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## CHAMBER ACTION

,	<u>Senate</u> <u>House</u>
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11	Senator Constantine moved the following amendment:
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13	Senate Amendment (with title amendment)
14	Delete everything after the enacting clause
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16	and insert:
17	Section 1. Committee on Public Service Commission
18	Oversight; creation; membership; powers and duties
19	(1) There is created a standing joint committee of the
20	Legislature, designated the Committee on Public Service
21	Commission Oversight, and composed of twelve members appointed
22	as follows: six members of the Senate appointed by the
23	President of the Senate, two of whom must be members of the
24	minority party; and six members of the House of
25	Representatives appointed by the Speaker of the House of
26	Representatives, two of whom must be members of the minority
27	party. The terms of members shall be for 2 years and shall run
28	from the organization of one Legislature to the organization
29	of the next Legislature. The President shall appoint the chair
30	of the committee in even-numbered years and the vice chair in
31	odd-numbered years, and the Speaker of the House of
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1	Representatives shall appoint the chair of the committee in
2	odd-numbered years and the vice chair in even-numbered years,
3	from among the committee membership. Vacancies shall be filled
4	in the same manner as the original appointment. Members shall
5	serve without additional compensation, but shall be reimbursed
6	for expenses.
7	(2) The committee shall be governed by joint rules of
8	the Senate and the House of Representatives which shall remain
9	in effect until repealed or amended by concurrent resolution.
10	(3) The committee shall:
11	(a) Recommend to the Governor nominees to fill a
12	vacancy on the Public Service Commission, as provided by
13	general law; and
14	(b) Appoint a Public Counsel as provided by general
15	law.
16	(4) The committee is authorized to file a complaint
17	with the Commission on Ethics alleging a violation of chapter
18	350, Florida Statutes, by a commissioner, former commissioner,
19	former commission employee, or member of the Public Service
20	Commission Nominating Council.
21	(5) The committee will not have a permanent staff, but
22	the President of the Senate and the Speaker of the House of
23	Representatives shall select staff members from among existing
24	<u>legislative staff, when and as needed.</u>
25	Section 2. Section 350.001, Florida Statutes, is
26	amended to read:
27	350.001 Legislative intentThe Florida Public
28	Service Commission has been and shall continue to be an arm of
29	the legislative branch of government. The Public Service
30	Commission shall perform its duties independently. It is the
31	desire of the Legislature that the Governor participate in the $2$

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appointment process of commissioners to the Public Service Commission. The Legislature accordingly delegates to the 2 Governor a limited authority with respect to the Public 3 Service Commission by authorizing him or her to participate in the selection of members only from the list provided by the 5 Florida Public Service Commission Nominating Council in the 6 7 manner prescribed by s. 350.031. Section 3. Section 350.031, Florida Statutes, is 8 amended to read: 9 10 350.031 Florida Public Service Commission Nominating 11 Council.--(1) There is created a Florida Public Service 12 13 Commission Nominating Council consisting of nine members. At least one member of the council must be 60 years of age or 14 15 older. Three members, including one member of the House of Representatives, shall be appointed by and serve at the 16 pleasure of the Speaker of the House of Representatives; three 17 members, including one member of the Senate, shall be 18 19 appointed by and serve at the pleasure of the President of the 20 Senate; and three members shall be selected and appointed by a majority vote of the other six members of the council. All 21 22 terms shall be for 4 years except those members of the House and Senate, who shall serve 2-year terms concurrent with the 23 24 2-year elected terms of House members. Vacancies on the council shall be filled for the unexpired portion of the term 25 in the same manner as original appointments to the council. A 26 member may not be reappointed to the council, except for a 27 member of the House of Representatives or the Senate who may 28 29 be appointed to two 2-year terms or a person who is appointed 30 to fill the remaining portion of an unexpired term. 31 (2)(a) No member or spouse shall be the holder of the

