

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 351 Price Regulation of Local Exchange Telecommunications Companies
SPONSOR(S): Ritter
TIED BILLS: SB 2616 **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Telecommunications (Sub)		Holt	Liepshutz
2) Business Regulation			
3) Commerce & Local Affairs Appropriations			
4)			
5)			

SUMMARY ANALYSIS

The bill amends s. 364.051(5)(a), F.S., to reduce the notification period for changes to tariffs for non-basic services for incumbent local exchange companies (ILECs) from 15 to 7 days.

The bill appears to have no fiscal impact

The act takes effect upon becoming a law.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

- | | | | |
|--------------------------------------|------------------------------|-----------------------------|---|
| 1. Reduce government? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. Lower taxes? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. EFFECT OF PROPOSED CHANGES:

Section 364.051, F.S., provides in part that:

(5) NONBASIC SERVICES.—Price regulation of nonbasic services shall consist of the following:

(a) Each company subject to this section shall maintain tariffs with the commission containing the terms, conditions, and rates for each of its nonbasic services, and may set or change, on 15 days' notice, the rate for each of its nonbasic services, except that a price increase for any nonbasic service category shall not exceed 6 percent within a 12-month period until there is another provider providing local telecommunications service in an exchange area at which time the price for any nonbasic service category may be increased in an amount not to exceed 20 percent within a 12-month period, and the rate shall be presumptively valid.

The bill reduces the notification period for changes to tariffs for non-basic services for ILECs from 15 to 7 days. Non-basic services include all services other than residential single-line local exchange service, single-line business, and some associated non-recurring charges. Currently, the Florida Public Service Commission (FPSC) staff reviews such tariffs for compliance with applicable law and potential discrimination issues.

According to the FPSC, the proposed change will limit the amount of time its staff has to review tariffs. It will permit local exchange carriers to respond more quickly to whatever competitive pressures they may face for non-basic services.

The act takes effect upon becoming law.

C. SECTION DIRECTORY:

Section 1. Changes the notification period for changes to tariffs for non-basic services for ILECs from 15 to 7 days.

Section 2. Provides an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

N/A

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES