

By the Committee on Utilities & Communications and  
Representatives Arnall and Feeny

1                                   A bill to be entitled  
2           An act relating to telecommunications services;  
3           creating s. 364.026, F.S.; providing for an  
4           intrastate universal service support mechanism  
5           for certain purposes; providing duties and  
6           responsibilities of the Florida Public Service  
7           Commission; providing criteria for rates for  
8           high-cost support; providing for discounted  
9           service for certain subscribers; providing  
10          alternatives for certain companies in  
11          establishing universal support; providing for  
12          assessments to support universal service;  
13          providing requirements; providing for a  
14          third-party administrator for certain purposes;  
15          providing requirements for administering such  
16          assessments; requiring the commission to  
17          provide certain oversight procedures; providing  
18          criteria for such assessments; providing for  
19          distribution of such assessments; providing for  
20          reducing certain rates under certain  
21          circumstances; providing legislative findings;  
22          providing for reducing intrastate switched  
23          access charges under certain circumstances;  
24          providing for reducing certain long distance  
25          rates under certain circumstances; providing  
26          definitions; creating s. 364.053, F.S.;  
27          providing for rate rebalancing; providing  
28          legislative findings; requiring increases in  
29          monthly rates for residential basic local  
30          telecommunications service for certain  
31          purposes; providing limitations; requiring

1 decreases in certain rates for certain  
2 purposes; providing limitations; providing  
3 requirements; providing for future legislative  
4 review; amending s. 364.163, F.S.; providing a  
5 cap for certain rates; requiring a reductions  
6 in certain rates; repealing s. 364.025, F.S.,  
7 relating to universal service; providing for  
8 reverse severability; providing legislative  
9 findings; providing requirements for tenant  
10 access to telecommunications services;  
11 providing limitations; amending ss. 166.231 and  
12 203.01, F.S.; requiring the Public Service  
13 Commission to publish certain rates for  
14 commonly used services; amending s. 364.02,  
15 F.S.; revising a definition; amending s.  
16 364.336, F.S.; providing for deducting certain  
17 amounts from gross operating revenues for  
18 certain purposes; amending s. 364.337, F.S.;  
19 requiring provision of 911 service at certain  
20 levels; subjecting intrastate interexchange  
21 telecommunications companies to certain access  
22 to records provisions; amending s. 364.339,  
23 F.S.; including residential tenants in shared  
24 tenant service provisions; requiring local  
25 exchange telecommunications companies to  
26 implement consumer information programs;  
27 providing requirements; providing duties of the  
28 Public Service Commission; creating part III of  
29 chapter 364, F.S.; providing a short title;  
30 providing definitions; providing a methodology  
31 for changing telecommunications providers;

1 providing requirements; providing limitations;  
2 requiring disclosure of certain information;  
3 providing remedies for certain violations;  
4 providing requirements for billing practices;  
5 repealing s. 364.337(7), F.S., relating to  
6 certain deductions from gross operating  
7 revenues; providing an effective date.

8  
9 Be It Enacted by the Legislature of the State of Florida:

10  
11 Section 1. Section 364.026, Florida Statutes, is  
12 created to read:

13 364.026 Universal service support.--

14 (1) The Legislature acknowledges the requirements of  
15 the Telecommunications Act of 1996 which mandate that any  
16 universal service support mechanism make explicit any existing  
17 implicit support and any state universal service support  
18 mechanism shall not be inconsistent with any universal service  
19 support mechanism established by the Federal Communications  
20 Commission in consultation with the federal and state joint  
21 board. The Legislature directs the Public Service Commission  
22 to establish, and make effective by June 30, 1999, an  
23 intrastate universal service support mechanism which ensures  
24 the continued availability of affordable basic local  
25 telecommunications service for basic local telecommunications  
26 service customers who reside in high-cost areas or who are  
27 low-income customers. Such mechanism shall be established and  
28 administered in the following manner:

29 (a) The commission shall, upon notice and after an  
30 opportunity for hearing, determine the amount of support  
31 necessary to provide affordable basic local telecommunications

1 service to customers in high-cost areas or who are low-income  
2 customers, and establish that amount as the explicit universal  
3 service support requirement. In no event shall the commission  
4 consider a local exchange company's, or its affiliated  
5 companies', including its parent company's, earnings or rate  
6 of return in determining the amount of universal service  
7 support or its disbursement.

8 (b) The commission shall ascertain which areas are  
9 high-cost by determining the total forward-looking cost, based  
10 upon the most recently, commercially available technology and  
11 equipment and generally accepted design and placement  
12 principles, of providing basic local telecommunications  
13 service on a basis no greater than a wire center basis using a  
14 cost proxy model to be selected by the commission upon notice  
15 and after an opportunity for hearing. The commission shall  
16 select a cost proxy model that:

17 1. Identifies all costs to provide basic local  
18 telecommunications service on a wire center basis, or a  
19 geographic area smaller than a wire center if there are  
20 significant cost differences within the wire center.

21 2. Includes a reasonable share of prospective joint  
22 and common costs.

23 3. Uses investments, expenses, and capital costs  
24 reflective of the most recent experiences.

25 4. Meets generally accepted standards for documenting  
26 and reviewing model logic, including underlying data,  
27 formulae, computations, and software.

28 5. Assures the sources of cost data input are  
29 reasonable, open, and verifiable.

