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A bill to be entitled

An act relating to regulation of telecommunications companies; amending s. 364.01, F.S.; revising a legislative finding relating to telecommunications services; amending s. 364.02, F.S.; changing the term "competitive local exchange telecommunications company" to "alternative local exchange telecommunications company"; removing the definition of "intrastate interexchange telecommunications company"; revising the definition of "service" and "telecommunications company"; amending s. 364.025, F.S.; revising the time period for mandatory provision of basic local exchange telecommunications services within the territory of a local exchange telecommunications company; revising the transitional time period during which the Public Service Commission shall establish an interim mechanism for maintaining universal service objectives and funding carrier-of-last-resort obligations; revising the time period for petition to the commission for change in the interim mechanism; revising a requirement that the Legislature establish a permanent mechanism; revising the date on which competitive local exchange telecommunications company may petition the Public Service Commission to become a universal service provider and carrier of last resort; requiring the commission to set up a mechanism to aid a company meet certain obligations and objectives; amending s. 364.0361, F.S.; removing a prohibition of local government regulation of the provision of broadband or information service; amending s. 364.051, F.S.; removing provisions

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30 for certain telecommunications companies to elect
31 alternative regulations; removing provisions for approval
32 by the commission of reductions in service quality
33 requirements; removing a prohibition against an increase
34 in the level of certain regulations on competitive local
35 exchange telecommunications companies; amending s.
36 364.058, F.S.; removing provisions for an expedited
37 process to facilitate quick resolution of disputes between
38 telecommunications companies; amending s. 364.10, F.S.;
39 removing provisions that require certain local exchange
40 telecommunications companies to provide Lifeline services
41 to certain persons, prohibit rate increases for basic
42 local telecommunications services provided to such
43 eligible persons, require distribution of certain
44 materials, and require annual reports; amending s.
45 364.163, F.S.; revising provisions for certain rate caps
46 relating to network access services; revising timeframes
47 and procedures for certain rate increases and reductions;
48 providing for certain rate increases and reductions;
49 providing for regulatory oversight by the commission for
50 certain purposes; providing for refund of revenues
51 collected under a rate increase; providing limitations on
52 certain rate increases; providing procedures to recover
53 certain costs; removing provisions that eliminate certain
54 fees; providing a presumption of validity for certain rate
55 increases; amending s. 364.337, F.S.; removing an
56 exemption from specified provisions that require approval
57 as a prerequisite to construction, operation, or control
58 of telecommunications facilities; amending s. 364.3376,

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59 F.S.; requiring intrastate interexchange
 60 telecommunications companies obtain a certificate of
 61 public convenience and necessity prior to providing
 62 operator services; amending ss. 364.052, 364.16, 364.161,
 63 364.162, 364.502, and 365.172, F.S.; conforming
 64 terminology; amending ss. 196.012, 199.183, 212.08,
 65 290.007, 350.0605, 364.602, and 489.103, F.S.; correcting
 66 cross references; repealing s. 364.059, F.S., relating to
 67 procedures for seeking a stay of price change and criteria
 68 for determinations; repealing s. 364.164, F.S., relating
 69 to rate adjustments; repealing s. 1, chapter 2003-32, Laws
 70 of Florida, relating to providing a popular name;
 71 providing an effective date.

72

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

74

75 Section 1. Subsection (3) of section 364.01, Florida
 76 Statutes, is amended to read:

77 364.01 Powers of commission, legislative intent.--

78 (3) The Legislature finds that the competitive provision
 79 of telecommunications services, including local exchange
 80 telecommunications service, is in the public interest and will
 81 provide customers with freedom of choice, encourage the
 82 introduction of new telecommunications service, encourage
 83 technological innovation, and encourage investment in
 84 telecommunications infrastructure. The Legislature further finds
 85 that the transition from the monopoly provision of local
 86 exchange service to the competitive provision thereof will
 87 require appropriate regulatory oversight to protect consumers

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88 and provide for the development of fair and effective
 89 competition, but nothing in this chapter shall limit the
 90 availability to any party of any remedy under state or federal
 91 antitrust laws. The Legislature further finds that changes in
 92 regulations allowing increased competition in telecommunications
 93 services could provide the occasion for increases in the
 94 telecommunications workforce; therefore, it is in the public
 95 interest that competition in telecommunications services lead to
 96 a situation that enhances the high-technological skills and the
 97 economic status of the telecommunications workforce. ~~The~~
 98 ~~Legislature further finds that the provision of voice over-~~
 99 ~~Internet protocol (VOIP) free of unnecessary regulation,~~
 100 ~~regardless of the provider, is in the public interest.~~

101 Section 2. Section 364.02, Florida Statutes, is amended to
 102 read:

103 364.02 Definitions.--As used in this chapter:

104 (1) "Alternative local exchange telecommunications
 105 company" means any company certificated by the commission to
 106 provide local exchange telecommunications services in this state
 107 on or after July 1, 1995.

108 (2)~~(1)~~ "Basic local telecommunications service" means
 109 voice-grade, flat-rate residential, and flat-rate single-line
 110 business local exchange services which provide dial tone, local
 111 usage necessary to place unlimited calls within a local exchange
 112 area, dual tone multifrequency dialing, and access to the
 113 following: emergency services such as "911," all locally
 114 available interexchange companies, directory assistance,
 115 operator services, relay services, and an alphabetical directory
 116 listing. For a local exchange telecommunications company, such

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117 term shall include any extended area service routes, and
 118 extended calling service in existence or ordered by the
 119 commission on or before July 1, 1995.

120 (3)~~(2)~~ "Commercial mobile radio service provider" means a
 121 commercial mobile radio service provider as defined by and
 122 pursuant to 47 U.S.C. ss. 153(n) and 332(d).

123 (4)~~(3)~~ "Commission" means the Florida Public Service
 124 Commission.

125 ~~(4) "Competitive local exchange telecommunications~~
 126 ~~company" means any company certificated by the commission to~~
 127 ~~provide local exchange telecommunications services in this state~~
 128 ~~on or after July 1, 1995.~~

129 (5) "Corporation" includes a corporation, company,
 130 association, or joint stock association.

131 ~~(6) "Intrastate interexchange telecommunications company"~~
 132 ~~means any entity that provides intrastate interexchange~~
 133 ~~telecommunications services.~~

134 (6)~~(7)~~ "Local exchange telecommunications company" means
 135 any company certificated by the commission to provide local
 136 exchange telecommunications service in this state on or before
 137 June 30, 1995.

138 (7)~~(8)~~ "Monopoly service" means a telecommunications
 139 service for which there is no effective competition, either in
 140 fact or by operation of law.

141 (8)~~(9)~~ "Nonbasic service" means any telecommunications
 142 service provided by a local exchange telecommunications company
 143 other than a basic local telecommunications service, a local
 144 interconnection arrangement described in s. 364.16, or a network
 145 access service described in s. 364.163.

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146 (9)~~(10)~~ "Operator service" includes, but is not limited
 147 to, billing or completion of third-party, person-to-person,
 148 collect, or calling card or credit card calls through the use of
 149 a live operator or automated equipment.

150 (10)~~(11)~~ "Operator service provider" means a person who
 151 furnishes operator service through a call aggregator.

