

By the Committee on Utilities & Communications and  
Representative Arnall

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 determinations  
9           of threshold rates; providing alternatives for  
10          certain companies in establishing universal  
11          support; providing for a third-party  
12          administrator for certain purposes; specifying  
13          criteria for the third-party administrator;  
14          providing for commission oversight of the  
15          third-party administrator for certain purposes;  
16          providing authority for the third-party  
17          administrator to make assessments, receive  
18          payments, make and withhold disbursements, and  
19          bring legal actions for certain purposes;  
20          requiring the third-party administrator to  
21          deposit certain moneys into certain accounts;  
22          providing for compensating the third-party  
23          administrator; providing for reducing  
24          intrastate switched access charges under  
25          certain circumstances; providing for reducing  
26          certain long distance rates under certain  
27          circumstances; requiring the commission to make  
28          certain determinations relating to the  
29          high-cost portion of the universal service  
30          support mechanism; providing definitions;  
31          providing legislative determinations; directing

1 the commission to make determinations relating  
2 to eliminating certain subsidies, realigning  
3 certain rates, and fair and reasonable basic  
4 local telecommunications service rates;  
5 providing criteria; requiring a report to the  
6 Legislature; requiring local exchange companies  
7 to provide certain information to the  
8 commission; requiring the Legislature to make  
9 certain determinations relating to certain  
10 charge reductions; capping certain  
11 telecommunications service rates for Lifeline  
12 subscribers; requiring the provision of  
13 discounted rates for services for certain  
14 subscribers; amending s. 364.163, F.S.;  
15 providing a cap for certain rates; requiring  
16 reductions in certain rates; repealing s.  
17 364.025, F.S., relating to universal service;  
18 providing legislative findings; requiring the  
19 commission to study the provision of  
20 telecommunications service to multi-tenant  
21 environments; requiring a report to the  
22 Legislature; requiring the commission to  
23 conduct workshops; requiring the commission to  
24 consider promotion of a competitive  
25 telecommunications market; amending ss. 166.231  
26 and 203.01, F.S.; requiring the Public Service  
27 Commission to publish certain rates for  
28 commonly used services; amending s. 364.02,  
29 F.S.; revising a definition; amending s.  
30 364.336, F.S.; providing for deducting certain  
31 amounts from gross operating revenues for

1 certain purposes; amending s. 364.337, F.S.;  
2 requiring provision of 911 service at certain  
3 levels; subjecting intrastate interexchange  
4 telecommunications companies to certain access  
5 to records provisions; amending s. 364.339,  
6 F.S.; including residential tenants in shared  
7 tenant service provisions; requiring local  
8 exchange telecommunications companies to  
9 implement consumer information programs;  
10 providing requirements; providing duties of the  
11 Public Service Commission; creating part III of  
12 chapter 364, F.S.; providing a short title;  
13 providing definitions; requiring the commission  
14 to adopt rules to prevent unauthorized changing  
15 of certain services; providing requirements;  
16 providing requirements for billing practices;  
17 repealing s. 364.337(7), F.S., relating to  
18 certain deductions from gross operating  
19 revenues; amending s. 364.051, F.S.; delaying  
20 the date for removing the cap on certain rates;  
21 amending s. 215.311, F.S.; excluding certain  
22 telecommunications payments from a requirement  
23 for deposit into the State Treasury; amending  
24 s. 364.161, F.S.; requiring local exchange  
25 telecommunications companies to timely provide  
26 certain services; requiring the commission to  
27 maintain a file of certain complaints;  
28 requiring inclusion of certain information in  
29 the commission's annual report to the  
30 Legislature on competition; providing effective  
31 dates.

