

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 Committee on Communications, Energy, and Public Utilities

BILL: SB 1010

INTRODUCER: Senator Richter

SUBJECT: Cable and Video Services

DATE: February 19, 2014

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Caldwell	Caldwell	CU	Favorable
2.			CM	

I. Summary:

SB 1010 repeals s. 610.199, F.S., which requires the Office of Program Policy Analysis and Governmental Accountability (OPPAGA) to submit a report on the status of competition in the cable and video service industry. That section also requires the Department of Agriculture and Consumer Services to make recommendations regarding the workload and staffing requirements associated with consumer complaints related to video and cable certificateholders. The Department of State was required to provide to the Department of Agriculture and Consumer Services, for inclusion in the report, workload requirements for processing the certificates of franchise authority and the number of applications filed for certificates of franchise authority and the number of amendments received to original applications for franchise certificate authority.

II. Present Situation:

In 2007, the Legislature designated the Department of State as the state franchise authority that issues statewide cable and video franchises. Local governmental authority to negotiate cable service franchises was removed. At that time, s. 610.199, F.S., was created to require the Office of Program Policy Analysis and Governmental Accountability to submit a report by December 1, 2009, and December 1, 2014, to the President of the Senate, the Speaker of the House of Representatives, and the majority and minority leaders of the Senate and House of Representatives on the status of competition in the cable and video service industry. The report was to include, by each municipality and county, the number of cable and video service providers, the number of cable and video subscribers served, the number of areas served by fewer than two cable or video service providers, the trend in cable and video service prices, and the identification of any patterns of service as they impacted demographic and income groups.

OPPAGA issued the first report October 2009. The summary of the report states:

The 2007 Consumer Choice Act provided for a statewide franchise for cable and video service providers and ended local government authority to negotiate franchise

agreements. Several departments—State, Agriculture and Consumer Services, and Legal Affairs—have responsibilities related to the new law but none has regulatory authority. As many as 20 states also passed statewide franchise laws in recent years. However, little systematic information exists to demonstrate the effect of these laws.

Since 2007, the Department of State has issued 26 state franchise certificates; most certificates were issued to existing cable or video service providers. However, two barriers prevent a comprehensive assessment of the affect of these franchises on competition for cable and video services: provider reluctance to share data and insufficient information provided in statewide franchise documents. In light of these difficulties, the Legislature may wish to consider amending s. 610.119(1), Florida Statutes, to modify study requirements or make changes that might lessen the industry concerns regarding a required December 2014 follow-up study on cable and video services competition.

Section 610.119(2), F.S., required the Department of Agriculture and Consumer Services to make recommendations by January 15, 2008, to the President of the Senate, the Speaker of the House of Representatives, and the majority and minority leaders of the Senate and House of Representatives regarding the workload and staffing requirements associated with consumer complaints related to video and cable certificateholders. The Department of State was required to provide to the Department of Agriculture and Consumer Services, for inclusion in the report, workload requirements for processing the certificates of franchise authority and the number of applications filed for certificates of franchise authority and the number of amendments received to original applications for franchise certificate authority. This report has been provided making this provision obsolete.

III. Effect of Proposed Changes:

SB 1010 repeals s. 610.199, F.S.

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:

Cable and video service providers would not be required to provide information to OPPAGA.

C. Government Sector Impact:

OPPAGA would not have to develop the required report. While the Legislature would not have the benefit of the information that is required for the report, the barriers to a comprehensive assessment would result in a report wanting for detail.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill repeals section 610.119 of the Florida Statutes.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

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

None.

B. Amendments:

None.