152 (11)~~(12)~~ "Service" is to be construed in its broadest and
 153 most inclusive sense. ~~The term "service" does not include voice-~~
 154 ~~over-Internet protocol service for purposes of regulation by the~~
 155 ~~commission. Nothing herein shall affect the rights and~~
 156 ~~obligations of any entity related to the payment of switched~~
 157 ~~network access rates or other intercarrier compensation, if any,~~
 158 ~~related to voice-over-Internet protocol service.~~

159 (12)~~(13)~~ "Telecommunications company" includes every
 160 corporation, partnership, and person and their lessees,
 161 trustees, or receivers appointed by any court whatsoever, and
 162 every political subdivision in the state, offering two-way
 163 telecommunications service to the public for hire within this
 164 state by the use of a telecommunications facility. The term
 165 "telecommunications company" does not include:

166 (a) An entity which provides a telecommunications facility
 167 exclusively to a certificated telecommunications company;

168 (b) An entity which provides a telecommunications facility
 169 exclusively to a company which is excluded from the definition
 170 of a telecommunications company under this subsection;

171 (c) A commercial mobile radio service provider;

172 (d) A facsimile transmission service;

173 (e) A private computer data network company not offering
 174 service to the public for hire; or

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175 (f) A cable television company providing cable service as
 176 defined in 47 U.S.C. s. 522; ~~or~~

177 ~~(g) An intrastate interexchange telecommunications~~
 178 ~~company.~~

179
 180 However, each commercial mobile radio service provider ~~and each~~
 181 ~~intrastate interexchange telecommunications company~~ shall
 182 continue to be liable for any taxes imposed pursuant to chapters
 183 ~~202,~~ 203 and 212 and any fees assessed pursuant to s. ss.
 184 ~~364.025 and 364.336. Each intrastate interexchange~~
 185 ~~telecommunications company shall continue to be subject to ss.~~
 186 ~~364.04, 364.10(3)(a) and (d), 364.163, 364.285, 364.501,~~
 187 ~~364.603, and 364.604, shall provide the commission with such~~
 188 ~~current information as the commission deems necessary to contact~~
 189 ~~and communicate with the company, shall continue to pay~~
 190 ~~intrastate switched network access rates or other intercarrier~~
 191 ~~compensation to the local exchange telecommunications company or~~
 192 ~~the competitive local exchange telecommunications company for~~
 193 ~~the origination and termination of interexchange~~
 194 ~~telecommunications service, and shall reduce its intrastate long~~
 195 ~~distance toll rates in accordance with s. 364.163(2).~~

196 (13)~~(14)~~ "Telecommunications facility" includes real
 197 estate, easements, apparatus, property, and routes used and
 198 operated to provide two-way telecommunications service to the
 199 public for hire within this state.

200 Section 3. Section 364.025, Florida Statutes, is amended
 201 to read:

202 364.025 Universal service.--

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203 (1) For the purposes of this section, the term "universal
 204 service" means an evolving level of access to telecommunications
 205 services that, taking into account advances in technologies,
 206 services, and market demand for essential services, the
 207 commission determines should be provided at just, reasonable,
 208 and affordable rates to customers, including those in rural,
 209 economically disadvantaged, and high-cost areas. It is the
 210 intent of the Legislature that universal service objectives be
 211 maintained after the local exchange market is opened to
 212 competitively provided services. It is also the intent of the
 213 Legislature that during this transition period the ubiquitous
 214 nature of the local exchange telecommunications companies be
 215 used to satisfy these objectives. For a period of 8 years after
 216 January 1, 1996 ~~Until January 1, 2009~~, each local exchange
 217 telecommunications company shall be required to furnish basic
 218 local exchange telecommunications service within a reasonable
 219 time period to any person requesting such service within the
 220 company's service territory.

221 (2) The Legislature finds that each telecommunications
 222 company should contribute its fair share to the support of the
 223 universal service objectives and carrier-of-last-resort
 224 obligations. For a transitional period not to exceed January 1,
 225 2004 ~~2009~~, the interim mechanism for maintaining universal
 226 service objectives and funding carrier-of-last-resort
 227 obligations shall be established by the commission, pending the
 228 implementation of a permanent mechanism. The interim mechanism
 229 shall be applied in a manner that ensures that each alternative
 230 ~~competitive~~ local exchange telecommunications company
 231 contributes its fair share to the support of universal service

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232 and carrier-of-last-resort obligations. The interim mechanism
 233 applied to each alternative ~~competitive~~ local exchange
 234 telecommunications company shall reflect a fair share of the
 235 local exchange telecommunications company's recovery of
 236 investments made in fulfilling its carrier-of-last-resort
 237 obligations, and the maintenance of universal service
 238 objectives. The commission shall ensure that the interim
 239 mechanism does not impede the development of residential
 240 consumer choice or create an unreasonable barrier to
 241 competition. In reaching its determination, the commission shall
 242 not inquire into or consider any factor that is inconsistent
 243 with s. 364.051(1)(c). The costs and expenses of any government
 244 program or project required in part II of this chapter shall not
 245 be recovered under this section.

246 (3) If any party, prior to January 1, 2004 ~~2009~~, believes
 247 that circumstances have changed substantially to warrant a
 248 change in the interim mechanism, that party may petition the
 249 commission for a change, but the commission shall grant such
 250 petition only after an opportunity for a hearing and a
 251 compelling showing of changed circumstances, including that the
 252 provider's customer population includes as many residential as
 253 business customers. The commission shall act on any such
 254 petition within 120 days.

255 (4)(a) Prior to January 1, 2004 ~~2009~~, the Legislature
 256 shall establish a permanent universal service mechanism upon the
 257 effective date of which any interim recovery mechanism for
 258 universal service objectives or carrier-of-last-resort
 259 obligations imposed on alternative ~~competitive~~ local exchange
 260 telecommunications companies shall terminate.

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261 (b) To assist the Legislature in establishing a permanent
 262 universal service mechanism, the commission, by February 15,
 263 1999, shall determine and report to the President of the Senate
 264 and the Speaker of the House of Representatives the total
 265 forward-looking cost, based upon the most recent commercially
 266 available technology and equipment and generally accepted design
 267 and placement principles, of providing basic local
 268 telecommunications service on a basis no greater than a wire
 269 center basis using a cost proxy model to be selected by the
 270 commission after notice and opportunity for hearing.

271 (c) In determining the cost of providing basic local
 272 telecommunications service for small local exchange
 273 telecommunications companies, which serve less than 100,000
 274 access lines, the commission shall not be required to use the
 275 cost proxy model selected pursuant to paragraph (b) until a
 276 mechanism is implemented by the Federal Government for small
 277 companies, but no sooner than January 1, 2001. The commission
 278 shall calculate a small local exchange telecommunications
 279 company's cost of providing basic local telecommunications
 280 services based on one of the following options:

- 281 1. A different proxy model; or
- 282 2. A fully distributed allocation of embedded costs,
 283 identifying high-cost areas within the local exchange area the
 284 company serves and including all embedded investments and
 285 expenses incurred by the company in the provision of universal
 286 service. Such calculations may be made using fully distributed
 287 costs consistent with 47 C.F.R. parts 32, 36, and 64. The
 288 geographic basis for the calculations shall be no smaller than a
 289 census block group.

