

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Communications and Public Utilities Committee

BILL: SB 1386

INTRODUCER: Senator Bennett

SUBJECT: Telecommunications Services/Universal Service

DATE: March 4, 2008

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Caldwell	Caldwell	CU	Pre-meeting
2.			CM	
3.			GA	
4.				
5.				
6.				

I. Summary:

This bill extends to 2012 from 2009 certain requirements relating to universal service and carrier-of-last resort obligations of the incumbent local exchange telecommunications companies.

This bill substantially amends section 364.025 of the Florida Statutes.

II. Present Situation:

Section 364.025, F.S., provides for universal service and defines the term to mean an evolving level of access to telecommunications service that, taking into account advances in technologies, services, and market demand for essential services, the Florida Public Service Commission determines should be provided at just, reasonable, and affordable rates to customers, including those in rural, economically disadvantaged, and high-cost areas. Subsection (1) requires incumbent local exchange telecommunications companies to furnish basic local exchange telecommunications service within a reasonable time period to any person requesting such service within the company's service territory until January 1, 2009.

Subsection (2) provides a transition period not to exceed January 1, 2009, for an interim mechanism for maintaining universal service objectives and funding carrier-of-last-resort obligations. Subsection (3) allows certain persons to petition the commission before January 1, 2009, for a change to the interim mechanism. Subsection (4) requires the Legislature to establish prior to January 1, 2009, a permanent universal service mechanism before the termination of any interim recovery mechanism for universal objectives or carrier-of-last-resort obligations terminates.

Section 364.025, F.S. was created in 1995 by ch. 95-403, L.O.F., when the provisioning of telephone service was deregulated. Initially, the interim period was set for 4 years. When the Commission first addressed an interim mechanism, it determined that companies continue funding universal service and carrier-of-last-resort as they usually do, but if additional support was needed, a company could petition for relief.¹ In 1999, ch. 99-354, L.O.F., extended the interim period another year to 5 years. In 2000, ch. 2000-289, L.O.F., again extend the interim period to January 1, 2004. Finally, ch. 2003-32, L.O.F., extended the interim periods to its current time of January 1, 2009.

III. Effect of Proposed Changes:

Section 1 amends section 364.025, F.S. by extending the dates to 2012 from 2009.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Incumbent local exchange telecommunications companies will be required to continue to bear the costs that are associated with providing basic local telecommunications services to customers who are not able to obtain service from a competitive provider. The total amount of such costs is not known.

Customers will continue to be able to obtain basic local telecommunications service at the incumbent local exchange telecommunications company's tariffed rate for such service where the customer is unable to obtain such service from a competitive provider.

C. Government Sector Impact:

None.

¹ PSC order no. PSC-95-1592-FOF-TP.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
