

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA
COMMUNICATIONS, ENERGY, AND PUBLIC UTILITIES
Senator Gardiner, Chair
Senator Smith, Vice Chair

MEETING DATE: Monday, January 23, 2012
TIME: 10:00 a.m.—12:00 noon
PLACE: *Toni Jennings Committee Room*, 110 Senate Office Building

MEMBERS: Senator Gardiner, Chair; Senator Smith, Vice Chair; Senators Altman, Benacquisto, Bogdanoff, Braynon, Diaz de la Portilla, Evers, Fasano, Flores, Joyner, Lynn, Margolis, Negron, and Sachs

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	Presentation from Florida Agriculture Commissioner Adam Putnam regarding Florida's Energy Future		Presented
2	SB 100 Siplin (Identical H 229)	Unclaimed Deposits Held By Utilities; Requiring that any unclaimed deposits held by a utility be deposited annually into the Grants and Donations Trust Fund in the Department of Community Affairs, or its successor agency, to supplement the Low-Income Home Energy Assistance Program, etc. CU 01/23/2012 Favorable EP BC	Favorable Yeas 12 Nays 0
3	SB 1242 Hays (Similar H 945)	Broadband Internet Service; Adding to the legislative findings that the sustainable adoption of broadband Internet service is critical to community development; designating the Department of Economic Opportunity rather than the Department of Management Services as the agency to receive and manage all federal broadband initiative funds for the state; requiring the Department of Economic Opportunity to establish a public-private partnership to work with certain private and governmental organizations to oversee broadband development; revising the oversight criteria, etc. CU 01/23/2012 Favorable CM BC	Favorable Yeas 12 Nays 0

Other Related Meeting Documents

Department of Agriculture and Consumer Services
Energy Policy Recommendations for the Legislature's Consideration
January 12, 2012

Infrastructure Investment:

Proposal 1 — Reinststate the following sales tax incentives at the recommended caps and clearly define eligible cost. Reinstatement of these tax incentives will promote the development of renewable energy infrastructure which would give Florida an advantage over other states when investors are looking to build plants.

- Renewable Energy Technologies Sales Tax Exemption- \$1 million per year;
- Renewable Energy Technologies Investment Tax Credit - Increase current cap of \$6.5 million to \$10 million per year; and
- Renewable Energy Production Tax Credit - Remains the same at \$0.01 for each kilowatt-hour of energy produced and sold with a cap of \$5 million per year.

In order to avoid misinterpretations of which entities are eligible for tax credits, clarify that an “electric utility” refers to those utilities that sell electricity on a retail basis.

Reporting Requirements:

Proposal 2 — Require the Department of Agriculture and Consumer Services (DACS) to develop a comprehensive statewide forest inventory analysis identifying where available biomass is located and ensuring forest sustainability.

Proposal 3 — Require the utilities, who file 10-year site plans with the Public Service Commission (PSC), to report the amount of renewable energy resources produced, purchased and proposed in Florida over the 10 year planning horizon and how it will impact present and future capacity and energy needs.

Power Plant (over 75 MW) Need Determination Process:

Proposal 4 —Require the PSC to take into account the need to diversify Florida’s energy generation fuel supply during a Need Determination proceeding. By placing value on fuel diversity, opportunities for alternative sources of energy improve, strengthening Florida’s energy security.

Public Interest Determination for Renewable Energy Projects:

Proposal 5 — Require the PSC to establish criteria for evaluating proposed renewable energy facilities or negotiated renewable energy power purchase agreements and establish reporting criteria. The requirement would create a consistent framework by which the PSC would evaluate renewable proposals and determine whether they are in the public interest, establish what information utilities must provide, and what criteria renewable projects will be evaluated against. Given this new framework, remove the current law that requires the PSC to adopt rules for a renewable portfolio standard.

Based on the criteria established in Proposal 5, require the PSC to set an investor-owned utility limit of 1 percent or 75 MW, whichever is less, of its overall generation capacity portfolio in any one year of approved renewable energy investments where those investment costs are above the

least cost alternative. Placing a cap on the overall effect on the utilities' generation portfolio will avoid unreasonable rate impacts on customers.

Proposal 6 — Allow a utility to invest in a PSC approved financing project with renewable energy facilities in Florida. Currently this type of utility financing project is allowed with government solid waste facilities, but not with private renewable energy facilities. A joint utility and private renewable energy financing project would allow the utility to recover its expenses and a reasonable profit. This would promote investment by utilities in renewable energy facilities, when such a contract is determined by the PSC to be in the public interest.

