(f) An eligible telecommunications carrier may require that payment arrangements be made for outstanding debt associated with basic local exchange service, subscriber line charges, E-911, telephone relay system charges, and applicable state and federal taxes.
- (f)(g) An eligible telecommunications carrier may block a Lifeline service subscriber's access to all long-distance service, except for toll-free numbers, and may block the ability to accept collect calls when the subscriber owes an outstanding amount for long-distance service or amounts resulting from collect calls. However, the eligible telecommunications carrier may not impose a charge for blocking long-distance service. The eligible telecommunications carrier shall remove the block at the request of the subscriber without additional cost to the subscriber upon payment of the outstanding amount. An eligible telecommunications carrier may charge a service deposit before removing the block.

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(g) (h) 1. By December 31, 2007, each state agency that provides benefits to persons eligible for Lifeline service shall undertake, in cooperation with the Department of Children and Family Services, the Department of Education, the commission, the Office of Public Counsel, and telecommunications companies providing Lifeline services, the development of procedures to promote Lifeline participation.

- 2. If any state agency determines that a person is eligible for Lifeline services, the agency shall immediately forward the information to the commission to ensure that the person is automatically enrolled in the program with the appropriate eligible telecommunications carrier. The state agency shall include an option for an eligible customer to choose not to subscribe to the Lifeline service. The Public Service Commission and the Department of Children and Family Services shall, no later than December 31, 2007, adopt rules creating procedures to automatically enroll eligible customers in Lifeline service.
- 3. The commission, the Department of Children and Family Services, and the Office of Public Counsel shall enter into a memorandum of understanding establishing the respective duties of the commission, the department, and the public counsel with respect to the automatic enrollment procedures no later than December 31, 2007.
- (h)(i) The commission shall report to the Governor, the President of the Senate, and the Speaker of the House of Representatives by December 31 each year on the number of customers who are subscribing to Lifeline service and the effectiveness of any procedures to promote participation.
 - $\underline{\text{(i)}}$ The commission shall adopt rules to administer this

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552 section.

Section 10. Section 364.15, Florida Statutes, is amended to read:

additions, or extensions.—Whenever the commission finds, on its own motion or upon complaint, that repairs or improvements to, or changes in, any telecommunications facility ought reasonably to be made, or that any additions or extensions should reasonably be made to any telecommunications facility, in order to promote the security or convenience of the public or employees or in order to secure adequate service or facilities for basic local telecommunications services chapter, the commission shall make and serve an order directing that such repairs, improvements, changes, additions, or extensions be made in the manner to be specified in the order. this chapter.

Section 11. Section 364.33, Florida Statutes, is amended to read:

364.33 Certificate of necessity prerequisite to construction, operation, or control of telecommunications facilities.—Except for a transfer of a certificate of necessity from one person to another as provided in this section, a person may not begin the construction or operation of any telecommunications facility, or any extension thereof for the purpose of providing telecommunications services to the public, or acquire ownership or control thereof, in whatever manner, including the acquisition, transfer, or assignment of majority

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organizational control or controlling stock ownership, without prior approval. A certificate of necessity may be transferred from a person holding a certificate to another person holding a certificate and a person holding a certificate may acquire ownership or control of a telecommunications facility through the acquisition, transfer, or assignment of majority organizational control or controlling stock ownership of a person holding a certificate without prior approval of the commission by giving 60 days' written notice of the transfer or change of control to the commission and affected customers. This section does not require approval by the commission prior to the construction, operation, or extension of a facility by a certificated company within its certificated area nor in any way limit the commission's ability to review the prudence of such construction programs for ratemaking as provided under this chapter.

Section 12. Subsection (4) of section 364.335, Florida Statutes, is amended to read:

364.335 Application for certificate.

(4) Except as provided in s. 364.33, revocation, suspension, transfer, or amendment of a certificate shall be subject to the provisions of this section; except that, when the commission initiates the action, the commission shall furnish notice to the appropriate local government and to the Public Counsel.