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

2

3 Section 1. Section 364.026, Florida Statutes, is  
4 created to read:

5 364.026 Universal service support.--

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

21 (a) The commission shall, upon notice and after an  
22 opportunity for hearing, determine the amount of support  
23 necessary to provide affordable basic local telecommunications  
24 service to customers in high-cost areas or who are low-income  
25 customers, and establish that amount as the explicit universal  
26 service support requirement. In no event shall the commission  
27 consider the earnings or rate of return of a local exchange  
28 company or its affiliated companies, including its parent  
29 company, in determining the amount of universal service  
30 support or its disbursement.

31

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

10           1. Identifies all costs to provide basic local  
11 telecommunications service on a wire center basis, or a  
12 geographic area smaller than a wire center if there are  
13 significant cost differences within the wire center.

14           2. Includes a reasonable share of forward-looking  
15 joint and common costs.

16           3. Uses investments, expenses, and capital costs  
17 reflective of the most recent experiences.

18           4. Meets generally accepted standards for documenting  
19 and reviewing model logic, including underlying data,  
20 formulae, computations, and software.

21           5. Assures the sources of cost data input are  
22 reasonable, open, and verifiable.

23           6. Meets reasonableness tests to ensure that model  
24 outputs are representative of costs that can be reasonably  
25 expected in the construction of a local network and that the  
26 modeled network is capable of providing telecommunications  
27 services that meet generally accepted service quality  
28 standards.

29  
30 The available high-cost support for a given geographical area  
31 shall be the difference between the cost determined in

1 accordance with this paragraph or paragraph (c) and the  
2 threshold rate. The threshold rate for residential basic local  
3 telecommunications service shall be equal to a rate which, on  
4 a monthly basis, is one-twelfth of 1 percent of the annual  
5 median household income for this state, as reported in the  
6 most recent edition of the Florida Statistical Abstract as  
7 available on January 1, 1998, published by the Bureau of  
8 Economic and Business Research of the University of Florida.  
9 For companies with less than 100,000 access lines in service  
10 on July 1, 1995, the threshold rate for residential basic  
11 local telecommunications service shall be no greater than the  
12 tariffed rate. The threshold rate for Lifeline customers  
13 shall equal the flat rate residential basic local  
14 telecommunications service rate in effect on January 1, 1998.  
15 The minimum threshold rate for single-line business basic  
16 local telecommunications service shall be the higher of the  
17 rate in effect on January 1, 1999, or the threshold rate for  
18 residential basic local telecommunications service. In  
19 determining the intrastate high-cost support amount, the  
20 commission shall deduct from the total high-cost support  
21 amount any explicit universal service support received from  
22 the federal jurisdiction related to high-cost support for  
23 basic local telecommunications service.

24 (c) In determining the high-cost amount pursuant to  
25 paragraph (b), small local exchange telecommunications  
26 companies, which serve less than 100,000 access lines, shall  
27 not be required to use the proxy model determined by the  
28 commission pursuant to paragraph (b) until a mechanism is  
29 implemented by the Federal Government for small companies but  
30 no sooner than January 1, 2001. During that time period, the  
31 calculation of a small local exchange telecommunications

1 company's universal service high-cost support pursuant to  
2 paragraph (b) shall be based on its election of one of the  
3 following options:  
4       1. Adopt a proxy model; or  
5       2. Calculate such costs by including all embedded  
6 investments and expenses incurred by the local exchange  
7 company in the provision of universal service, identifying  
8 high-cost areas within the local exchange area the company  
9 serves, and performing a fully distributed allocation of  
10 embedded costs. Such calculations may be made using fully  
11 distributed costs consistent with 47 C.F.R., sections 32, 36,  
12 and 64. The high-cost area shall be no smaller than a single  
13 exchange, wire center, or census block group, chosen at the  
14 option of the eligible local exchange provider.  
15       (d) The commission shall also ascertain the amount of  
16 support necessary to provide residential basic local  
17 telecommunications service to low-income customers and include  
18 that amount in the universal service support program. Only  
19 those customers who qualify for Lifeline service shall be  
20 considered low-income customers. In order to provide support  
21 for low-income customers, the universal service support amount  
22 shall be the maximum intrastate matching funds for low-income  
23 customers required to enable Lifeline customers to qualify for  
24 the maximum matching federal support as prescribed by the  
25 Federal Communications Commission.  
26       (e) The assessment, receipt, and disbursement  
27 activities required by the universal service support program  
28 established pursuant to this section shall be administered by  
29 an independent third-party administrator to be selected by the  
30 commission in accordance with applicable laws and rules. The  
31