Energy Efficiency:

Proposal 7 — Require all buildings in the state building fleet, 5,000 square feet or more of conditioned space, to report their energy consumption, and requires the Department of Management Services to go to rule making in coordination with DACS to establish standard and uniform benchmarking and reporting requirements. Currently this reporting is not standardized across state agencies making the reporting incomplete and inaccurate.

Proposal 8 —The legislature should direct DACS's Office of Energy in coordination with the Florida Energy Systems Consortium to evaluate methods to promote energy conservation and efficiency. Further, it should provide the consumer clear guidance on energy efficiency savings. The report should be completed by March 1, 2013, and presented to the Governor and the legislature. Also, the legislature should require the PSC to evaluate how the Florida Energy Efficiency and Conservation Act (FEECA) statutes provide conservation and efficiency programs that are in the public interest and without undue burden on the customer.

Removing Barriers to Future Investments:

Proposal 9 —Clarify that electric vehicle charging stations are a service to the public and not the retail sale of electricity. This ensures that government entities or businesses installing and providing this service are not subject to the undue burden of regulatory fees that may be instituted by the PSC if they were to be considered retailers of electricity.

- Would direct the Florida Building Commission in coordination with DACS and the PSC to adopt rules to standardize the building and electric codes, permitting, and installation of the charging stations.
- Also would direct DACS to adopt rules to address definitions, method of sale, labeling requirements and price posting requirements to allow for consistency for consumers and the industry.
- The PSC is also instructed to conduct a study of the effects of the charging stations on energy consumption in the state as well as the effects on the grid.

Proposal 10 — Require DACS in consultation with the University of Florida/Institute for Food and Agriculture Sciences to determine whether a plant material is exempt from the regulatory permitting process based on scientific evidence and practical experience. This would streamline the permitting process for feedstock crops for biofuels.

Proposal 11 — Task the PSC to evaluate its current interconnection and net metering rules.

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, Energy, and Public Utilities Committee

BILL: SB 100

INTRODUCER: Senator Siplin

SUBJECT: Unclaimed Deposits Held By Utilities

DATE: January 17, 2012 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Wiehle	Carter	CU	Favorable
2.	_____	_____	EP	_____
3.	_____	_____	BC	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

The bill would require that unclaimed deposits held by utilities be deposited annually into the Grants and Donations Trust Fund within the Department of Economic Opportunity, as the successor to the Department of Community Affairs, to supplement funds of the Low-Income Home Energy Assistance Program which are used to assist low-income households in meeting the costs of home heating and cooling bills. These funds would be administered through the local provider agencies that administer the Low-Income Home Energy Assistance Program.

The bill substantially amends section 717.108 of the Florida Statutes.

II. Present Situation:

Chapter 717 of the Florida Statutes provides for disposition of unclaimed property. In general, all intangible property, including any income less any lawful charges, which is held in the ordinary course of the holder's business is presumed to be unclaimed when the owner fails to claim the property for more than 5 years after the property becomes payable or distributable, unless otherwise provided in the chapter. The time period for utility deposits is different. Any deposit made by a subscriber with a utility to secure payment or any sum paid in advance for utility services to be furnished, including any interest less any lawful charges, that remains unclaimed by the owner for more than 1 year after termination of the services for which the deposit or advance payment was made is presumed unclaimed. Certain types of unclaimed property, including security deposits, having a value of less than \$10 are not to be presumed unclaimed.

Every person holding funds or other property, tangible or intangible, presumed unclaimed and subject to custody as unclaimed property must file an annual report with the Department of

Financial Services (DFS or department) that includes information on the identity and last known address of the apparent owner of the property, a description of the property, and the date the property became payable or returnable. At the same time the report is filed, the holder must deliver to the department all unclaimed property required to be reported.

Upon the payment or delivery of property to the department, the state assumes custody and responsibility for the safekeeping of the property. The department is required to use cost-effective means to make at least one active attempt to notify owners of unclaimed property accounts valued at more than \$250 with a reported address or taxpayer identification number. All other apparent owners get indirect or passive notice such as publication of the names of owners in the newspaper, on television, on the Internet, or through other promotional efforts.

Speaking generally, after the receipt of unclaimed property the department sells all non-cash property to the highest bidder at public sale on the Internet or at a specified physical location wherever in the judgment of the department the most favorable market for the property involved exists. The department may decline the highest bid and reoffer the property for sale if in the judgment of the department the bid is insufficient. The department also has the discretion to withhold from sale any unclaimed property that the department deems to be of benefit to the people of the state. Finally, if in the judgment of the department the probable cost of sale exceeds the value of the property, it need not be offered for sale and may be disposed of as the department determines appropriate.