Section 13. Section 364.3376, Florida Statutes, is amended to read:

364.3376 Operator services.-

(1) (a) A person may not provide operator services as

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defined in s. 364.02 without first obtaining from the commission a certificate of public convenience and necessity as an operator services provider.

- (b) This section does not apply to operator services provided by a local exchange telecommunications company or by an intrastate interexchange telecommunications company, except as required by the commission in the public interest.
- (2) Notwithstanding any finding by the commission that a service or facility is subject to competition and should be regulated pursuant to s. 364.338, All intrastate operator service providers are subject to the jurisdiction of the commission and shall render operator services pursuant to schedules in accordance with s. 364.04 tariffs approved by the commission.
- (3) For operator services, the commission shall establish maximum rates and charges for all providers of such services within the state.
 - (3) (4) Operator service providers shall:
 - (a) Require operators to:
- 1. Clearly identify the operator service provider to all end users before the call is made.
 - 2. When requested, provide rate and service information.
- 3. When requested, provide the number to call for complaints and inquiries.
- 4. When requested, provide the procedure for reporting service difficulties and methods of obtaining refunds.
- (b) Not intentionally charge for incompleted calls and provide full refund or credit for any misbilled or incomplete calls.

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(c) Bill for services <u>in accordance with their published</u>
<u>schedules</u> <u>approved in their tariff and</u> only at the <u>rates set</u>
<u>forth therein</u> <u>tariff or otherwise approved rate</u>, and disclose their names on bills which include charges for services rendered.

- (4)(5) Each call aggregator shall post in the immediate vicinity of each telephone available to the public the name of the operator service provider, a toll-free customer service number, a statement that rate quotes are available upon request, and instructions on how the end user may access other operator service providers and such other information determined by the commission to be necessary in the public interest.
- (5)(6) Neither the operator service provider nor the call aggregator shall block or prevent an end user's access to the end user's operator service provider of choice, except that the commission shall grant limited waivers to operator service providers or call aggregators upon a showing that such waiver is in the public interest.
- $\underline{(6)}$ (7) The local exchange telecommunications company shall not disconnect local service for properly contested nonpayment of any operator services bill.
- $\underline{(7)}$ (8) The commission shall adopt and enforce requirements for the provision of services by operator services companies and call aggregators.
- (8) (9) Operator service providers and local exchange companies providing billing and collection services shall only bill and collect only the tariffed rates and charges set forth in the applicable schedules.
 - (9) (10) Notwithstanding any finding by the commission that

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a service or facility is subject to competition and should be regulated pursuant to s. 364.338, A local exchange telecommunications company may shall not perform billing and collection functions relating to regulated telecommunications services provided by an operator services provider unless the operator services provider has filed a statement with the local exchange telecommunications company signed by a corporate officer, or by another authorized person having personal knowledge, that all regulated telecommunications services to be billed will shall be rendered pursuant to applicable published schedules tariffs approved by the commission.

(10) (11) The commission shall conduct have the responsibility for conducting an effective program of random, no-notice compliance investigations of the operator services providers and call aggregators operating within the state. When the commission finds a blocking violation, it shall determine whether the blocking is the responsibility of the call aggregator or the operator services provider and may fine the responsible party in accordance with s. 364.285. Upon the failure of the responsible party to correct a violation within a mandatory time limit established by the commission or upon a proven pattern of intentional blocking, the commission shall order the discontinuance of the call aggregator's telephone service or revoke the operator services provider's certificate, as applicable.

Section 14. Section 364.3382, Florida Statutes, is amended to read:

364.3382 Disclosure.-

(1) A local exchange telecommunications company, when a

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residential customer initially requests <u>basic local</u>
<u>telecommunications</u> service, shall advise each residential
customer of the least-cost service available to that customer.
Annually, in the form of a bill insert, the local exchange
telecommunications company shall advise each residential
customer of the price of each service option selected by that
customer. The requirement of an annual notice through a bill
insert does not apply to interexchange service.

