1

A bill to be entitled

2 An act relating to telecommunications companies; creating 3 the "Consumer Choice and Protection Act"; amending s. 4 364.01, F.S.; providing that it is the intent of the 5 Legislature that the Public Service Commission not 6 regulate Internet protocol-enabled service, including 7 voice-over-Internet service; amending s. 364.02, F.S.; 8 redefining the terms "basic local telecommunications 9 service," "nonbasic service," and "telecommunications 10 company" and defining the term "Internet protocol-enabled service"; amending ss. 364.011 and 364.013, F.S.; 11 exempting Internet protocol-enabled services from the 12 regulatory jurisdiction of the Public Service Commission; 13 amending s. 364.04, F.S.; requiring each 14 15 telecommunications company to publish through electronic 16 or physical media the company's schedules showing its rates, tolls, rentals, contracts, and charges; authorizing 17 a telecommunications company to file the published 18 schedules with the Public Service Commission or to publish 19 the schedules through other reasonably publicly accessible 20 21 means, including on a website; deleting standards for 22 printing schedules and notices; amending s. 364.051, F.S.; 23 removing a limitation on eligibility to request an 24 increase in basic rates due to storm damage; deleting 25 provisions relating to rate increases for nonbasic 26 services; authorizing a telecommunications company to 27 change the price of a nonbasic service with 1 day's notice; amending s. 364.08, F.S.; prohibiting a 28

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29 telecommunications company from charging or receiving compensation for any service other than for the charge 30 31 applicable to the service as specified in its schedule on 32 file or otherwise published; providing an exception for employee concessions; amending s. 364.10, F.S.; providing 33 34 the conditions that require a telecommunications carrier 35 to provide Lifeline services to eligible customers; 36 amending s. 364.15, F.S.; requiring that the Public 37 Service Commission order only those repairs and 38 improvements to telecommunications facilities which are authorized under law; amending s. 364.33, F.S.; providing 39 that a certificate of necessity may be transferred from a 40 person holding a certificate to another, and a person 41 42 holding a certificate may acquire ownership or control of 43 a telecommunications facility without prior approval of 44 the commission; amending ss. 364.335 and 364.345, F.S.; conforming provisions to changes made in the act; amending 45 s. 364.3376, F.S.; requiring providers of telephone 46 47 operator services to comply with certain enumerated 48 criteria; requiring the operator services to bill for 49 services in accordance with published schedules; amending 50 s. 364.3382, F.S.; requiring each local exchange 51 telecommunications company to advise each residential customer of the least-cost service available to that 52 53 customer when the residential customer initially requests 54 basic local telecommunications service; repealing s. 55 364.09, F.S., relating to the illegal giving of rebates or 56 special rates by a telecommunications company; amending Page 2 of 35

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57	ss. 196.012, 199.183, 212.08, 290.007, 350.0605, 364.059,
58	364.105, 364.602, and 489.103, F.S.; conforming cross-
59	references; providing an effective date.
60	
61	Be It Enacted by the Legislature of the State of Florida:
62	
63	Section 1. This act may be cited as the "Consumer Choice
64	and Protection Act."
65	Section 2. Subsection (3) of section 364.01, Florida
66	Statutes, is amended to read:
67	364.01 Powers of commission, legislative intent
68	(3) Communications activities that are not regulated by
69	the Florida Public Service Commission, including, but not
70	limited to, Internet protocol-enabled service such as VoIP,
71	wireless, and broadband, are subject to this state's generally
72	applicable business regulation and deceptive trade practices and
73	consumer protection laws, as enforced by the appropriate state
74	authority or through actions in the judicial system. This
75	chapter does not limit the availability to any party of any
76	remedy or defense under state or federal antitrust laws. The
77	Legislature finds that the competitive provision of
78	telecommunications services, including local exchange
79	telecommunications service, is in the public interest and will
80	provide customers with freedom of choice, encourage the
81	introduction of new telecommunications service, encourage
82	technological innovation, and encourage investment in
83	telecommunications infrastructure. The Legislature further finds
84	that the transition from the monopoly provision of local
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85 exchange service to the competitive provision thereof will 86 require appropriate regulatory oversight to protect consumers 87 and provide for the development of fair and effective 88 competition, but nothing in this chapter shall limit the 89 availability to any party of any remedy under state or federal 90 antitrust laws. The Legislature further finds that changes in 91 regulations allowing increased competition in telecommunications 92 services could provide the occasion for increases in the 93 telecommunications workforce; therefore, it is in the public 94 interest that competition in telecommunications services lead to 95 a situation that enhances the high-technological skills and the economic status of the telecommunications workforce. The 96 97 Legislature further finds that the provision of Internet 98 protocol-enabled service, including voice-over-Internet protocol 99 (VoIP) free of unnecessary regulation, regardless of the 100 provider, is in the public interest.

101 Section 3. Section 364.02, Florida Statutes, is amended to 102 read:

103

364.02 Definitions.--As used in this chapter, the term:

104 "Basic local telecommunications service" means voice-(1)105 grade, single-line, flat-rate residential, and flat-rate single-106 line business local exchange service that provides services 107 which provide dial tone, local usage necessary to place 108 unlimited calls within a local exchange area, dual tone 109 multifrequency dialing, and access to the following: emergency services such as "911," all locally available interexchange 110 111 companies, directory assistance, operator services, relay services, and an alphabetical directory listing. For a local 112

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113 exchange telecommunications company, the term <u>includes</u> shall 114 include any extended area service routes, and extended calling 115 service in existence or ordered by the commission on or before 116 July 1, 1995.

(2) "Broadband service" means any service that consists of or includes the offering of the capability to transmit or receive information at a rate that is not less than 200 kilobits per second and either:

121

125

(a) Is used to provide access to the Internet; or

(b) Provides computer processing, information storage,
information content, or protocol conversion in combination with
the service.