All funds received, including the proceeds from sales, are deposited into the Unclaimed Property Trust Fund. The department is allowed to retain an amount not exceeding \$15 million from which it must make prompt payment of claims it allows and must pay the costs it incurred in administering and enforcing the chapter. All remaining funds received must be deposited into the State School Fund.

The department must record the name and last known address of each person appearing from the holder's reports to be entitled to the unclaimed property in the total amounts of \$5 or greater; the name and the last known address of each insured person or annuitant; and with respect to each policy or contract listed in the report of an insurance corporation, its number, the name of the corporation, and the amount due. Any person claiming an interest in any property delivered to the department may file a claim for the property. The department is required to make a determination on the claim within 90 days. If a claim is determined in favor of the claimant, the department is to deliver or pay over to the claimant the property or the amount the department actually received or the proceeds if it has been sold by the department.

In January, 2009, the Florida Department of Community Affairs (DCA), in collaboration with the Florida Energy Affordability Coalition, filed a report with the Legislature on affordability of energy in Florida. The report made ten proposals on how to address affordability issues. Among them were a proposal to consider earmarking unclaimed utility deposits to supplement energy affordability assistance and energy efficiency programs rather than escheating the money to the state's general treasury and a proposal to create a state Energy Affordability Trust Fund, to be administered by DCA, charged with receiving and distributing funds such as these for use in low-income energy assistance, weatherization, and energy conservation education initiatives.

In the 2011 Regular Session, the Legislature amended s. 409.508, F.S., to provide that the newly created Department of Economic Opportunity (DEO), not DCA, is to administer the Low Income Home Energy Assistance Program (LIHEAP).¹ This program provides federal money to non-profit agencies and local governments so they can assist low-income families with home heating and cooling costs. DEO applies for funding from the federal government and distributes it directly to local agency providers and non-profit agencies who then determine who will receive assistance. DEO monitors the local agency providers to ensure that they administer the funding in compliance with state and federal laws and rules and provides them technical assistance to help them comply with these requirements.

III. Effect of Proposed Changes:

The bill amends s. 717.108, F.S., to require that unclaimed deposits held by utilities be deposited annually into the Grants and Donations Trust Fund within the Department of Community Affairs, or the Department of Community Affairs' successor agency,² to supplement funds of the Low-Income Home Energy Assistance Program which are used to assist low-income households in meeting the costs of home heating and cooling bills. These funds would be administered through the local provider agencies that administer the Low-Income Home Energy Assistance Program.

Under the 2011 legislation, the Department of Economic Opportunity is the successor agency to the Department of Community Affairs and would be performing these functions.

The bill would take effect July 1, 2012.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. Other Constitutional Issues:

The bill may be subject to constitutional challenge on equal protection grounds. Because owners, or the heirs of owners, of unclaimed utility deposits would no longer have the right to claim and recover the funds, they could claim that, as a class, they are being treated differently than owners of all other types of unclaimed property.

¹ s. 302, ch. 2011-142, Laws of Florida.

² s. 3, ch. 2011-142, Laws of Florida, transfers a number of trust funds from DCA to DEO, including the Grants and Donations Trust Fund, (2)(a)5.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Unclaimed utility deposits would no longer be available for the owners to reclaim.

There would be additional funding for the LIHEAP program.

C. Government Sector Impact:

According to the Department of Financial Services (DFS), rulemaking likely will be required to implement how and when utilities would report and remit the funds to DEO, and, perhaps, how DFS would handle inquiries from owners no longer entitled to recover unclaimed utility deposits. Rulemaking will likely be required of DEO and the local provider agencies on how the program will be implemented.

DFS also states that administrative changes will be required of business and local governmental entities to separate unclaimed utility deposit accounts from other types of unclaimed property, and report and remit separate annual reports to DFS and to DEO. Both DFS and DEO would be required to change and develop procedures for informing utilities and governmental entities of the changes and how to administer them.

According to DFS, over the last ten fiscal years, the Department of Education State School Trust Fund has received an average of \$4.77 million per year from unclaimed utility deposits. Also, during that same time, 235,683 Florida citizens have received claims payments totaling \$10.7 million in recovered utility deposits. The bill will result in the loss of this revenue to the State School Trust Fund and citizens being unable to recover their utility deposits. The table below sets forth DFS’ data on claims paid over this ten-year period.