(2) Copies of both the written notices and information provided to customer service representatives concerning the disclosure required pursuant to subsection (1) shall be submitted to the commission for prior approval.

Section 15. Subsection (2) of section 364.345, Florida Statutes, is amended to read:

364.345 Certificates; territory served; transfer.-

- (2) Except as provided in s. 364.33, a telecommunications company may not sell, assign, or transfer its certificate or any portion thereof without:
- (a) A determination by the commission that the proposed sale, assignment, or transfer is in the public interest; and
 - (b) The approval of the commission.

Section 16. <u>Section 364.09</u>, Florida Statutes, is repealed.

Section 17. For the purpose of incorporating the amendment made by this act to section 364.051, Florida Statutes, in a reference thereto, paragraph (a) of subsection (1) of section 364.059, Florida Statutes, is reenacted to read:

364.059 Procedures for seeking stay; benchmark; criteria.-

(1) If a local exchange telecommunications company has elected, pursuant to s. 364.051(6), to have its basic local

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telecommunications services treated the same as its nonbasic services, the following procedures shall be available:

(a) Any petition filed by a substantially interested party against a local exchange telecommunications company seeking a stay of the effective date of a price reduction for a basic local telecommunications service, alleging an anticompetitive price reduction pursuant to s. 364.051(5), s. 364.08, s. 364.09, s. 364.10, or s. 364.3381, shall be resolved by the commission pursuant to this section and by an order issued within 45 days after the date the petition is filed.

Section 18. Subsection (6) of section 196.012, Florida Statutes, is amended to read:

196.012 Definitions.—For the purpose of this chapter, the following terms are defined as follows, except where the context clearly indicates otherwise:

(6) Governmental, municipal, or public purpose or function shall be deemed to be served or performed when the lessee under any leasehold interest created in property of the United States, the state or any of its political subdivisions, or any municipality, agency, special district, authority, or other public body corporate of the state is demonstrated to perform a function or serve a governmental purpose which could properly be performed or served by an appropriate governmental unit or which is demonstrated to perform a function or serve a purpose which would otherwise be a valid subject for the allocation of public funds. For purposes of the preceding sentence, an activity undertaken by a lessee which is permitted under the terms of its lease of real property designated as an aviation area on an airport layout plan which has been approved by the Federal

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Aviation Administration and which real property is used for the administration, operation, business offices and activities related specifically thereto in connection with the conduct of an aircraft full service fixed base operation which provides goods and services to the general aviation public in the promotion of air commerce shall be deemed an activity which serves a governmental, municipal, or public purpose or function. Any activity undertaken by a lessee which is permitted under the terms of its lease of real property designated as a public airport as defined in s. 332.004(14) by municipalities, agencies, special districts, authorities, or other public bodies corporate and public bodies politic of the state, a spaceport as defined in s. 331.303, or which is located in a deepwater port identified in s. 403.021(9)(b) and owned by one of the foregoing governmental units, subject to a leasehold or other possessory interest of a nongovernmental lessee that is deemed to perform an aviation, airport, aerospace, maritime, or port purpose or operation shall be deemed an activity that serves a governmental, municipal, or public purpose. The use by a lessee, licensee, or management company of real property or a portion thereof as a convention center, visitor center, sports facility with permanent seating, concert hall, arena, stadium, park, or beach is deemed a use that serves a governmental, municipal, or public purpose or function when access to the property is open to the general public with or without a charge for admission. If property deeded to a municipality by the United States is subject to a requirement that the Federal Government, through a schedule established by the Secretary of the Interior, determine that the property is being maintained for public historic