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290 (5) After January 1, 2001, an alternative ~~a competitive~~
 291 local exchange telecommunications company may petition the
 292 commission to become the universal service provider and carrier
 293 of last resort in areas requested to be served by that
 294 alternative ~~competitive~~ local exchange telecommunications
 295 company. Upon petition of an alternative ~~a competitive~~ local
 296 exchange telecommunications company, the commission shall have
 297 120 days to vote on granting in whole or in part or denying the
 298 petition of the alternative ~~competitive~~ local exchange company.
 299 The commission may establish the alternative ~~competitive~~ local
 300 exchange telecommunications company as the universal service
 301 provider and carrier of last resort, provided that the
 302 commission first determines that the alternative ~~competitive~~
 303 local exchange telecommunications company will provide high-
 304 quality, reliable service. In the order establishing the
 305 alternative ~~competitive~~ local exchange telecommunications
 306 company as the universal service provider and carrier of last
 307 resort, the commission shall set the period of time in which
 308 such company must meet those objectives and obligations and
 309 shall set up any mechanism needed to aid such company in
 310 carrying out these duties.

311 Section 4. Section 364.0361, Florida Statutes, is amended
 312 to read:

313 364.0361 Local government authority; nondiscriminatory
 314 exercise.--A local government shall treat each
 315 telecommunications company in a nondiscriminatory manner when
 316 exercising its authority to grant franchises to a
 317 telecommunications company or to otherwise establish conditions
 318 or compensation for the use of rights-of-way or other public

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319 property by a telecommunications company. ~~A local government may~~
 320 ~~not directly or indirectly regulate the terms and conditions,~~
 321 ~~including, but not limited to, the operating systems,~~
 322 ~~qualifications, services, service quality, service territory,~~
 323 ~~and prices, applicable to or in connection with the provision of~~
 324 ~~any broadband or information service. This section does not~~
 325 ~~relieve a provider from any obligations under s. 166.046 or s.~~
 326 ~~337.401.~~

327 Section 5. Paragraph (a) of subsection (1), and
 328 subsections (3), (6), (7), and (8) of section 364.051, Florida
 329 Statutes, are amended to read

330 364.051 Price regulation.--

331 (1) SCHEDULE.--Notwithstanding any other provisions of
 332 this chapter, the following local exchange telecommunications
 333 companies shall become subject to the price regulation described
 334 in this section on the following dates:

335 (a) For a local exchange telecommunications company with
 336 100,000 or more access lines in service as of July 1, 1995, such
 337 company may file with the commission a notice of election to be
 338 under price regulation effective January 1, 1996, or when an
 339 alternative ~~a competitive~~ local exchange telecommunications
 340 company is certificated to provide local exchange
 341 telecommunications services in its service territory, whichever
 342 is later.

343 (3) If it is determined that the level of competition
 344 justifies the elimination of price caps in an exchange served by
 345 a local exchange telecommunications company with less than 3
 346 million basic local telecommunications service access lines in
 347 service, or at the end of 5 years for any local exchange

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348 telecommunications company, the local exchange
 349 telecommunications company may thereafter on 30 days' notice
 350 adjust its basic service prices ~~revenues~~ once in any 12-month
 351 period in an amount not to exceed the change in inflation less 1
 352 percent. Inflation shall be measured by the changes in the Gross
 353 Domestic Product Fixed 1987 Weights Price Index, or successor
 354 fixed weight price index, published in the Survey of Current
 355 Business or a publication, by the United States Department of
 356 Commerce. In the event any local exchange telecommunications
 357 company, after January 1, 2001, believes that the level of
 358 competition justifies the elimination of any form of price
 359 regulation, the company may petition the Legislature.

360 ~~(6) After a local exchange telecommunications company that~~
 361 ~~has more than 1 million access lines in service has reduced its~~
 362 ~~intrastate switched network access rates to parity, as defined~~
 363 ~~in s. 364.164(5), the local exchange telecommunications~~
 364 ~~company's basic local telecommunications service may, at the~~
 365 ~~company's election, be subject to the same regulatory treatment~~
 366 ~~as its nonbasic services. The company's retail service quality~~
 367 ~~requirements that are not already equal to the service quality~~
 368 ~~requirements imposed upon the competitive local exchange~~
 369 ~~telecommunications companies shall thereafter be no greater than~~
 370 ~~those imposed upon competitive local exchange telecommunications~~
 371 ~~companies unless the commission, within 120 days after the~~
 372 ~~company's election, determines otherwise. In such event, the~~
 373 ~~commission may grant some reductions in service quality~~
 374 ~~requirements in some or all of the company's local calling~~
 375 ~~areas. The commission may not impose retail service quality~~

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376 ~~requirements on competitive local exchange telecommunications~~
377 ~~companies greater than those existing on January 1, 2003.~~

378 ~~(7) If a local exchange telecommunications company elects,~~
379 ~~pursuant to subsection (6), to subject its retail basic local~~
380 ~~telecommunications services to the same regulatory treatment as~~
381 ~~its nonbasic services, the local exchange telecommunications~~
382 ~~company may petition the commission for regulatory treatment of~~
383 ~~its retail services at a level no greater than that imposed by~~
384 ~~the commission upon competitive local exchange~~
385 ~~telecommunications companies. The local exchange~~
386 ~~telecommunications company shall:~~

387 ~~(a) Show that granting the petition is in the public~~
388 ~~interest;~~

389 ~~(b) Reduce its intrastate switched network access rates to~~
390 ~~its local reciprocal interconnection rate upon the grant of the~~
391 ~~petition.~~

392
393 ~~The commission shall act upon such a petition within 9 months~~
394 ~~after its filing with the commission. In making its~~
395 ~~determination to either grant or deny the petition, the~~
396 ~~commission shall determine the extent to which the level of~~
397 ~~competition faced by the local exchange telecommunications~~
398 ~~company permits and will continue to permit the company to have~~
399 ~~its retail services regulated no differently than the~~
400 ~~competitive local exchange telecommunications companies are then~~
401 ~~being regulated. The commission may not increase the level of~~
402 ~~regulation for competitive local exchange telecommunications~~
403 ~~companies to a level greater than that which exists on the date~~

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404 ~~the local exchange telecommunications company files its~~
 405 ~~petition.~~

406 ~~(8) The provisions described in subsections (6) and (7)~~
 407 ~~shall apply to any local exchange telecommunications company~~
 408 ~~with 1 million or fewer lines in service that has reduced its~~
 409 ~~intrastate switched network access rates to a level equal to the~~
 410 ~~company's interstate switched network access rates in effect on~~
 411 ~~January 1, 2003.~~

412 Section 6. Subsections (2), (3), and (4) of section
 413 364.052, Florida Statutes, are amended to read:

414 364.052 Regulatory methods for small local exchange
 415 telecommunications companies.--

416 (2) A small local exchange telecommunications company
 417 shall remain under rate base, rate of return regulation until
 418 the company elects to become subject to s. 364.051, or January
 419 1, 2001, whichever occurs first. A company subject to this
 420 section, electing to be regulated pursuant to s. 364.051, will
 421 have any overearnings attributable to a period prior to the date
 422 on which the company makes the election subject to refund or
 423 other disposition by the commission. Small local exchange
 424 telecommunications companies not electing the price regulation
 425 provided for under s. 364.051 shall also be regulated pursuant
 426 to ss. 364.03, 364.035(1) and (2), 364.05, and 364.055 and other
 427 provisions necessary for rate base, rate of return regulation.
 428 If a small local exchange telecommunications company has not
 429 elected to be regulated under s. 364.051, by January 1, 2001,
 430 the company shall remain under rate base, rate of return
 431 regulation until such time as a certificated alternative
 432 ~~competitive~~ local exchange company provides basic local

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433 telecommunications service in the company's territory. At such
 434 time, the small local exchange telecommunications company shall
 435 be subject to s. 364.051.

436 (a) The commission shall establish, by rule, ranges of
 437 basic factors for lives and salvage values to be used in
 438 developing depreciation rates for companies subject to this
 439 section. Companies shall have the option of using basic factors
 440 within the established ranges or of filing depreciation studies.

441 (b) The commission shall adopt, by rule, streamlined
 442 procedures for regulating companies subject to this section.
 443 These procedures shall minimize the burdens of regulation with
 444 regard to audits, investigations, service standards, cost
 445 studies, reports, and other matters, and the commission shall
 446 establish, by rule, only those procedures that are cost-
 447 justified and are in the public interest so that universal
 448 service may be promoted. Upon petition filed in this rulemaking
 449 proceeding, the commission shall review and may approve any
 450 regulations unique to the specific circumstances of a company
 451 subject to this section.

452 (3) A company subject to this section may at any time
 453 after January 1, 1996, elect to be regulated pursuant to s.
 454 364.051. If such a company so elects or provides cable
 455 television programming services directly or as video dial tone
 456 applications authorized under 47 U.S.C. s. 214, except as
 457 provided for in compliance with part II of this chapter, a
 458 certificated alternative ~~competitive~~ local exchange company may
 459 provide local exchange telecommunications services within the
 460 territory of the electing company.

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461 (4) Any alternative ~~competitive~~ local exchange
462 telecommunications company competing within the territory of any
463 small local exchange telecommunications company must do so on an
464 exchange-wide basis for the provision of flat-rated, switched
465 residential and business local exchange telecommunications
466 services in all exchanges in which they elect to serve, unless
467 the commission determines otherwise. The alternative ~~competitive~~
468 local exchange telecommunications company may petition and the
469 commission has the authority to determine that it is in the
470 public interest for an alternative ~~a competitive~~ local exchange
471 telecommunications company to service a geographic territory
472 that is less than an entire exchange.

473 Section 7. Subsection (3) of section 364.058, Florida
474 Statutes, is amended to read:

475 364.058 Limited proceedings.--

476 ~~(3) The commission shall implement an expedited process to~~
477 ~~facilitate the quick resolution of disputes between~~
478 ~~telecommunications companies. The process implemented by the~~
479 ~~commission shall, to the greatest extent feasible, minimize the~~
480 ~~time necessary to reach a decision on a dispute. The commission~~
481 ~~may limit the use of the expedited process based on the number~~
482 ~~of parties, the number of issues, or the complexity of the~~
483 ~~issues. For any proceeding conducted pursuant to the expedited~~
484 ~~process, the commission shall make its determination within 120~~
485 ~~days after a petition is filed or a motion is made. The~~
486 ~~commission shall adopt rules to implement this subsection.~~

487 Section 8. Subsection (3) of section 364.10, Florida
488 Statutes, is amended to read:

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489 364.10 Undue advantage to person or locality prohibited;
 490 Lifeline service.--

491 ~~(3)(a) Effective September 1, 2003, any local exchange~~
 492 ~~telecommunications company authorized by the commission to~~
 493 ~~reduce its switched network access rate pursuant to s. 364.164~~
 494 ~~shall have tariffed and shall provide Lifeline service to any~~
 495 ~~otherwise eligible customer or potential customer who meets an~~
 496 ~~income eligibility test at 125 percent or less of the federal~~
 497 ~~poverty income guidelines for Lifeline customers. Such a test~~
 498 ~~for eligibility must augment, rather than replace, the~~
 499 ~~eligibility standards established by federal law and based on~~
 500 ~~participation in certain low income assistance programs. Each~~
 501 ~~intrastate interexchange telecommunications company shall,~~
 502 ~~effective September 1, 2003, file a tariff providing at a~~
 503 ~~minimum the intrastate interexchange telecommunications~~
 504 ~~carrier's current Lifeline benefits and exemptions to Lifeline~~
 505 ~~customers who meet the income eligibility test set forth in this~~
 506 ~~subsection. The Office of Public Counsel shall certify and~~
 507 ~~maintain claims submitted by a customer for eligibility under~~
 508 ~~the income test authorized by this subsection.~~

509 ~~(b) Each local exchange telecommunications company subject~~
 510 ~~to this subsection shall provide to each state and federal~~
 511 ~~agency providing benefits to persons eligible for Lifeline~~
 512 ~~service applications, brochures, pamphlets, or other materials~~
 513 ~~that inform such persons of their eligibility for Lifeline, and~~
 514 ~~each state agency providing such benefits shall furnish the~~
 515 ~~materials to affected persons at the time they apply for~~
 516 ~~benefits.~~

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517 ~~(c) Any local exchange telecommunications company customer~~
 518 ~~receiving Lifeline benefits shall not be subject to any~~
 519 ~~residential basic local telecommunications service rate~~
 520 ~~increases authorized by s. 364.164 until the local exchange~~
 521 ~~telecommunications company reaches parity as defined in s.~~
 522 ~~364.164(5) or until the customer no longer qualifies for the~~
 523 ~~Lifeline benefits established by this section or s. 364.105, or~~
 524 ~~unless otherwise determined by the commission upon petition by a~~
 525 ~~local exchange telecommunications company.~~

526 ~~(d) By December 31, 2003, each state agency that provides~~
 527 ~~benefits to persons eligible for Lifeline service shall~~
 528 ~~undertake, in cooperation with the Department of Children and~~
 529 ~~Family Services, the commission, and telecommunications~~
 530 ~~companies providing Lifeline services, the development of~~
 531 ~~procedures to promote Lifeline participation.~~

532 ~~(e) The commission shall report to the Governor, the~~
 533 ~~President of the Senate, and the Speaker of the House of~~
 534 ~~Representatives by December 31 each year on the number of~~
 535 ~~customers who are subscribing to Lifeline service and the~~
 536 ~~effectiveness of any procedures to promote participation.~~

537 Section 9. Subsection (2), paragraph (a) of subsection
 538 (3), and subsection (5) of section 364.16, Florida Statutes, are
 539 amended to read:

540 364.16 Connection of lines and transfers; local
 541 interconnection; telephone number portability.--

542 (2) Each alternative ~~competitive~~ local exchange
 543 telecommunications company shall provide access to, and
 544 interconnection with, its telecommunications services to any
 545 other provider of local exchange telecommunications services

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546 requesting such access and interconnection at nondiscriminatory
 547 prices, terms, and conditions. If the parties are unable to
 548 negotiate mutually acceptable prices, terms, and conditions
 549 after 60 days, either party may petition the commission and the
 550 commission shall have 120 days to make a determination after
 551 proceeding as required by s. 364.162(2) pertaining to
 552 interconnection services.

553 (3) Each local exchange telecommunications company shall
 554 provide access to, and interconnection with, its
 555 telecommunications facilities to any other provider of local
 556 exchange telecommunications services requesting such access and
 557 interconnection at nondiscriminatory prices, rates, terms, and
 558 conditions established by the procedures set forth in s.
 559 364.162.

560 (a) No local exchange telecommunications company or
 561 alternative ~~competitive~~ local exchange telecommunications
 562 company shall knowingly deliver traffic, for which terminating
 563 access service charges would otherwise apply, through a local
 564 interconnection arrangement without paying the appropriate
 565 charges for such terminating access service.

566 (5) When requested, each certificated telecommunications
 567 company shall provide access to any poles, conduits, rights-of-
 568 way, and like facilities that it owns or controls to any local
 569 exchange telecommunications company or alternative ~~competitive~~
 570 local exchange telecommunications company pursuant to reasonable
 571 rates and conditions mutually agreed to which do not
 572 discriminate between similarly situated companies.

573 Section 10. Subsections (3) and (4) of section 364.161,
 574 Florida Statutes, are amended to read:

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575 364.161 Unbundling and resale.--

576 (3) Only after an alternative ~~a competitive~~ local exchange
 577 telecommunications company has been determined to be a carrier
 578 of last resort shall such company, upon request by another
 579 telecommunications provider, be required, for purposes of
 580 resale, to unbundle its local exchange services, network
 581 features, functions and capabilities, including its local loop,
 582 to the extent such unbundling is technically and economically
 583 feasible. The parties shall negotiate the terms, conditions, and
 584 prices of any feasible unbundling request. If the parties cannot
 585 reach a satisfactory resolution within 60 days, either party may
 586 petition the commission to arbitrate the dispute and the
 587 commission shall make a determination within 120 days. The
 588 prices shall not be below cost.

589 (4) A local exchange telecommunications company shall
 590 provide unbundled network elements, services for resale,
 591 requested repairs, and necessary support services in a timely
 592 manner. The Public Service Commission shall maintain a file of
 593 all complaints by alternative ~~competitive~~ local exchange
 594 telecommunications companies against local exchange
 595 telecommunications companies regarding timeliness and adequacy
 596 of service. This information, including how and when each
 597 complaint was resolved, shall be included with the commission's
 598 annual report to the Legislature on competition.

599 Section 11. Subsection (1) of section 364.162, Florida
 600 Statutes, is amended to read:

601 364.162 Negotiated prices for interconnection and for the
 602 resale of services and facilities; commission rate setting.--

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603 (1) An alternative ~~A competitive~~ local exchange
 604 telecommunications company shall have 60 days from the date it
 605 is certificated to negotiate with a local exchange
 606 telecommunications company mutually acceptable prices, terms,
 607 and conditions of interconnection and for the resale of services
 608 and facilities. If a negotiated price is not established after
 609 60 days, either party may petition the commission to establish
 610 nondiscriminatory rates, terms, and conditions of
 611 interconnection and for the resale of services and facilities.
 612 The commission shall have 120 days to make a determination after
 613 proceeding as required by subsection (2). Whether set by
 614 negotiation or by the commission, interconnection and resale
 615 prices, rates, terms, and conditions shall be filed with the
 616 commission before their effective date. The commission shall
 617 have the authority to arbitrate any dispute regarding
 618 interpretation of interconnection or resale prices and terms and
 619 conditions.

620 Section 12. Section 364.163, Florida Statutes, is amended
 621 to read:

622 364.163 Network access services.--For purposes of this
 623 section, the term "network access service" means ~~is defined as~~
 624 any service provided by a local exchange telecommunications
 625 company to a telecommunications company certificated under this
 626 chapter or licensed by the Federal Communications Commission to
 627 access the local exchange telecommunications network, excluding
 628 the local interconnection arrangements in s. 364.16 and the
 629 resale arrangements in s. 364.161. Each local exchange
 630 telecommunications company subject to s. 364.051 shall maintain

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631 tariffs with the commission containing the terms, conditions,
632 and rates for each of its network access services.

633 (1) Effective January 1, 1999, the rates for switched
634 network access services of each company subject to this section
635 shall be capped at the rates in effect on January 1, 1999, and
636 shall remain capped until January 1, 2001. Upon the date of
637 filing its election with the commission, the network access
638 service rates of a company that elects to become subject to this
639 section shall be capped at the rates in effect on that date and
640 shall remain capped for 5 years.

641 (2)(1) After the termination of the caps imposed on rates
642 by subsection (1) and after a local exchange telecommunications
643 company's intrastate switched network access rates reach are
644 reduced to or below parity with its interstate switched access
645 rates, a company subject to this section may, on 30 days'
646 notice, annually adjust any specific network access service rate
647 in an amount not to exceed the cumulative change in inflation
648 experienced after the date of the last adjustment, provided,
649 however, that no such adjustment shall ever exceed 3 percent
650 annually of the then-current prices, as defined in s.

651 364.164(5), the company's intrastate switched network access
652 rates shall be, and shall remain, capped for 3 years. Inflation
653 shall be measured by the changes in Gross Domestic Product Fixed
654 1987 Weights Price Index, or successor fixed weight price index,
655 published in the Survey of Current Business, or successor
656 publication, by the United States Department of Commerce.

657 (3) After the termination of the caps imposed on rates by
658 subsection (1), a company subject to this section may, at any
659 time, petition the commission for a network access service rate

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660 change to recover the cost of governmentally mandated projects
661 or programs or an increase in federal or state income tax
662 incurred after that date. The costs and expenses of the
663 government program or project required in part II of this
664 chapter shall not be recovered under this subsection unless such
665 costs and expenses are incurred in the absence of a bid and
666 subject to carrier of last resort obligations as provided for in
667 part II of this chapter. With respect to governmentally mandated
668 projects and programs, such petition shall be acted upon no
669 later than 90 days after the date of filing. A company subject
670 to this section shall show the commission that the cost of a
671 project or program is not recoverable either from the government
672 mandating the project or program or from the beneficiaries of
673 the project or program through user fees or other new revenue
674 sources from the project or program, and to the extent that cost
675 decreases resulting from the project or program are reflected as
676 an offset to cost increases. A company subject to this section
677 shall decrease its network access rates by amounts that reflect
678 any federal or state income tax reduction. Nothing contained in
679 this section shall allow any revisions in the rates, terms, and
680 conditions for commercial mobile radio service access, which
681 revisions are inconsistent with the requirements or
682 methodologies of the Federal Communications Commission.

683 (4) A company subject to this section may choose to
684 implement all or a portion of a rate increase allowed for
685 network access service by subsections (1), (2), and (3).
686 Notwithstanding subsections (1), (2), and (3), a company subject
687 to this section may choose to decrease network service rates at

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688 any time, and decreased rates shall become effective upon 7
689 days' notice.

690 (5) Company-proposed changes to the terms and conditions
691 for existing network access services in accordance with
692 subsections (1), (2), (3), and (4) shall be presumed valid and
693 become effective upon 15 days' notice. Company-proposed rate
694 reductions shall become effective upon 7 days' notice. Rate
695 increases made by the local exchange telecommunications company
696 shall be presumed valid and become effective on the date
697 specified in the tariff, but in no event earlier than 30 days
698 after the filing of such tariff. The commission shall have
699 continuing regulatory oversight of local exchange
700 telecommunications company-provided network access services for
701 purposes of determining the correctness of any price increase
702 resulting from the application of the inflation index and making
703 any necessary adjustments, establishing reasonable service
704 quality criteria, and assuring resolution of service complaints.
705 No later than 30 days after the filing of such tariff, the
706 commission may, with respect to determining the correctness of
707 any price increase, vote, without hearing, the local exchange
708 telecommunications company to hold subject to refund all
709 revenues collected under the rate increase. Within 60 days after
710 such order, the commission must make a determination either
711 compelling a refund of all or part of such revenues or releasing
712 them from such requirement.

