

By the Committee on Regulated Industries; and Senator Campbell

315-2306-02

1 A bill to be entitled
2 An act relating to telecommunications service;
3 amending s. 364.02, F.S.; defining the terms
4 "digital subscriber line service" or "xDSL";
5 amending s. 364.051, F.S.; providing that
6 certain price regulation and oversight by the
7 Florida Public Service Commission applies to
8 intrastate digital subscriber line service;
9 requiring the commission to study the
10 deployment of digital subscriber line service;
11 requiring a report to the Legislature;
12 providing an effective date.

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

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16 Section 1. Present subsections (6) through (13) of
17 section 364.02, Florida Statutes, are redesignated as
18 subsections (7) through (14), respectively, and a new
19 subsection (6) is added to that section, to read:

20 364.02 Definitions.--As used in this chapter:
21 (6) "Digital subscriber line service" or "xDSL
22 service" means a type of telecommunications service that
23 provides advanced telecommunications capability. The term
24 "advanced telecommunications capability" means high-speed,
25 switched, broadband telecommunications capability that enables
26 users to originate and receive high-quality voice, data, and
27 video telecommunications.

28 Section 2. Subsection (5) of section 364.051, Florida
29 Statutes, is amended to read:

30 364.051 Price regulation.--
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1 (5) NONBASIC SERVICES.--Price regulation of nonbasic
2 services shall consist of the following:

3 (a) Each company subject to this section shall
4 maintain tariffs with the commission containing the terms,
5 conditions, and rates for each of its nonbasic services, which
6 shall include intrastate digital subscriber line service, and
7 may set or change, on 15 days' notice, the rate for each of
8 its nonbasic services, except that a price increase for any
9 nonbasic service category shall not exceed 6 percent within a
10 12-month period until there is another provider providing
11 local telecommunications service in an exchange area at which
12 time the price for any nonbasic service category may be
13 increased in an amount not to exceed 20 percent within a
14 12-month period, and the rate shall be presumptively valid.
15 However, for purposes of this subsection, the prices of:

16 1. A voice-grade, flat-rate, multi-line business local
17 exchange service, including multiple individual lines, centrex
18 lines, private branch exchange trunks, and any associated
19 hunting services, that provides dial tone and local usage
20 necessary to place a call within a local exchange calling
21 area; and

22 2. Telecommunications services provided under contract
23 service arrangements to the SUNCOM Network, as defined in
24 chapter 282,

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26 shall be capped at the rates in effect on July 1, 1995, and
27 such rates shall not be increased prior to January 1, 2000;
28 provided, however, that a petition to increase such rates may
29 be filed pursuant to subsection (4) utilizing the standards
30 set forth therein. There shall be a flat-rate pricing option
31 for multi-line business local exchange service, and mandatory

1 measured service for multi-line business local exchange
2 service shall not be imposed. Nothing contained in this
3 section shall prevent the local exchange telecommunications
4 company from meeting offerings by any competitive provider of
5 the same, or functionally equivalent, nonbasic services in a
6 specific geographic market or to a specific customer by
7 deaveraging the price of any nonbasic service, packaging
8 nonbasic services together or with basic services, using
9 volume discounts and term discounts, and offering individual
10 contracts. However, the local exchange telecommunications
11 company shall not engage in any anticompetitive act or
12 practice, nor unreasonably discriminate among similarly
13 situated customers.

14 (b) The commission shall have continuing regulatory
15 oversight of nonbasic services, including intrastate digital
16 subscriber line service, for purposes of ensuring resolution
17 of service complaints, preventing cross-subsidization of
18 nonbasic services with revenues from basic services, and
19 ensuring that all providers are treated fairly in the
20 telecommunications market. The cost standard for determining
21 cross-subsidization is whether the total revenue from a
22 nonbasic service is less than the total long-run incremental
23 cost of the service. Total long-run incremental cost means
24 service-specific volume and nonvolume-sensitive costs.

25 (c) The price charged to a consumer for a nonbasic
26 service shall cover the direct costs of providing the service
27 and shall, to the extent a cost is not included in the direct
28 cost, include as an imputed cost the price charged by the
29 company to competitors for any monopoly component used by a
30 competitor in the provision of its same or functionally
31 equivalent service.

1 Section 3. The Florida Public Service Commission shall
2 determine whether deployment of digital subscriber line
3 service is occurring in a reasonable and timely manner and if
4 technological barriers exist that hinder such deployment. By
5 January 1, 2003, the commission shall report its findings to
6 the Legislature and shall make recommendations for
7 accelerating deployment.

8 Section 4. This act shall take effect upon becoming a
9 law.

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11 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
12 COMMITTEE SUBSTITUTE FOR
13 SB 1070

14 -Defines the terms "digital subscriber line service," "xDSL
15 service," and "advanced telecommunications capability."

16 -Requires that incumbent local exchange telecommunications
17 companies file tariffs with the Florida Public Service
Commission (PSC) for intrastate, digital subscriber line
service as part of their nonbasic services.

18 -Grants the PSC continuing regulatory oversight of intrastate,
19 digital subscriber line service provided by incumbent local
exchange telecommunications companies for purposes of ensuring
20 resolution of service complaints.

21 - Requires that the PSC determine whether deployment of
22 digital subscriber line service is occurring in a reasonable
and timely manner and if technological barriers exist that
23 hinder such deployment. Requires the PSC to report its
findings to the Legislature by January 1, 2003, and to make
recommendations for accelerating deployment.