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stocks or bonds of any company, other than through ownership of shares in a mutual fund, regulated by the commission, or 2 any affiliated company of any company regulated by the 3 commission, or be an agent or employee of, or have any interest in, any company regulated by the commission or any 5 affiliated company of any company regulated by the commission, 7 or in any firm which represents in any capacity either companies which are regulated by the commission or affiliates 8 of companies regulated by the commission. As a condition of 9 10 appointment to the council, each appointee shall affirm to the 11 Speaker and the President his or her qualification by the following certification: "I hereby certify that I am not a 12 13 stockholder, other than through ownership of shares in a mutual fund, in any company regulated by the commission or in 14 15 any affiliate of a company regulated by the commission, nor in 16 any way, directly or indirectly, in the employment of, or engaged in the management of any company regulated by the 17 commission or any affiliate of a company regulated by the 18 commission, or in any firm which represents in any capacity 19 20 either companies which are regulated by the commission or 21 affiliates of companies regulated by the commission." 22 This certification is made as condition to appointment to the 23 24 Florida Public Service Commission Nominating Council. (b) A member of the council may be removed by the 25 Speaker of the House of Representatives and the President of 26 the Senate upon a finding by the Speaker and the President 27 28 that the council member has violated any provision of this 29 subsection or for other good cause. (c) If a member of the council does not meet the 30

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or the Speaker of the House of Representatives, as appropriate, shall appoint a legislative replacement.

- (3) A majority of the membership of the council may conduct any business before the council. All meetings and proceedings of the council shall be staffed by the Office of Legislative Services and shall be subject to the provisions of ss. 119.07 and 286.011. Members of the council are entitled to receive per diem and travel expenses as provided in s. 112.061, which shall be funded by the Florida Public Service Regulatory Trust Fund. Applicants invited for interviews before the council may, in the discretion of the council, receive per diem and travel expenses as provided in s. 112.061, which shall be funded by the Florida Public Service Regulatory Trust Fund. The council shall establish policies and procedures to govern the process by which applicants are nominated.
- (4) The council may spend a nominal amount, not to exceed \$10,000, to advertise a vacancy on the council, which shall be funded by the Florida Public Service Regulatory Trust Fund.
- (5)(4) A person may not be nominated to the <u>Committee</u> on <u>Public Service Commission Oversight Governor</u> until the council has determined that the person is competent and knowledgeable in one or more fields, which shall include, but not be limited to: public affairs, law, economics, accounting, engineering, finance, natural resource conservation, energy, or another field substantially related to the duties and functions of the commission. The commission shall fairly represent the above-stated fields.

  Recommendations of the council shall be nonpartisan.
- $\frac{(6)(5)}{(5)}$  It is the responsibility of the council to

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nominate to the Committee on Public Service Commission 2 Oversight Governor not fewer than six three persons for each vacancy occurring on the Public Service Commission. The 3 council shall submit the recommendations to the committee Governor by August 1 October 1 of those years in which the 5 terms are to begin the following January, or within 60 days 7 after a vacancy occurs for any reason other than the expiration of the term. 8 9 (7) The Committee on Public Service Commission Oversight Governor shall select from the list of nominees 10 11 provided by the nominating council three nominees for recommendation to the Governor for appointment to the 12 13 commission. The recommendations must be provided to the Governor within 45 days after receipt of the list of nominees. 14 15 The Governor shall fill a vacancy occurring on the Public Service Commission by appointment of one of the applicants 16 nominated by the committee council only after a background 17 investigation of such applicant has been conducted by the 18 19 Florida Department of Law Enforcement. If the Governor has not 20 made an appointment within 30 days after the receipt of the recommendation by December 1 to fill a vacancy for a term to 21 22 begin the following January, then the committee council, by majority vote, shall appoint, within 30 days after the 23 2.4 expiration of the Governor's time to make an appointment, by December 31 one person from the applicants previously 25 nominated to the Governor to fill the vacancy. If the Governor 26 has not made the appointment to fill a vacancy occurring for 27 28 any reason other than the expiration of the term by the 60th 29 day following receipt of the nominations of the council, the council by majority vote shall appoint within 30 days 30 31 thereafter one person from the applicants previously nominated

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I to the Governor to fill the vacancy.

(8)(7) Each appointment to the Public Service

Commission shall be subject to confirmation by the Senate

during the next regular session after the vacancy occurs. If

the Senate refuses to confirm or rejects the Governor's

appointment, the council shall initiate, in accordance with

this section, the nominating process within 30 days.

Section 4. Subsection (2) of section 350.041, Florida Statutes, is amended to read:

350.041 Commissioners; standards of conduct.--

(2) STANDARDS OF CONDUCT.--

(a) A commissioner may not accept anything from any business entity which, either directly or indirectly, owns or controls any public utility regulated by the commission, from any public utility regulated by the commission, or from any business entity which, either directly or indirectly, is an affiliate or subsidiary of any public utility regulated by the commission. A commissioner may attend conferences and associated meals and events that are generally available to all conference participants without payment of any fees in addition to the conference fee. Additionally, while attending a conference, a commissioner may attend meetings, meals, or events that are not sponsored, in whole or in part, by any representative of any public utility regulated by the commission and that are limited to commissioners only, committee members, or speakers if the commissioner is a member of a committee of the association of regulatory agencies that organized the conference or is a speaker at the conference. It is not a violation of this paragraph for a commissioner to attend a conference for which conference participants who are employed by a utility regulated by the commission have paid a

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1	higher conference registration fee than the commissioner, or
2	to attend a meal or event that is generally available to all
3	conference participants without payment of any fees in
4	addition to the conference fee and that is sponsored, in whole
5	or in part, by a utility regulated by the commission. If,
6	during the course of an investigation by the Commission on
7	Ethics into an alleged violation of this paragraph,
8	allegations are made as to the identity of the person giving
9	or providing the prohibited gift, that person must be given
10	notice and an opportunity to participate in the investigation
11	and relevant proceedings to present a defense. If the
12	Commission on Ethics determines that the person gave or
13	provided a prohibited gift, the person may not appear before
14	the commission or otherwise represent anyone before the
15	commission for a period of 2 years.
16	(b) A commissioner may not accept any form of
17	employment with or engage in any business activity with any
18	business entity which, either directly or indirectly, owns or
19	controls any public utility regulated by the commission, any
20	public utility regulated by the commission, or any business
21	entity which, either directly or indirectly, is an affiliate
22	or subsidiary of any public utility regulated by the
23	commission.
24	(c) A commissioner may not have any financial
25	interest, other than shares in a mutual fund, in any public
26	utility regulated by the commission, in any business entity
27	which, either directly or indirectly, owns or controls any
28	public utility regulated by the commission, or in any business

29 entity which, either directly or indirectly, is an affiliate

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prohibited by this section during his or her term of office as a result of events or actions beyond the commissioner's control, he or she shall immediately sell such financial 3 interest or place such financial interest in a blind trust at a financial institution. A commissioner may not attempt to 5 influence, or exercise any control over, decisions regarding the blind trust. 7

- (d) A commissioner may not accept anything from a party in a proceeding currently pending before the commission. If, during the course of an investigation by the Commission on Ethics into an alleged violation of this paragraph, allegations are made as to the identity of the person giving or providing the prohibited gift, that person must be given notice and an opportunity to participate in the investigation and relevant proceedings to present a defense. If the Commission on Ethics determines that the person gave or provided a prohibited gift, the person may not appear before the commission or otherwise represent anyone before the commission for a period of 2 years.
- (e) A commissioner may not serve as the representative of any political party or on any executive committee or other governing body of a political party; serve as an executive officer or employee of any political party, committee, organization, or association; receive remuneration for activities on behalf of any candidate for public office; engage on behalf of any candidate for public office in the solicitation of votes or other activities on behalf of such candidacy; or become a candidate for election to any public office without first resigning from office.
- (f) A commissioner, during his or her term of office, may not make any public comment regarding the merits of any

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proceeding under ss. 120.569 and 120.57 currently pending before the commission.