713 (6)(2) Any local exchange telecommunications company with
714 more than 100,000, but fewer than 3 million, basic local
715 telecommunications service access lines in service on July 1,
716 1995, shall reduce its intrastate switched access rates by 5

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717 percent on July 1, 1998, and by 10 percent on October 1, 1998.
 718 Any ~~intrastate~~ interexchange telecommunications company whose
 719 intrastate switched ~~network~~ access rate is reduced as a result
 720 of the rate decreases ~~adjustments~~ made by a local exchange
 721 telecommunications company in accordance with this subsection ~~s.~~
 722 ~~364.164~~ shall decrease its intrastate long distance rates
 723 ~~revenues~~ by the amount necessary to return the benefits of such
 724 reduction to ~~both~~ its ~~residential and business~~ customers but
 725 shall not reduce per minute intra-LATA toll rates by a
 726 percentage greater than the per minute intrastate switched
 727 access rate reductions required by this act. The ~~intrastate~~
 728 interexchange telecommunications carrier ~~company~~ may determine
 729 the specific intrastate rates to be decreased, provided that
 730 residential and business customers benefit from the rate
 731 decreases. ~~Any in-state connection fee or similarly named fee~~
 732 ~~shall be eliminated by July 1, 2006, provided that the timetable~~
 733 ~~determined pursuant to s. 364.164(1) reduces intrastate switched~~
 734 ~~network access rates in an amount that results in the~~
 735 ~~elimination of such fee in a revenue-neutral manner. The tariff~~
 736 ~~changes, if any, made by the intrastate interexchange~~
 737 ~~telecommunications company to carry out the requirements of this~~
 738 ~~subsection shall be presumed valid and shall become effective on~~
 739 ~~1 day's notice.~~

740 (7) Telecommunications company intrastate switched access
 741 and customer long distance rate reductions shall become
 742 effective on October 1 of each relevant year. Rate decreases
 743 proposed in tariff revisions filed by the telecommunications
 744 companies with the commission shall be presumed valid and become
 745 effective on October 1 of each relevant year.

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746 (8) No later than 30 days after the filing of such tariff,
 747 the commission may, with respect to determining the correctness
 748 of any rate decrease, vote, without hearing, the
 749 telecommunications company to hold subject to refund all
 750 intrastate switched access or customer long distance rate
 751 revenues collected after the rate decrease. Within 60 days after
 752 such order, the commission must make a determination either
 753 compelling a refund of the appropriate part of such revenues or
 754 releasing all such revenues from such requirement.

755 (9)~~(3)~~ The commission shall have continuing regulatory
 756 oversight of intrastate switched ~~network~~ access and customer
 757 long distance rates for purposes of determining the correctness
 758 of any rate decrease by a telecommunications company resulting
 759 from the application of this section ~~s. 364.164~~ and making any
 760 necessary adjustments to those rates, establishing reasonable
 761 service quality criteria, and assuring resolution of service
 762 complaints.

763 Section 13. Section 364.337, Florida Statutes, is amended
 764 to read:

765 364.337 Alternative ~~Competitive~~ local exchange
 766 telecommunications companies; intrastate interexchange
 767 telecommunications services; certification.--

768 (1) Upon this act becoming a law, a party may file an
 769 application for a certificate as an alternative ~~a competitive~~
 770 local exchange telecommunications company before January 1,
 771 1996, and the commission shall conduct its review of the
 772 application and take all actions necessary to process the
 773 application. However, an application shall become effective no
 774 sooner than January 1, 1996. The commission shall grant a

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775 certificate of authority to provide alternative ~~competitive~~
776 local exchange service upon a showing that the applicant has
777 sufficient technical, financial, and managerial capability to
778 provide such service in the geographic area proposed to be
779 served. In no event may an alternative ~~a competitive~~ local
780 exchange telecommunications company ~~may not~~ offer basic local
781 telecommunications services within the territory served by a
782 company subject to s. 364.052 prior to January 1, 2001, unless
783 the small local exchange telecommunications company elects to be
784 regulated under s. 364.051 or provides cable television
785 programming services directly or as video dial tone applications
786 authorized under 47 U.S.C. s. 214, except as provided for in
787 compliance with part II. It is the intent of the Legislature
788 that the commission act expeditiously to grant certificates of
789 authority under this section and that the grant of certificates
790 not be affected by the application of any criteria other than
791 that specifically enumerated in this subsection.

792 (2) Rules adopted by the commission governing the
793 provision of alternative ~~competitive~~ local exchange
794 telecommunications service shall be consistent with s. 364.01.
795 The basic local telecommunications service provided by an
796 alternative ~~a competitive~~ local exchange telecommunications
797 company must include access to operator services, "911"
798 services, and relay services for the hearing impaired. An
799 alternative ~~A competitive~~ local exchange telecommunications
800 company's "911" service shall be provided at a level equivalent
801 to that provided by the local exchange telecommunications
802 company serving the same area. There shall be a flat-rate
803 pricing option for basic local telecommunications services, and

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804 mandatory measured service for basic local telecommunications
 805 services shall not be imposed. A certificated alternative
 806 ~~competitive~~ local exchange telecommunications company may
 807 petition the commission for a waiver of some or all of the
 808 requirements of this chapter, except ss. 364.16, 364.336, and
 809 subsections (1) and (5). The commission may grant such petition
 810 if determined to be in the public interest. In no event shall
 811 alternative ~~Competitive~~ local exchange telecommunications
 812 companies be ~~are not~~ subject to the requirements of ss. 364.03,
 813 364.035, 364.037, 364.05, 364.055, 364.14, 364.17, 364.18,
 814 ~~364.33~~, and 364.3381.

815 (3) The commission shall grant a certificate of authority
 816 to provide intrastate interexchange telecommunications service
 817 upon a showing that the applicant has sufficient technical,
 818 financial, and managerial capability to provide such service in
 819 the geographic area proposed to be served.

820 (4) Rules adopted by the commission governing the
 821 provision of intrastate interexchange telecommunications service
 822 shall ~~must~~ be consistent with s. 364.01. A certificated
 823 intrastate interexchange telecommunications company may petition
 824 the commission for a waiver for some or all of the requirements
 825 of this chapter, except s. 364.16, s. 364.335(3), or subsection
 826 (5). The commission may grant such petition if determined to be
 827 in the public interest. In no event shall intrastate
 828 interexchange telecommunications companies be ~~are not~~ subject to
 829 the requirements of ss. 364.03, 364.035, 364.037, 364.05,
 830 364.055, 364.14, 364.17, 364.18, and 364.3381.

831 (5) The commission shall have continuing regulatory
 832 oversight over the provision of basic local exchange

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833 telecommunications service provided by a certificated
 834 alternative ~~competitive~~ local exchange telecommunications
 835 company or a certificated alternative access vendor for purposes
 836 of establishing reasonable service quality criteria, assuring
 837 resolution of service complaints, and ensuring the fair
 838 treatment of all telecommunications providers in the
 839 telecommunications marketplace.

840 (6)(a) The Legislature finds the provision of alternative
 841 access vendor services to be in the public interest, and the
 842 commission may authorize the provision of such service. For the
 843 purposes of this section, effective January 1, 1996, ~~the term~~
 844 "alternative access vendor services" means the provision of
 845 private line service between an entity and facilities at another
 846 location, whether owned by the entity or an unaffiliated entity
 847 or access service between an end user and an interexchange
 848 carrier by other than a local exchange telecommunications
 849 company. For purposes of this chapter, ~~the term~~ "private line
 850 service" means any dedicated point-to-point or point-to-
 851 multipoint service for the transmission of any public
 852 telecommunications service.

