

By the Committee on Commerce and Economic Opportunities; and
Senators Posey, Webster, Wasserman Schultz and Horne

310-1572-01

1 A bill to be entitled
2 An act relating to telecommunications
3 companies; amending s. 364.163, F.S., relating
4 to network access services; providing
5 legislative findings relating to establishment
6 of network access service rates; defining the
7 term "network access service"; requiring local
8 exchange telecommunications companies to
9 maintain certain information with the Florida
10 Public Service Commission; providing that the
11 commission has continuing regulatory oversight
12 of intrastate switched-access and long-distance
13 rates for specified purposes; directing the
14 commission to initiate a proceeding to
15 determine the appropriate level of network
16 access rates; specifying factors for the
17 commission to consider; requiring the
18 commission to render a decision by a specific
19 date; requiring a report to the Governor and
20 the Legislature relating to the decision of the
21 commission; requiring certain interexchange
22 telecommunications companies to decrease their
23 intrastate long-distance rates for the benefit
24 of their customers; providing an offset in such
25 decrease to reflect certain lost tax revenues;
26 requiring certain interexchange
27 telecommunications companies to make payments
28 into the treasury; authorizing the commission
29 to review network access rates and make
30 adjustments within a specific time; providing
31 the commission with authority to determine the

1 appropriate rate levels for network access
2 services; requiring certain providers and
3 purchasers to provide data to the commission;
4 authorizing the commission to adopt rules;
5 providing for industry negotiation proceedings;
6 providing an effective date.

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

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10 Section 1. Section 364.163, Florida Statutes, is
11 amended to read:

12 (Substantial rewording of section. See
13 s. 364.163, F.S., for present text.)
14 364.163 Network access services.--

15 (1) The Legislature finds that an important public
16 purpose is served by the establishment of network access
17 service rates that facilitate reasonably affordable and
18 reliable high-quality telecommunications services for the
19 residents of this state.

20 (2) As used in this section, the term "network access
21 service" means any service provided by a local exchange
22 telecommunications company to a telecommunications company
23 certificated under this chapter or licensed by the Federal
24 Communications Commission to access the local exchange
25 telecommunications network, excluding the local
26 interconnection arrangements in s. 364.16 and the resale
27 arrangements in s. 364.161. Each local exchange
28 telecommunications company subject to s. 364.051 shall
29 maintain tariffs with the commission containing the terms,
30 conditions, and rates for each of its network access services.

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1 (3) The commission shall have continuing regulatory
2 oversight of intrastate switched-access and customer
3 long-distance rates for purposes of determining the
4 correctness of any rate decrease by a telecommunications
5 company resulting from the application of this section and
6 making any necessary adjustments to those rates, establishing
7 reasonable service-quality criteria, and assuring resolution
8 of service complaints.

9 (4)(a) By July 1, 2001, the commission shall initiate
10 a proceeding to determine the appropriate level of network
11 access rates. In making this determination, the commission
12 must consider the effect on competition, the costs of access,
13 the costs of basic local service, the costs of vertical
14 services, the impact on continued provision of universal
15 service, the affordability of basic local service and
16 long-distance service to customers, the network access rates
17 in other states and factors affecting such rates, the effect
18 of alternative technologies on telecommunications services,
19 and any other factors the commission considers appropriate.
20 The commission shall render a decision by January 1, 2002, and
21 this decision must provide a timetable for any actions
22 considered necessary to reach the level of network access
23 rates determined appropriate in this proceeding for the
24 affected companies.

25 (b) Separate from any orders or similar documents that
26 the commission prepares in connection with the decision on
27 network access rates under this subsection, the commission
28 shall submit to the Governor, the President of the Senate, and
29 the Speaker of the House of Representatives, on the date that
30 it makes its decision, a report that describes the proceeding,
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1 summarizes the testimony and other data gathered through the
2 proceeding, and explains the rationale for the decision.

3 (5)(a) Any interexchange telecommunications company
4 whose intrastate access rate is reduced as a result of the
5 rate decreases made by a local exchange telecommunications
6 company in accordance with this section shall decrease its
7 intrastate long-distance rates by the amount necessary to
8 return the benefits of such reduction to both its Florida
9 residential and business customers, except as provided in
10 paragraph (b). The interexchange telecommunications company
11 may decide which intrastate rates are to be decreased, as long
12 as residential and business customers benefit from the rate
13 decreases.

14 (b) The decrease in intrastate long-distance rates
15 provided in paragraph (a) shall be offset by the amount of
16 revenues lost from the gross receipts tax to hold harmless the
17 impact on the Public Education Capital Outlay and Debt Service
18 Trust Fund. The interexchange telecommunications company
19 whose intrastate access rates are reduced by this section
20 shall pay into the treasury an amount equal to its pro rata
21 share of the loss of gross receipts tax revenues from such
22 reductions.