- (g) A commissioner may not conduct himself or herself in an unprofessional manner at any time during the performance of his or her official duties.
- (h) A commissioner must avoid impropriety in all of his or her activities and must act at all times in a manner that promotes public confidence in the integrity and impartiality of the commission.
- (i) A commissioner may not directly or indirectly, through staff or other means, solicit any thing of value from any public utility regulated by the commission, or from any business entity that, whether directly or indirectly, is an affiliate or subsidiary of any public utility regulated by the commission, or from any party appearing in a proceeding considered by the commission in the last 2 years.
- Section 5. Subsection (7) of section 350.042, Florida Statutes, is amended to read:
- 350.042 Ex parte communications.--
- (7)(a) It shall be the duty of the Commission on Ethics to receive and investigate sworn complaints of violations of this section pursuant to the procedures contained in ss. 112.322-112.3241.
- (b) If the Commission on Ethics finds that there has been a violation of this section by a public service commissioner, it shall provide the Governor and the Florida Public Service Commission Nominating Council with a report of its findings and recommendations. The Governor is authorized to enforce the findings and recommendations of the Commission on Ethics, pursuant to part III of chapter 112.
- 31 (c) If a commissioner fails or refuses to pay the

1	Commission on Ethics any civil penalties assessed pursuant to
2	the provisions of this section, the Commission on Ethics may
3	bring an action in any circuit court to enforce such penalty.
4	(d) If, during the course of an investigation by the
5	Commission on Ethics into an alleged violation of this
6	section, allegations are made as to the identity of the person
7	who participated in the ex parte communication, that person
8	must be given notice and an opportunity to participate in the
9	investigation and relevant proceedings to present a defense.
10	If the Commission on Ethics determines that the person
11	participated in the ex parte communication, the person may not
12	appear before the commission or otherwise represent anyone
13	before the commission for a period of 2 years.
14	Section 6. Subsection (1) of section 350.061, Florida
15	Statutes, is amended to read:
16	350.061 Public Counsel; appointment; oath;
17	restrictions on Public Counsel and his or her employees
18	(1) The Committee on Public Service Commission
19	Oversight Joint Legislative Auditing Committee shall appoint a
20	Public Counsel by majority vote of the members of the
21	committee to represent the general public of Florida before
22	the Florida Public Service Commission. The Public Counsel
23	shall be an attorney admitted to practice before the Florida
24	Supreme Court and shall serve at the pleasure of the <del>Joint</del>
25	Legislative Auditing Committee on Public Service Commission
26	Oversight, subject to biennial annual reconfirmation by the
27	committee. The Public Counsel shall perform his or her duties
28	independently. Vacancies in the office shall be filled in the
29	same manner as the original appointment.
30	Section 7. Subsection (2) of section 350.0614, Florida
31	Statutes, is amended to read:

1	350.0614 Public Counsel; compensation and expenses
2	(2) The Legislature hereby declares and determines
3	that the Public Counsel is under the legislative branch of
4	government within the intention of the legislation as
5	expressed in chapter 216, and no power shall be in the
6	Executive Office of the Governor or its successor to release
7	or withhold funds appropriated to it, but the same shall be
8	available for expenditure as provided by law and the rules or
9	decisions of the <del>Joint Auditing</del> Committee <u>on Public Service</u>
10	Commission Oversight.
11	Section 8. <u>Communications services offered by</u>
12	governmental entities
13	(1) As used in this section, the term:
14	(a) "Advanced service" means
15	high-speed-Internet-access-service capability in excess of 200
16	kilobits per second in the upstream or the downstream
17	direction, including any service application provided over the
18	high-speed-access service or any information service as
19	<u>defined in 47 U.S.C. s. 153(20).</u>
20	(b) "Cable service" has the same meaning as in 47
21	U.S.C. s. 522(6).
22	(c) "Communications services" includes any "advanced
23	service," "cable service," or "telecommunications service" and
24	shall be construed in the broadest sense.
25	(d) "Enterprise fund" means a separate fund to account
26	for the operation of communications services by a local
27	government, established and maintained in accordance with
28	generally accepted accounting principles as prescribed by the
29	Governmental Accounting Standards Board.
30	(e) "Governmental entity" means any political
31	subdivision as defined in section 1.01, Florida Statutes, 12

