

Amendment No. ____ (for drafter's use only)

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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ORIGINAL STAMP BELOW

Representative(s) Rojas offered the following:

Amendment to Senate Amendment (935754) (with title amendment)

On page 1, line 17, through page 8, line 15
remove from the amendment: all of said lines

and insert in lieu thereof:

Section 1. Section 364.025, Florida Statutes, 1998 Supplement, is amended to read:

364.025 Universal service.--

(1) For the purposes of this section, the term "universal service" means an evolving level of access to telecommunications services that, taking into account advances in technologies, services, and market demand for essential services, the commission determines should be provided at just, reasonable, and affordable rates to customers, including those in rural, economically disadvantaged, and high-cost areas. It is the intent of the Legislature that universal service objectives be maintained after the local exchange market is opened to competitively provided services. It is

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1 also the intent of the Legislature that during this transition
2 period the ubiquitous nature of the local exchange
3 telecommunications companies be used to satisfy these
4 objectives. For a period of 5 ~~4~~ years after January 1, 1996,
5 each local exchange telecommunications company shall be
6 required to furnish basic local exchange telecommunications
7 service within a reasonable time period to any person
8 requesting such service within the company's service
9 territory.

10 (2) The Legislature finds that each telecommunications
11 company should contribute its fair share to the support of the
12 universal service objectives and carrier-of-last-resort
13 obligations. For a transitional period not to exceed January
14 1, 2001 ~~2000~~, an interim mechanism for maintaining universal
15 service objectives and funding carrier-of-last-resort
16 obligations shall be established by the commission, pending
17 the implementation of a permanent mechanism. The interim
18 mechanism shall be applied in a manner that ensures that each
19 alternative local exchange telecommunications company
20 contributes its fair share to the support of universal service
21 and carrier-of-last-resort obligations. The interim mechanism
22 applied to each alternative local exchange telecommunications
23 company shall reflect a fair share of the local exchange
24 telecommunications company's recovery of investments made in
25 fulfilling its carrier-of-last-resort obligations, and the
26 maintenance of universal service objectives. The commission
27 shall ensure that the interim mechanism does not impede the
28 development of residential consumer choice or create an
29 unreasonable barrier to competition. In reaching its
30 determination, the commission shall not inquire into or
31 consider any factor that is inconsistent with s.

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1 364.051(1)(c). The costs and expenses of any government
2 program or project required in part II of this chapter shall
3 not be recovered under this section.

4 (3) In the event any party, prior to January 1, 2001
5 ~~2000~~, believes that circumstances have changed substantially
6 to warrant a change in the interim mechanism, that party may
7 petition the commission for a change, but the commission shall
8 grant such petition only after an opportunity for a hearing
9 and a compelling showing of changed circumstances, including
10 that the provider's customer population includes as many
11 residential as business customers. The commission shall act
12 on any such petition within 120 days.

13 (4)(a) Prior to January 1, 2001 ~~the expiration of this~~
14 ~~4-year period~~, the Legislature shall establish a permanent
15 universal service mechanism upon the effective date of which
16 any interim recovery mechanism for universal service
17 objectives or carrier-of-last-resort obligations imposed on
18 alternative local exchange telecommunications companies shall
19 terminate.

20 (b) To assist the Legislature in establishing a
21 permanent universal service mechanism, the commission, by
22 February 15, 1999, shall determine and report to the President
23 of the Senate and the Speaker of the House of Representatives
24 the total forward-looking cost, based upon the most recent
25 commercially available technology and equipment and generally
26 accepted design and placement principles, of providing basic
27 local telecommunications service on a basis no greater than a
28 wire center basis using a cost proxy model to be selected by
29 the commission after notice and opportunity for hearing.

30 (c) In determining the cost of providing basic local
31 telecommunications service for small local exchange

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1 telecommunications companies, which serve less than 100,000
2 access lines, the commission shall not be required to use the
3 cost proxy model selected pursuant to paragraph (b) until a
4 mechanism is implemented by the Federal Government for small
5 companies, but no sooner than January 1, 2001. The commission
6 shall calculate a small local exchange telecommunications
7 company's cost of providing basic local telecommunications
8 services based on one of the following options:

- 9 1. A different proxy model; or
- 10 2. A fully distributed allocation of embedded costs,
11 identifying high-cost areas within the local exchange area the
12 company serves and including all embedded investments and
13 expenses incurred by the company in the provision of universal
14 service. Such calculations may be made using fully distributed
15 costs consistent with 47 C.F.R. ss. 32, 36, and 64. The
16 geographic basis for the calculations shall be no smaller than
17 a census block group.

18 (d) The commission, by February 15, 1999, shall
19 determine and report to the President of the Senate and the
20 Speaker of the House of Representatives the amount of support
21 necessary to provide residential basic local
22 telecommunications service to low-income customers. For
23 purposes of this section, low-income customers are customers
24 who qualify for Lifeline service as defined in s. 364.10(2).

25 (5) After January 1, 2001 ~~2000~~, an alternative local
26 exchange telecommunications company may petition the
27 commission to become the universal service provider and
28 carrier of last resort in areas requested to be served by that
29 alternative local exchange telecommunications company. Upon
30 petition of an alternative local exchange telecommunications
31 company, the commission shall have 120 days to vote on

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1 granting in whole or in part or denying the petition of the
 2 alternative local exchange company. The commission may
 3 establish the alternative local exchange telecommunications
 4 company as the universal service provider and carrier of last
 5 resort, provided that the commission first determines that the
 6 alternative local exchange telecommunications company will
 7 provide high-quality, reliable service. In the order
 8 establishing the alternative local exchange telecommunications
 9 company as the universal service provider and carrier of last
 10 resort, the commission shall set the period of time in which
 11 such company must meet those objectives and obligations and
 12 shall set up any mechanism needed to aid such company in
 13 carrying out these duties.

14 Section 2. Subsection (10) is added to section
 15 337.401, Florida Statutes, 1998 Supplement, to read:

16 337.401 Use of right-of-way for utilities subject to
 17 regulation; permit; fees.--

18 (10) This section, except subsections (1), (2), and
 19 (6), does not apply to the provision of pay telephone service
 20 on public or municipal roads or rights-of-way.

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 22

23 ===== T I T L E A M E N D M E N T =====

24 And the title is amended as follows:

25 On page 20, lines 12-20 of the amendment
 26 remove: all said lines

27

28 and insert in lieu thereof:

29 s. 364.025, F.S.; extending the interim
 30 mechanism for maintaining universal service
 31 objectives and carrier-of-last-resort

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1 obligations until a specified date; amending s.
2 337.401; F.S.; specifying that specified
3 provisions do not apply to the provision of pay
4 telephone service on public or municipal roads
5 or rights-of-way;
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