Deposits Fiscal Year	Accounts Received	Amount Received	Number of Claims Paid	Amount Paid In Claims
2001-02	14,901	\$2,450,596.56	7,498	\$629,436.09
2002-03	29,390	\$4,217,230.50	22,411	\$1,231,556.72
2003-04	31,026	\$4,112,642.04	21,607	\$1,157,871.66
2004-05	158,730	\$11,885,838.64	62,449	\$1,941,476.89
2005-06	111,697	\$4,981,489.76	31,696	\$1,045,581.88
2006-07	20,181	\$2,326,479.99	12,188	\$651,698.90
2007-08	48,084	\$4,005,122.16	23,918	\$971,275.79
2008-09	55,653	\$4,601,439.16	23,849	\$1,246,702.96
2009-10	37,502	\$4,477,642.88	10,430	\$881,162.85
2010-11	44,230	\$4,723,950.69	19,637	\$944,453.47
Total	551,394	\$47,782,432.38	235,683	\$10,701,217.21

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.

By Senator Siplin

19-00014-12

2012100__

1 A bill to be entitled

2 An act relating to unclaimed deposits held by
3 utilities; amending s. 717.108, F.S.; requiring that
4 any unclaimed deposits held by a utility be deposited
5 annually into the Grants and Donations Trust Fund in
6 the Department of Community Affairs, or its successor
7 agency, to supplement the Low-Income Home Energy
8 Assistance Program; providing an effective date.
9

10 Be It Enacted by the Legislature of the State of Florida:

11
12 Section 1. Section 717.108, Florida Statutes, is amended to
13 read:

14 717.108 Deposits held by utilities.—

15 (1) Any deposit, including any interest thereon, made by a
16 subscriber with a utility to secure payment or any sum paid in
17 advance for utility services to be furnished, less any lawful
18 charges, ~~which that~~ remains unclaimed by the owner for more than
19 1 year after termination of the services for which the deposit
20 or advance payment was made is presumed unclaimed.

21 (2) The unclaimed deposits shall be deposited annually into
22 the Grants and Donations Trust Fund within the Department of
23 Community Affairs, or the Department of Community Affairs'
24 successor agency, to supplement funds of the Low-Income Home
25 Energy Assistance Program which are used to assist low-income
26 households in meeting the costs of home heating and cooling
27 bills. These funds shall be administered through the local
28 provider agencies that administer the Low-Income Home Energy
29 Assistance Program.

19-00014-12

2012100__

30

Section 2. This act shall take effect July 1, 2012.

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, Energy, and Public Utilities Committee

BILL: SB 1242

INTRODUCER: Senator Hays

SUBJECT: Broadband Internet Service

DATE: January 17, 2012 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Wiehle	Carter	CU	Favorable
2.	_____	_____	CM	_____
3.	_____	_____	BC	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

The bill designates the Department of Economic Opportunity (DEO) to replace the Department of Management Services (DMS) as the agency responsible for implementing the state’s broadband program, and designating DEO as the single state entity to receive and manage all federal State Broadband Initiative funds. The bill also:

- Requires DEO to establish a public-private partnership that will collaboratively perform the work of implementing the broadband program.
- Requires that DEO’s strategic plan to increase use of broadband Internet service in Florida be developed with the use of consumer research into residential and business technology utilization data.
- Requires that broadband mapping be developed at the census block level of detail.

The bill substantially amends section 364.0135 of the Florida Statutes.

II. Present Situation:

In 2008, Congress passed the Broadband Data Improvement Act¹ to improve the quality of federal and state data regarding the availability and quality of broadband services and to promote the deployment of affordable broadband services to all parts of the nation. In early 2009, Congress directed the Federal Communications Commission (FCC) to develop a National Broadband Plan to ensure every American has “access to broadband capability.” Congress also required that this plan include a detailed strategy for achieving affordability and maximizing use of broadband to advance “consumer welfare, civic participation, public safety and homeland

¹ Broadband Data Improvement Act, Pub. L. No. 110-385, S. 1492, 122 Stat. 4096.

security, community development, health care delivery, energy independence and efficiency, education, employee training, private sector investment, entrepreneurial activity, job creation and economic growth, and other national purposes.”² The Plan developed by the FCC can be found at <http://www.broadband.gov/plan/>.