- 1 independent third-party administrator selected by the  
2 commission shall:
- 3 1. Have sufficient experience and personnel to operate  
4 the program in accordance with the provisions of this section.
  - 5 2. Have adequate accounting and computer systems and  
6 programs in place by July 1, 1999, to handle the assessment  
7 and disbursement activities required by this section.
  - 8 3. Have the capability to make the assessments and  
9 disbursements required by this section in a timely manner.
  - 10 4. Have the capability to generate timely, accurate,  
11 monthly reports reflecting the assessment and disbursement  
12 activities required by this section.
  - 13 5. Be subject to audit for any purpose by the  
14 commission or any entity assessed by the third-party  
15 administrator or receiving disbursements from the program,  
16 including whether the third-party administrator is adequately  
17 discharging its duties.
  - 18 6. Not be a trade association, except that the  
19 independently functioning not-for-profit subsidiary of the  
20 National Exchange Carrier Association, known as the Universal  
21 Service Administrative Company, may be selected as temporary  
22 administrator.
- 23 (f) The commission shall, by rule, establish adequate  
24 procedures for overseeing the third-party administrator to  
25 assure that:
- 26 1. The operation of the universal service support  
27 program is competitively neutral.
  - 28 2. The records created by the third-party  
29 administrator are available for public inspection and are  
30 subject to verification that the program is covering all of  
31 the costs as described in paragraphs (a), (b), (c), and (d).



1           3. The program is not recovering any of the costs and  
2 expenses of any government program or project required by part  
3 II.

4           4. The program is otherwise being operated in the  
5 public interest and in accordance with the purposes of this  
6 act.

7  
8 The third-party administrator shall have such authority as is  
9 necessary to operate the program in order to accomplish the  
10 purposes of this act, including, but not limited to, the  
11 authority to make assessments, receive payments, make  
12 disbursements, withhold disbursements from any entity that is  
13 delinquent in paying its assessment made in accordance with  
14 paragraph (g), and to bring legal actions in its own name to  
15 collect such delinquent assessments. The third-party  
16 administrator shall place all moneys paid by the  
17 telecommunications carriers in a separate interest-bearing  
18 account of a qualified public depository as defined at s.  
19 280.02(16). The third-party administrator shall be  
20 compensated from the earnings from such account, but if such  
21 earnings are insufficient, compensation shall be treated as a  
22 cost of the program to be recovered from the program.

23           (g) The intrastate universal service support  
24 requirement established in accordance with this section shall  
25 be assessed on a monthly basis to each telecommunications  
26 carrier providing retail intrastate telecommunications  
27 services. The monthly amount assessed by the third-party  
28 administrator shall be based upon each provider's relative  
29 share of all intrastate retail end user telecommunications  
30 revenues generated by or billed to end users in the state.  
31 The monthly assessment shall be based on 6 months of data and

1 shall be adjusted semi-annually. If a telecommunications  
2 provider's annual contribution would be less than \$10,000, the  
3 provider shall not be required to contribute to the program  
4 for that year. For wireless providers, intrastate retail end  
5 user telecommunications revenues shall include only revenues  
6 from the monthly basic service charge and from intrastate  
7 calls originated on the wireless provider's network.