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including any county, municipality, special district, school district, utility authority or other authority or any 2 instrumentality, agency, unit or department thereof. The term 3 4 does not include an independent special district created before 1970 which has been granted express legislative 5 6 authority to provide a communications service and which does 7 not sell a communications service outside its district 8 boundaries. 9 (f) "Provide," "providing," "provision," or "provisioning" means offering or supplying a communications 10 11 service for a fee or other consideration to a person, including any portion of the public or private provider, but 12 does not include service by an entity to itself or to any 13 14 other governmental entity. 15 (g) "Subscriber" means a person who receives a 16 communications service. (h) "Telecommunications services" means the 17 transmission of signs, signals, writing, images, sounds, 18 messages, data, or other information of the user's choosing, 19 20 by wire, radio, light waves, or other electromagnetic means, 21 without change in the form or content of the information as sent and received by the user and regardless of the facilities 22 used, including, without limitation, wireless facilities. 23 2.4 (2)(a) A governmental entity that proposes to provide a commu<u>nications service shall hold no less than two public</u> 25 hearings, which shall be held not less than 30 days apart. At 26 27 least 30 days before the first of the two public hearings, the governmental entity must give notice of the hearing in the 28 29 predominant newspaper of general circulation in the area 30 considered for service. At least 40 days before the first public hearing, the governmental entity must electronically

1	provide notice to the Department of Revenue and the Public
2	Service Commission, which shall post the notice on the
3	department's and the commission's website to be available to
4	the public. The Department of Revenue shall also send the
5	notice by United States Postal Service to the known addresses
6	for all dealers of communications services registered with the
7	department under chapter 202, Florida Statutes, or provide an
8	electronic notification, if the means are available, within 10
9	days after receiving the notice. The notice must include the
10	time and place of the hearings and must state that the purpose
11	of the hearings is to consider whether the governmental entity
12	will provide communications services. The notice must include,
13	at a minimum, the geographic areas proposed to be served by
14	the governmental entity and the services, if any, which the
15	governmental entity believes are not currently being
16	adequately provided. The notice must also state that any
17	dealer who wishes to do so may appear and be heard at the
18	public hearings.
19	(b) At a public hearing required by this subsection, a
20	governmental entity must, at a minimum, consider:
21	1. Whether the service that is proposed to be provided
22	is currently being offered in the community and, if so,
23	whether the service is generally available throughout the
24	community.
25	2. Whether a similar service is currently being
26	offered in the community and, if so, whether the service is
27	generally available throughout the community.
28	3. If the same or similar service is not currently
29	offered, whether any other service provider proposes to offer
30	the same or a similar service and, if so, what assurances that
31	service provider is willing or able to offer regarding the
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1	same or similar service.
2	4. The capital investment required by the government
3	entity to provide the communications service, the estimated
4	realistic cost of operation and maintenance and, using a full
5	cost-accounting method, the estimated realistic revenues and
6	expenses of providing the service and the proposed method of
7	financing.
8	5. The private and public costs and benefits of
9	providing the service by a private entity or a governmental
10	entity, including the affect on existing and future jobs,
11	actual economic development prospects, tax-base growth,
12	education, and public health.
13	(c) At one or more of the public hearings under this
14	subsection, the governmental entity must make available to the
15	public a written business plan for the proposed communications
16	service venture containing, at a minimum:
17	1. The projected number of subscribers to be served by
18	the venture.
19	2. The geographic area to be served by the venture.
20	3. The types of communications services to be
21	provided.
22	4. A plan to ensure that revenues exceed operating
23	expenses and payment of principal and interest on debt within
24	4 years.
25	5. Estimated capital and operational costs and
26	revenues for the first 4 years.
27	6. Projected network modernization and technological
28	upgrade plans, including estimated costs.
29	(d) After making specific findings regarding the
30	factors in paragraphs (b) and (c), the governmental entity may
31	authorize providing a communications service by a majority
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1	recorded vote and by resolution, ordinance, or other formal
2	means of adoption.
3	(e) The governing body of a governmental entity may
4	issue one or more bonds to finance the capital costs for
5	facilities to provide a communications service. However:
6	1. A governmental entity may only pledge revenues in
7	support of the issuance of any bond to finance providing a
8	communications service:
9	a. Within the county in which the governmental entity
10	is located;
11	b. Within an area in which the governmental entity
12	provides electric service outside its home county under an
13	electric service territorial agreement approved by the Public
14	Service Commission before the effective date of this act; or
15	c. If the governmental entity is a municipality or
16	special district, within its corporate limits or in an area in
17	which the municipality or special district provides water,
18	wastewater, electric, or natural gas service, or within an
19	urban service area designated in a comprehensive plan,
20	whichever is larger, unless the municipality or special
21	district obtains the consent of the governmental entity within
22	the boundaries of which the municipality or special district
23	proposes to provide service. Any governmental entity from
24	which consent is sought shall be the county or shall be
25	located within the county in which the governmental entity is
26	located for consent to be effective.
27	2. Revenue bonds issued in order to finance providing
28	a communications service are not subject to the approval of
29	the electors if the revenue bonds mature within 15 years.
30	Revenue bonds issued to finance providing a communications
31	service that does not mature within 15 years must be approved
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by the electors. The election must be conducted as specified in chapter 100, Florida Statutes. 2 (f) A governmental entity providing a communications 3 4 service may not price any service below the cost of providing the service by subsidizing the communications service with 5 moneys from rates paid by subscribers of a noncommunications 7 services utility or from any other revenues. The cost standard for determining cross-subsidization is whether the total 8 revenue from the service is less than the total long-run incremental cost of the service. Total long-run incremental 10 11 cost means service-specific volume and nonvolume-sensitive 12 costs. (g) A governmental entity providing a communications 13 14 service must comply with the requirements of section 218.32, 15 Florida Statutes, and shall keep separate and accurate books and records, maintained in accordance with generally accepted 16 accounting principles, of a governmental entity's 17 communication service, and they shall be made available for 18 19 any audits of the books and records conducted under applicable 20 law. To facilitate equitable distribution of indirect costs, a local government shall develop and follow a cost-allocation 21 22 plan, which is a procedure for allocating direct and indirect 23 costs and which is generally developed in accordance with OMB 2.4 Circular A-87, Cost Principles for State, Local, and Indian Tribal Government, published by the United States Office of 25 26 Management and Budget. (h) The governmental entity shall establish an 27 enterprise fund to account for its operation of communications 28 29 services. 30 (i) The governmental entity shall adopt separate operating and capital budgets for its communications services.