The American Recovery and Reinvestment Act of 2009 (ARRA) provided \$7.2 billion in funding for the purpose of developing and expanding broadband services to rural and underserved communities, focusing on schools, libraries, health care, educational institutions, non-profit community organizations, and the construction of broadband infrastructure. Two federal agencies are handling the distribution of broadband grants/awards through an application process. The U.S. Department of Agriculture's Rural Utilities Service (RUS) was authorized to make loans and grants totaling \$2.5 billion for broadband infrastructure projects in rural areas through its Broadband Initiatives Program (BIP). The U.S. Department of Commerce's National Telecommunications Information Administration (NTIA) was authorized to provide grants totaling \$4.7 billion to fund comprehensive broadband infrastructure projects, public computer centers, and sustainable broadband adoption projects through its Broadband Technology Opportunities Program (BTOP).

In 2009, the Legislature enacted s. 364.0135, F.S., to provide for promotion of broadband. The statute authorized the Florida Department of Management Services (DMS) to work collaboratively with Enterprise Florida, state agencies, local governments, private businesses, and community organizations to:

- Assess the needs for broadband Internet service and develop data and maps that provide a baseline assessment of the availability and speed of broadband service throughout Florida.
- Create a strategic plan to increase use of broadband Internet service in Florida.
- Build local technology planning teams representing, among others, libraries, schools, colleges and universities, local health care providers, private businesses, community organizations, economic development organizations, local governments, tourism, parks and recreation, and agriculture.
- Encourage the use of broadband Internet service, especially in rural, unserved, and underserved areas of the state through grant programs.

DMS was also authorized to apply for and accept federal funds and gifts and donations from individuals, foundations, and private organizations for these purposes.

In 2009, the NTIA launched the State Broadband Initiative (SBI) to implement the purposes of the ARRA and the Broadband Data Improvement Act. According to the NTIA's SBI website,³ twelve separate entities within Florida have been awarded a combined total of \$183.7 million for broadband infrastructure, sustainable adoption, and public computer center projects. Among those awards, DMS was awarded a total of \$8,877,028⁴ for the following purposes:

² See <http://www.broadband.gov/plan/executive-summary/>.

³ <http://www2.ntia.doc.gov/SBDD>

⁴ <http://www2.ntia.doc.gov/grantee/florida-department-of-management-services>. According to DMS, it also developed and applied for a broadband adoption grant under the BTOP on two occasions using a “community development” model proposed by Connected Nation (see footnote below), though both applications, along with applications from other states proposing similar programs, were denied.

- Provide technical assistance to Florida anchor institutions for the E-rate program for increasing school and library telecommunications funding to procure services and technology from the private sector.
- Develop regional planning teams, in partnership with the Florida Regional Planning Councils, to assist in local and regional broadband planning.
- Provide further funding opportunity development and assistance to anchor institutions to secure additional funding to expand broadband usage throughout the state from the private sector.
- Provide for broadband data inventory, analysis and mapping.
- Provide technology assessments to libraries to increase funding to purchase broadband from the private sector.

With some of the funds provided through the ARRA, DMS partnered with a national organization called Connected Nation⁵ to map landline and wireless broadband services using information from service providers and other sources. This mapping project is intended to better identify the location of Florida's unserved and underserved areas. The efforts of this project can be found at <http://www.connect-florida.org/>.⁶

In 2011, the Legislature created the Department of Economic Opportunity (DEO) "to assist the Governor in working with the Legislature, state agencies, business leaders, and economic development professionals to formulate and implement coherent and consistent policies and strategies designed to promote economic opportunities for all Floridians."⁷ To accomplish this purpose, DEO is provided the following duties:

- Facilitate the direct involvement of the Governor and the Lieutenant Governor in economic development and workforce development projects designed to create, expand, and retain businesses in this state, to recruit business from around the world, and to facilitate other job-creating efforts.
- Recruit new businesses to this state and promote the expansion of existing businesses by expediting permitting and location decisions, worker placement and training, and incentive awards.
- Promote viable, sustainable communities by providing technical assistance and guidance on growth and development issues, grants, and other assistance to local communities.
- Ensure that the state's goals and policies relating to economic development, workforce development, community planning and development, and affordable housing are fully integrated with appropriate implementation strategies.
- Manage the activities of public-private partnerships and state agencies in order to avoid duplication and promote coordinated and consistent implementation of programs in areas including, but not limited to, tourism; international trade and investment; business recruitment, creation, retention, and expansion; minority and small business

⁵ Connected Nation is a nonprofit corporation whose Board of Directors is represented by CTIA-The Wireless Association, the Telecommunications Industry Association, the American Farm Bureau Federation, The Children's Partnership, and Intel. Its work is directed by the Board and a National Advisory Council comprised of a number of telecommunications companies and industry organizations, technology companies, and nonprofit organizations. The full list of members can be found at http://connectednation.org/who_we_are/national_advisors/.