30 6. Meets reasonableness tests to ensure that model  
31 outputs are representative of costs that can be reasonably

1 expected in the construction of a local network and that the  
2 modeled network is capable of providing telecommunications  
3 services that meet generally accepted service quality  
4 standards.  
5  
6 The available high-cost support for a given geographical area  
7 shall be the difference between the cost determined in  
8 accordance with this paragraph and the maximum rate that may  
9 be charged for basic local telecommunications services,  
10 including a subscriber line charge. The maximum rate for  
11 residential basic local telecommunications service shall be  
12 the rate authorized by s. 364.053(1). The maximum rate for  
13 Lifeline customers shall equal the flat rate residential basic  
14 local telecommunications service in effect on January 1, 1998.  
15 Each local exchange telecommunications company shall offer a  
16 discounted primary residential local telecommunications  
17 service to any subscriber who no longer qualifies for Lifeline  
18 service. This discounted service shall be priced at 70  
19 percent of the subscriber's then applicable residential local  
20 exchange telecommunications service rate. A subscriber who  
21 requests such service will receive the discounted price for a  
22 period of 1 year after the date the subscriber no longer  
23 qualifies for Lifeline service. In no event shall this  
24 preclude the offering of any other discounted services. The  
25 maximum rate for single-line business basic local  
26 telecommunications service shall be the higher of the rate in  
27 effect on January 1, 1999, or the rate for single-line  
28 business basic local telecommunications service authorized by  
29 s. 364.053(1). In determining the intrastate high-cost  
30 support amount, the commission shall deduct from the total  
31 high-cost support amount any explicit universal service

1 support received from the federal jurisdiction related to  
2 high-cost support for basic local telecommunications service.  
3 (c) Small local exchange telecommunications companies,  
4 which serve less than 100,000 access lines, shall not be  
5 required to use the proxy model until proxy models are  
6 implemented by the federal government for small companies but  
7 no sooner than January 1, 2001. During that time period,  
8 small local exchange telecommunications companies may elect to  
9 establish their universal telecommunications service support  
10 based on one of the following options:  
11 1. Adopt the proxy model.  
12 2. Calculate such costs by including all embedded  
13 investments, and expenses incurred by the local exchange  
14 company in the provision of universal service, and identifying  
15 high-cost areas within the local exchange area the company  
16 serves and performing a fully distributed allocation of  
17 embedded costs. Such calculations may be made using fully  
18 distributed Federal Communications Commission parts 32, 36,  
19 and 64 costs, if such parts are applicable. The high-cost  
20 area shall be no smaller than a single exchange, wire center,  
21 or census block group, chosen at the option of the eligible  
22 local exchange provider.  
23 (d) The commission shall also ascertain the amount of  
24 support necessary to provide basic local telecommunications  
25 service to low-income customers, and include that amount in  
26 the universal service support fund. Only those customers who  
27 qualify for Lifeline service shall be considered low-income  
28 customers. In order to provide support for low-income  
29 customers, the universal service support amount shall be the  
30 maximum intrastate matching funds for low-income customers  
31 required to enable Lifeline customers to qualify for the

1 maximum matching federal support as prescribed by the Federal  
2 Communications Commission.  
3 (e) The intrastate universal service support  
4 requirement established in accordance with this section shall  
5 be assessed on a monthly basis, in accordance with paragraph  
6 (f), to each telecommunications carrier providing retail  
7 intrastate telecommunications services. Such assessments  
8 shall be placed the Florida Universal Service Support Trust  
9 Fund. The fund shall be administered by an independent  
10 third-party administrator to be selected by the commission  
11 pursuant to chapter 287. The independent third-party  
12 administrator selected by the commission shall:  
13 1. Have sufficient experience and personnel to operate  
14 the fund in accordance with the provisions of this section.  
15 2. Have adequate accounting and computer systems and  
16 programs in place by June 30, 1999, to handle the assessment  
17 and disbursement activities required by this section.  
18 3. Have the capability to make the assessments and  
19 disbursements required by this section in a timely manner.  
20 4. Have the capability to generate timely, accurate  
21 monthly reports reflecting the assessment and disbursement  
22 activities required by this section.  
23 5. Be subject to audit for any purpose by the  
24 commission or any entity assessed by the third-party  
25 administrator or receiving disbursements from the fund,  
26 including whether the third-party administrator is adequately  
27 discharging its duties.  
28 6. Not be a trade association, except the National  
29 Exchange Carrier Association.  
30  
31

1 The commission shall, by rule, establish adequate procedures  
2 for overseeing the third-party administrator to assure that  
3 the operation of the fund is competitively neutral, and the  
4 fund is available for public inspection, is subject to  
5 verification, is covering all of the costs as described in  
6 paragraphs (a) and (b), including the costs of administering  
7 the fund, is not recovering any of the costs and expenses of  
8 any government program or project required by part II, and is  
9 otherwise being operated in the public interest and in  
10 accordance with the purpose of this act. The third-party  
11 administrator shall have such authority as is necessary to  
12 operate the fund in order to accomplish the purposes of this  
13 act, including, but not limited to, the authority to withhold  
14 disbursements from any entity that is delinquent in paying its  
15 assessment made in accordance with paragraph (f) and to bring  
16 legal actions in the name of the fund to collect such  
17 delinquent assessments.

18 (f) The monthly amount assessed by the third-party  
19 administrator will be based upon each provider's relative  
20 share of all intrastate retail end user telecommunications  
21 revenues generated by or billed to end users in the state.  
22 The monthly assessment shall be based on 6 months of data and  
23 shall be adjusted semi-annually. If a telecommunications  
24 provider's annual contribution would be less than \$10,000, the  
25 provider shall not be required to contribute to the fund for  
26 that year. For wireless providers, intrastate retail end user  
27 telecommunications revenues shall include only revenues from  
28 the monthly basic service charge and from intrastate calls  
29 originated on the wireless provider's network.