126 The definition of broadband service does not include any 127 intrastate telecommunications services that have been tariffed 128 with the commission on or before January 1, 2005.

(3) "Commercial mobile radio service provider" means a commercial mobile radio service provider as defined by and pursuant to 47 U.S.C. ss. 153(n) and 332(d).

(4) "Commission" means the Florida Public ServiceCommission.

(5) "Competitive local exchange telecommunications
company" means any company certificated by the commission to
provide local exchange telecommunications services in this state
on or after July 1, 1995.

138 (6) "Corporation" includes a corporation, company,139 association, or joint stock association.

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(7)

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"Internet protocol-enabled service" means a service,

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141 <u>capability, functionality, or application that is provided using</u> 142 <u>Internet protocol or a successor protocol to enable an end user</u> 143 <u>to send or receive data, video, or voice communications in</u> 144 Internet protocol format or a successor format.

145 <u>(8) (7)</u> "Intrastate interexchange telecommunications 146 company" means any entity that provides intrastate interexchange 147 telecommunications services.

148 <u>(9)(8)</u> "Local exchange telecommunications company" means 149 any company certificated by the commission to provide local 150 exchange telecommunications service in this state on or before 151 June 30, 1995.

152 <u>(10)</u> (9) "Monopoly service" means a telecommunications 153 service for which there is no effective competition, either in 154 fact or by operation of law.

155 <u>(11) (10)</u> "Nonbasic service" means any telecommunications 156 service provided by a local exchange telecommunications company 157 other than a basic local telecommunications service, a local 158 interconnection arrangement described in s. 364.16, or a network 159 access service described in s. 364.163. <u>Any combination of basic</u> 160 <u>service along with a nonbasic service or an unregulated service</u> 161 is nonbasic service.

162 <u>(12)(11)</u> "Operator service" includes, but is not limited 163 to, billing or completion of third-party, person-to-person, 164 collect, or calling card or credit card calls through the use of 165 a live operator or automated equipment.

166 (13)(12) "Operator service provider" means a person who 167 furnishes operator service through a call aggregator.

168 <u>(14) (13)</u> "Service" is to be construed in its broadest and Page 6 of 35

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169 most inclusive sense. The term "service" does not include 170 broadband service or Internet protocol-enabled service, 171 including voice-over-Internet protocol service for purposes of 172 regulation by the commission. Nothing herein shall affect the 173 rights and obligations of any entity related to the payment of 174 switched network access rates or other intercarrier 175 compensation, if any, related to Internet protocol-enabled 176 service, including voice-over-Internet protocol service. 177 Notwithstanding s. 364.013, and the exemption of services 178 pursuant to this subsection, the commission may arbitrate, 179 enforce, or approve interconnection agreements, and resolve 180 disputes as provided by 47 U.S.C. ss. 251 and 252, or any other 181 applicable federal law or regulation. With respect to the 182 services exempted in this subsection, regardless of the 183 technology, the duties of a local exchange telecommunications 184 company are only those that the company is obligated to extend 185 or provide under applicable federal law and regulations.

186 <u>(15)(14)</u> "Telecommunications company" includes every 187 corporation, partnership, and person and their lessees, 188 trustees, or receivers appointed by any court whatsoever, and 189 every political subdivision in the state, offering two-way 190 telecommunications service to the public for hire within this 191 state by the use of a telecommunications facility. The term 192 "telecommunications company" does not include:

(a) An entity <u>that</u> which provides a telecommunications
facility exclusively to a certificated telecommunications
company;

196

(b)

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An entity that which provides a telecommunications

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197 facility exclusively to a company which is excluded from the 198 definition of a telecommunications company under this 199 subsection;

(c) A commercial mobile radio service provider;

(d) A facsimile transmission service;

202 (e) A private computer data network company not offering
203 service to the public for hire;

204 (f) A cable television company providing cable service as 205 defined in 47 U.S.C. s. 522; or

206 (g) An intrastate interexchange telecommunications 207 company.

208

200

201

209 However, each commercial mobile radio service provider and each 210 intrastate interexchange telecommunications company shall 211 continue to be liable for any taxes imposed under chapters 202, 212 203, and 212 and any fees assessed under s. 364.025. Each 213 intrastate interexchange telecommunications company shall 214 continue to be subject to ss. 364.04, 364.10(3)(a) and (c) (d), 364.163, 364.285, 364.336, 364.501, 364.603, and 364.604, shall 215 216 provide the commission with the current information as the 217 commission deems necessary to contact and communicate with the 218 company, and shall continue to pay intrastate switched network 219 access rates or other intercarrier compensation to the local exchange telecommunications company or the competitive local 220 exchange telecommunications company for the origination and 221 termination of interexchange telecommunications service, and 222 223 shall reduce its intrastate long distance toll rates in 224 accordance with former s. 364.163(2).

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(16) (15) "Telecommunications facility" includes real estate, easements, apparatus, property, and routes used and operated to provide two-way telecommunications service to the public for hire within this state.

229 (17)(16) "VoIP" means the voice-over-Internet protocol as 230 that term is defined in federal law.

231 Section 4. Section 364.011, Florida Statutes, is amended 232 to read:

233 364.011 Exemptions from commission jurisdiction.--The 234 following services are exempt from oversight by the commission, 235 except to the extent delineated in this chapter or specifically 236 authorized by federal law:

(1) Intrastate interexchange telecommunications services.
(2) Broadband services, regardless of the provider,
platform, or protocol.

240

(3) Internet protocol-enabled services, including VoIP.

(4) Wireless telecommunications, including commercialmobile radio service providers.