8 (h) The amounts collected by the third-party  
9 administrator shall be disbursed to local exchange  
10 telecommunications companies, or other eligible  
11 telecommunications carriers, providing basic local  
12 telecommunications service based upon criteria to be  
13 established by the commission by rule. The criteria  
14 established by the commission shall provide the third-party  
15 administrator with sufficient guidance to make certain that  
16 any disbursements made pursuant to this section are portable  
17 only to eligible telecommunications carriers, are made on a  
18 monthly basis, are made in a competitively neutral manner, and  
19 are otherwise consistent with the purposes of this act. In no  
20 event shall such criteria include a means or an earnings or a  
21 rate of return test, except any local exchange  
22 telecommunications company with more than 3 million access  
23 lines in service on July 1, 1995, may instead reduce the  
24 prices of its other services currently providing implicit  
25 universal service support.

26 (i) Any local exchange telecommunications company  
27 receiving universal service support from the program shall  
28 reduce the prices of its intrastate switched access services  
29 by the net amount of support received from the universal  
30 service support program.

31

1       (j) The local exchange telecommunications company  
2 shall remain the carrier of last resort for its service area  
3 until another telecommunications carrier qualifies as an  
4 eligible telecommunications carrier for that service area.

5       (2) Any interexchange telecommunications company whose  
6 intrastate switched access expenses are reduced as a result of  
7 the access charge decreases made by a local exchange  
8 telecommunications company in accordance with subsection (1)  
9 shall, as soon as practicable, decrease its intrastate long  
10 distance rates by the amount necessary to return the benefits  
11 of such reduction to its customers, but shall not reduce per  
12 minute intraLATA toll rates by a percentage greater than the  
13 per minute intrastate switched access rate reductions required  
14 by this act. The amount of the long distance reduction shall  
15 be net of the interexchange telecommunications company's  
16 universal service support assessment required by this section.  
17 Provided residential and business customers benefit from the  
18 rate decreases, the specific rates to be decreased shall be  
19 within the discretion of the interexchange telecommunications  
20 carrier.

21       (3) The commission shall, by January 1, 2003,  
22 determine the need for and size of the high-cost portion of  
23 the universal service support mechanism for the period after  
24 July 1, 2003, for any eligible carrier or for any local  
25 exchange telecommunications company with more than 100,000  
26 access lines in service as of July 1, 1995. The low-income  
27 portion of such mechanism shall be permanent. In making its  
28 determination, the commission shall review the cost of  
29 providing service in high-cost areas and the appropriate  
30 threshold rate. In no event shall the size of the high-cost  
31

1 support after July 1, 2003, be any greater than the size of  
2 the support for the period prior to July 1, 2003.

3 (4) For purposes of this section:

4 (a) "Universal service" includes single-party voice  
5 grade basic local telecommunications service which provides  
6 access to the public switched network and dual tone  
7 multi-frequency signaling or its functional equivalent,  
8 together with access to emergency, operator, interexchange,  
9 directory assistance, and, where required, toll blocking  
10 services.

11 (b) "Telecommunications carrier" means any provider of  
12 telecommunications services, except such term does not include  
13 a cable television company providing cable service as defined  
14 in 47 U.S.C. s. 522 and Internet service providers. A  
15 telecommunications carrier shall be treated as a common  
16 carrier only to the extent that it is engaged in providing  
17 telecommunications services. The term "telecommunications  
18 carrier" includes commercial mobile radio service providers  
19 and interexchange carriers.

20 (c) "Eligible telecommunications carrier" means a  
21 carrier that:

22 1. Meets the requirements of s. 214(e) of the  
23 Communications Act of 1934, as amended by the  
24 Telecommunications Act of 1996 (47 U.S.C. 214). A carrier may  
25 meet the eligibility requirements of s. 214(e) of such act  
26 regardless of the technology used by the carrier.

27 2. Offers primary residential basic local  
28 telecommunications service at fair and reasonable rates to all  
29 consumers throughout the service area for which eligible  
30 telecommunications carrier designation is requested, except  
31 commercial mobile radio service providers operating under

1 licenses from the Federal Communications Commission are exempt  
2 from the requirements of this subparagraph.

3 (d) "Telecommunications service" is defined as  
4 provided in the Communications Act of 1934, as amended by the  
5 Telecommunications Act of 1996.

6 Section 2. Public Service Commission review.--

7 (1) The Legislature has determined that, in this  
8 state, residential basic local telecommunications service  
9 rates may be currently priced below cost and may be a barrier  
10 to competition in that market and that residential basic local  
11 telecommunications service rates may be subsidized  
12 significantly by intrastate switched access charges.

13 Therefore, the Public Service Commission is directed to  
14 determine, after notice and an opportunity for hearing, the  
15 extent to which these subsidies can be eliminated and the  
16 extent to which the rates for these services may be realigned.

17 (2)(a) Notwithstanding any price caps specified in s.  
18 364.051, Florida Statutes, the commission shall, by February  
19 15, 1999, determine, and report to the Legislature, the fair  
20 and reasonable Florida residential basic local  
21 telecommunications service rate considering affordability,  
22 comparable residential basic local telecommunications service  
23 rates in other states, and the cost of providing residential  
24 basic local exchange telecommunication services in this state.  
25 In determining the fair and reasonable rate, the commission  
26 shall hold at least one public hearing in the service  
27 territory for each local exchange telecommunications company,  
28 as determined by the chairperson to be needed in order to  
29 elicit public testimony about such rates.

30 (b) The local exchange companies shall provide to the  
31 commission by August 1, 1998, cost data and analysis as

1 prescribed by the commission that supports the cost of  
2 providing residential basic local exchange telecommunications  
3 service in their service area. The commission and all  
4 intervenors shall have access to the records of each local  
5 exchange company and its affiliates for the purpose of  
6 verifying the submitted cost data and analysis.

7 (3) Considering the provisions of subsections (1) and  
8 (2), the 1999 Legislature shall determine the extent and  
9 timing of any possible switched access charge reductions in  
10 addition to the reductions provided for in s. 364.163, Florida  
11 Statutes.

12 Section 3. Lifeline subscribers' residential basic  
13 local telecommunications service rates shall be capped at the  
14 Lifeline rate in effect on January 1, 1998. Each local  
15 exchange telecommunications company shall offer discounted  
16 residential basic local telecommunications service at 70  
17 percent of the residential local telecommunications service  
18 rate for any Lifeline subscriber who no longer qualifies for  
19 Lifeline. A Lifeline subscriber who requests such service  
20 shall receive the discounted price for a period of 1 year  
21 after the date the subscriber ceases to be qualified for  
22 Lifeline. In no event shall this preclude the offering of any  
23 other discounted services which comply with ss. 364.08,  
24 364.09, and 364.10.

25 Section 4. Subsections (1) and (6) of section 364.163,  
26 Florida Statutes, are amended to read:

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

1 the local exchange telecommunications network, excluding the  
2 local interconnection arrangements in s. 364.16 and the resale  
3 arrangements in s. 364.161. Each local exchange  
4 telecommunications company subject to s. 364.051 shall  
5 maintain tariffs with the commission containing the terms,  
6 conditions, and rates for each of its network access services.

7 (1) Effective January 1, 1999 ~~1996~~, the rates for  
8 switched network access services of each company subject to  
9 this section shall be capped at the rates in effect on January  
10 1, 1999 ~~July 1, 1995~~, and shall remain capped until January 1,  
11 2001 ~~1999~~. Upon the date of filing its election with the  
12 commission, the network access service rates of a company that  
13 elects to become subject to this section shall be capped at  
14 the rates in effect on that date and shall remain capped for 5  
15 ~~3~~ years.

