

By Senator McKay

26-1029A-00

See HB 4013

1 A bill to be entitled
2 An act relating to the Florida Statutes;
3 repealing or deleting various statutory
4 provisions that have become obsolete, have had
5 their effect, have served their purpose, or
6 have been impliedly repealed or superseded;
7 repealing s. 363.01, F.S., relating to rates
8 charged by telegraph and cable companies;
9 repealing s. 364.025(4)(d), F.S., relating to a
10 report on the amount of support necessary to
11 provide residential basic local
12 telecommunications service to low-income
13 customers; amending s. 364.051, F.S.; deleting
14 provisions relating to a report on the need to
15 extend price caps for basic local
16 telecommunications service; correcting a
17 cross-reference; amending s. 364.052, F.S.;
18 deleting obsolete deadlines relating to
19 regulation of small local exchange
20 telecommunications companies; repealing s.
21 364.057(3), F.S., relating to a limited period
22 of authorization for two-way, intrastate,
23 residential communications services for testing
24 marketing strategies or technical feasibility;
25 amending s. 364.162, F.S.; deleting obsolete
26 provisions relating to certain applicants to
27 become an alternative local exchange
28 telecommunications company; amending s. 364.16,
29 F.S.; conforming a cross-reference; repealing
30 s. 364.245(1), F.S., relating to findings with
31 respect to the use of telecommunications

1 services for unlawful purposes; repealing s.
2 365.15, F.S., relating to emergency calls over
3 party lines; amending s. 365.171, F.S.;
4 deleting findings relating to the statewide
5 emergency telephone number "911" plan; amending
6 s. 427.704, F.S.; deleting an obsolete deadline
7 for designation of the administrator of the
8 telecommunications access system; amending s.
9 427.705, F.S.; deleting an obsolete deadline
10 for such administrator to assume responsibility
11 for distribution of specialized
12 telecommunications devices; providing an
13 effective date.

14
15 Be It Enacted by the Legislature of the State of Florida:

16
17 Section 1. Section 363.01, Florida Statutes, is
18 repealed.

19 Section 2. Paragraph (d) of subsection (4) of section
20 364.025, Florida Statutes, is repealed.

21 Section 3. Subsections (3), (4), (5), and (6) of
22 section 364.051, Florida Statutes, are amended to read:

23 364.051 Price regulation.--

24 ~~(3)(a) By December 1, 1997, the commission shall~~
25 ~~report and recommend on an exchange by exchange basis to the~~
26 ~~Legislature as to whether there is a need to extend the caps~~
27 ~~provided for in paragraphs (2)(a) and (b) for basic local~~
28 ~~telecommunications service prices, or whether there is some~~
29 ~~other means, excluding rate of return regulation, to ensure~~
30 ~~reasonable and affordable rates for basic local~~
31 ~~telecommunications service.~~

1 ~~(b) In making the determination as to whether price~~
2 ~~caps are needed to ensure reasonable and affordable rates for~~
3 ~~basic local telecommunications service provided by a local~~
4 ~~exchange telecommunications company with less than 3 million~~
5 ~~basic local telecommunications service access lines in service~~
6 ~~on July 1, 1995, the commission shall consider whether the~~
7 ~~level of competition in the area justifies the elimination of~~
8 ~~price caps.~~

9 ~~(c) The Legislature shall review the commission's~~
10 ~~report submitted pursuant to paragraph (a) and determine~~
11 ~~whether there is a continuing need for basic local~~
12 ~~telecommunications service prices to remain capped. Unless~~
13 ~~the Legislature acts to the contrary, the caps shall remain in~~
14 ~~place in any exchange in which the Legislature determines that~~
15 ~~the level of competition does not justify the elimination of~~
16 ~~price caps for an additional 2 years or until the commission~~
17 ~~during that 2-year period determines that the level of~~
18 ~~competition in the exchange justifies the elimination of price~~
19 ~~caps.~~

20 ~~(3)(4)~~ In the event that it is determined that the
21 level of competition justifies the elimination of price caps
22 in an exchange served by a local exchange telecommunications
23 company with less than 3 million basic local
24 telecommunications service access lines in service, or at the
25 end of 5 years for any local exchange telecommunications
26 company, the local exchange telecommunications company may
27 thereafter on 30 days' notice adjust its basic service prices
28 once in any 12-month period in an amount not to exceed the
29 change in inflation less 1 percent. Inflation shall be
30 measured by the changes in the Gross Domestic Product Fixed
31 1987 Weights Price Index, or successor fixed weight price

1 index, published in the Survey of Current Business or a
2 publication, by the United States Department of Commerce. In
3 the event any local exchange telecommunications company, after
4 January 1, 2001, believes that the level of competition
5 justifies the elimination of any form of price regulation the
6 company may petition the Legislature.