853 (b) A person may not provide alternative access vendor
 854 services without first obtaining a certificate from the
 855 commission. Any certificated alternative access vendor as of the
 856 date this act becomes a law wishing to provide alternative local
 857 exchange telecommunications service in addition to the services
 858 authorized in its certificate may do so, effective January 1,
 859 1996, upon furnishing written notice to the commission.

860 Section 14. Subsection (1) of section 364.3376, Florida
 861 Statutes, is amended to read:

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862 364.3376 Operator services.--

863 (1)(a) A person may not provide operator services as
 864 defined in s. 364.02 without first obtaining from the commission
 865 a certificate of public convenience and necessity as either an
 866 operator services provider or an interexchange
 867 telecommunications company.

868 (b) The provisions of this section do ~~does~~ not apply to
 869 operator services provided by a local exchange
 870 telecommunications company ~~or by an intrastate interexchange~~
 871 ~~telecommunications company~~, except as required by the commission
 872 in the public interest.

873 Section 15. Subsection (1) of section 364.502, Florida
 874 Statutes, is amended to read:

875 364.502 Video programming; capacity for public use.--

876 (1) Each local exchange telecommunications company or
 877 alternative ~~competitive~~ local exchange telecommunications
 878 company which provides video programming shall, prior to
 879 providing such programming, file with the commission a
 880 designation of reserve capacity for public, educational, or
 881 governmental use. The commission shall review the filed
 882 designation to determine whether such designation ensures that
 883 public education and public information programming are
 884 adequately available to the customers of such telecommunications
 885 company. The commission shall consider the following factors in
 886 determining whether the filed designation complies with the
 887 requirements of this chapter:

888 (a) Reservation and designation requirements provided by
 889 federal law, if any.

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890 (b) The level of demand for such programming in a given
891 service area.

892 (c) The barriers to providing such programming in the
893 service area.

894 (d) The cost and availability of such programming in the
895 service area.

896 (e) Other factors which the commission deems appropriate.

897 Section 16. Paragraph (j) of subsection (3) of section
898 365.172, Florida Statutes, is amended to read:

899 365.172 Wireless emergency telephone number "E911."--

900 (3) DEFINITIONS.--As used in this section and ss. 365.173
901 and 365.174, the term:

902 (j) "Local exchange carrier" means an a "alternative
903 ~~competitive~~ local exchange telecommunications company" or a
904 "local exchange telecommunications company" as defined in s.
905 364.02.

906 Section 17. Subsection (6) of section 196.012, Florida
907 Statutes, is amended to read:

908 196.012 Definitions.--For the purpose of this chapter, the
909 following terms are defined as follows, except where the context
910 clearly indicates otherwise:

911 (6) Governmental, municipal, or public purpose or function
912 shall be deemed to be served or performed when the lessee under
913 any leasehold interest created in property of the United States,
914 the state or any of its political subdivisions, or any
915 municipality, agency, special district, authority, or other
916 public body corporate of the state is demonstrated to perform a
917 function or serve a governmental purpose which could properly be
918 performed or served by an appropriate governmental unit or which

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919 is demonstrated to perform a function or serve a purpose which
 920 would otherwise be a valid subject for the allocation of public
 921 funds. For purposes of the preceding sentence, an activity
 922 undertaken by a lessee which is permitted under the terms of its
 923 lease of real property designated as an aviation area on an
 924 airport layout plan which has been approved by the Federal
 925 Aviation Administration and which real property is used for the
 926 administration, operation, business offices and activities
 927 related specifically thereto in connection with the conduct of
 928 an aircraft full service fixed base operation which provides
 929 goods and services to the general aviation public in the
 930 promotion of air commerce shall be deemed an activity which
 931 serves a governmental, municipal, or public purpose or function.
 932 Any activity undertaken by a lessee which is permitted under the
 933 terms of its lease of real property designated as a public
 934 airport as defined in s. 332.004(14) by municipalities,
 935 agencies, special districts, authorities, or other public bodies
 936 corporate and public bodies politic of the state, a spaceport as
 937 defined in s. 331.303(19), or which is located in a deepwater
 938 port identified in s. 403.021(9)(b) and owned by one of the
 939 foregoing governmental units, subject to a leasehold or other
 940 possessory interest of a nongovernmental lessee that is deemed
 941 to perform an aviation, airport, aerospace, maritime, or port
 942 purpose or operation shall be deemed an activity that serves a
 943 governmental, municipal, or public purpose. The use by a lessee,
 944 licensee, or management company of real property or a portion
 945 thereof as a convention center, visitor center, sports facility
 946 with permanent seating, concert hall, arena, stadium, park, or
 947 beach is deemed a use that serves a governmental, municipal, or

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948 public purpose or function when access to the property is open
 949 to the general public with or without a charge for admission. If
 950 property deeded to a municipality by the United States is
 951 subject to a requirement that the Federal Government, through a
 952 schedule established by the Secretary of the Interior, determine
 953 that the property is being maintained for public historic
 954 preservation, park, or recreational purposes and if those
 955 conditions are not met the property will revert back to the
 956 Federal Government, then such property shall be deemed to serve
 957 a municipal or public purpose. The term "governmental purpose"
 958 also includes a direct use of property on federal lands in
 959 connection with the Federal Government's Space Exploration
 960 Program or spaceport activities as defined in s. 212.02(22).
 961 Real property and tangible personal property owned by the
 962 Federal Government or the Florida Space Authority and used for
 963 defense and space exploration purposes or which is put to a use
 964 in support thereof shall be deemed to perform an essential
 965 national governmental purpose and shall be exempt. "Owned by the
 966 lessee" as used in this chapter does not include personal
 967 property, buildings, or other real property improvements used
 968 for the administration, operation, business offices and
 969 activities related specifically thereto in connection with the
 970 conduct of an aircraft full service fixed based operation which
 971 provides goods and services to the general aviation public in
 972 the promotion of air commerce provided that the real property is
 973 designated as an aviation area on an airport layout plan
 974 approved by the Federal Aviation Administration. For purposes of
 975 determination of "ownership," buildings and other real property
 976 improvements which will revert to the airport authority or other

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977 governmental unit upon expiration of the term of the lease shall
 978 be deemed "owned" by the governmental unit and not the lessee.
 979 Providing two-way telecommunications services to the public for
 980 hire by the use of a telecommunications facility, as defined in
 981 s. 364.02(13)~~(14)~~, and for which a certificate is required under
 982 chapter 364 does not constitute an exempt use for purposes of s.
 983 196.199, unless the telecommunications services are provided by
 984 the operator of a public-use airport, as defined in s. 332.004,
 985 for the operator's provision of telecommunications services for
 986 the airport or its tenants, concessionaires, or licensees, or
 987 unless the telecommunications services are provided by a public
 988 hospital. However, property that is being used to provide such
 989 telecommunications services on or before October 1, 1997, shall
 990 remain exempt, but such exemption expires October 1, 2004.