30 (g) The amounts contained in the fund shall be  
31 portable and shall be disbursed to local exchange



1 telecommunications companies, or other eligible  
2 telecommunications carriers, providing basic local  
3 telecommunications service based upon criteria to be  
4 established by the commission by rule. The criteria  
5 established by the commission shall provide the third-party  
6 administrator with sufficient guidance to make certain that  
7 any disbursements made pursuant to this section are made only  
8 to eligible carriers, are made in a competitively neutral  
9 manner, and are otherwise consistent with the purposes of this  
10 act. In no event shall such criteria include a means or an  
11 earnings or rate of return test.

12 (h) Any local exchange telecommunications company  
13 receiving universal service support from the fund shall reduce  
14 the prices of its intrastate switched access services as  
15 provided in subsection (2) and such company's other services  
16 currently providing implicit universal service support by the  
17 net amount of funding received from the universal service  
18 support fund.

19 (i) If the contributions or assessments made by a  
20 telecommunications company to the universal service support  
21 fund exceed the amounts or benefits received by that company  
22 from the fund, that company may recover the amount by which  
23 its contributions or assessments exceed the amounts or  
24 benefits received from the fund from its retail end user  
25 customers, except Lifeline customers, in a manner approved by  
26 the commission which results in revenue neutrality for the  
27 telecommunications company and equitable treatment of classes  
28 of customers.

29 (2) The Legislature finds that intrastate switched  
30 access charges are a significant source of implicit universal  
31 service support and, except for the requirements of s.

1 364.163(6), shall not be reduced until the intrastate  
2 universal service support fund established by this section is  
3 fully functional and until rates have been rebalanced in  
4 accordance with s. 364.053. Effective January 1, 1999, each  
5 local exchange telecommunications company shall reduce the  
6 level of its intrastate switched access charges by the net  
7 amount of funding received from the universal service support  
8 fund and the amount received for rate rebalancing in  
9 accordance with s. 364.053 as may be necessary to bring the  
10 company's intrastate switched access charge level to the level  
11 of the company's interstate switched access charges per minute  
12 of use in effect on January 1, 1999. However, if the net  
13 amount of funding received from the universal service support  
14 fund and the amount of rate rebalancing implemented on January  
15 1, 1999, for any local exchange telecommunications company is  
16 less than the intrastate switched access charge reduction  
17 needed to bring the company's level of intrastate switched  
18 access charges to the interstate switched access charges in  
19 effect on January 1, 1999, the company shall:

20 (a) Reduce intrastate switched access charges on  
21 January 1, 1999, by the amount of net funding received from  
22 the universal service support fund and rate rebalancing.

23 (b) Reduce intrastate switched access charges on  
24 January 1, 2000, and subsequent years by the amount of rate  
25 rebalancing in those years until intrastate switched access  
26 charges are at the level of interstate switched access charges  
27 in effect on January 1, 1999.

28 (3) Any interexchange telecommunications company whose  
29 intrastate switched access rates are reduced as a result of  
30 the rate decreases made by a local exchange telecommunications  
31 company in accordance with subsections (1) and (2) or s.

1 364.053(3) shall decrease its intrastate long distance rates  
2 by the amount necessary to return the benefits of such  
3 reduction to its customers, but shall not reduce per minute  
4 intraLATA toll rates by a percentage greater than the per  
5 minute intrastate switched access rate reductions required by  
6 this act. The amount of the long distance reduction shall be  
7 net of the interexchange telecommunications company's  
8 universal support assessment required by this section. The  
9 specific rates to be decreased shall be within the discretion  
10 of the interexchange telecommunications carrier.

11 (4) For purposes of this section:

12 (a) "Universal service" includes single-party voice  
13 grade basic local telecommunications service which provides  
14 access to the public switched network and dual tone  
15 multi-frequency signaling or its functional equivalent,  
16 together with access to emergency, operator, interexchange,  
17 directory assistance, and, where required, toll blocking  
18 services.

19 (b) "Telecommunications carrier" means any provider of  
20 telecommunications services, except that such term does not  
21 include aggregators of telecommunications services as defined  
22 in 47 U.S.C. 226. A telecommunications carrier shall be  
23 treated as a common carrier only to the extent that it is  
24 engaged in providing telecommunications services. This  
25 definition includes commercial mobile radio service providers  
26 and interexchange carriers.

27 (c) "Eligible telecommunications carrier" means a  
28 carrier that:

29 1. Meets the requirements of s. 214(e), Communications  
30 Act of 1934, as amended by the Telecommunications Act of 1996  
31 (47 U.S.C. 214). A carrier may meet the eligibility

1 requirements of s. 214(e) of such act regardless of the  
2 technology used by the carrier.

3 2. Offers primary residential basic local  
4 telecommunications service at an affordable rate, as provided  
5 in s. 364.053(2)(a), to all consumers throughout the service  
6 area for which eligible telecommunications carrier designation  
7 is requested, except commercial mobile radio service providers  
8 operating under licenses from the Federal Communications  
9 Commission are exempt from the requirements of this  
10 subparagraph.

11 (d) "Telecommunications service" is defined as  
12 provided in the Communications Act of 1934, as amended by the  
13 Telecommunications Act of 1996.

14 (e) "Net amount of funding received" or "net of the  
15 universal support assessment" means the amount or benefit  
16 received by a company from the universal service support fund  
17 less the assessment or contribution made by that company to  
18 the fund. If the amount of the assessment or contribution  
19 made by a company to the universal service support fund is  
20 greater than the amount or benefit received by that company  
21 from the fund, there is no "net".

22 Section 2. Section 364.053, Florida Statutes, is  
23 created to read:

24 364.053 Rate rebalancing.--The Legislature finds that,  
25 at present in this state, residential basic local  
26 telecommunications service rates are, on average, priced below  
27 cost, are a barrier to the development of residential basic  
28 local telecommunications service competition, are being  
29 supported with revenue contributions from other local exchange  
30 telecommunications company-provided services, and can no  
31 longer be supported with interservice revenue contributions.