7 (4)~~(5)~~ Notwithstanding the provisions of subsection
8 (2), any local exchange telecommunications company that
9 believes circumstances have changed substantially to justify
10 any increase in the rates for basic local telecommunications
11 services may petition the commission for a rate increase, but
12 the commission shall grant such petition only after an
13 opportunity for a hearing and a compelling showing of changed
14 circumstances. The costs and expenses of any government
15 program or project required in part II shall not be recovered
16 under this subsection unless such costs and expenses are
17 incurred in the absence of a bid and subject to
18 carrier-of-last-resort obligations as provided for in part II.
19 The commission shall act upon any such petition within 120
20 days of its filing.

21 (5)~~(6)~~ NONBASIC SERVICES.--Price regulation of
22 nonbasic services shall consist of the following:

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

1 increased in an amount not to exceed 20 percent within a
2 12-month period, and the rate shall be presumptively valid.
3 However, for purposes of this subsection, the prices of:
4 1. A voice-grade, flat-rate, multi-line business local
5 exchange service, including multiple individual lines, centrex
6 lines, private branch exchange trunks, and any associated
7 hunting services, that provides dial tone and local usage
8 necessary to place a call within a local exchange calling
9 area; and
10 2. Telecommunications services provided under contract
11 service arrangements to the SUNCOM Network, as defined in
12 chapter 282,
13
14 shall be capped at the rates in effect on July 1, 1995, and
15 such rates shall not be increased prior to January 1, 2000;
16 provided, however, that a petition to increase such rates may
17 be filed pursuant to subsection (4)~~(5)~~ utilizing the
18 standards set forth therein. There shall be a flat-rate
19 pricing option for multi-line business local exchange service,
20 and mandatory measured service for multi-line business local
21 exchange service shall not be imposed. Nothing contained in
22 this section shall prevent the local exchange
23 telecommunications company from meeting offerings by any
24 competitive provider of the same, or functionally equivalent,
25 nonbasic services in a specific geographic market or to a
26 specific customer by deaveraging the price of any nonbasic
27 service, packaging nonbasic services together or with basic
28 services, using volume discounts and term discounts, and
29 offering individual contracts. However, the local exchange
30 telecommunications company shall not engage in any
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1 anticompetitive act or practice, nor unreasonably discriminate
2 among similarly situated customers.

3 (b) The commission shall have continuing regulatory
4 oversight of nonbasic services for purposes of ensuring
5 resolution of service complaints, preventing
6 cross-subsidization of nonbasic services with revenues from
7 basic services, and ensuring that all providers are treated
8 fairly in the telecommunications market. The cost standard
9 for determining cross-subsidization is whether the total
10 revenue from a nonbasic service is less than the total
11 long-run incremental cost of the service. Total long-run
12 incremental cost means service-specific volume and
13 nonvolume-sensitive costs.

14 (c) The price charged to a consumer for a nonbasic
15 service shall cover the direct costs of providing the service
16 and shall, to the extent a cost is not included in the direct
17 cost, include as an imputed cost the price charged by the
18 company to competitors for any monopoly component used by a
19 competitor in the provision of its same or functionally
20 equivalent service.

21 Section 4. Subsection (2) of section 364.052, Florida
22 Statutes, is amended to read:

23 364.052 Regulatory methods for small local exchange
24 telecommunications companies.--

25 (2) A small local exchange telecommunications company
26 shall remain under rate base, rate of return regulation until
27 the company elects to become subject to s. 364.051, or January
28 1, 2001, whichever occurs first. ~~After July 1, 1996,~~A company
29 subject to this section, electing to be regulated pursuant to
30 s. 364.051, will have any overearnings attributable to a
31 period prior to the date on which the company makes the

1 election subject to refund or other disposition by the
2 commission. Small local exchange telecommunications companies
3 not electing the price regulation provided for under s.
4 364.051 shall also be regulated pursuant to ss. 364.03,
5 364.035(1) and (2), 364.05, and 364.055 and other provisions
6 necessary for rate base, rate of return regulation. If a
7 small local exchange telecommunications company has not
8 elected to be regulated under s. 364.051, by January 1, 2001,
9 the company shall remain under rate base, rate of return
10 regulation until such time as a certificated alternative local
11 exchange company provides basic local telecommunications
12 service in the company's territory. At such time, the small
13 local exchange telecommunications company shall be subject to
14 s. 364.051.