16 (6) Any local exchange telecommunications company with  
17 more than 100,000, but fewer than 3 million, basic local  
18 telecommunications service access lines in service on July 1,  
19 1995 ~~whose current intrastate switched access rates are higher~~  
20 ~~than its interstate switched access rates in effect on~~  
21 ~~December 31, 1994~~, shall reduce its intrastate switched access  
22 rates by 5 percent on July, 1998, and by 10 percent on  
23 annually beginning October 1, 1998 ~~1996~~. Any further  
24 reductions in intrastate switched access rates after October  
25 1, 1998, shall be solely as determined by s. 364.026(2) or s.  
26 364.053(3). ~~Any such company shall be relieved of this~~  
27 ~~requirement if it reduces such rates by a greater percentage~~  
28 ~~by the relevant date or earlier, taking into account any~~  
29 ~~reduction made pursuant to Order No. PSC 94-0172-FOF-TL of the~~  
30 ~~Public Service Commission. Upon reaching parity between~~  
31 ~~intrastate and 1994 interstate switched access rates, no~~

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

11 Section 5. Section 364.025, Florida Statutes, is  
12 hereby repealed.

13 Section 6. The Legislature has determined that access  
14 to tenants by certificated telecommunications companies may be  
15 an important component in the promotion of competition in the  
16 delivery of telecommunications services in this state.  
17 Therefore, the Florida Public Service Commission shall study  
18 issues associated with telecommunications companies serving  
19 customers in multi-tenant environments and shall report the  
20 results of such study, including policy recommendations, to  
21 the Legislature by January 15, 1999. As part of this study,  
22 the commission shall hold publicly noticed workshops and shall  
23 consider the promotion of a competitive telecommunications  
24 market, consistent with any applicable federal requirements,  
25 landlord property rights, rights of tenants, and other  
26 considerations developed through the workshop process and  
27 commission research.

28 Section 7. Paragraph (d) of subsection (9) of section  
29 166.231, Florida Statutes, is amended to read:

30 166.231 Municipalities; public service tax.--  
31



1           (9) A municipality may levy a tax on the purchase of  
2 telecommunication services as defined in s. 203.012 as  
3 follows:

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

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

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

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

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

11 Section 8. Paragraph (c) of subsection (9) of section  
12 203.01, Florida Statutes, is amended to read:

13 203.01 Tax on gross receipts for utility services.--  
14 (9)

15 (c) The amounts identified as taxable in paragraph (b)  
16 shall not be less than the statewide average tariff rates set  
17 forth by the local exchange telecommunications companies in  
18 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 the provisions of this  
21 section. The Public Service Commission shall publish the  
22 statewide average tariff rates for commonly used services  
23 annually, beginning on January 1, 1996.

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

26 364.02 Definitions.--As used in this chapter:

27 (12) "Telecommunications company" includes every  
28 corporation, partnership, and person and their lessees,  
29 trustees, or receivers appointed by any court whatsoever, and  
30 every political subdivision in the state, offering two-way  
31 telecommunications service to the public for hire within this

1 state by the use of a telecommunications facility. The term  
2 "telecommunications company" does not include:

3 (a) An entity which provides a telecommunications  
4 facility exclusively to a certificated telecommunications  
5 company;~~7~~

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

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

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

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

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

16

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

21 Section 10. Effective January 1, 1999, section  
22 364.336, Florida Statutes, is amended to read:

23 364.336 Regulatory assessment fees.--Notwithstanding  
24 any provisions of law to the contrary, each telecommunications  
25 company licensed or operating under this chapter, for any part  
26 of the preceding 6-month period, shall pay to the commission,  
27 within 30 days following the end of each 6-month period, a fee  
28 that may not exceed 0.25 percent annually of its gross  
29 operating revenues derived from intrastate business, except,  
30 for purposes of this section and the fee specified in s.  
31 350.113(3), any amount paid to another telecommunications

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

12 Section 11. Subsections (2) and (4) of section  
13 364.337, Florida Statutes, are amended to read:

14 364.337 Alternate local exchange telecommunications  
15 companies; intrastate interexchange telecommunications  
16 services; certification.--