23 (6) Upon petition by a provider or purchaser of
24 network access services, or on its own motion, the commission
25 may review the level of network access rates for the provider
26 cited in the petition or motion and make any necessary
27 adjustments after notice and opportunity for hearing,
28 consistent with this section. The commission shall make its
29 decision within 180 days after notice of the hearing.

30 (7) The commission shall have ongoing authority for
31 purposes of determining the appropriate rate levels for

1 network access services for all telecommunications companies
2 providing such services. Affected providers and purchasers of
3 network access services must provide data that the commission
4 considers necessary to implement this section.

5 (8) The commission may adopt rules pursuant to ss.
6 120.536(1) and 120.54 necessary to administer this section.

7 (9) Notwithstanding the time periods specified in
8 subsection (4), the commission shall provide organizational
9 and staff support for a convening by July 1, 2001, of all
10 appropriate representatives of the telecommunications industry
11 for the purpose of having such representatives negotiate among
12 themselves on appropriate levels for network access rates and
13 to identify other solutions that promote competition in the
14 provision of local telecommunications services. The
15 representatives shall have 90 days within which to negotiate
16 under this subsection. If the representatives reach an
17 agreement, they shall stipulate to such agreement in writing
18 and submit it to the commission. The commission shall have 30
19 days to approve or disapprove the agreement, using the
20 standards provided in this section. If the representatives
21 enter into the negotiations under this subsection or if the
22 commission disapproves the agreement negotiated by the
23 representatives, the proceeding required under subsection (4)
24 shall be delayed until October 1, 2001, and the decision
25 required in subsection (4) shall be delayed until March 1,
26 2002. If the representatives fail to enter into such
27 negotiations in good faith by July 15, 2001, the commission
28 shall immediately commence the proceeding under subsection
29 (4), in accordance with the time periods specified in
30 subsection (4). The Public Counsel shall participate in the
31 negotiations conducted under this subsection. All parties,

1 including the Public Counsel, must stipulate to the agreement
2 before it is submitted to the commission.

3 Section 2. This act shall take effect upon becoming a
4 law.

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1 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
2 COMMITTEE SUBSTITUTE FOR
3 SB 1136

4 The committee substitute strikes the provisions of SB 1136,
5 thus replacing a requirement for certain local exchange
6 telecommunications companies to reduce their intrastate
7 switched access rates with provisions for Public Service
8 Commission proceedings to facilitate or determine appropriate
9 network access rates. Specifically, the committee substitute:

- 10 1. Provides legislative intent declaring that an important
11 public purpose is served by the establishment of network
12 access service rates that facilitate reasonably
13 affordable and reliable high-quality telecommunications
14 services for the residents of this state.
- 15 2. Requires the Public Service Commission (PSC) to provide
16 organizational and staff support for a convening by July
17 1, 2001, of all appropriate representatives of the
18 telecommunications industry for the purpose of having
19 such representatives negotiate among themselves on
20 appropriate levels for network access rates and to
21 identify other solutions that promote competition in the
22 provision of local telecommunications services.
- 23 3. Provides that, if the representatives fail to enter into
24 such negotiations in good faith by July 15, 2001, or if
25 they do not reach agreement within 90 days, the PSC must
26 initiate a proceeding to determine the appropriate level
27 of network access rates, taking into consideration
28 several factors related to telecommunications services;
29 depending upon when the PSC initiates its proceeding,
30 the PSC must render a decision by January 1, 2002, or
31 March 1, 2002, and, on the same date, report to the
Governor and the Legislature on the proceeding and the
rationale for its decision.
4. Provides that any interexchange telecommunications
company whose intrastate access rate is reduced as a
result of rate decreases made by a local exchange
telecommunications company in accordance with this
committee substitute shall decrease its intrastate long
distance rates to return all of the benefits of the
reduction to its Florida residential and business
customers; the interexchange telecommunications company
is allowed to determine the specific intrastate rates to
be decreased as long as residential and business
customers benefit from the rate decreases.
5. Provides that interexchange telecommunications companies
must hold harmless any impact on the Public Education
Capital Outlay and Debt Service Trust Fund caused by a
reduction in intrastate access rates.
6. Provides for continuing oversight by the PSC of
intrastate switched access and long distance rates.
7. Provides the PSC with ongoing authority for determining
appropriate rate levels for network access services.

1 8. Provides the PSC with necessary rulemaking authority.
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