

By Senator Ring

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1                   A bill to be entitled  
2           An act relating to telecommunications companies;  
3           repealing ss. 364.03, 364.035, 364.037, 364.05,  
4           364.055, 364.14, 364.17, and 364.18, F.S., relating to  
5           rates, tolls, contracts, charges, rules, regulations,  
6           performance of service, and maintenance of  
7           telecommunications facilities; fixing rates by the  
8           Public Service Commission; consideration of directory  
9           advertising revenues when establishing rates; changing  
10          rates, tolls, rentals, contracts, or charges;  
11          procedures for interim rates; commission to compel by  
12          order or rule the adjustment of rates, charges, tolls,  
13          rules, or regulations or changes to practices or  
14          service or the installation of equipment or  
15          facilities; forms prescribed by the commission; and  
16          inspection by the commission of accounts and records;  
17          amending s. 364.051, F.S.; deleting a schedule for  
18          implementation of price regulation; amending ss.  
19          364.025, 364.052, 364.063, 364.337, 364.385, and  
20          364.507, F.S.; conforming provisions to changes made  
21          by the act; providing an effective date.

22  
23 Be It Enacted by the Legislature of the State of Florida:  
24

25           Section 1. Sections 364.03, 364.035, 364.037, 364.05,  
26 364.055, 364.14, 364.17, and 364.18, Florida Statutes, are  
27 repealed.

28           Section 2. Subsection (2) of section 364.025, Florida  
29 Statutes, is amended to read:

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30 364.025 Universal service.—

31 (2) The Legislature finds that each telecommunications  
32 company should contribute its fair share to the support of the  
33 universal service objectives and carrier-of-last-resort  
34 obligations. For a transitional period not to exceed January 1,  
35 2009, the interim mechanism for maintaining universal service  
36 objectives and funding carrier-of-last-resort obligations shall  
37 be established by the commission, pending the implementation of  
38 a permanent mechanism. The interim mechanism shall be applied in  
39 a manner that ensures that each competitive local exchange  
40 telecommunications company contributes its fair share to the  
41 support of universal service and carrier-of-last-resort  
42 obligations. The interim mechanism applied to each competitive  
43 local exchange telecommunications company shall reflect a fair  
44 share of the local exchange telecommunications company's  
45 recovery of investments made in fulfilling its carrier-of-last-  
46 resort obligations, and the maintenance of universal service  
47 objectives. The commission shall ensure that the interim  
48 mechanism does not impede the development of residential  
49 consumer choice or create an unreasonable barrier to  
50 competition. In reaching its determination, the commission shall  
51 not inquire into or consider any factor that is inconsistent  
52 with s. 364.051(1)~~(e)~~. The costs and expenses of any government  
53 program or project required in part II of this chapter shall not  
54 be recovered under this section.

55 Section 3. Subsection (1) of section 364.051, Florida  
56 Statutes, is amended to read:

57 364.051 Price regulation.—

58 (1) APPLICATION TO LOCAL EXCHANGE TELECOMMUNICATIONS

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59 COMPANIES SCHEDULE.—Notwithstanding any other provisions of this  
60 chapter, all ~~the following~~ local exchange telecommunications  
61 companies are ~~shall become~~ subject to the price regulation  
62 described in this section. ~~on the following dates:~~

63 ~~(a) For a local exchange telecommunications company with~~  
64 ~~100,000 or more access lines in service as of July 1, 1995, such~~  
65 ~~company may file with the commission a notice of election to be~~  
66 ~~under price regulation effective January 1, 1996, or when a~~  
67 ~~competitive local exchange telecommunications company is~~  
68 ~~certificated to provide local exchange telecommunications~~  
69 ~~services in its service territory, whichever is later.~~

70 ~~(b) Effective on the date of filing its election with the~~  
71 ~~commission, but no sooner than January 1, 1996, any local~~  
72 ~~exchange telecommunications company with fewer than 100,000~~  
73 ~~access lines in service on July 1, 1995, that elects pursuant to~~  
74 ~~s. 364.052 to become subject to this section.~~

75 ~~(c) Each company subject to this section is exempt from~~  
76 ~~rate base, rate of return regulation, and the requirements of s.~~  
77 ~~ss. 364.03, 364.035, 364.037, 364.05, 364.055, 364.14, 364.17,~~  
78 ~~364.18, and 364.19.~~

