

Bill No. SB 142

Barcode 321202

CHAMBER ACTION

Senate

House

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The Committee on Communications and Public Utilities
(Constantine and Aronberg) recommended the following
substitute for amendment (401526):

Senate Amendment (with title amendment)

On page 1, Delete everything after the enacting clause

and insert:

Section 1. Subsections (5), (6) and (7) of section
364.051, Florida Statutes, is amended to read:

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

(a) Each company subject to this section shall, at its
option, maintain tariffs with the commission or otherwise
publicly publish ~~containing~~ the terms, conditions, and rates
for each of its nonbasic services, and may set or change, on 1
day's ~~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

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1 the price for any nonbasic service category may be increased
 2 in an amount not to exceed 20 percent within a 12-month
 3 period, and the rate shall be presumptively valid. However,
 4 for purposes of this subsection, the prices of:

5 1. A voice-grade, flat-rate, multi-line business local
 6 exchange service, including multiple individual lines, centrex
 7 lines, private branch exchange trunks, and any associated
 8 hunting services, that provides dial tone and local usage
 9 necessary to place a call within a local exchange calling
 10 area; and

11 2. Telecommunications services provided under contract
 12 service arrangements to the SUNCOM Network, as defined in
 13 chapter 282, shall be capped at the rates in effect on July 1,
 14 1995, and such rates shall not be increased prior to January
 15 1, 2000; provided, however, that a petition to increase such
 16 rates may be filed pursuant to subsection (4) utilizing the
 17 standards set forth therein. There shall be a flat-rate
 18 pricing option for multi-line business local exchange service,
 19 and mandatory measured service for multi-line business local
 20 exchange service shall not be imposed. Nothing contained in
 21 this section shall prevent the local exchange
 22 telecommunications company from meeting offerings by any
 23 competitive provider of the same, or functionally equivalent,
 24 nonbasic services in a specific geographic market or to a
 25 specific customer by deaveraging the price of any nonbasic
 26 service, packaging nonbasic services together or with basic
 27 services, using volume discounts and term discounts, and
 28 offering individual contracts. However, the local exchange
 29 telecommunications company shall not engage in any
 30 anticompetitive act or practice, nor unreasonably discriminate
 31 among similarly situated customers.

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1 (b) The commission shall have continuing regulatory
 2 oversight of nonbasic services for purposes of ensuring
 3 resolution of service complaints, preventing
 4 cross-subsidization of nonbasic services with revenues from
 5 basic services, and ensuring that all providers are treated
 6 fairly in the telecommunications market. The cost standard
 7 for determining cross-subsidization is whether the total
 8 revenue from a nonbasic service is less than the total
 9 long-run incremental cost of the service. Total long-run
 10 incremental cost means service-specific volume and
 11 nonvolume-sensitive costs.

12 (c) The price charged to a consumer for a nonbasic
 13 service shall cover the direct costs of providing the service
 14 and shall, to the extent a cost is not included in the direct
 15 cost, include as an imputed cost the price charged by the
 16 company to competitors for any monopoly component used by a
 17 competitor in the provision of its same or functionally
 18 equivalent service.

19 (6) After a local exchange telecommunications company
 20 that has more than 1 million access lines in service has
 21 reduced its intrastate switched network access rates to
 22 parity, as defined in s. 364.164(5), the local exchange
 23 telecommunications company's ~~basic local telecommunications~~
 24 ~~service may, at the company's election, be subject to the same~~
 25 ~~regulatory treatment as its nonbasic services. The company's~~
 26 retail service quality requirements that are not already equal
 27 to the service quality requirements imposed upon the
 28 competitive local exchange telecommunications companies shall
 29 at the company's request to the commission ~~thereafter~~ be no
 30 greater than those imposed upon competitive local exchange
 31 telecommunications companies unless the commission, within 120

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1 days after the company's request ~~election~~, determines
 2 otherwise. In such event, the commission may grant some
 3 reductions in service quality requirements in some or all of
 4 the company's local calling areas. The commission may not
 5 impose retail service quality requirements on competitive
 6 local exchange telecommunications companies greater than those
 7 existing on January 1, 2003.

8 (7) After ~~if~~ a local exchange telecommunications
 9 company that has more than 1 million access lines in service
 10 has reduced its intrastate switched network access rates to
 11 parity, as defined in s. 364.164(5), ~~elects, pursuant to~~
 12 ~~subsection (6), to subject its retail basic local~~
 13 ~~telecommunications services to the same regulatory treatment~~
 14 ~~as its nonbasic services,~~ the local exchange
 15 telecommunications company may petition the commission for
 16 regulatory treatment of its retail services at a level no
 17 greater than that imposed by the commission upon competitive
 18 local exchange telecommunications companies. The local
 19 exchange telecommunications company shall:

20 (a) Show that granting the petition is in the public
 21 interest;

22 (b) Demonstrate that the competition faced by the
 23 company is sufficient and sustainable to allow such
 24 competition to supplant regulation by the commission.

25 (c) ~~(b)~~ Reduce its intrastate switched network access
 26 rates to its local reciprocal interconnection rate upon the
 27 grant of the petition.

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 29 The commission shall act upon such a petition within 9 months
 30 after its filing with the commission. ~~In making its~~
 31 ~~determination to either grant or deny the petition, the~~

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1 ~~commission shall determine the extent to which the level of~~
2 ~~competition faced by the local exchange telecommunications~~
3 ~~company permits and will continue to permit the company to~~
4 ~~have its retail services regulated no differently than the~~
5 ~~competitive local exchange telecommunications companies are~~
6 ~~then being regulated.~~ The commission may not increase the
7 level of regulation for competitive local exchange
8 telecommunications companies to a level greater than that
9 which exists on the date the local exchange telecommunications
10 company files its petition.

11 Section 2. This act shall take effect upon becoming a
12 law.

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15 ===== T I T L E A M E N D M E N T =====

16 And the title is amended as follows:

17 On page 1, Delete everything before the enacting clause
18
19 and insert:

20 A bill to be entitled
21 An act relating to telecommunications, amending s.
22 364.051, F.S., relating to price regulation, allowing
23 companies to publicly publish price lists for nonbasic
24 services, allowing 1 day's notice for price changes to
25 nonbasic services; deleting the company's ability to elect
26 that its basic services be treated as nonbasic services;
27 requires a company to request to the commission to lessen its
28 service quality regulation; provides criteria for granting a
29 petition to change regulatory treatment of retail services;
30 provides an effective date.

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