17 (2) Rules adopted by the commission governing the  
18 provision of alternative local exchange telecommunications  
19 service shall be consistent with s. 364.01. The basic local  
20 telecommunications service provided by an alternative local  
21 exchange telecommunications company must include access to  
22 operator services, "911" services, and relay services for the  
23 hearing impaired. An alternative local exchange  
24 telecommunications company's "911" service shall be provided  
25 at a level equivalent to that provided by the local exchange  
26 telecommunications company serving the same area.There shall  
27 be a flat-rate pricing option for basic local  
28 telecommunications services, and mandatory measured service  
29 for basic local telecommunications services shall not be  
30 imposed. A certificated alternative local exchange  
31 telecommunications company may petition the commission for a

1 waiver of some or all of the requirements of this chapter,  
2 except ss. 364.16, 364.336, and subsections (1) and (5). The  
3 commission may grant such petition if determined to be in the  
4 public interest. In no event shall alternative local exchange  
5 telecommunications companies be subject to the requirements of  
6 ss. 364.03, 364.035, 364.037, 364.05, 364.055, 364.14, 364.17,  
7 364.18, and 364.3381.

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

20 Section 12. Paragraph (b) of subsection (3) and  
21 subsection (5) of section 364.339, Florida Statutes, are  
22 amended to read:

23 364.339 Shared tenant service; regulation by  
24 commission; certification; limitation as to designated  
25 carriers.--

26 (3)

27 (b) As provided in subsection (4) ~~(3)~~, the commission  
28 may authorize such service notwithstanding the provisions of  
29 s. 364.335. The commission may prescribe the type, extent,  
30 and conditions under which such service may be provided and  
31

1 may exempt such service, except appropriate certification,  
2 from commission regulation.

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

11 Section 13. Consumer information program required.--

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

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

1 information to be developed and the manner by which the  
2 information will be provided to the customers.

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

6 364.601 Short title.--This part may be cited as the  
7 "Telecommunications Consumer Protection Act."

8 364.602 Definitions.--For purposes of this part:

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

12 (2) "Commission" means the Florida Public Service  
13 Commission.

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

16 (4) "Originating party" means any person, firm,  
17 corporation, or other entity, including a telecommunications  
18 company or a billing clearinghouse, which provides any  
19 telecommunications service to a customer or bills such  
20 customer through a billing party, except the term "originating  
21 party" does not include any entity specifically exempted from  
22 the definition of "telecommunications company" as provided in  
23 s. 364.02(12).

24 364.603 Methodology for changing telecommunications  
25 provider.--

26 (1) The commission shall adopt rules to prevent the  
27 unauthorized changing of a customer's telecommunications  
28 service. Such rules shall be consistent with the  
29 Telecommunications Act of 1996, provide for specific  
30 verification methodologies, provide for the notification to  
31 customers of the ability to freeze the customer's choice of

1 carriers at no charge, allow for a customer's change to be  
2 considered valid if verification was performed consistent with  
3 commission's rules, provide for remedies for violations of the  
4 rules that will make whole an affected customer, and allow for  
5 the imposition of other penalties available in chapter 364.

6 364.604 Billing practices.--

7 (1) Each billing party must clearly identify on its  
8 bill the name and toll-free number of the originating party,  
9 the telecommunications service, and the specific charges,  
10 taxes, and fees associated with each telecommunications  
11 service. The originating party is responsible or providing the  
12 billing party with all required information. The toll-free  
13 number of the originating party or its agent must be answered  
14 by a customer service representative or a voice response unit.  
15 If the customer reaches a voice response unit, the originating  
16 party or its agent must initiate a response to a customer  
17 inquiry within 24 hours, excluding weekends and holidays.  
18 Each telecommunications carrier shall have until June 30,  
19 1999, to comply with this subsection.

20 (2) A customer shall not be liable for any charges for  
21 telecommunications service which the customer did not order or  
22 which were not provided to the customer.