243 Section 5. Section 364.013, Florida Statutes, is amended 244 to read:

245 364.013 Emerging and advanced services.--Broadband service 246 and the provision of Internet protocol-enabled services, 247 including voice-over-Internet-protocol (VoIP), are exempt from 248 commission jurisdiction and shall be free of state regulation, except as delineated in this chapter or as specifically 249 authorized by federal law, regardless of the provider, platform, 250 251 or protocol. 252 Section 6. Section 364.04, Florida Statutes, is amended to

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253 read:

254 364.04 Schedules of rates, tolls, rentals, contracts, and 255 charges; filing; public inspection.--

Upon order of the commission, Every telecommunications 256 (1)257 company shall publish through electronic or physical media file 258 with the commission, and shall print and keep open to public 259 inspection, schedules showing the rates, tolls, rentals, 260 contracts, and charges of that company for service to be 261 performed within the state. A telecommunications company may, as 262 an option, file the published schedules with the commission or 263 publish its schedules through other reasonably publicly 264 accessible means, including on a website. A telecommunications 265 company that does not file its schedule with the commission 266 shall inform its customers where a customer may view the 267 telecommunications company's schedules.

268 (2)The schedule, as printed and open to public 269 inspection, shall plainly state the places between which 270 telecommunications service will be rendered and shall also state 271 separately all charges and all privileges or facilities granted 272 or allowed and any rules or regulations or forms of contract 273 which may in anywise change, affect, or determine any of the 274 aggregate of the rates, tolls, rentals, or charges for the 275 service rendered.

A schedule shall be plainly printed in large type, and
a copy thereof shall be kept by every telecommunications company
readily accessible to, and for convenient inspection by, the
public at such places as may be designated by the commission.
Any such schedule shall be immediately produced by the
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281	telecommunications company upon the demand of any person.
282	(4) A notice printed in bold type and stating that such
283	schedules are on file and open to inspection by any person, the
284	places where the schedules are kept, and that the agent will
285	assist any person to determine from such schedules any rate,
286	toll, rental, rule, or regulation which is in force shall be
287	kept posted by every telecommunications company as the
288	commission designates.
289	Section 7. Paragraph (c) of subsection (1), paragraph (c)
290	of subsection (2), paragraph (b) of subsection (4), and
291	subsection (5) of section 364.051, Florida Statutes, are amended
292	to read:
293	364.051 Price regulation
294	(1) SCHEDULENotwithstanding any other provisions of
295	this chapter, the following local exchange telecommunications
296	companies shall become subject to the price regulation described
297	in this section on the following dates:
298	(c) Each company subject to this section <u>is</u> shall be
299	exempt from rate base, rate of return regulation and the
300	requirements of ss. 364.03, 364.035, 364.037, 364.05, 364.055,
301	364.14, 364.17, and 364.18, and 364.19.
302	(2) BASIC LOCAL TELECOMMUNICATIONS SERVICEPrice
303	regulation of basic local telecommunications service shall
304	consist of the following:
305	(c) There shall be a flat-rate pricing option for basic
306	local telecommunications service services, and mandatory
307	measured service for basic local telecommunications <u>service</u>
308	services shall not be imposed.
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(4)

309

(b) For purposes of this section, evidence of damage occurring to the lines, plants, or facilities of a local exchange telecommunications company that is subject to the carrier-of-last-resort obligations, which damage is the result of a tropical system occurring after June 1, 2005, and named by the National Hurricane Center, constitutes a compelling showing of changed circumstances.

A company may file a petition to recover its intrastate
 costs and expenses relating to repairing, restoring, or
 replacing the lines, plants, or facilities damaged by a named
 tropical system.

321 2. The commission shall verify the intrastate costs and322 expenses submitted by the company in support of its petition.

323 3. The company must show and the commission shall 324 determine whether the intrastate costs and expenses are 325 reasonable under the circumstances for the named tropical 326 system.

327 4. A company having a storm-reserve fund may recover 328 tropical-system-related costs and expenses from its customers 329 only in excess of any amount available in the storm-reserve 330 fund.

5. The commission may determine the amount of any increase that the company may charge its customers, but the charge per line item may not exceed 50 cents per month per customer line for a period of not more than 12 months.

335 6. The commission may order the company to add an equal336 line-item charge per access line to the billing statement of the

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337 company's retail basic local telecommunications service 338 customers, its retail nonbasic telecommunications service 339 customers, and, to the extent the commission determines 340 appropriate, its wholesale loop unbundled network element 341 customers. At the end of the collection period, the commission 342 shall verify that the collected amount does not exceed the 343 amount authorized by the order. If collections exceed the 344 ordered amount, the commission shall order the company to refund 345 the excess.

In order to qualify for filing a petition under this 346 7. 347 paragraph, a company with 1 million or more access lines, but 348 fewer than 3 million access lines, must have tropical-systemrelated costs and expenses exceeding \$1.5 million, and a company 349 350 with 3 million or more access lines must have tropical-system-351 related costs and expenses of \$5 million or more. A company with fewer than 1 million access lines is not required to meet a 352 353 minimum damage threshold in order to qualify to file a petition 354 under this paragraph.

8. A company may file only one petition for storm recovery in any 12-month period for the previous storm season, but the application may cover damages from more than one named tropical system.