⁶ According to DMS, after a first-year performance evaluation of this initial contractor, DMS developed a second competitive procurement "to improve performance, reduce cost and increase the usefulness of the project results to Florida stakeholders."⁷

⁷ s. 1, ch. 2011-142, Laws of Florida.

development; rural community development; commercialization of products, services, or ideas developed in public universities or other public institutions; and the development and promotion of professional and amateur sporting events.⁸

III. Effect of Proposed Changes:

The bill amends s. 364.0135, F.S., to designate the Department of Economic Opportunity (DEO) as the agency to receive and manage all federal funds from the United States Department of Commerce for state broadband initiatives. It also requires DEO to establish a public-private partnership that will work to accomplish the results set forth in the statute and discussed above. It requires that the strategic plan be developed through the use of consumer research into residential and business technology utilization data. Finally, it requires that the broadband mapping develop information at the census block level of detail. Current law provides that these areas be identified at the census tract level. The bill will require mapping at a higher level of detail.

The bill takes effect July 1, 2012.

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:

There could be losses to contractors if the transfer of grant awards is not approved, as discussed below.

C. Government Sector Impact:

Currently, DMS is the entity designated by the State of Florida to accept funds under the federal State Broadband Initiative (SBI) program within the U.S. Department of

⁸ s. 20.60(4), F.S.

Commerce. To maintain the grants awarded to DMS to date, a transfer of these awards to a new entity would require approval by the SBI.⁹ According to DMS, the SBI has approved two transfers, and the process required significant work and lead time for the existing grantee, new grantee, and the SBI office. DMS also indicates that, to achieve approval of such a transfer, the grant award must be transferred in its entirety to the new entity, and the new entity must continue the same work as set forth in the original award. According to DMS, this means that the programs and budgets must remain the same and the staff must remain whole or substantially intact. The bill does not provide for the transfer of positions and funds from DMS to DEO. According to DMS, if the SBI does not approve the transfer of these grant awards from DMS to DEO, local governments could incur a loss of \$502,000 through broadband planning with regional planning councils and a potential loss of new funds for expanding broadband technology to schools and libraries due to the loss of technical assistance in seeking these funds. DMS also indicates that if the SBI does not approve the transfer, funding of \$630,889 for broadband inventory and mapping services provided under contract could be lost.

However, Connected Nation provided information that in two states where it has been involved in such a transfer, Alaska and Kansas, the transfer was accomplished by a simple, one-page letter from the governor to The Assistant Secretary for Communications and Information, National Telecommunications and Information Administration, United States Department of Commerce.

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.

⁹ See U.S. Department of Commerce Grants Manual, Chapter 16, W., *Transfer of Award*.

By Senator Hays

20-01220-12

20121242

1 A bill to be entitled
2 An act relating to broadband Internet service;
3 amending s. 364.0135, F.S.; adding to the legislative
4 findings that the sustainable adoption of broadband
5 Internet service is critical to community development;
6 designating the Department of Economic Opportunity
7 rather than the Department of Management Services as
8 the agency to receive and manage all federal broadband
9 initiative funds for the state; requiring the
10 Department of Economic Opportunity to establish a
11 public-private partnership to work with certain
12 private and governmental organizations to oversee
13 broadband development; revising the oversight
14 criteria; providing an effective date.

15
16 Be It Enacted by the Legislature of the State of Florida:

17
18 Section 1. Subsections (1) and (2) of section 364.0135,
19 Florida Statutes, are amended to read:

20 364.0135 Promotion of broadband adoption.—

21 (1) The Legislature finds that the sustainable adoption of
22 broadband Internet service is critical to the economic, and
23 business, and community development of the state and is
24 beneficial for libraries, schools, colleges and universities,
25 health care providers, and community organizations. The term
26 "sustainable adoption" means the ability for communications
27 service providers to offer broadband services in all areas of
28 the state by encouraging adoption and utilization levels that
29 allow for these services to be offered in the free market absent

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30 the need for governmental subsidy.