1 Accordingly, the Legislature finds that residential basic  
2 telecommunications service rates must be rebalanced. Such  
3 rebalancing shall result in revenue neutrality for each local  
4 exchange telecommunications company that rebalances its rates  
5 in accordance with this section. The commission shall have  
6 oversight authority to verify revenue neutrality with regard  
7 to rate rebalancing. Rate rebalancing shall be accomplished in  
8 the following manner:

9       (1) Notwithstanding any price caps as specified in s.  
10 364.05(2), any local exchange telecommunications company shall  
11 increase its current intrastate monthly rates for residential  
12 basic local telecommunications service in order to eliminate  
13 barriers to residential local competition. In no exchange  
14 shall the rate for single-line business basic local  
15 telecommunications service be less than the rate in that  
16 exchange for single-line residential basic local  
17 telecommunications service. Coincident with the increases  
18 provided for in this section for residential basic local  
19 telecommunications service, the rate for single-line business  
20 basic local telecommunications service in such exchange shall,  
21 if required, be increased to the level of single-line  
22 residential basic local telecommunications service. The rate  
23 increases authorized by this section shall become effective on  
24 January 1, 1999, unless such increase is more than \$2 per line  
25 per month, in which event the increase shall be effectuated  
26 over a multiyear period beginning January 1, 1999, at the rate  
27 of \$2 per month for the first 2 years and \$1 per month per  
28 year thereafter, or such lesser amount in the final year as  
29 may be appropriate.

30  
31

1           (2) The increases in the monthly rates for residential  
2 basic local telecommunications service authorized by  
3 subsection (1) shall:

4           (a) Not result in monthly residential basic local  
5 telecommunications service rates which are unaffordable. A  
6 residential monthly basic local telecommunications service  
7 rate shall be conclusively deemed affordable if the rate,  
8 including the subscriber line charge, is, on a monthly basis,  
9 not greater than one-twelfth of 1 percent of the annual median  
10 household income for Florida, as reported in the most recent  
11 edition of the Florida Statistical Abstract as available on  
12 January 1, 1998, published by the University of Florida,  
13 Bureau of Economic and Business Research. The resulting  
14 affordable rate is the maximum rate for residential universal  
15 service support fund purposes.

16           (b) Not result in a rate increase above the January 1,  
17 1998, basic residential rate level for anyone who subscribes  
18 to Lifeline service.

19           (c) Not be larger in dollar amount for any of a local  
20 exchange telecommunications company's rate groups than the  
21 increases permitted for the local exchange telecommunications  
22 company's largest rate group.

23           (d) Apply only to the first or primary line subscribed  
24 to by a residential customer at his or her residence. The  
25 rate for a second line subscribed to by the same residential  
26 customer at the same residence shall not be constrained in the  
27 same manner as the rate for the first or primary line except  
28 that the rate for the second line, including the subscriber  
29 line charge, shall not exceed the rate for the first or  
30 primary line by more than 50 percent.

31

1       (3) Any local exchange telecommunications company  
2 which increases its residential basic local telecommunications  
3 service rates in accordance with subsections (1) and (2) shall  
4 decrease the rates for its other regulated telecommunications  
5 services in amounts necessary to achieve revenue neutrality.  
6 Upon satisfying the intrastate switched access charge  
7 reductions required by s. 364.026, a local exchange  
8 telecommunications company shall have full discretion as to  
9 which of its services will receive rate decreases and in what  
10 amount, and shall take into account the availability of any  
11 universal service support pursuant to s. 364.026 so long as  
12 the amount of the resulting annual revenue decrease is no  
13 greater than the amount of annual revenue increase resulting  
14 from the rate increases authorized by subsections (1) and (2).  
15 Any such rate reductions shall not:  
16       (a) Reduce the price of a nonbasic service below its  
17 total service long-run incremental cost as defined by s.  
18 364.051(6)(b);  
19       (b) Reduce nonrecurring charges associated with the  
20 installation of primary residential basic local  
21 telecommunications service below cost; or  
22       (c) Reduce per minute intraLATA toll rates by a  
23 percentage greater than the per minute intrastate switched  
24 access rate reductions required by this act.  
25  
26 Any reduction in a nonbasic service rate resulting from rate  
27 rebalancing will be made on 15 days notice and will be  
28 presumptively valid in accordance with the requirements of s.  
29 364.051(6)(a). Upon request by the commission or a  
30 competitor, the local exchange telecommunications company  
31 shall furnish a summary document pursuant to s. 364.183(2)

1 demonstrating that the resulting rate for the nonbasic service  
2 covers its total service long-run incremental cost as defined  
3 by s. 364.051(6)(b). If the local exchange telecommunications  
4 company does not provide such demonstration within 60 days  
5 after a request, the commission may set aside the rate  
6 reduction and request full cost support to determine that the  
7 proposed rate in fact covers its total service long-run  
8 incremental costs. Upon furnishing such full cost support,  
9 the rate reduction shall take effect. Such rate decreases  
10 shall be made over the same time period and in amounts that  
11 result in revenue neutrality for the local exchange  
12 telecommunications company for each year of the time period.

13 (4) If any local exchange telecommunications company  
14 with more than 3 million access lines in service on July 1,  
15 1995, has, on or after January 1, 2000, satisfied the  
16 intrastate switched access charge reductions required by s.  
17 364.026(2), the Legislature shall, during the year 2000  
18 Regular Session, review the necessity as to any such company  
19 for further intrastate switched access charge reductions,  
20 notwithstanding the requirements of paragraph (3)(c), and  
21 determine whether the additional rate rebalancing, authorized  
22 by this section, should be canceled.