359

360 This paragraph is not intended to adversely affect the 361 commission's consideration of any petition for an increase in 362 basic rates to recover costs related to storm damage which was 363 filed before the effective date of this act. 364 (5) NONBASIC SERVICES.--Price regulation of nonbasic

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365 services shall consist of the following:

366 (a) Each company subject to this section shall, at its 367 option, maintain tariffs with the commission or otherwise 368 publicly publish the terms, conditions, and rates for each of 369 its nonbasic services, and may set or change, on 1 day's notice, 370 the rate for each of its nonbasic services. For a company 371 electing to publicly publish the terms, conditions, and rates 372 for each of its nonbasic services, the commission may establish 373 guidelines for the publication. The guidelines may not require 374 more information than what is required to be filed with a 375 tariff. The price increase for any nonbasic service category 376 shall not exceed 6 percent within a 12-month period until there 377 is another provider providing local telecommunications service 378 in an exchange area at which time the price for any nonbasic 379 service category may be increased in an amount not to exceed 20 380 percent within a 12-month period, and the rate shall be 381 presumptively valid. However, for purposes of this subsection, 382 the prices of:

383 1. A voice-grade, flat-rate, multi-line business local 384 exchange service, including multiple individual lines, centrex 385 lines, private branch exchange trunks, and any associated 386 hunting services, that provides dial tone and local usage 387 necessary to place a call within a local exchange calling area; 388 and

389 2. Telecommunications services provided under contract 390 service arrangements to the SUNCOM Network, as defined in 391 chapter 282,

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393 shall be capped at the rates in effect on July 1, 1995, and such 394 rates shall not be increased prior to January 1, 2000; provided, 395 however, that a petition to increase such rates may be filed 396 pursuant to subsection (4) utilizing the standards set forth 397 therein. There shall be a flat-rate pricing option for multi-398 line business local exchange service, and mandatory measured 399 for multi-line business local exchange service shall not service 400 be imposed. Nothing contained in This chapter does not section 401 shall prevent the local exchange telecommunications company from 402 meeting offerings by any competitive provider of the same, or 403 functionally equivalent, nonbasic services in a specific 404 geographic market or to a specific customer by deaveraging the price of any nonbasic service, packaging nonbasic services 405 406 together or with basic services, using volume discounts and term 407 discounts, and offering individual contracts. However, the local exchange telecommunications company may shall not engage in any 408 409 anticompetitive act or practice or, nor unreasonably 410 discriminate among similarly situated customers.

The commission has shall have continuing regulatory 411 (b) oversight of nonbasic services for purposes of ensuring 412 413 resolution of service complaints, preventing cross-subsidization 414 of nonbasic services with revenues from basic services, and 415 ensuring that all providers are treated fairly in the 416 telecommunications market. The cost standard for determining 417 cross-subsidization is whether the total revenue from a nonbasic 418 service is less than the total long-run incremental cost of the 419 service. Total long-run incremental cost means service-specific volume and nonvolume-sensitive costs. 420

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421	(c) The price charged to a consumer for a nonbasic service
422	shall cover the direct costs of providing the service and shall,
423	to the extent a cost is not included in the direct cost, include
424	as an imputed cost the price charged by the company to
425	competitors for any monopoly component used by a competitor in
426	the provision of its same or functionally equivalent service.
427	Section 8. Section 364.08, Florida Statutes, is amended to
428	read:
429	364.08 Unlawful to charge other than schedule rates or
430	charges; free service and reduced rates prohibited
431	(1) A telecommunications company may not charge, demand,
432	collect, or receive for any service rendered or to be rendered
433	any compensation other than the charge applicable to such
434	service as specified in its schedule on file <u>or otherwise</u>
435	published and in effect at that time. A telecommunications
436	company may not refund or remit, directly or indirectly, any
437	portion of the rate or charge so specified or extend to any
438	person any advantage of contract or agreement or the benefit of
439	any rule or regulation or any privilege or facility not
440	regularly and uniformly extended to all persons under like
441	circumstances for like or substantially similar service.
442	(2) A telecommunications company subject to this chapter
443	may provide not, directly or indirectly, give any free or
444	reduced service between points within this state. However, it
445	shall be lawful for the commission to authorize employee
446	concessions without approval by the commission $rac{ ext{if in the public}}{ ext{if in the public}}$
447	interest.
448	Section 9. Subsection (3) of section 364.10, Florida
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449 Statutes, is amended to read:

450 364.10 Undue advantage to person or locality prohibited; 451 Lifeline service.--

452 (3)(a) Each Effective September 1, 2003, any local 453 exchange telecommunications company that has more than 1 million 454 access lines and that is designated as an eligible 455 telecommunications carrier authorized by the commission to 456 reduce its switched network access rate pursuant to s. 364.164 457 shall have tariffed and shall provide Lifeline service to any 458 otherwise eligible customer or potential customer who meets an 459 income eligibility test at 135 percent or less of the federal 460 poverty income quidelines for Lifeline customers. Such a test 461 for eligibility must augment, rather than replace, the 462 eligibility standards established by federal law and based on 463 participation in certain low-income assistance programs. Each 464 intrastate interexchange telecommunications company shall τ 465 effective September 1, 2003, file or publish a schedule tariff 466 providing at a minimum the intrastate interexchange 467 telecommunications carrier's current Lifeline benefits and 468 exemptions to Lifeline customers who meet the income eligibility 469 test set forth in this subsection. The Office of Public Counsel 470 shall certify and maintain claims submitted by a customer for 471 eligibility under the income test authorized by this subsection.

(b) Each eligible telecommunications carrier subject to
this subsection shall provide to each state and federal agency
providing benefits to persons eligible for Lifeline service
applications, brochures, pamphlets, or other materials that
inform the persons of their eligibility for Lifeline, and each

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477 state agency providing the benefits shall furnish the materials478 to affected persons at the time they apply for benefits.

479 (c) Any local exchange telecommunications company customer 480 receiving Lifeline benefits shall not be subject to any 481 residential basic local telecommunications service rate 482 increases authorized by s. 364.164 until the local exchange 483 telecommunications company reaches parity as defined in 484 364.164(5) or until the customer no longer qualifies for the 485 Lifeline benefits established by this section or s. 364.105, or 486 unless otherwise determined by the commission upon petition by a 487 local exchange telecommunications company.