1	(j) A governmental entity may not use its powers of
2	eminent domain under chapter 73, Florida Statutes, solely or
3	primarily for the purpose of providing a communications
4	service.
5	(k) The governmental entity shall conduct an annual
6	review at a formal public meeting to consider the progress the
7	governmental entity is making toward reaching its business
8	plan goals and objectives for providing communication
9	services. At the public meeting the governmental entity shall
10	review the related revenues, operating expenses, and payment
11	of interest on debt.
12	(1) If, after 4 years following the initiation of the
13	provision of communications services by a governmental entity
14	or 4 years after the effective date of this act, whichever is
15	later, revenues do not exceed operating expenses and payment
16	of principal and interest on the debt for a governmental
17	entity's provision of communications services, no later than
18	60 days following the end of the 4-year period a governmental
19	entity shall hold a public hearing at which the governmental
20	entity shall do at least one of the following:
21	1. Approve a plan to cease providing communications
22	services;
23	2. Approve a plan to dispose of the system the
24	governmental entity is using to provide communications
25	services and, accordingly, to cease providing communications
26	services;
27	3. Approve a plan to create a partnership with a
28	private entity in order to achieve operations in which
29	revenues exceed operating expenses and payment of principal
30	and interest on debt; or
31	4. Approve the continuing provision of communications

