

By the Committee on Utilities & Communications and  
Representative Rojas

1                                   A bill to be entitled  
2           An act relating to telecommunications; amending  
3           s. 364.025, F.S.; extending certain time  
4           periods for provision of universal service  
5           obligations; providing an effective date.  
6  
7 Be It Enacted by the Legislature of the State of Florida:

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9           Section 1. Subsections (1), (2), (3), and (4) of  
10 section 364.025, Florida Statutes, are amended to read:

11           364.025 Universal service.--

12           (1) For the purposes of this section, the term  
13 "universal service" means an evolving level of access to  
14 telecommunications services that, taking into account advances  
15 in technologies, services, and market demand for essential  
16 services, the commission determines should be provided at  
17 just, reasonable, and affordable rates to customers, including  
18 those in rural, economically disadvantaged, and high-cost  
19 areas. It is the intent of the Legislature that universal  
20 service objectives be maintained after the local exchange  
21 market is opened to competitively provided services. It is  
22 also the intent of the Legislature that during this transition  
23 period the ubiquitous nature of the local exchange  
24 telecommunications companies be used to satisfy these  
25 objectives. For a period of 8 5 years after January 1, 1996,  
26 each local exchange telecommunications company shall be  
27 required to furnish basic local exchange telecommunications  
28 service within a reasonable time period to any person  
29 requesting such service within the company's service  
30 territory.

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1           (2) The Legislature finds that each telecommunications  
2 company should contribute its fair share to the support of the  
3 universal service objectives and carrier-of-last-resort  
4 obligations. For a transitional period not to exceed January  
5 1, 2004 ~~2001~~, the ~~an~~ interim mechanism for maintaining  
6 universal service objectives and funding  
7 carrier-of-last-resort obligations shall be established by the  
8 commission, pending the implementation of a permanent  
9 mechanism. The interim mechanism shall be applied in a manner  
10 that ensures that each alternative local exchange  
11 telecommunications company contributes its fair share to the  
12 support of universal service and carrier-of-last-resort  
13 obligations. The interim mechanism applied to each  
14 alternative local exchange telecommunications company shall  
15 reflect a fair share of the local exchange telecommunications  
16 company's recovery of investments made in fulfilling its  
17 carrier-of-last-resort obligations, and the maintenance of  
18 universal service objectives. The commission shall ensure that  
19 the interim mechanism does not impede the development of  
20 residential consumer choice or create an unreasonable barrier  
21 to competition. In reaching its determination, the commission  
22 shall not inquire into or consider any factor that is  
23 inconsistent with s. 364.051(1)(c). The costs and expenses of  
24 any government program or project required in part II of this  
25 chapter shall not be recovered under this section.

26           (3) In the event any party, prior to January 1, 2004  
27 ~~2001~~, believes that circumstances have changed substantially  
28 to warrant a change in the interim mechanism, that party may  
29 petition the commission for a change, but the commission shall  
30 grant such petition only after an opportunity for a hearing  
31 and a compelling showing of changed circumstances, including

1 that the provider's customer population includes as many  
2 residential as business customers. The commission shall act  
3 on any such petition within 120 days.

4 (4)(a) Prior to January 1, 2004 ~~2001~~, the Legislature  
5 shall establish a permanent universal service mechanism upon  
6 the effective date of which any interim recovery mechanism for  
7 universal service objectives or carrier-of-last-resort  
8 obligations imposed on alternative local exchange  
9 telecommunications companies shall terminate.

10 (b) To assist the Legislature in establishing a  
11 permanent universal service mechanism, the commission, by  
12 February 15, 1999, shall determine and report to the President  
13 of the Senate and the Speaker of the House of Representatives  
14 the total forward-looking cost, based upon the most recent  
15 commercially available technology and equipment and generally  
16 accepted design and placement principles, of providing basic  
17 local telecommunications service on a basis no greater than a  
18 wire center basis using a cost proxy model to be selected by  
19 the commission after notice and opportunity for hearing.

20 (c) In determining the cost of providing basic local  
21 telecommunications service for small local exchange  
22 telecommunications companies, which serve less than 100,000  
23 access lines, the commission shall not be required to use the  
24 cost proxy model selected pursuant to paragraph (b) until a  
25 mechanism is implemented by the Federal Government for small  
26 companies, but no sooner than January 1, 2001. The commission  
27 shall calculate a small local exchange telecommunications  
28 company's cost of providing basic local telecommunications  
29 services based on one of the following options:

30 1. A different proxy model; or  
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