

By Representatives Haridopolos and Ritter

1 A bill to be entitled
 2 An act relating to telecommunications network
 3 access services; amending s. 364.163, F.S.;
 4 revising telecommunications network access
 5 services rate requirements; providing for
 6 capping certain rates under certain
 7 circumstances; providing for reducing certain
 8 rates under certain circumstances; providing
 9 for petition to reduce certain rates of certain
 10 local telecommunications companies; authorizing
 11 the Public Service Commission to order certain
 12 telecommunications companies to decrease
 13 certain rates under certain circumstances;
 14 authorizing certain local telecommunications
 15 companies to petition the commission to
 16 increase certain rates; providing an effective
 17 date.

18
 19 Be It Enacted by the Legislature of the State of Florida:

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 21 Section 1. Section 364.163, Florida Statutes, is
 22 amended to read:

23 364.163 Network access services.--For purposes of this
 24 section, "network access service" is defined as any service
 25 provided by a local exchange telecommunications company to a
 26 telecommunications company certificated under this chapter or
 27 licensed by the Federal Communications Commission to access
 28 the local exchange telecommunications network, excluding the
 29 local interconnection arrangements in s. 364.16 and the resale
 30 arrangements in s. 364.161. Each local exchange
 31 telecommunications company subject to s. 364.051 shall

1 maintain tariffs with the commission containing the terms,
2 conditions, and rates for each of its network access services.

3 ~~(1) Effective January 1, 1999, the rates for switched~~
4 ~~network access services of each company subject to this~~
5 ~~section shall be capped at the rates in effect on January 1,~~
6 ~~1999, and shall remain capped until January 1, 2001. Upon the~~
7 ~~date of filing its election with the commission, the network~~
8 ~~access service rates of a company that elects to become~~
9 ~~subject to this section shall be capped at the rates in effect~~
10 ~~on that date and shall remain capped for 5 years.~~

11 ~~(2) After the termination of the caps imposed on rates~~
12 ~~by subsection (1) and after a local exchange~~
13 ~~telecommunications company's intrastate switched access rates~~
14 ~~reach parity with its interstate switched access rates, a~~
15 ~~company subject to this section may, on 30 days' notice,~~
16 ~~annually adjust any specific network access service rate in an~~
17 ~~amount not to exceed the cumulative change in inflation~~
18 ~~experienced after the date of the last adjustment, provided,~~
19 ~~however, that no such adjustment shall ever exceed 3 percent~~
20 ~~annually of the then-current prices. Inflation shall be~~
21 ~~measured by the changes in Gross Domestic Product Fixed 1987~~
22 ~~Weights Price Index, or successor fixed weight price index,~~
23 ~~published in the Survey of Current Business, or successor~~
24 ~~publication, by the United States Department of Commerce.~~

25 ~~(3) After the termination of the caps imposed on rates~~
26 ~~by subsection (1), a company subject to this section may, at~~
27 ~~any time, petition the commission for a network access service~~
28 ~~rate change to recover the cost of governmentally mandated~~
29 ~~projects or programs or an increase in federal or state income~~
30 ~~tax incurred after that date. The costs and expenses of the~~
31 ~~government program or project required in part II of this~~

1 ~~chapter shall not be recovered under this subsection unless~~
2 ~~such costs and expenses are incurred in the absence of a bid~~
3 ~~and subject to carrier of last resort obligations as provided~~
4 ~~for in part II of this chapter. With respect to~~
5 ~~governmentally mandated projects and programs, such petition~~
6 ~~shall be acted upon no later than 90 days after the date of~~
7 ~~filing. A company subject to this section shall show the~~
8 ~~commission that the cost of a project or program is not~~
9 ~~recoverable either from the government mandating the project~~
10 ~~or program or from the beneficiaries of the project or program~~
11 ~~through user fees or other new revenue sources from the~~
12 ~~project or program, and to the extent that cost decreases~~
13 ~~resulting from the project or program are reflected as an~~
14 ~~offset to cost increases. A company subject to this section~~
15 ~~shall decrease its network access rates by amounts that~~
16 ~~reflect any federal or state income tax reduction. Nothing~~
17 ~~contained in this section shall allow any revisions in the~~
18 ~~rates, terms, and conditions for commercial mobile radio~~
19 ~~service access, which revisions are inconsistent with the~~
20 ~~requirements or methodologies of the Federal Communications~~
21 ~~Commission.~~

22 ~~(4) A company subject to this section may choose to~~
23 ~~implement all or a portion of a rate increase allowed for~~
24 ~~network access service by subsections (1), (2), and (3).~~
25 ~~Notwithstanding subsections (1), (2), and (3), a company~~
26 ~~subject to this section may choose to decrease network service~~
27 ~~rates at any time, and decreased rates shall become effective~~
28 ~~upon 7 days' notice.~~

29 ~~(5) Company proposed changes to the terms and~~
30 ~~conditions for existing network access services in accordance~~
31 ~~with subsections (1), (2), (3), and (4) shall be presumed~~