23 Section 3. Subsections (1) and (6) of section 364.163,  
24 Florida Statutes, are amended to read:

25 364.163 Network access services.--For purposes of this  
26 section, "network access service" is defined as any service  
27 provided by a local exchange telecommunications company to a  
28 telecommunications company certificated under this chapter or  
29 licensed by the Federal Communications Commission to access  
30 the local exchange telecommunications network, excluding the  
31 local interconnection arrangements in s. 364.16 and the resale



1 arrangements in s. 364.161. Each local exchange  
2 telecommunications company subject to s. 364.051 shall  
3 maintain tariffs with the commission containing the terms,  
4 conditions, and rates for each of its network access services.  
5 (1) Effective January 1, 1999 ~~1996~~, the rates for  
6 switched network access services of each company subject to  
7 this section shall be capped at the rates in effect on January  
8 1, 1999 ~~July 1, 1995~~, and shall remain capped until January 1,  
9 2001 ~~1999~~. Upon the date of filing its election with the  
10 commission, the network access service rates of a company that  
11 elects to become subject to this section shall be capped at  
12 the rates in effect on that date and shall remain capped for 3  
13 years.  
14 (6) Any local exchange telecommunications company with  
15 more than 100,000, but fewer than 3 million, basic local  
16 telecommunications service access lines in service on July 1,  
17 1995 whose current intrastate switched access rates are higher  
18 than its interstate switched access rates in effect on  
19 December 31, 1994, shall reduce its intrastate switched access  
20 rates by 5 percent on July, 1998, and by 10 percent on  
21 annually beginning October 1, 1998 ~~1996~~. Any further  
22 reductions in intrastate switched access rates after October  
23 1, 1998, shall be solely as determined by s. 364.026(2) or s.  
24 364.053(3). ~~Any such company shall be relieved of this~~  
25 ~~requirement if it reduces such rates by a greater percentage~~  
26 ~~by the relevant date or earlier, taking into account any~~  
27 ~~reduction made pursuant to Order No. PSC 94-0172-FOF-TL of the~~  
28 ~~Public Service Commission. Upon reaching parity between~~  
29 ~~intrastate and 1994 interstate switched access rates, no~~  
30 ~~further reductions shall be required.~~ Any interexchange  
31 telecommunications company whose intrastate switched access

1 rate is reduced as a result of the rate decreases made by a  
2 local exchange telecommunications company in accordance with  
3 ~~by~~ this subsection shall decrease its intrastate ~~customer~~ long  
4 distance rates by the amount necessary to return the benefits  
5 of such reduction to its customers but shall not reduce per  
6 minute intraLATA toll rates by a percentage greater than the  
7 per minute intrastate switched access rate reductions required  
8 by this act.

9 Section 4. Section 364.025, Florida Statutes, is  
10 hereby repealed.

11 Section 5. It is the intent of the Legislature that  
12 sections 1, 2, 3, and 4 be implemented as a whole as a  
13 comprehensive plan of interrelated actions addressing  
14 universal service, rate rebalancing, and access reform. If  
15 any of such provisions or the application of such provisions  
16 to any person or circumstance are held invalid, the invalidity  
17 of such provisions shall cause all provisions or applications  
18 of sections 1, 2, 3, and 4 to be invalid.

19 Section 6. (1) The Legislature hereby finds that an  
20 important public purpose is achieved by providing access to  
21 premises of residential and nonresidential tenants for  
22 certificated telecommunications companies seeking to promote  
23 competition and choice in the delivery of telecommunications  
24 services in this state.

25 (2) No tenant having a tenancy of one year or more  
26 shall be unreasonably denied access to any available  
27 telecommunications services offered by a telecommunications  
28 company certificated under chapter 364, Florida Statutes.

29 (3) No landlord shall demand or accept payment of any  
30 fee, charge or other thing of value from any certificated  
31 telecommunications company in exchange for the privilege of

1 having access to any tenants of such landlord for the purposes  
2 of providing telecommunications services, and no landlord  
3 shall demand or accept any such payment from tenants in  
4 exchange for access to telecommunications services unless the  
5 landlord is a certificated telecommunications company. If the  
6 landlord is a certificated provider of telecommunications  
7 services, the landlord shall not discriminate in rental  
8 charges based on whether the tenant is a subscriber of such  
9 services. Nothing in this section prohibits a certificated  
10 telecommunications company from entering into a marketing  
11 agreement with, and paying a fee to, a landlord to promote or  
12 sell the telecommunications company's or its affiliates'  
13 telecommunications services to the tenants.

14 (4) Nothing in this section prohibits a landlord from  
15 requiring that a certificated telecommunications company and  
16 the tenants bear the entire cost of the installation,  
17 operation, or removal of telecommunications network equipment  
18 and facilities installed to provide such services or prohibits  
19 a landlord from accepting reasonable, nondiscriminatory  
20 compensation or indemnity for the cost of occupying or  
21 damaging any property by such installation, operation, or  
22 removal of such telecommunications facilities.

23 (5) No landlord shall unlawfully discriminate among  
24 any certificated telecommunications companies in granting  
25 access to tenants for the provision of telecommunications  
26 services, including access to and charges for the occupation  
27 of real and personal property, internal wires and related  
28 conduits owned or controlled by the landlord. Access to such  
29 internal wiring and similar conduits shall be provided from  
30 any building's central point of interface.

31

1           Section 7. Paragraph (d) of subsection (9) of section  
2 166.231, Florida Statutes, is amended to read:

3           166.231 Municipalities; public service tax.--

4           (9) A municipality may levy a tax on the purchase of  
5 telecommunication services as defined in s. 203.012 as  
6 follows:

7           (d)1. If the sale of a taxable telecommunication  
8 service also involves the sale of an exempt cable television  
9 service, the tax shall be applied to the value of the taxable  
10 service when it is sold separately.