31 (2) The Department of Economic Opportunity is the agency
32 designated to receive and manage all federal funds from the
33 United States Department of Commerce for state broadband
34 initiatives and shall establish a public-private partnership
35 that will ~~Management Services is authorized to work~~
36 collaboratively with, and ~~to~~ receive staffing support and other
37 resources from, Enterprise Florida, Inc., state agencies, local
38 governments, private businesses, not-for-profit organizations,
39 and community organizations in order to:

40 (a) Monitor the adoption of broadband Internet service in
41 collaboration with communications service providers, including,
42 but not limited to, wireless and wireline Internet service
43 providers, to develop geographical information system maps at
44 the census block tract level which that will, at a minimum:

45 1. Identify geographic gaps in broadband services,
46 including areas unserved by any broadband provider and areas
47 served by a single broadband provider at the census block level
48 of detail;

49 2. Identify the download and upload transmission speeds
50 made available to businesses and individuals in the state, at
51 the census block tract level of detail, using data rate
52 benchmarks for broadband service used by the Federal
53 Communications Commission to reflect different speed tiers; and

54 3. Provide a baseline assessment of statewide broadband
55 deployment in terms of percentage of households for which ~~with~~
56 broadband access is available ~~availability.~~

57 (b) Create a strategic plan, developed through the use of
58 consumer research into residential and business technology

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59 utilization data, which ~~that~~ has goals and strategies for
60 increasing the use of broadband Internet service in the state.

61 (c) Build and facilitate local technology planning teams or
62 partnerships with members representing cross-sections of the
63 community, which may include, but are not limited to,
64 representatives from the following organizations and industries:
65 libraries, K-12 education, colleges and universities, local
66 health care providers, private businesses, community
67 organizations, economic development organizations, local
68 governments, tourism, parks and recreation, and agriculture.

69 (d) Encourage the use of broadband Internet service,
70 especially in the rural, unserved, and underserved communities
71 of the state through grant programs having effective strategies
72 to facilitate the statewide deployment of broadband Internet
73 service. For any grants to be awarded, priority must be given to
74 projects that:

75 1. Provide access to broadband education, awareness,
76 training, access, equipment, and support to libraries, schools,
77 colleges and universities, health care providers, and community
78 support organizations.

79 2. Encourage the sustainable adoption of broadband in
80 primarily unserved areas by removing barriers to entry.

81 3. Work toward encouraging investments in establishing
82 affordable and sustainable broadband Internet service in
83 unserved areas of the state.

84 4. Facilitate the development of applications, programs,
85 and services, including, but not limited to, telework,
86 telemedicine, and e-learning to increase the usage of, and
87 demand for, broadband Internet service in the state.

20-01220-12

20121242__

88

Section 2. This act shall take effect July 1, 2012.

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/23/2012
Meeting Date

Topic BROADBAND ECONOMIC DEVELOPMENT

Bill Number SB 1242
(if applicable)

Name BRENT LEGG

Amendment Barcode _____
(if applicable)

Job Title DIRECTOR, STAKEHOLDER RELATIONS

Address 1020 COLLEGE ST

Phone 202-340-6446

Street
BOWLING GREEN KY 42102
City *State* *Zip*

E-mail blegg@connectednation.org

Speaking: For Against Information

Representing CONNECT FLORIDA

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/23/12
Meeting Date

Topic BROADBAND ECONOMIC DEVELOPMENT Bill Number 1242
(if applicable)

Name SLATER W. BAYLISS Amendment Barcode _____
(if applicable)

Job Title _____

Address 215 MONROE ST #602 Phone 850-222-8900
Street

TALLAHASSEE FL 32301 E-mail SWB@cardenaspartners.com
City State Zip

Speaking: For Against Information

Representing CONNECTED NATION DEVELOPMENT CORP

Appearing at request of Chair: Yes No Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/22/2012
Meeting Date

Topic BROAD BAND MAPPING

Bill Number 1242
(if applicable)

Name GAIL MARIE FERRY

Amendment Barcode _____
(if applicable)

Job Title CHAIR

Address PO BOX 1766

Phone 954 850-4055

POMPANO BEACH FL 33061
Street City State Zip

E-mail workingfolk@hotmail.com

Speaking: For Against Information

COUNCIL OF FLORIDA

Representing COMMUNICATIONS WORKERS OF AMERICA

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

CourtSmart Tag Report

Room: EL 110

Case:

Type:

Caption: Committee on Communications, Energy, and Public Utilities

Judge:

Started: 1/23/2012 10:13:38 AM

Ends: 1/23/2012 11:13:31 AM Length: 00:59:54

10:13:40 AM Meeting called to order by Chairman Smith

10:14:15 AM Roll call by the Administrative Assistant

10:14:23 AM Comments by Chairman Smith

10:14:24 AM Introduction of Florida Agriculture Commissioner Adam Putnam

10:14:25 AM

10:14:41 AM Commissioner Putnam's Presentation

10:16:48 AM

10:23:37 AM

10:39:04 AM Questions/Comments regarding Commissioner Putnam's Presentation

10:40:05 AM Chairman Smith Question

10:42:43 AM Senator Margolis Question

10:45:28 AM Senator Benacquisto Question

10:48:46 AM Senator Altman Question

10:53:28 AM Senator Diaz de la Portilla Question

10:54:53 AM Senator Lynn Comments

10:59:01 AM Chairman thanked Commissioner Putnam for attending the meeting

10:59:24 AM Chair introduces Paul Runk - SB 1242

10:59:49 AM Paul Runk Introduces SB 1242; sponsored by Senator Hays

11:00:14 AM Speaker Gail Perry Representing Communications Workers of America

11:06:29 AM Senator Joyner Question

11:07:35 AM Speaker Slater Bayliss Representing Connected Nation Development Corp.

11:08:58 AM Speaker Brent Legg Representing Connect Florida

11:09:37 AM Senator Diaz de la Portilla Question

11:09:52 AM Roll call by the Administrative Assistant regarding SB 1242

11:10:42 AM SB 1242 Reported Favorably

11:11:11 AM Chair Introduces SB 100

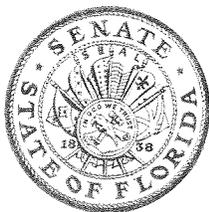
11:11:33 AM SB 100 presented by Senator Siplin's Assistant, Lakeisha Hood

11:12:29 AM Roll Call by the Administrative Assistant regarding SB 100

11:12:46 AM SB 100 Reported Favorably

11:13:10 AM Senator Benacquisto Moves to Rise

11:13:22 AM Meeting adjourned



THE FLORIDA SENATE

Senator Maria Lorts Sachs
Democratic Whip
District 30

RECEIVED
JAN 20 2012

Committees:

Regulated Industries,
Vice Chair

Military Affairs, Space &
Domestic Security
Vice Chair

Communications, Energy
& Public Utilities Policy

Reapportionment

Budget Subcommittee on
Transportation, Tourism,
& Economic Development
Appropriations

Budget Subcommittee on
Finance & Tax

Joint Legislative Auditing

STAFF:

Gladys Ferrer
Legislative Assistant

Cesar Fernandez
Legislative Assistant

Dana Gizzi
Legislative Assistant

The Honorable Chair Gardiner
330 Senate Office Building
404 South Monroe Street
Tallahassee, FL 32399-1100

January 20, 2012

Honorable Chair Gardiner,

Please excuse my absence from the meeting of the Committee on Communications, Energy, and Public Utilities scheduled for Monday January 23, 2012, as there is an obligation in the district that required my attendance. If you have any questions, please call me on my cellular phone at (561)945-8800.

Sincerely,

Maria Lorts Sachs
District 30

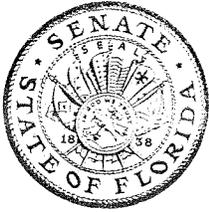
CC: Dr. Matthew M. Carter, II
Staff Director
Senate Committee on Communication, Energy, and
Public Utilities

17th Avenue, Suite E, Delray Beach, Florida 33445 (561) 279-1427
Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5091

Senate's Website www.flsenate.gov

MIKE HARIDOPOLOS
President of the Senate

MICHAEL S. "MIKE" BENNETT
President Pro Tempore



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

SENATOR MIKE FASANO

President Pro Tempore
11th District

January 20, 2012

The Honorable Andy Gardiner, Chairman
Senate Committee on Communications, Energy and Utilities
404 S. Monroe Street
Tallahassee, FL 32399

Dear Senator Gardiner,

Please excuse my absence at the upcoming Committee meeting scheduled for Monday, January 23rd, as I will be unable to attend. Thank you very much and please let me know if there is anything I can do for you.

Sincerely,

Mike Fasano
Florida State Senator, District 11

MF/gc

COMMITTEES:
Transportation and Economic Development
Appropriations, *Chair*
Banking and Insurance
Communications, Energy, and Public Utilities
Ethics and Elections
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JAN 20 2012

REPLY TO:

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JEFF ATWATER
President of the Senate

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President Pro Tempore