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preservation, park, or recreational purposes and if those conditions are not met the property will revert back to the Federal Government, then such property shall be deemed to serve a municipal or public purpose. The term "governmental purpose" also includes a direct use of property on federal lands in connection with the Federal Government's Space Exploration Program or spaceport activities as defined in s. 212.02(22). Real property and tangible personal property owned by the Federal Government or Space Florida and used for defense and space exploration purposes or which is put to a use in support thereof shall be deemed to perform an essential national governmental purpose and shall be exempt. "Owned by the lessee" as used in this chapter does not include personal property, buildings, or other real property improvements used for the administration, operation, business offices and activities related specifically thereto in connection with the conduct of an aircraft full service fixed based operation which provides goods and services to the general aviation public in the promotion of air commerce provided that the real property is designated as an aviation area on an airport layout plan approved by the Federal Aviation Administration. For purposes of determination of "ownership," buildings and other real property improvements which will revert to the airport authority or other governmental unit upon expiration of the term of the lease shall be deemed "owned" by the governmental unit and not the lessee. Providing two-way telecommunications services to the public for hire by the use of a telecommunications facility, as defined in s. 364.02(16) s. 364.02(15), and for which a certificate is required under chapter 364 does not constitute an exempt use for

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purposes of s. 196.199, unless the telecommunications services are provided by the operator of a public-use airport, as defined in s. 332.004, for the operator's provision of telecommunications services for the airport or its tenants, concessionaires, or licensees, or unless the telecommunications services are provided by a public hospital.

Section 19. Paragraph (b) of subsection (1) of section 199.183, Florida Statutes, is amended to read:

199.183 Taxpayers exempt from nonrecurring taxes.-

- (1) Intangible personal property owned by this state or any of its political subdivisions or municipalities shall be exempt from taxation under this chapter. This exemption does not apply to:
- (b) Property related to the provision of two-way telecommunications services to the public for hire by the use of a telecommunications facility, as defined in s. 364.02(16) s. 364.02(15), and for which a certificate is required under chapter 364, when the service is provided by any county, municipality, or other political subdivision of the state. Any immunity of any political subdivision of the state or other entity of local government from taxation of the property used to provide telecommunication services that is taxed as a result of this paragraph is hereby waived. However, intangible personal property related to the provision of telecommunications services provided by the operator of a public-use airport, as defined in s. 332.004, for the operator's provision of telecommunications services for the airport or its tenants, concessionaires, or licensees, and intangible personal property related to the provision of telecommunications services provided by a public

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hospital, are exempt from taxation under this chapter.

Section 20. Subsection (6) of section 212.08, Florida Statutes, is amended to read:

212.08 Sales, rental, use, consumption, distribution, and storage tax; specified exemptions.—The sale at retail, the rental, the use, the consumption, the distribution, and the storage to be used or consumed in this state of the following are hereby specifically exempt from the tax imposed by this chapter.

(6) EXEMPTIONS; POLITICAL SUBDIVISIONS.—There are also exempt from the tax imposed by this chapter sales made to the United States Government, a state, or any county, municipality, or political subdivision of a state when payment is made directly to the dealer by the governmental entity. This exemption shall not inure to any transaction otherwise taxable under this chapter when payment is made by a government employee by any means, including, but not limited to, cash, check, or credit card when that employee is subsequently reimbursed by the governmental entity. This exemption does not include sales of tangible personal property made to contractors employed either directly or as agents of any such government or political subdivision thereof when such tangible personal property goes into or becomes a part of public works owned by such government or political subdivision. A determination whether a particular transaction is properly characterized as an exempt sale to a government entity or a taxable sale to a contractor shall be based on the substance of the transaction rather than the form in which the transaction is cast. The department shall adopt rules that give special consideration to factors that govern the