488 (c) (d) An eligible telecommunications carrier may not 489 discontinue basic local exchange telephone service to a 490 subscriber who receives Lifeline service because of nonpayment 491 by the subscriber of charges for nonbasic services billed by the 492 telecommunications company, including long-distance service. A 493 subscriber who receives Lifeline service shall be required to 494 pay all applicable basic local exchange service fees, including 495 the subscriber line charge, E-911, telephone relay system 496 charges, and applicable state and federal taxes.

497 (d) (e) An eligible telecommunications carrier may not
498 refuse to connect, reconnect, or provide Lifeline service
499 because of unpaid toll charges or nonbasic charges other than
500 basic local exchange service.

501 <u>(e)(f)</u> An eligible telecommunications carrier may require 502 that payment arrangements be made for outstanding debt 503 associated with basic local exchange service, subscriber line 504 charges, E-911, telephone relay system charges, and applicable

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505 state and federal taxes.

(f) (g) An eligible telecommunications carrier may block a 506 507 Lifeline service subscriber's access to all long-distance 508 service, except for toll-free numbers, and may block the ability 509 to accept collect calls when the subscriber owes an outstanding 510 amount for long-distance service or amounts resulting from 511 collect calls. However, the eligible telecommunications carrier 512 may not impose a charge for blocking long-distance service. The 513 eligible telecommunications carrier shall remove the block at 514 the request of the subscriber without additional cost to the 515 subscriber upon payment of the outstanding amount. An eligible 516 telecommunications carrier may charge a service deposit before 517 removing the block.

518 (g) (h) 1. By December 31, 2007, each state agency that 519 provides benefits to persons eligible for Lifeline service shall 520 undertake, in cooperation with the Department of Children and 521 Family Services, the Department of Education, the commission, 522 the Office of Public Counsel, and telecommunications companies 523 providing Lifeline services, the development of procedures to 524 promote Lifeline participation.

525 2. If any state agency determines that a person is 526 eligible for Lifeline services, the agency shall immediately 527 forward the information to the commission to ensure that the person is automatically enrolled in the program with the 528 529 appropriate eligible telecommunications carrier. The state agency shall include an option for an eligible customer to 530 choose not to subscribe to the Lifeline service. The Public 531 532 Service Commission and the Department of Children and Family

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533 Services shall, no later than December 31, 2007, adopt rules 534 creating procedures to automatically enroll eligible customers 535 in Lifeline service.

3. The commission, the Department of Children and Family Sarvices, and the Office of Public Counsel shall enter into a memorandum of understanding establishing the respective duties of the commission, the department, and the public counsel with respect to the automatic enrollment procedures no later than December 31, 2007.

542 (h)(i) The commission shall report to the Governor, the 543 President of the Senate, and the Speaker of the House of 544 Representatives by December 31 each year on the number of 545 customers who are subscribing to Lifeline service and the 546 effectiveness of any procedures to promote participation.

547 <u>(i)(j)</u> The commission shall adopt rules to administer this 548 section.

549 Section 10. Section 364.15, Florida Statutes, is amended 550 to read:

551 364.15 Compelling repairs, improvements, changes, 552 additions, or extensions. -- Whenever the commission finds, on its 553 own motion or upon complaint, that repairs or improvements to, 554 or changes in, any telecommunications facility ought reasonably 555 to be made, or that any additions or extensions should 556 reasonably be made to any telecommunications facility, in order to promote the security or convenience of the public or 557 558 employees or in order to secure adequate service or facilities 559 for basic local telecommunications services consistent with the 560 requirements set forth in this chapter, the commission shall

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561 make and serve an order directing that such repairs, 562 improvements, changes, additions, or extensions be made in the 563 manner to be specified in the order. This section authorizes the 564 commission to impose only those requirements that it is 565 otherwise authorized to impose under this chapter. 566 Section 11. Section 364.33, Florida Statutes, is amended 567 to read: 568 364.33 Certificate of necessity prerequisite to 569 construction, operation, or control of telecommunications 570 facilities.--Except for a transfer of a certificate of necessity 571 from one person to another as provided in this section, a person 572 may not begin the construction or operation of any 573 telecommunications facility, or any extension thereof for the 574 purpose of providing telecommunications services to the public, 575 or acquire ownership or control thereof, in whatever manner, 576 including the acquisition, transfer, or assignment of majority 577 organizational control or controlling stock ownership, without 578 prior approval. A certificate of necessity may be transferred 579 from a person holding a certificate to another person holding a 580 certificate and a person holding a certificate may acquire 581 ownership or control of a telecommunications facility through 582 the acquisition, transfer, or assignment of majority 583 organizational control or controlling stock ownership of a 584 person holding a certificate without prior approval of the 585 commission by giving 60 days' written notice of the transfer or 586 change of control to the commission and affected customers. This 587 section does not require approval by the commission prior to the 588 construction, operation, or extension of a facility by a

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589 certificated company within its certificated area nor in any way 590 limit the commission's ability to review the prudence of such 591 construction programs for ratemaking as provided under this 592 chapter.

593 Section 12. Subsection (4) of section 364.335, Florida 594 Statutes, is amended to read:

595

364.335 Application for certificate.--

(4) Except as provided in s. 364.33, revocation, suspension, transfer, or amendment of a certificate shall be subject to the provisions of this section; except that, when the commission initiates the action, the commission shall furnish notice to the appropriate local government and to the Public Counsel.

602 Section 13. Section 364.3376, Florida Statutes, is amended 603 to read:

604

364.3376 Operator services.--

(1) (a) A person may not provide operator services as defined in s. 364.02 without first obtaining from the commission a certificate of public convenience and necessity as an operator services provider.

(b) This section does not apply to operator services
provided by a local exchange telecommunications company or by an
intrastate interexchange telecommunications company, except as
required by the commission in the public interest.