15 (a) ~~By July 1, 1996,~~The commission shall establish,
16 by rule, ranges of basic factors for lives and salvage values
17 to be used in developing depreciation rates for companies
18 subject to this section. Companies shall have the option of
19 using basic factors within the established ranges or of filing
20 depreciation studies.

21 (b) ~~By January 1, 1996,~~The commission shall adopt, by
22 rule, streamlined procedures for regulating companies subject
23 to this section. These procedures shall minimize the burdens
24 of regulation with regard to audits, investigations, service
25 standards, cost studies, reports, and other matters, and the
26 commission shall establish, by rule, only those procedures
27 that are cost-justified and are in the public interest so that
28 universal service may be promoted. Upon petition filed in
29 this rulemaking proceeding, the commission shall review and
30 may approve any regulations unique to the specific
31 circumstances of a company subject to this section.

1 Section 5. Subsection (3) of section 364.057, Florida
2 Statutes, is repealed.

3 Section 6. Section 364.162, Florida Statutes, is
4 amended to read:

5 364.162 Negotiated prices for interconnection and for
6 the resale of services and facilities; commission rate
7 setting.--

8 ~~(1) Any party who, on July 1, 1995, has an application~~
9 ~~on file with the commission to become~~ An alternative local
10 exchange telecommunications company shall have 60 days from
11 the date it is certificated until August 31, 1995, to
12 negotiate with a local exchange telecommunications company
13 mutually acceptable prices, terms, and conditions of
14 interconnection and for the resale of services and facilities.

15 ~~(2)~~ If a negotiated price is not established after 60
16 days by August 31, 1995, either party may petition the
17 commission to establish nondiscriminatory rates, terms, and
18 conditions of interconnection and for the resale of services
19 and facilities. The commission shall have 120 days to make a
20 determination after proceeding as required by subsection (2).
21 Whether set by negotiation or by the commission,
22 interconnection and resale prices, rates, terms, and
23 conditions shall be filed with the commission before their
24 effective date. The commission shall have the authority to
25 arbitrate any dispute regarding interpretation of
26 interconnection or resale prices and terms and conditions.

27 (2)~~(3)~~ In the event that the commission receives a
28 single petition relating to either interconnection or resale
29 of services and facilities, it shall vote, within 120 days
30 following such filing, to set nondiscriminatory rates, terms,
31 and conditions, except that the rates shall not be below cost.

1 If the commission receives one or more petitions relating to
2 both interconnection and resale of services and facilities,
3 the commission shall conduct separate proceedings for each
4 and, within 120 days following such filing, make two separate
5 determinations setting such nondiscriminatory rates, terms,
6 and conditions, except that the rates shall not be below cost.

7 (3)~~(4)~~ In setting the local interconnection charge,
8 the commission shall determine that the charge is sufficient
9 to cover the cost of furnishing interconnection.

10 (4)~~(5)~~ The commission shall ensure that, if the rate
11 it sets for a service or facility to be resold provides a
12 discount below the tariff rate for such service or facility
13 which appropriately reflects the local exchange
14 telecommunications company's avoidance of the expense and cost
15 of marketing such service or facility to retail customers,
16 such rate must not be below cost. The commission shall also
17 ensure ~~assure~~ that this rate is not set so high that it would
18 serve as a barrier to competition.

19 ~~(6) An alternative local exchange telecommunications~~
20 ~~company that did not have an application for certification on~~
21 ~~file with the commission on July 1, 1995, shall have 60 days~~
22 ~~from the date it is certificated to negotiate with a local~~
23 ~~exchange telecommunications company mutually acceptable~~
24 ~~prices, terms, and conditions of interconnection and for the~~
25 ~~resale of services and facilities. If a negotiated price is~~
26 ~~not established after 60 days, either party may petition the~~
27 ~~commission to establish nondiscriminatory rates, terms, and~~
28 ~~conditions of interconnection and for the resale of services~~
29 ~~and facilities. The commission shall have 120 days to make a~~
30 ~~determination after proceeding as required by subsection (3).~~