11           2. If the company does not offer this service  
12 separately, the consideration paid shall be separately  
13 identified and stated with respect to the taxable and exempt  
14 portions of the transaction as a condition of the exemption.

15           3. The amounts identified as taxable in subparagraph  
16 2. shall not be less than the statewide average tariff rates  
17 set forth by the local exchange telecommunications companies  
18 in the tariffs filed with the Public Service Commission on  
19 January 1, 1995, and on January 1 of each year thereafter for  
20 the equivalent services subject to this section. The Public  
21 Service Commission shall publish the statewide average tariff  
22 rates for commonly used services annually, beginning on  
23 January 1, 1996.

24           4. If the total amount of municipal utility tax  
25 collected by a municipality or charter county from  
26 telecommunication services pursuant to this subsection for the  
27 period of July 1, 1995, to June 30, 1996, is less than the  
28 amount collected for the period July 1, 1994, to June 30,  
29 1995, the municipality or charter county shall assess each  
30 company that remits such tax a pro rata share of the  
31 shortfall. The shortfall shall be prorated based on the

1 amount of tax remitted by each company for the period July 1,  
2 1995, to June 30, 1996, and the total amount of tax remitted  
3 for the same period. By September 1, 1996, the municipality  
4 or charter county shall certify to each company the amount of  
5 additional tax owed and the tax shall be remitted to the  
6 municipality or charter county by October 1, 1996. Provided,  
7 however, that this assessment may only be imposed if, in  
8 addition to the conditions above, a municipality or charter  
9 county has levied the applicable maximum tax rate allowed  
10 under this paragraph during the period July 1, 1995, and June  
11 30, 1996, and has not switched between the two options allowed  
12 under subparagraph 1. or subparagraph 2. during the period  
13 July 1, 1995, and June 30, 1996.

14 Section 8. Paragraph (c) of subsection (9) of section  
15 203.01, Florida Statutes, is amended to read:

16 203.01 Tax on gross receipts for utility services.--  
17 (9)

18 (c) The amounts identified as taxable in paragraph (b)  
19 shall not be less than the statewide average tariff rates set  
20 forth by the local exchange telecommunications companies in  
21 the tariffs filed with the Public Service Commission on  
22 January 1, 1995, and on January 1 of each year thereafter for  
23 the equivalent services subject to the provisions of this  
24 section. The Public Service Commission shall publish the  
25 statewide average tariff rates for commonly used services  
26 annually, beginning on January 1, 1996.

27 Section 9. Subsection (12) of section 364.02, Florida  
28 Statutes, is amended to read:

29 364.02 Definitions.--As used in this chapter:

30 (12) "Telecommunications company" includes every  
31 corporation, partnership, and person and their lessees,

1 trustees, or receivers appointed by any court whatsoever, and  
2 every political subdivision in the state, offering two-way  
3 telecommunications service to the public for hire within this  
4 state by the use of a telecommunications facility. The term  
5 "telecommunications company" does not include:

6 (a) An entity which provides a telecommunications  
7 facility exclusively to a certificated telecommunications  
8 company;~~7~~

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

13 (c) A commercial mobile radio service provider;~~7~~

14 (d) A facsimile transmission service;~~7~~

15 (e) A private computer data network company not  
16 offering service to the public for hire;~~7~~or

17 (f) A cable television company providing cable service  
18 as defined in 47 U.S.C. s. 522.

19

20 However, each commercial mobile radio service provider shall  
21 continue to be liable for any taxes imposed pursuant to  
22 chapters 203 and 212 and any fees assessed pursuant to s.  
23 364.026 ~~364.025~~.

24 Section 10. Effective January 1, 1999, section  
25 364.336, Florida Statutes, is amended to read:

26 364.336 Regulatory assessment fees.--Notwithstanding  
27 any provisions of law to the contrary, each telecommunications  
28 company licensed or operating under this chapter, for any part  
29 of the preceding 6-month period, shall pay to the commission,  
30 within 30 days following the end of each 6-month period, a fee  
31 that may not exceed 0.25 percent annually of its gross

1 operating revenues derived from intrastate business, except,  
2 for purposes of this section and the fee specified in s.  
3 350.113(3), any amount paid to another telecommunications  
4 company for the use of any telecommunications network shall be  
5 deducted from the gross operating revenue for purposes of  
6 computing the fee due. Differences, if any, between the amount  
7 paid in any 6-month period and the amount actually determined  
8 by the commission to be due shall, upon motion by the  
9 commission, be immediately paid or refunded. Fees under this  
10 section may not be less than \$50 annually. Such fees shall be  
11 deposited in accordance with s. 350.113. The commission may  
12 by rule establish criteria for payment of the regulatory  
13 assessment fee on an annual basis rather than on a semiannual  
14 basis.

15 Section 11. Subsections (2) and (4) of section  
16 364.337, Florida Statutes, are amended to read:

17 364.337 Alternate local exchange telecommunications  
18 companies; intrastate interexchange telecommunications  
19 services; certification.--

20 (2) Rules adopted by the commission governing the  
21 provision of alternative local exchange telecommunications  
22 service shall be consistent with s. 364.01. The basic local  
23 telecommunications service provided by an alternative local  
24 exchange telecommunications company must include access to  
25 operator services, "911" services, and relay services for the  
26 hearing impaired. An alternative local exchange  
27 telecommunications company's "911" service shall be provided  
28 at a level equivalent to that provided by the local exchange  
29 telecommunications company serving the same area. There shall  
30 be a flat-rate pricing option for basic local  
31 telecommunications services, and mandatory measured service

1 for basic local telecommunications services shall not be  
2 imposed. A certificated alternative local exchange  
3 telecommunications company may petition the commission for a  
4 waiver of some or all of the requirements of this chapter,  
5 except ss. 364.16, 364.336, and subsections (1) and (5). The  
6 commission may grant such petition if determined to be in the  
7 public interest. In no event shall alternative local exchange  
8 telecommunications companies be subject to the requirements of  
9 ss. 364.03, 364.035, 364.037, 364.05, 364.055, 364.14, 364.17,  
10 364.18, and 364.3381.