(2) Notwithstanding any finding by the commission that a
service or facility is subject to competition and should be
regulated pursuant to s. 364.338, All intrastate operator
service providers are subject to the jurisdiction of the

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617 commission and shall render operator services pursuant to 618 schedules in accordance with s. 364.04 tariffs approved by the 619 commission. 620 (3) For operator services, the commission shall establish 621 maximum rates and charges for all providers of such services 622 within the state. (3) (4) Operator service providers shall: 623 624 (a) Require operators to: 625 1. Clearly identify the operator service provider to all end users before the call is made. 626 627 When requested, provide rate and service information. 2. 628 When requested, provide the number to call for 3. 629 complaints and inquiries. When requested, provide the procedure for reporting 630 4. service difficulties and methods of obtaining refunds. 631 632 (b) Not intentionally charge for incompleted calls and 633 provide full refund or credit for any misbilled or incomplete 634 calls. 635 (C) Bill for services in accordance with their published 636 schedules approved in their tariff and only at the rates set 637 forth therein tariff or otherwise approved rate, and disclose 638 their names on bills which include charges for services 639 rendered. 640 (4) (4) (5) Each call aggregator shall post in the immediate vicinity of each telephone available to the public the name of 641 the operator service provider, a toll-free customer service 642 643 number, a statement that rate quotes are available upon request, 644 and instructions on how the end user may access other operator

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645 service providers and such other information determined by the646 commission to be necessary in the public interest.

647 <u>(5)(6)</u> Neither the operator service provider nor the call 648 aggregator shall block or prevent an end user's access to the 649 end user's operator service provider of choice, except that the 650 commission shall grant limited waivers to operator service 651 providers or call aggregators upon a showing that such waiver is 652 in the public interest.

(6) (7) The local exchange telecommunications company shall
 not disconnect local service for properly contested nonpayment
 of any operator services bill.

656 <u>(7)(8)</u> The commission shall adopt and enforce requirements 657 for the provision of services by operator services companies and 658 call aggregators.

659 (8) (9) Operator service providers and local exchange
660 companies providing billing and collection services shall only
661 bill and collect only the tariffed rates and charges set forth
662 in the applicable schedules.

663 (9) (10) Notwithstanding any finding by the commission that a service or facility is subject to competition and should be 664 665 regulated pursuant to s. 364.338, A local exchange 666 telecommunications company may shall not perform billing and 667 collection functions relating to regulated telecommunications 668 services provided by an operator services provider unless the operator services provider has filed a statement with the local 669 670 exchange telecommunications company signed by a corporate 671 officer, or by another authorized person having personal knowledge, that all regulated telecommunications services to be 672

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billed will shall be rendered pursuant to applicable published
schedules tariffs approved by the commission.

675 (10) (11) The commission shall conduct have the 676 responsibility for conducting an effective program of random, 677 no-notice compliance investigations of the operator services 678 providers and call aggregators operating within the state. When 679 the commission finds a blocking violation, it shall determine 680 whether the blocking is the responsibility of the call 681 aggregator or the operator services provider and may fine the 682 responsible party in accordance with s. 364.285. Upon the 683 failure of the responsible party to correct a violation within a 684 mandatory time limit established by the commission or upon a 685 proven pattern of intentional blocking, the commission shall 686 order the discontinuance of the call aggregator's telephone 687 service or revoke the operator services provider's certificate, 688 as applicable.

689 Section 14. Section 364.3382, Florida Statutes, is amended 690 to read:

691

364.3382 Disclosure.--

692 (1) A local exchange telecommunications company, when a 693 residential customer initially requests basic local 694 telecommunications service, shall advise each residential 695 customer of the least-cost service available to that customer. 696 Annually, in the form of a bill insert, the local exchange 697 telecommunications company shall advise each residential customer of the price of each service option selected by that 698 699 customer. The requirement of an annual notice through a bill 700 insert does not apply to interexchange service.

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701 Copies of both the written notices and information (2)702 provided to customer service representatives concerning the 703 disclosure required pursuant to subsection (1) shall be 704 submitted to the commission for prior approval. 705 Section 15. Subsection (2) of section 364.345, Florida 706 Statutes, is amended to read: 707 364.345 Certificates; territory served; transfer.--708 Except as provided in s. 364.33, a telecommunications (2) 709 company may not sell, assign, or transfer its certificate or any 710 portion thereof without: 711 A determination by the commission that the proposed (a) sale, assignment, or transfer is in the public interest; and 712 713 The approval of the commission. (b) 714 Section 16. Section 364.09, Florida Statutes, is repealed. 715 Section 17. Subsection (6) of section 196.012, Florida 716 Statutes, is amended to read: 717 196.012 Definitions. -- For the purpose of this chapter, the 718 following terms are defined as follows, except where the context 719 clearly indicates otherwise: 720 Governmental, municipal, or public purpose or function (6) 721 shall be deemed to be served or performed when the lessee under 722 any leasehold interest created in property of the United States, 723 the state or any of its political subdivisions, or any municipality, agency, special district, authority, or other 724 725 public body corporate of the state is demonstrated to perform a 726 function or serve a governmental purpose which could properly be performed or served by an appropriate governmental unit or which 727 is demonstrated to perform a function or serve a purpose which 728 Page 26 of 35

