

**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.)

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Prepared By: The Professional Staff of the Budget Committee

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BILL: SPB 7152

INTRODUCER: For consideration by the Budget Committee

SUBJECT: Reports Required from the Public Service Commission

DATE: March 29, 2011

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Pigott	Meyer, C.		<b>Pre-meeting</b>
2.				
3.				
4.				
5.				
6.				

**I. Summary:**

This bill removes annual reporting requirements conducted by the Public Service Commission (commission) as it relates to Lifeline service subscriptions and telecommunications competition and access. The bill also removes the requirement that the commission perform compliance investigations of operator service providers and call aggregators.

The elimination of the reporting and service evaluation requirements of the commission will result in an estimated cost savings of \$327,210 and reduce staffing needs by five full-time equivalent positions.

This bill substantially amends section 364.161(4), Florida Statutes.

The bill repeals the following sections of the Florida Statutes: 364.10(3)(i), 364.386, and 427.704(9).

**II. Present Situation:**

**Annual Reports**

Currently, the commission prepares reports on the status of competition in the telecommunications market, the Lifeline service, and the Telecommunications Relay Access System Act (TASA), which are provided to the Legislature annually.

Section 364.386, F.S., requires the commission to prepare an annual report on the status of competition in the telecommunications industry that includes the following information.

- The overall impact of local exchange telecommunications competition on the continued availability of universal service.
- The ability of competitive providers to make functionally equivalent local exchange services available to both residential and business customers at competitive rates, terms, and conditions.
- The ability of consumers to obtain functionally equivalent services at comparable rates, terms, and conditions.
- The overall impact of price regulation on the maintenance of reasonably affordable and reliable high-quality telecommunications services.
- What additional services, if any, should be included in the definition of basic local telecommunications services, taking into account advances in technology and market demand.
- Any other information and recommendations which may be in the public interest.
- Complaints by competitive local exchange telecommunications companies against local exchange telecommunications companies regarding timeliness and adequacy of service.

Much of the information provided in this report is not public information and is filed on a confidential basis to be aggregated.

Section 364.10(3)(i) requires the commission to prepare an annual report on the Lifeline service, which provides the number of customers who are subscribing to Lifeline service and an evaluation of the effectiveness of any procedures to promote participation.

Section 427.704(9) requires the commission to prepare an annual report on the operation of the telecommunications access system. The report must include: the status of developments in the telecommunications access system; the number of persons served; the call volume; revenues and expenditures; the allocation of the revenues and expenditures between provision of specialized telecommunications devices to individuals and operation of statewide relay service; other major policy or operational issues; and proposals for improvements or changes to the telecommunications access system.

### **Service Evaluations**

The commission conducts tests and inspections of the telecommunications industry for items related to the quality of basic telephone service and safety. The type of evaluation varies by company type. Incumbent local exchange companies are evaluated on grounding, repair time for outages, repair for service affecting problems, appropriate refunds for service issues, correct directory assistance information, and the amount of time a consumer must wait to talk to a live person upon request when calling the company. Under a Memorandum of Understanding, the commission conducts 911 test calls to measure answer time as established by the Department of Management Services.

**III. Effect of Proposed Changes:**

This bill removes the requirement that the commission prepare annual reports on the Lifeline service, the status of competition in the telecommunications industry, and the telecommunications access system.

The bill removes the requirement that the commission performs compliance investigations of operator services providers and call aggregators.

**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:**

None.

**C. Government Sector Impact:**

The elimination of the reporting and service evaluation requirements of the Public Service Commission will result in an estimated cost savings of \$327,210 and reduce staffing needs by five full-time equivalent positions.

**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.

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

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