1 ~~valid and become effective upon 15 days' notice.~~
2 ~~Company-proposed rate reductions shall become effective upon 7~~
3 ~~days' notice. Rate increases made by the local exchange~~
4 ~~telecommunications company shall be presumed valid and become~~
5 ~~effective on the date specified in the tariff, but in no event~~
6 ~~earlier than 30 days after the filing of such tariff. The~~
7 ~~commission shall have continuing regulatory oversight of local~~
8 ~~exchange telecommunications company-provided network access~~
9 ~~services for purposes of determining the correctness of any~~
10 ~~price increase resulting from the application of the inflation~~
11 ~~index and making any necessary adjustments, establishing~~
12 ~~reasonable service quality criteria, and assuring resolution~~
13 ~~of service complaints. No later than 30 days after the filing~~
14 ~~of such tariff, the commission may, with respect to~~
15 ~~determining the correctness of any price increase, vote,~~
16 ~~without hearing, the local exchange telecommunications company~~
17 ~~to hold subject to refund all revenues collected under the~~
18 ~~rate increase. Within 60 days after such order, the commission~~
19 ~~must make a determination either compelling a refund of all or~~
20 ~~part of such revenues or releasing them from such requirement.~~
21 (2)(6) Effective October 1, 2001, any local exchange
22 telecommunications company with more than 100,000, but fewer
23 than 3 million, basic local telecommunications service access
24 lines in service on July 1, 1995, shall immediately reduce its
25 intrastate switched access rates to the level of the
26 intrastate switched access rates of the largest local exchange
27 telecommunications company operating in this state by 5
28 percent on July 1, 1998, and by 10 percent on October 1, 1998.
29 ~~Any interexchange telecommunications company whose intrastate~~
30 ~~switched access rate is reduced as a result of the rate~~
31 ~~decreases made by a local exchange telecommunications company~~

1 ~~in accordance with this subsection shall decrease its~~
2 ~~intrastate long distance rates by the amount necessary to~~
3 ~~return the benefits of such reduction to its customers but~~
4 ~~shall not reduce per minute intra-LATA toll rates by a~~
5 ~~percentage greater than the per minute intrastate switched~~
6 ~~access rate reductions required by this act. The interexchange~~
7 ~~telecommunications carrier may determine the specific~~
8 ~~intrastate rates to be decreased, provided that residential~~
9 ~~and business customers benefit from the rate decreases.~~

10 (3)(7) Effective November 1, 2001, an interexchange
11 carrier may petition the commission to reduce the intrastate
12 switched access rates of any local exchange telecommunications
13 company. The commission shall render a decision no later than
14 180 days after the date of the petition.~~Telecommunications~~
15 ~~company intrastate switched access and customer long distance~~
16 ~~rate reductions shall become effective on October 1 of each~~
17 ~~relevant year. Rate decreases proposed in tariff revisions~~
18 ~~filed by the telecommunications companies with the commission~~
19 ~~shall be presumed valid and become effective on October 1 of~~
20 ~~each relevant year.~~

21 (4)(8) Any interexchange telecommunications company
22 whose intrastate switched access rate is reduced as a result
23 of subsection (2) or subsection (3) shall decrease its
24 intrastate long distance rates in order to return all of the
25 benefits of such reduction to its customers. The interexchange
26 telecommunications carrier may determine the specific
27 intrastate rates to be decreased, provided that residential
28 and business customers benefit from the rate decreases.~~No~~
29 ~~later than 30 days after the filing of such tariff, the~~
30 ~~commission may, with respect to determining the correctness of~~
31 ~~any rate decrease, vote, without hearing, the~~

1 ~~telecommunications company to hold subject to refund all~~
2 ~~intrastate switched access or customer long distance rate~~
3 ~~revenues collected after the rate decrease. Within 60 days~~
4 ~~after such order, the commission must make a determination~~
5 ~~either compelling a refund of the appropriate part of such~~
6 ~~revenues or releasing all such revenues from such requirement.~~

7 (5)(9) Effective November 1, 2001, any local exchange
8 telecommunications company, except one whose rates are capped
9 pursuant to subsection (1), may petition the commission to
10 increase its network access rates. The commission shall
11 render a decision no later than 180 days after the date of the
12 petition.~~The commission shall have continuing regulatory~~
13 ~~oversight of intrastate switched access and customer long~~
14 ~~distance rates for purposes of determining the correctness of~~
15 ~~any rate decrease by a telecommunications company resulting~~
16 ~~from the application of this section and making any necessary~~
17 ~~adjustments to those rates, establishing reasonable service~~
18 ~~quality criteria, and assuring resolution of service~~
19 ~~complaints.~~

20 Section 2. This act shall take effect October 1, 2001.

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22 HOUSE SUMMARY

23 Revises requirements for capping, reducing, and
24 increasing rates for telecommunications network access
25 services. See bill for details.
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