79 Section 4. Subsection (2) of section 364.052, Florida  
80 Statutes, is amended to read:

81 364.052 Regulatory methods for small local exchange  
82 telecommunications companies.—

83 (2) ~~A small local exchange telecommunications company shall~~  
84 ~~remain under rate base, rate of return regulation until the~~  
85 ~~company elects to become subject to s. 364.051, or January 1,~~  
86 ~~2001, whichever occurs first. A company subject to this section,~~  
87 ~~electing to be regulated pursuant to s. 364.051, will have any~~

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88 ~~overearnings attributable to a period prior to the date on which~~  
89 ~~the company makes the election subject to refund or other~~  
90 ~~disposition by the commission. Small local exchange~~  
91 ~~telecommunications companies not electing the price regulation~~  
92 ~~provided for under s. 364.051 shall also be regulated pursuant~~  
93 ~~to ss. 364.03, 364.035(1) and (2), 364.05, and 364.055 and other~~  
94 ~~provisions necessary for rate base, rate of return regulation.~~  
95 ~~If a small local exchange telecommunications company has not~~  
96 ~~elected to be regulated under s. 364.051, by January 1, 2001,~~  
97 ~~the company shall remain under rate base, rate of return~~  
98 ~~regulation until such time as a certificated competitive local~~  
99 ~~exchange company provides basic local telecommunications service~~  
100 ~~in the company's territory. At such time, the small local~~  
101 ~~exchange telecommunications company shall be subject to s.~~  
102 ~~364.051.~~

103 ~~(a) The commission shall establish, by rule, ranges of~~  
104 ~~basic factors for lives and salvage values to be used in~~  
105 ~~developing depreciation rates for companies subject to this~~  
106 ~~section. Companies shall have the option of using basic factors~~  
107 ~~within the established ranges or of filing depreciation studies.~~

108 ~~(b) The commission shall adopt, by rule, streamlined~~  
109 ~~procedures for regulating companies subject to this section.~~  
110 ~~These procedures shall minimize the burdens of regulation with~~  
111 ~~regard to audits, investigations, service standards, cost~~  
112 ~~studies, reports, and other matters, and the commission shall~~  
113 ~~establish, by rule, only those procedures that are cost-~~  
114 ~~justified and are in the public interest so that universal~~  
115 ~~service may be promoted. Upon petition filed in this rulemaking~~  
116 ~~proceeding, the commission shall review and may approve any~~

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117 regulations unique to the specific circumstances of a company  
118 subject to this section.

119 Section 5. Section 364.063, Florida Statutes, is amended to  
120 read:

121 364.063 Rate adjustment orders.—Any order issued by the  
122 Florida Public Service Commission adjusting general increases or  
123 reductions of the rates of a telecommunications company shall be  
124 reduced to writing, including any dissenting or concurring  
125 opinions, within 20 days after the official vote of the  
126 commission. Within such 20-day period, the commission shall also  
127 mail a copy of the order to the clerk of the circuit court of  
128 each county in which customers are served who are affected by  
129 the rate adjustment, which copy shall be kept on file and made  
130 available to the public. The commission shall notify all parties  
131 of record in the proceeding of the date of such mailing. Such an  
132 order shall not be considered rendered for purposes of appeal,  
133 rehearing, or judicial review until the order is signed and  
134 dated by the commission's designee. This provision shall not  
135 delay the effective date of the order. ~~Such an order shall be~~  
136 ~~considered rendered on the date of the official vote for the~~  
137 ~~purposes of s. 364.05(5).~~

138 Section 6. Subsections (1), (2), and (4) of section  
139 364.337, Florida Statutes, are amended to read:

140 364.337 Competitive local exchange telecommunications  
141 companies; intrastate interexchange telecommunications services;  
142 certification.—

143 (1) Upon this act becoming a law, a party may file an  
144 application for a certificate as a competitive local exchange  
145 telecommunications company before January 1, 1996, and the