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status of the tangible personal property before its affixation to real property. In developing these rules, assumption of the risk of damage or loss is of paramount consideration in the determination. This exemption does not include sales, rental, use, consumption, or storage for use in any political subdivision or municipality in this state of machines and equipment and parts and accessories therefor used in the generation, transmission, or distribution of electrical energy by systems owned and operated by a political subdivision in this state for transmission or distribution expansion. Likewise exempt are charges for services rendered by radio and television stations, including line charges, talent fees, or license fees and charges for films, videotapes, and transcriptions used in producing radio or television broadcasts. The exemption provided in this subsection does not include sales, rental, use, consumption, or storage for use in any political subdivision or municipality in this state of machines and equipment and parts and accessories therefor used in providing two-way telecommunications services to the public for hire by the use of a telecommunications facility, as defined in s. 364.02(16) s. 364.02(15), and for which a certificate is required under chapter 364, which facility is owned and operated by any county, municipality, or other political subdivision of the state. Any immunity of any political subdivision of the state or other entity of local government from taxation of the property used to provide telecommunication services that is taxed as a result of this section is hereby waived. However, the exemption provided in this subsection includes transactions taxable under this chapter which are for use by the operator of a public-use

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airport, as defined in s. 332.004, in providing such telecommunications services for the airport or its tenants, concessionaires, or licensees, or which are for use by a public hospital for the provision of such telecommunications services.

Section 21. Subsection (8) of section 290.007, Florida Statutes, is amended to read:

290.007 State incentives available in enterprise zones.—The following incentives are provided by the state to encourage the revitalization of enterprise zones:

(8) Notwithstanding any law to the contrary, the Public Service Commission may allow public utilities and telecommunications companies to grant discounts of up to 50 percent on tariffed rates for services to small businesses located in an enterprise zone designated pursuant to s. 290.0065. Such discounts may be granted for a period not to exceed 5 years. For purposes of this subsection, the term "public utility" has the same meaning as in s. 366.02(1) and the term "telecommunications company" has the same meaning as in s. 364.02(15) s. 364.02(14).

Section 22. Subsection (3) of section 350.0605, Florida Statutes, is amended to read:

350.0605 Former commissioners and employees; representation of clients before commission.—

(3) For a period of 2 years following termination of service on the commission, a former member may not accept employment by or compensation from a business entity which, directly or indirectly, owns or controls a public utility regulated by the commission, from a public utility regulated by the commission, from a business entity which, directly or

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indirectly, is an affiliate or subsidiary of a public utility regulated by the commission or is an actual business competitor of a local exchange company or public utility regulated by the commission and is otherwise exempt from regulation by the commission under <u>ss. 364.02(15)</u> <u>ss. 364.02(14)</u> and 366.02(1), or from a business entity or trade association that has been a party to a commission proceeding within the 2 years preceding the member's termination of service on the commission. This subsection applies only to members of the Florida Public Service Commission who are appointed or reappointed after May 10, 1993.

Section 23. Subsection (4) of section 364.602, Florida Statutes, is amended to read:

364.602 Definitions.—For purposes of this part:

(4) "Originating party" means any person, firm, corporation, or other entity, including a telecommunications company or a billing clearinghouse, that provides any telecommunications service or information service to a customer or bills a customer through a billing party, except the term "originating party" does not include any entity specifically exempted from the definition of "telecommunications company" as provided in s. 364.02(15) s. 364.02(14).

Section 24. Subsection (5) of section 489.103, Florida Statutes, is amended to read:

489.103 Exemptions.—This part does not apply to:

(5) Public utilities, including special gas districts as defined in chapter 189, telecommunications companies as defined in $\underline{s.\ 364.02(15)}$ $\underline{s.\ 364.02(14)}$, and natural gas transmission companies as defined in $\underline{s.\ 368.103(4)}$, on construction, maintenance, and development work performed by their employees,

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which work, including, but not limited to, work on bridges,
roads, streets, highways, or railroads, is incidental to their
business. The board shall define, by rule, the term "incidental
to their business" for purposes of this subsection.

Section 25. This act shall take effect July 1, 2009.