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729 would otherwise be a valid subject for the allocation of public 730 funds. For purposes of the preceding sentence, an activity 731 undertaken by a lessee which is permitted under the terms of its 732 lease of real property designated as an aviation area on an 733 airport layout plan which has been approved by the Federal 734 Aviation Administration and which real property is used for the 735 administration, operation, business offices and activities 736 related specifically thereto in connection with the conduct of 737 an aircraft full service fixed base operation which provides 738 goods and services to the general aviation public in the 739 promotion of air commerce shall be deemed an activity which 740 serves a governmental, municipal, or public purpose or function. 741 Any activity undertaken by a lessee which is permitted under the 742 terms of its lease of real property designated as a public airport as defined in s. 332.004(14) by municipalities, 743 744 agencies, special districts, authorities, or other public bodies 745 corporate and public bodies politic of the state, a spaceport as 746 defined in s. 331.303, or which is located in a deepwater port 747 identified in s. 403.021(9)(b) and owned by one of the foregoing 748 governmental units, subject to a leasehold or other possessory 749 interest of a nongovernmental lessee that is deemed to perform 750 an aviation, airport, aerospace, maritime, or port purpose or 751 operation shall be deemed an activity that serves a 752 governmental, municipal, or public purpose. The use by a lessee, 753 licensee, or management company of real property or a portion thereof as a convention center, visitor center, sports facility 754 with permanent seating, concert hall, arena, stadium, park, or 755 756 beach is deemed a use that serves a governmental, municipal, or

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757 public purpose or function when access to the property is open 758 to the general public with or without a charge for admission. If 759 property deeded to a municipality by the United States is 760 subject to a requirement that the Federal Government, through a 761 schedule established by the Secretary of the Interior, determine 762 that the property is being maintained for public historic 763 preservation, park, or recreational purposes and if those 764 conditions are not met the property will revert back to the 765 Federal Government, then such property shall be deemed to serve 766 a municipal or public purpose. The term "governmental purpose" 767 also includes a direct use of property on federal lands in 768 connection with the Federal Government's Space Exploration 769 Program or spaceport activities as defined in s. 212.02(22). Real property and tangible personal property owned by the 770 771 Federal Government or Space Florida and used for defense and 772 space exploration purposes or which is put to a use in support 773 thereof shall be deemed to perform an essential national 774 governmental purpose and shall be exempt. "Owned by the lessee" 775 as used in this chapter does not include personal property, 776 buildings, or other real property improvements used for the 777 administration, operation, business offices and activities 778 related specifically thereto in connection with the conduct of 779 an aircraft full service fixed based operation which provides 780 goods and services to the general aviation public in the promotion of air commerce provided that the real property is 781 782 designated as an aviation area on an airport layout plan 783 approved by the Federal Aviation Administration. For purposes of 784 determination of "ownership," buildings and other real property

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785 improvements which will revert to the airport authority or other 786 governmental unit upon expiration of the term of the lease shall 787 be deemed "owned" by the governmental unit and not the lessee. 788 Providing two-way telecommunications services to the public for 789 hire by the use of a telecommunications facility, as defined in 790 s. 364.02(16) s. 364.02(15), and for which a certificate is 791 required under chapter 364 does not constitute an exempt use for 792 purposes of s. 196.199, unless the telecommunications services 793 are provided by the operator of a public-use airport, as defined 794 in s. 332.004, for the operator's provision of 795 telecommunications services for the airport or its tenants, 796 concessionaires, or licensees, or unless the telecommunications 797 services are provided by a public hospital.

Section 18. Paragraph (b) of subsection (1) of section199.183, Florida Statutes, is amended to read:

800

199.183 Taxpayers exempt from nonrecurring taxes.--

(1) Intangible personal property owned by this state or any of its political subdivisions or municipalities shall be exempt from taxation under this chapter. This exemption does not apply to:

805 Property related to the provision of two-way (b) 806 telecommunications services to the public for hire by the use of 807 a telecommunications facility, as defined in s. 364.02(16) s. 808 364.02(15), and for which a certificate is required under chapter 364, when the service is provided by any county, 809 municipality, or other political subdivision of the state. Any 810 immunity of any political subdivision of the state or other 811 812 entity of local government from taxation of the property used to

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813 provide telecommunication services that is taxed as a result of 814 this paragraph is hereby waived. However, intangible personal 815 property related to the provision of telecommunications services 816 provided by the operator of a public-use airport, as defined in 817 s. 332.004, for the operator's provision of telecommunications 818 services for the airport or its tenants, concessionaires, or 819 licensees, and intangible personal property related to the provision of telecommunications services provided by a public 820 821 hospital, are exempt from taxation under this chapter.

822 Section 19. Subsection (6) of section 212.08, Florida823 Statutes, is amended to read:

212.08 Sales, rental, use, consumption, distribution, and storage tax; specified exemptions.--The sale at retail, the rental, the use, the consumption, the distribution, and the storage to be used or consumed in this state of the following are hereby specifically exempt from the tax imposed by this chapter.

830 EXEMPTIONS; POLITICAL SUBDIVISIONS. -- There are also (6) 831 exempt from the tax imposed by this chapter sales made to the 832 United States Government, a state, or any county, municipality, 833 or political subdivision of a state when payment is made 834 directly to the dealer by the governmental entity. This 835 exemption shall not inure to any transaction otherwise taxable 836 under this chapter when payment is made by a government employee by any means, including, but not limited to, cash, check, or 837 838 credit card when that employee is subsequently reimbursed by the governmental entity. This exemption does not include sales of 839 840 tangible personal property made to contractors employed either

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841 directly or as agents of any such government or political 842 subdivision thereof when such tangible personal property goes 843 into or becomes a part of public works owned by such government 844 or political subdivision. A determination whether a particular 845 transaction is properly characterized as an exempt sale to a 846 government entity or a taxable sale to a contractor shall be 847 based on the substance of the transaction rather than the form 848 in which the transaction is cast. The department shall adopt 849 rules that give special consideration to factors that govern the 850 status of the tangible personal property before its affixation 851 to real property. In developing these rules, assumption of the 852 risk of damage or loss is of paramount consideration in the 853 determination. This exemption does not include sales, rental, 854 use, consumption, or storage for use in any political 855 subdivision or municipality in this state of machines and 856 equipment and parts and accessories therefor used in the 857 generation, transmission, or distribution of electrical energy 858 by systems owned and operated by a political subdivision in this 859 state for transmission or distribution expansion. Likewise 860 exempt are charges for services rendered by radio and television 861 stations, including line charges, talent fees, or license fees 862 and charges for films, videotapes, and transcriptions used in 863 producing radio or television broadcasts. The exemption provided 864 in this subsection does not include sales, rental, use, 865 consumption, or storage for use in any political subdivision or municipality in this state of machines and equipment and parts 866 867 and accessories therefor used in providing two-way telecommunications services to the public for hire by the use of 868 Page 31 of 35