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146 commission shall conduct its review of the application and take  
147 all actions necessary to process the application. However, an  
148 application shall become effective no sooner than January 1,  
149 1996. The commission shall grant a certificate of authority to  
150 provide competitive local exchange service upon a showing that  
151 the applicant has sufficient technical, financial, and  
152 managerial capability to provide such service in the geographic  
153 area proposed to be served. A competitive local exchange  
154 telecommunications company may not offer basic local  
155 telecommunications services within the territory served by a  
156 company subject to s. 364.052 prior to January 1, 2001, unless  
157 the small local exchange telecommunications company is ~~elects to~~  
158 ~~be~~ regulated under s. 364.051 or provides cable television  
159 programming services directly or as video dial tone applications  
160 authorized under 47 U.S.C. s. 214, except as provided for in  
161 compliance with part II. It is the intent of the Legislature  
162 that the commission act expeditiously to grant certificates of  
163 authority under this section and that the grant of certificates  
164 not be affected by the application of any criteria other than  
165 that specifically enumerated in this subsection.

166 (2) Rules adopted by the commission governing the provision  
167 of competitive local exchange telecommunications service shall  
168 be consistent with s. 364.01. The basic local telecommunications  
169 service provided by a competitive local exchange  
170 telecommunications company must include access to operator  
171 services, "911" services, and relay services for the hearing  
172 impaired. A competitive local exchange telecommunications  
173 company's "911" service shall be provided at a level equivalent  
174 to that provided by the local exchange telecommunications

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175 company serving the same area. There shall be a flat-rate  
176 pricing option for basic local telecommunications services, and  
177 mandatory measured service for basic local telecommunications  
178 services shall not be imposed. A certificated competitive local  
179 exchange telecommunications company may petition the commission  
180 for a waiver of some or all of the requirements of this chapter,  
181 except ss. 364.16, 364.336, and subsections (1) and (5). The  
182 commission may grant such petition if determined to be in the  
183 public interest. Competitive local exchange telecommunications  
184 companies are not subject to the requirements of ss. ~~364.03,~~  
185 ~~364.035, 364.037, 364.05, 364.055, 364.14, 364.17, 364.18,~~  
186 ~~364.33,~~ and 364.3381.

187 (4) Rules adopted by the commission governing the provision  
188 of intrastate interexchange telecommunications service must be  
189 consistent with s. 364.01. A certificated intrastate  
190 interexchange telecommunications company may petition the  
191 commission for a waiver for some or all of the requirements of  
192 this chapter, except s. 364.16, s. 364.335(3), or subsection  
193 (5). The commission may grant such petition if determined to be  
194 in the public interest. Intrastate interexchange  
195 telecommunications companies are not subject to the requirements  
196 of s. ~~ss. 364.03, 364.035, 364.037, 364.05, 364.055, 364.14,~~  
197 ~~364.17, 364.18,~~ and 364.3381.

198 Section 7. Subsection (2) of section 364.385, Florida  
199 Statutes, is amended to read:

200 364.385 Saving clauses.—

201 (2) All applications for extended area service, routes, or  
202 extended calling service pending before the commission on March  
203 1, 1995, shall be governed by the law as it existed prior to

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204 July 1, 1995. Upon the approval of the application, the extended  
205 area service, routes, or extended calling service shall be  
206 considered basic services and shall be regulated as provided in  
207 s. 364.051 ~~for a company that has elected price regulation.~~  
208 Proceedings including judicial review pending on July 1, 1995,  
209 shall be governed by the law as it existed prior to the date on  
210 which this section becomes a law. No new proceedings governed by  
211 the law as it existed prior to July 1, 1995, shall be initiated  
212 after July 1, 1995. Any administrative adjudicatory proceeding  
213 which has not progressed to the stage of a hearing by July 1,  
214 1995, may, with the consent of all parties and the commission,  
215 be conducted in accordance with the law as it existed prior to  
216 January 1, 1996.

217 Section 8. Subsection (2) of section 364.507, Florida  
218 Statutes, is amended to read:

219 364.507 Legislative intent.—

220 (2) It is the intent of the Legislature that all local  
221 exchange telecommunications companies, ~~including those with less~~  
222 ~~than 100,000 access lines in service which do not elect to be~~  
223 ~~regulated under price regulation pursuant to s. 364.051,~~ should  
224 be required to provide advanced telecommunications services to  
225 eligible facilities in the absence of a competitive bid to  
226 provide such services pursuant to s. 364.510(3). This obligation  
227 arises from the privileges granted such local exchange  
228 telecommunications companies under part I of this chapter.

229 Section 9. This act shall take effect July 1, 2010.