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1 ~~(7) Prior to July 1, 1999, the parties may negotiate a~~
2 ~~new local interconnection charge to be effective not earlier~~
3 ~~than July 1, 1999. If the parties cannot satisfactorily~~
4 ~~negotiate a new local interconnection charge, either party may~~
5 ~~petition the commission to resolve the matter. In the event~~
6 ~~any party, prior to July 1, 1999, believes that circumstances~~
7 ~~have changed substantially to warrant a different price for~~
8 ~~local interconnection, that party may petition the commission~~
9 ~~for a price change, but the commission shall grant such~~
10 ~~petition only after an opportunity for a hearing and a~~
11 ~~compelling showing of changed circumstances, including that~~
12 ~~the provider's customer population includes as many~~
13 ~~residential as business customers. The commission shall act~~
14 ~~on any such petition within 120 days.~~

15 Section 7. Subsection (2) of section 364.16, Florida
16 Statutes, is amended to read:

17 364.16 Connection of lines and transfers; local
18 interconnection; telephone number portability.--

19 (2) Each alternative local exchange telecommunications
20 company shall provide access to, and interconnection with, its
21 telecommunications services to any other provider of local
22 exchange telecommunications services requesting such access
23 and interconnection at nondiscriminatory prices, terms, and
24 conditions. If the parties are unable to negotiate mutually
25 acceptable prices, terms, and conditions after 60 days, either
26 party may petition the commission and the commission shall
27 have 120 days to make a determination after proceeding as
28 required by s. 364.162(2)~~(6)~~ pertaining to interconnection
29 services.

30 Section 8. Subsection (1) of section 364.245, Florida
31 Statutes, is repealed.

1 Section 9. Section 365.15, Florida Statutes, is
2 repealed.

3 Section 10. Subsection (2) of section 365.171, Florida
4 Statutes, is amended to read:

5 365.171 Emergency telephone number "911."--

6 (2) LEGISLATIVE INTENT.--~~The Legislature hereby finds~~
7 ~~and declares that it is in the public interest to shorten the~~
8 ~~time required for a citizen to request and receive emergency~~
9 ~~aid. There currently exist thousands of different emergency~~
10 ~~phone numbers throughout the state. Provision for a single,~~
11 ~~primary three-digit emergency number through which emergency~~
12 ~~services can be quickly and efficiently obtained would provide~~
13 ~~a significant contribution to law enforcement and other public~~
14 ~~service efforts by making it easier to notify public safety~~
15 ~~personnel. Such a simplified means of procuring emergency~~
16 ~~services will result in the saving of life, a reduction in the~~
17 ~~destruction of property, and quicker apprehension of~~
18 ~~criminals.~~It is the intent of the Legislature to establish
19 and implement a cohesive statewide emergency telephone number
20 "911" plan which will provide citizens with rapid direct
21 access to public safety agencies by dialing the telephone
22 number "911" with the objective of reducing the response time
23 to situations requiring law enforcement, fire, medical,
24 rescue, and other emergency services.

25 Section 11. Subsection (2) of section 427.704, Florida
26 Statutes, is amended to read:

27 427.704 Powers and duties of the commission.--

28 (2) ~~By July 1, 1991,~~The commission shall designate as
29 the administrator of the telecommunications access system a
30 corporation not for profit organized for such purposes and
31 incorporated pursuant to chapter 617. For the purposes of this

1 part, the commission may order telecommunications companies to
2 form such a corporation not for profit.

3 Section 12. Subsection (7) of section 427.705, Florida
4 Statutes, is amended to read:

5 427.705 Administration of the telecommunications
6 access system.--

7 (7) ~~By September 1, 1991,~~The administrator shall
8 assume responsibility for distribution of specialized
9 telecommunications devices.

10 Section 13. This act shall take effect upon becoming a
11 law.

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14 LEGISLATIVE SUMMARY

15 Repeals or deletes various statutory provisions that have
16 become obsolete, have had their effect, have served their
17 purpose, or have been impliedly repealed or superseded.
18 Repeals or deletes provisions relating to rates charged
19 by telegraph and cable companies; a report on the amount
20 of support necessary to provide residential basic local
21 telecommunications service to low-income customers; a
22 report on the need to extend price caps for basic local
23 telecommunications service; obsolete deadlines relating
24 to regulation of small local exchange telecommunications
25 companies; a limited period of authorization for two-way,
26 intrastate, residential communications services for
27 testing marketing strategies or technical feasibility;
28 obsolete provisions relating to certain applicants to
29 become an alternative local exchange telecommunications
30 company; findings with respect to the use of
31 telecommunications services for unlawful purposes;
emergency calls over party lines; findings relating to
the statewide emergency telephone number "911" plan; an
obsolete deadline for designation of the administrator of
the telecommunications access system; and an obsolete
deadline for such administrator to assume responsibility
for distribution of specialized telecommunications
devices.