11 (4) Rules adopted by the commission governing the  
12 provision of intrastate interexchange telecommunications  
13 service shall be consistent with s. 364.01. A certificated  
14 intrastate interexchange telecommunications company may  
15 petition the commission for a waiver for some or all of the  
16 requirements of this chapter, except s. 364.16, s. 364.335(3),  
17 or subsection (5). The commission may grant such petition if  
18 determined to be in the public interest. In no event shall  
19 intrastate interexchange telecommunications companies be  
20 subject to the requirements of ss. 364.03, 364.035, 364.037,  
21 364.05, 364.055, 364.14, 364.17, 364.18, ~~364.183(1)~~, and  
22 364.3381.

23 Section 12. Paragraph (b) of subsection (3) and  
24 subsection (5) of section 364.339, Florida Statutes, are  
25 amended to read:

26 364.339 Shared tenant service; regulation by  
27 commission; certification; limitation as to designated  
28 carriers.--

29 (3)

30 (b) As provided in subsection (4)~~(3)~~, the commission  
31 may authorize such service notwithstanding the provisions of



1 s. 364.335. The commission may prescribe the type, extent,  
2 and conditions under which such service may be provided and  
3 may exempt such service, except appropriate certification,  
4 from commission regulation.

5 (5) The offering of shared tenant service shall not  
6 interfere with or preclude a residential or commercial  
7 tenant's right to obtain direct access to the lines and  
8 services of the ~~serving local exchange~~ telecommunications  
9 company or the right of the ~~serving local exchange~~  
10 telecommunications company to serve the residential or  
11 commercial tenant directly under the terms and conditions of  
12 the commission-approved tariffs.

13 Section 13. Consumer information program required.--

14 (1) By October 1, 1998, each local exchange  
15 telecommunications company shall implement a consumer  
16 information program to inform subscribers concerning the  
17 provisions of this act and the pending changes in their  
18 telephone bill. This program shall include bill inserts and  
19 town hall meetings, with at least two meetings per county  
20 being held prior to January 1, 1999. Interexchange carriers  
21 are strongly encouraged to participate in the town hall  
22 meetings in areas where they provide service. The program may  
23 also include civic organization and media presentations.

24 (2) By January 1, 1999, the Florida Public Service  
25 Commission shall expand its current consumer information  
26 program to inform consumers of their rights as customers of  
27 competitive telecommunications services and shall assist  
28 customers in resolving any billing and service disputes which  
29 the customers are unable to resolve directly with the company.  
30 The commission may, pursuant to this program, require all  
31 telecommunications companies providing local or long distance

1 telecommunications services to develop and provide information  
2 to customers. The commission may specify by rule the types of  
3 information to be developed and the manner by which the  
4 information will be provided to the customers.

5 Section 14. Part III of chapter 364, Florida Statutes,  
6 consisting of sections 364.601, 364.602, 364.603, 364.604, and  
7 364.605, Florida Statutes, is created to read:

8 364.601 Short title.--This part may be cited as the  
9 "Telecommunications Consumer Protection Act."

10 364.602 Definitions.--For purposes of this part:

11 (1) "Billing party" means any telecommunications  
12 company which bills an end user consumer on its own behalf or  
13 on behalf of an originating party pursuant to tariff.

14 (2) "Commission" means the Florida Public Service  
15 Commission.

16 (3) "Customer" means any residential subscriber to  
17 services provided by a telecommunications company.

18 (4) "Originating party" means any person, firm,  
19 corporation or other entity, including a telecommunications  
20 company or a billing clearinghouse, which provides any  
21 telecommunications service to a customer and bills such  
22 customer through a billing party, except any entity  
23 specifically exempted from the definition of  
24 "telecommunications company" at s. 364.02(12).

25 364.603 Methodology for changing telecommunications  
26 provider.--

27 (1) A telecommunications company shall not submit to a  
28 billing party a change order for a customer's basic local  
29 exchange service for a customer's primary interexchange  
30 interLATA or intraLATA carrier generated by outbound  
31

1 telemarketing unless and until the order has been confirmed in  
2 accordance with one of the following procedures:

3 (a) The telecommunications company has obtained the  
4 customer's written authorization in a form that complies with  
5 subsections (5) through (10);

6 (b) The telecommunications company has obtained the  
7 customer's electronic authorization to submit the order that  
8 confirms the information described in subsection (9) to  
9 confirm the authorization. Telecommunications companies  
10 electing to confirm sales electronically shall establish one  
11 or more toll-free telephone numbers exclusively for that  
12 purpose. Calls to the toll-free number or numbers shall  
13 connect a customer to a voice response unit, or similar  
14 mechanism, that automatically records the originating  
15 automatic numbering identification, records the required  
16 information regarding the change of local exchange service or  
17 the primary interexchange interLATA or intraLATA carrier, and  
18 records identifying information about the customer which may  
19 include, but is not limited to, date of birth, social security  
20 number, or personal identification number; or

21 (c) An appropriately qualified and independent third  
22 party operating in a location physically separate from the  
23 telemarketing representative working on behalf of the local  
24 exchange company or interLATA or intraLATA long distance  
25 company, has obtained the customer's oral authorization to  
26 submit the local exchange service or primary interexchange  
27 interLATA or intraLATA carrier change order that confirms and  
28 includes appropriate verification data, such as the customer's  
29 date of birth and social security number.

30 (2) All letters of agency, recordings, or other  
31 evidence of change orders shall be maintained by the

1 soliciting telecommunications company for at least six months  
2 from the date the customer's service is switched. A  
3 customer's change of telecommunications provider shall be  
4 considered valid if verification was performed consistent with  
5 the provisions of this section.

6 (3) Any telecommunications company's telemarketing  
7 solicits a change of a customer's basic local exchange service  
8 or interLATA or intraLATA long distance service must include  
9 the following disclosures:

10 (a) Identification of the telecommunications company  
11 soliciting the change.

12 (b) That the purpose of the call is to solicit a  
13 change of the customer's basic local exchange  
14 telecommunications service or interLATA or intraLATA long  
15 distance service.

16 (c) A description of any charge that may be imposed  
17 upon the customer by any party for processing the basic local  
18 exchange telecommunications or interLATA or intraLATA long  
19 distance service change.

20 (4) Customer requests for other services, such as  
21 travel calling card, or prepaid calling card services, do not  
22 constitute a change in the local exchange or long distance  
23 service provider.

24 (5) A telecommunications company may obtain any  
25 necessary authorization from a customer for a  
26 telecommunications company change by using a letter of agency  
27 pursuant to this section. Any letter of agency that does not  
28 conform with this section is invalid.

29 (6) The letter of agency shall be a separate document  
30 or an easily separable document containing only the  
31 authorizing language described in paragraph (9) whose sole

1 purpose is to authorize a telecommunications company to  
2 initiate a basic local exchange telecommunications service,  
3 intraLATA toll of interLATA toll service carrier change. The  
4 letter of agency must be signed and dated by the subscriber to  
5 the telephone line or lines requesting the telecommunications  
6 company change.

7 (7) The letter of agency shall not be combined with  
8 inducements of any kind on the same document.

9 (8) Notwithstanding subsections (6) and (7), the  
10 letter of agency may be combined with checks that contain only  
11 the required letter of agency language prescribed in  
12 subsection (9) and the necessary information to make the check  
13 a negotiable instrument.

14 (9) At a minimum, the letter of agency must be easily  
15 readable and must contain clear and unambiguous language that  
16 confirms:

17 (a) The customer's billing name and address and each  
18 telephone number to be covered by the telecommunications  
19 company change order.

20 (b) The decision to change the customer's current  
21 telecommunications company from the current telecommunications  
22 company to the prospective telecommunications company and the  
23 type of service, either basic local exchange, intrastate  
24 interLATA long distance, or intrastate intraLATA long  
25 distance.

26 (c) That the customer designates the  
27 telecommunications company to act as the customer's agent for  
28 the telecommunications company change.

29 (d) That the customer understands that the customer  
30 may select only one interLATA carrier, one intraLATA carrier,  
31 and one local exchange carrier for any telephone number. The

1 letter of agency must contain separate statements regarding  
2 the selection of an interLATA carrier, intraLATA carrier, and  
3 local exchange carrier. Any carrier designated as a  
4 telecommunications company must be the carrier directly  
5 setting rates for the customer.

6 (e) That the customer understands that any  
7 telecommunications company selection the customer chooses may  
8 involve a charge to the customer for changing the customer's  
9 telecommunications company, and could involve a charge for  
10 changing back to the original telecommunications company.

11 (10) If any portion of a letter of agency is  
12 translated into another language, then all portions of the  
13 letter of agency must be translated into that language. Every  
14 letter of agency must be translated into the same language as  
15 any promotional materials, oral descriptions, or instructions  
16 provided with the letter of agency.

17 364.604 Remedies.--If the commission determines that  
18 there has been a violation of s. 364.603, the commission  
19 shall, for any presubscription of a customer to the wrong  
20 originating party, require the billing party to credit the  
21 customer the difference between the rates which would have  
22 been charged by its original telecommunications company and  
23 the higher rates of the originating party responsible for the  
24 unauthorized charge. In addition, the customer shall be  
25 changed back to his or her original presubscribed  
26 telecommunications company at no charge. In addition to other  
27 penalties available pursuant to chapter 364, the entire amount  
28 of the charge shall be assessed by the commission and used for  
29 consumer education.

30 364.605 Billing practices.--  
31

1       (1) Each billing party must clearly identify on its  
2 bill the name, mailing address and toll-free number of the  
3 originating party, the telecommunications service, and the  
4 specific charges, taxes, and fees associated with each  
5 telecommunications service. The toll-free number must be  
6 answered by a customer service representative or a voice  
7 response unit. Answers to all inquiries must be provided to  
8 the customer within 24 hours. Each telecommunications carrier  
9 shall have until June 30, 1999, to comply with this  
10 subsection.

11       (2) A customer shall not be liable for any charges for  
12 telecommunications service which the customer did not order or  
13 which were not provided to the customer.

14       (3) Every billing party shall provide a free blocking  
15 option to a customer to block 900 or 976 telephone calls.

16       (4) The commission may, by rule, require that a  
17 billing party shall not disconnect a customer's Lifeline local  
18 service if the charges, taxes and fees applicable to basic  
19 local exchange telecommunications service are paid.

20       Section 15. Subsection (7) of section 364.337, Florida  
21 Statutes, is hereby repealed.

22       Section 16. Except as otherwise provided herein, this  
23 act shall take effect upon becoming a law.

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HOUSE SUMMARY

Provides for universal service support to ensure continued availability of affordable basic local telecommunications service, especially in high-cost and low-income areas. Provides for rebalancing of residential basic telecommunications service rates to achieve revenue self-sufficiency and foster effective competition. Requires local exchange telecommunications companies to implement consumer information programs to notify consumers of the provisions of the act. Creates the "Telecommunications Consumer Protection Act" to provide a methodology for consumers to change telecommunications providers, protect consumers rights, provide remedies for violations of those rights, and establish billing practices requirements. See bill for details.