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

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

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

31



1           Section 16. Paragraph (a) of subsection (2) and  
2 paragraph (a) of subsection (6) of section 364.051, Florida  
3 Statutes, are amended to read:

4           364.051 Price regulation.--

5           (2) BASIC LOCAL TELECOMMUNICATIONS SERVICE.--Price  
6 regulation of basic local telecommunications service shall  
7 consist of the following:

8           (a) Effective January 1, 1996, the rates for basic  
9 local telecommunications service of each company subject to  
10 this section shall be capped at the rates in effect on July 1,  
11 1995, and such rates shall not be increased prior to January  
12 1, 2000 ~~1999~~. However, the basic local telecommunications  
13 service rates of a local exchange telecommunications company  
14 with more than 3 million basic local telecommunications  
15 service access lines in service on July 1, 1995, shall not be  
16 increased prior to January 1, 2001.

17           (6) NONBASIC SERVICES.--Price regulation of nonbasic  
18 services shall consist of the following:

19           (a) Each company subject to this section shall  
20 maintain tariffs with the commission containing the terms,  
21 conditions, and rates for each of its nonbasic services, and  
22 may set or change, on 15 days' notice, the rate for each of  
23 its nonbasic services, except that a price increase for any  
24 nonbasic service category shall not exceed 6 percent within a  
25 12-month period until there is another provider providing  
26 local telecommunications service in an exchange area at which  
27 time the price for any nonbasic service category may be  
28 increased in an amount not to exceed 20 percent within a  
29 12-month period, and the rate shall be presumptively valid.  
30 However, for purposes of this subsection, the prices of:  
31

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

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

10  
11 shall be capped at the rates in effect on July 1, 1995, and  
12 such rates shall not be increased prior to January 1, 2000  
13 ~~1999~~; provided, however, that a petition to increase such  
14 rates may be filed pursuant to subsection (5) utilizing the  
15 standards set forth therein. There shall be a flat-rate  
16 pricing option for multi-line business local exchange service,  
17 and mandatory measured service for multi-line business local  
18 exchange service shall not be imposed. Nothing contained in  
19 this section shall prevent the local exchange  
20 telecommunications company from meeting offerings by any  
21 competitive provider of the same, or functionally equivalent,  
22 nonbasic services in a specific geographic market or to a  
23 specific customer by deaveraging the price of any nonbasic  
24 service, packaging nonbasic services together or with basic  
25 services, using volume discounts and term discounts, and  
26 offering individual contracts. However, the local exchange  
27 telecommunications company shall not engage in any  
28 anticompetitive act or practice, nor unreasonably discriminate  
29 among similarly situated customers.

30           Section 17. Section 215.311, Florida Statutes, is  
31 amended to read:

1           215.311 State funds; exceptions.--The provisions of s.  
2 215.31 shall not apply to:

3           (a) Funds collected by and under the direction and  
4 supervision of the Division of Blind Services of the  
5 Department of Labor and Employment Security as provided under  
6 ss. 413.011, 413.041, and 413.051; however, nothing in this  
7 section shall be construed to except from the provisions of s.  
8 215.31 any appropriations made by the state to the division;  
9 or

10           (b) Any universal service support assessment payments  
11 collected from telecommunications carriers by an independent  
12 third-party administrator, selected and overseen by the  
13 Florida Public Service Commission, to fund disbursement of  
14 universal service support amounts to eligible  
15 telecommunications carriers pursuant to s. 364.026.

16           Section 18. Subsection (4) is added to section  
17 364.161, Florida Statutes, to read:

18           364.161 Unbundling and resale.--

19           (4) A local exchange telecommunications company shall  
20 provide unbundled network elements, services for resale,  
21 requested repairs, and necessary support services in a timely  
22 manner. The Public Service Commission shall maintain a file  
23 of all complaints by alternative local exchange  
24 telecommunications companies against local exchange  
25 telecommunications companies regarding timeliness and adequacy  
26 of service. This information, including how and when each  
27 complaint was resolved, shall be included with the  
28 commission's annual report to the Legislature on competition.

29           Section 19. Except as otherwise provided herein, this  
30 act shall take effect upon becoming a law.

31