991 Section 18. Paragraph (b) of subsection (1) of section
 992 199.183, Florida Statutes, is amended to read:

993 199.183 Taxpayers exempt from annual and nonrecurring
 994 taxes.--

995 (1) Intangible personal property owned by this state or
 996 any of its political subdivisions or municipalities shall be
 997 exempt from taxation under this chapter. This exemption does not
 998 apply to:

999 (b) Property related to the provision of two-way
 1000 telecommunications services to the public for hire by the use of
 1001 a telecommunications facility, as defined in s. 364.02(13)~~(14)~~,
 1002 and for which a certificate is required under chapter 364, when
 1003 such service is provided by any county, municipality, or other
 1004 political subdivision of the state. Any immunity of any
 1005 political subdivision of the state or other entity of local

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1006 government from taxation of the property used to provide
 1007 telecommunication services that is taxed as a result of this
 1008 paragraph is hereby waived. However, intangible personal
 1009 property related to the provision of such telecommunications
 1010 services provided by the operator of a public-use airport, as
 1011 defined in s. 332.004, for the operator's provision of
 1012 telecommunications services for the airport or its tenants,
 1013 concessionaires, or licensees, and intangible personal property
 1014 related to the provision of such telecommunications services
 1015 provided by a public hospital, are exempt from taxation under
 1016 this chapter.

1017 Section 19. Subsection (6) of section 212.08, Florida
 1018 Statutes, is amended to read:

1019 212.08 Sales, rental, use, consumption, distribution, and
 1020 storage tax; specified exemptions.--The sale at retail, the
 1021 rental, the use, the consumption, the distribution, and the
 1022 storage to be used or consumed in this state of the following
 1023 are hereby specifically exempt from the tax imposed by this
 1024 chapter.

1025 (6) EXEMPTIONS; POLITICAL SUBDIVISIONS.--There are also
 1026 exempt from the tax imposed by this chapter sales made to the
 1027 United States Government, a state, or any county, municipality,
 1028 or political subdivision of a state when payment is made
 1029 directly to the dealer by the governmental entity. This
 1030 exemption shall not inure to any transaction otherwise taxable
 1031 under this chapter when payment is made by a government employee
 1032 by any means, including, but not limited to, cash, check, or
 1033 credit card when that employee is subsequently reimbursed by the
 1034 governmental entity. This exemption does not include sales of

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1035 tangible personal property made to contractors employed either
 1036 directly or as agents of any such government or political
 1037 subdivision thereof when such tangible personal property goes
 1038 into or becomes a part of public works owned by such government
 1039 or political subdivision. A determination whether a particular
 1040 transaction is properly characterized as an exempt sale to a
 1041 government entity or a taxable sale to a contractor shall be
 1042 based on the substance of the transaction rather than the form
 1043 in which the transaction is cast. The department shall adopt
 1044 rules that give special consideration to factors that govern the
 1045 status of the tangible personal property before its affixation
 1046 to real property. In developing these rules, assumption of the
 1047 risk of damage or loss is of paramount consideration in the
 1048 determination. This exemption does not include sales, rental,
 1049 use, consumption, or storage for use in any political
 1050 subdivision or municipality in this state of machines and
 1051 equipment and parts and accessories therefor used in the
 1052 generation, transmission, or distribution of electrical energy
 1053 by systems owned and operated by a political subdivision in this
 1054 state for transmission or distribution expansion. Likewise
 1055 exempt are charges for services rendered by radio and television
 1056 stations, including line charges, talent fees, or license fees
 1057 and charges for films, videotapes, and transcriptions used in
 1058 producing radio or television broadcasts. The exemption provided
 1059 in this subsection does not include sales, rental, use,
 1060 consumption, or storage for use in any political subdivision or
 1061 municipality in this state of machines and equipment and parts
 1062 and accessories therefor used in providing two-way
 1063 telecommunications services to the public for hire by the use of

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1064 a telecommunications facility, as defined in s. 364.02~~(13)~~(14),
 1065 and for which a certificate is required under chapter 364, which
 1066 facility is owned and operated by any county, municipality, or
 1067 other political subdivision of the state. Any immunity of any
 1068 political subdivision of the state or other entity of local
 1069 government from taxation of the property used to provide
 1070 telecommunication services that is taxed as a result of this
 1071 section is hereby waived. However, the exemption provided in
 1072 this subsection includes transactions taxable under this chapter
 1073 which are for use by the operator of a public-use airport, as
 1074 defined in s. 332.004, in providing such telecommunications
 1075 services for the airport or its tenants, concessionaires, or
 1076 licensees, or which are for use by a public hospital for the
 1077 provision of such telecommunications services.

1078 Section 20. Subsection (8) of section 290.007, Florida
 1079 Statutes, is amended to read:

1080 290.007 State incentives available in enterprise
 1081 zones.--The following incentives are provided by the state to
 1082 encourage the revitalization of enterprise zones:

1083 (8) Notwithstanding any law to the contrary, the Public
 1084 Service Commission may allow public utilities and
 1085 telecommunications companies to grant discounts of up to 50
 1086 percent on tariffed rates for services to small businesses
 1087 located in an enterprise zone designated pursuant to s.
 1088 290.0065. Such discounts may be granted for a period not to
 1089 exceed 5 years. For purposes of this subsection, ~~the term~~
 1090 "public utility" has the same meaning as in s. 366.02(1) and ~~the~~
 1091 ~~term~~ "telecommunications company" has the same meaning as in s.
 1092 364.02~~(13)~~(12).

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1093 Section 21. Subsection (3) of section 350.0605, Florida
 1094 Statutes, is amended to read:

1095 350.0605 Former commissioners and employees;
 1096 representation of clients before commission.--

1097 (3) For a period of 2 years following termination of
 1098 service on the commission, a former member may not accept
 1099 employment by or compensation from a business entity which,
 1100 directly or indirectly, owns or controls a public utility
 1101 regulated by the commission, from a public utility regulated by
 1102 the commission, from a business entity which, directly or
 1103 indirectly, is an affiliate or subsidiary of a public utility
 1104 regulated by the commission or is an actual business competitor
 1105 of a local exchange company or public utility regulated by the
 1106 commission and is otherwise exempt from regulation by the
 1107 commission under ss. 364.02(12)~~(13)~~ and 366.02(1), or from a
 1108 business entity or trade association that has been a party to a
 1109 commission proceeding within the 2 years preceding the member's
 1110 termination of service on the commission. This subsection
 1111 applies only to members of the Florida Public Service Commission
 1112 who are appointed or reappointed after May 10, 1993.

1113 Section 22. Subsection (4) of section 364.602, Florida
 1114 Statutes, is amended to read:

1115 364.602 Definitions.--For purposes of this part:

1116 (4) "Originating party" means any person, firm,
 1117 corporation, or other entity, including a telecommunications
 1118 company or a billing clearinghouse, that provides any
 1119 telecommunications service or information service to a customer
 1120 or bills a customer through a billing party, except the term
 1121 "originating party" does not include any entity specifically

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1122 exempted from the definition of "telecommunications company" as
 1123 provided in s. 364.02(12)~~(13)~~.

1124 Section 23. Subsection (5) of section 489.103, Florida
 1125 Statutes, is amended to read:

1126 489.103 Exemptions.--This part does not apply to:

1127 (5) Public utilities, including special gas districts as
 1128 defined in chapter 189, telecommunications companies as defined
 1129 in s. 364.02(12)~~(13)~~, and natural gas transmission companies as
 1130 defined in s. 368.103(4), on construction, maintenance, and
 1131 development work performed by their employees, which work,
 1132 including, but not limited to, work on bridges, roads, streets,
 1133 highways, or railroads, is incidental to their business. The
 1134 board shall define, by rule, the term "incidental to their
 1135 business" for purposes of this subsection.

1136 Section 24. Sections 364.059 and 364.164, Florida
 1137 Statutes, and section 1 of chapter 2003-32, Laws of Florida, are
 1138 repealed.

1139 Section 25. This act shall take effect upon becoming a
 1140 law.