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869 a telecommunications facility, as defined in s. 364.02(16) s. 870 364.02(15), and for which a certificate is required under 871 chapter 364, which facility is owned and operated by any county, 872 municipality, or other political subdivision of the state. Any 873 immunity of any political subdivision of the state or other 874 entity of local government from taxation of the property used to 875 provide telecommunication services that is taxed as a result of 876 this section is hereby waived. However, the exemption provided 877 in this subsection includes transactions taxable under this 878 chapter which are for use by the operator of a public-use 879 airport, as defined in s. 332.004, in providing such 880 telecommunications services for the airport or its tenants, 881 concessionaires, or licensees, or which are for use by a public hospital for the provision of such telecommunications services. 882

883 Section 20. Subsection (8) of section 290.007, Florida 884 Statutes, is amended to read:

885 290.007 State incentives available in enterprise 886 zones.--The following incentives are provided by the state to 887 encourage the revitalization of enterprise zones:

888 Notwithstanding any law to the contrary, the Public (8) 889 Service Commission may allow public utilities and 890 telecommunications companies to grant discounts of up to 50 891 percent on tariffed rates for services to small businesses located in an enterprise zone designated pursuant to s. 892 893 290.0065. Such discounts may be granted for a period not to exceed 5 years. For purposes of this subsection, the term 894 "public utility" has the same meaning as in s. 366.02(1) and the 895 896 term "telecommunications company" has the same meaning as in s.

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897 364.02(15) s. 364.02(14).

898 Section 21. Subsection (3) of section 350.0605, Florida 899 Statutes, is amended to read:

900 350.0605 Former commissioners and employees; 901 representation of clients before commission.--

902 For a period of 2 years following termination of (3) 903 service on the commission, a former member may not accept 904 employment by or compensation from a business entity which, directly or indirectly, owns or controls a public utility 905 regulated by the commission, from a public utility regulated by 906 907 the commission, from a business entity which, directly or 908 indirectly, is an affiliate or subsidiary of a public utility regulated by the commission or is an actual business competitor 909 910 of a local exchange company or public utility regulated by the commission and is otherwise exempt from regulation by the 911 912 commission under ss. 364.02(15) ss. 364.02(14) and 366.02(1), or 913 from a business entity or trade association that has been a 914 party to a commission proceeding within the 2 years preceding the member's termination of service on the commission. This 915 916 subsection applies only to members of the Florida Public Service 917 Commission who are appointed or reappointed after May 10, 1993.

918 Section 22. Paragraph (a) of subsection (1) of section 919 364.059, Florida Statutes, is amended to read:

920 364.059 Procedures for seeking stay; benchmark; 921 criteria.--

922 (1) If a local exchange telecommunications company has
923 elected, pursuant to s. 364.051(6), to have its basic local
924 telecommunications services treated the same as its nonbasic

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925 services, the following procedures shall be available:

926 (a) Any petition filed by a substantially interested party 927 against a local exchange telecommunications company seeking a 928 stay of the effective date of a price reduction for a basic 929 local telecommunications service, alleging an anticompetitive 930 price reduction pursuant to s. 364.051(5), s. 364.08, s. 364.09, 931 s. 364.10, or s. 364.3381, shall be resolved by the commission 932 pursuant to this section and by an order issued within 45 days 933 after the date the petition is filed.

934 Section 23. Section 364.105, Florida Statutes, is amended 935 to read:

936 364.105 Discounted rate for basic service for former 937 Lifeline subscribers.--Each local exchange telecommunications 938 company shall offer discounted residential basic local 939 telecommunications service at 70 percent of the residential 940 local telecommunications service rate for any Lifeline 941 subscriber who no longer qualifies for Lifeline. A Lifeline 942 subscriber who requests such service shall receive the 943 discounted price for a period of 1 year after the date the 944 subscriber ceases to be qualified for Lifeline. In no event 945 shall this preclude the offering of any other discounted 946 services which comply with ss. 364.08, 364.09, and 364.10.

947 Section 24. Subsection (4) of section 364.602, Florida 948 Statutes, is amended to read:

949

364.602 Definitions.--For purposes of this part:

950 (4) "Originating party" means any person, firm,
951 corporation, or other entity, including a telecommunications
952 company or a billing clearinghouse, that provides any

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953 telecommunications service or information service to a customer 954 or bills a customer through a billing party, except the term 955 "originating party" does not include any entity specifically 956 exempted from the definition of "telecommunications company" as 957 provided in s. 364.02(15) s. 364.02(14).

958 Section 25. Subsection (5) of section 489.103, Florida 959 Statutes, is amended to read:

960

489.103 Exemptions. -- This part does not apply to:

961 (5) Public utilities, including special gas districts as 962 defined in chapter 189, telecommunications companies as defined 963 in s. 364.02(15) s. 364.02(14), and natural gas transmission 964 companies as defined in s. 368.103(4), on construction, 965 maintenance, and development work performed by their employees, 966 which work, including, but not limited to, work on bridges, 967 roads, streets, highways, or railroads, is incidental to their 968 business. The board shall define, by rule, the term "incidental 969 to their business" for purposes of this subsection.

970

Section 26. This act shall take effect July 1, 2009.

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