1	services.
2	(3)(a) A governmental entity that provides a cable
3	service shall comply with the Cable Communications Policy Act
4	of 1984, 47 U.S.C. 521, et seq., the regulations issued by the
5	Federal Communications Commission under the Cable
6	Communications Policy Act of 1984, 47 U.S.C. 521, et seq., and
7	all applicable state and federal rules and regulations,
8	including, but not limited to, section 166.046, Florida
9	Statutes, and those provisions of chapters 202, 212, and 337,
10	Florida Statutes, which apply to a provider of the services.
11	(b) A governmental entity that provides a
12	telecommunications service or advanced service must comply, if
13	applicable, with chapter 364, Florida Statutes, and rules
14	adopted by the Public Service Commission; chapter 166, Florida
15	Statutes; and all applicable state and federal rules and
16	regulations, including, but not limited to, those provisions
17	of chapters 202, 212, and 337, Florida Statutes, which apply
18	to a provider of the services.
19	(c) A governmental entity may not exercise its power
20	or authority in any area, including zoning or land use
21	regulation, to require any person, including residents of a
22	particular development, to use or subscribe to any
23	communication service of a governmental entity.
24	(d) A governmental entity shall apply its ordinances,
25	rules, and policies, and exercise any authority under state or
26	federal laws, including, but not limited to, those relating to
27	the following subjects and without discrimination as to itself
28	when providing a communications service or to any private
29	provider of communications services:
30	1. Access to public rights-of-way; and
31	2. Permitting, access to, use of, and payment for use

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of governmental entity-owned poles. The governmental entity is subject to the same terms, conditions, and fees, if any, for 2 access to government-owned poles which the governmental entity 3 4 applies to a private provider for access. 5 (4)(a) If a governmental entity was providing, as of 6 April 1, 2005, advanced services, cable services, or 7 telecommunications services, then it is not required to comply with paragraph (2)(a), paragraph (2)(b), paragraph (2)(c), 8 paragraph (2)(d), sub-subparagraph (2)(e)1.c., paragraph 10 (2)(f), paragraph (2)(k), or paragraph (2)(l), in order to 11 continue to provide advanced services, cable services, or telecommunications services, respectively, but it must comply 12 13 with and be subject to all other provisions of this section. (b) If a governmental entity, as of April 1, 2005, had 14 15 issued debt pledging revenues from an advanced service, cable 16 service, or telecommunications service, then it is not required to comply with paragraph (2)(a), paragraph (2)(b), 17 paragraph (2)(c), paragraph (2)(d), sub-subparagraph 18 19 (2)(e)1.c., paragraph (2)(f), paragraph (2)(k), or paragraph 20 (2)(1), in order to provide advanced services, cable services, or telecommunications services, respectively, but it must 21 22 comply with and be subject to all other provisions of this 23 section. 2.4 (c) If a governmental entity, as of April 1, 2005, has purchased equipment specifically for the provisioning of 25 advanced service, cable service, or telecommunication service, 26 27 and, as of May 6, 2005, has authorized the providing of an advanced service, cable service, or telecommunication service, 28 29 then it is not required to comply with paragraph (2)(a), paragraph (2)(b), paragraph (2)(c), paragraph (2)(d), 30 sub-subparagraph (2)(e)1.c., paragraph (2)(f), paragraph

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(2)(k), or paragraph (2)(l) in order to provide advanced service, cable service, or telecommunication service, 2 respectively, but it must comply with and be subject to all 3 4 other provisions of this section. 5 6 This subsection does not relieve a governmental entity from 7 complying with subsection (5). (5) Notwithstanding section 542.235, Florida Statutes, 8 or any other law, a governmental entity that provides a 9 communications service is subject to the same prohibitions 10 11 applicable to private providers under sections 542.18 and 542.19, Florida Statutes, as it relates to providing a 12 13 communications service. In addition, the exemption from complying with paragraph (2)(f), does not confer state action 14 15 immunity, or any other antitrust immunity or exemption, on any governmental entity providing communications services. 16 (6) To ensure the safe and secure transportation of 17 passengers and freight through an airport facility, as defined 18 19 in section 159.27(17), Florida Statutes, an airport authority or other governmental entity that provides or is proposing to 20 provide communications services only within the boundaries of 21 22 its airport layout plan, as defined in section 333.01(6), Florida Statutes, to subscribers which are integral and 23 2.4 essential to the safe and secure transportation of passengers and freight through the airport facility, is exempt from this 2.5 section. An airport authority or other governmental entity 26 27 that provides or is proposing to provide shared-tenant service under section 364.339, Florida Statutes, but not dial tone 28 29 enabling subscribers to complete calls outside the airport layout plan, to one or more subscribers within its airport 30 layout plan which are not integral and essential to the safe

1	and secure transportation of passengers and freight through
2	the airport facility is exempt from this section. An airport
3	authority or other governmental entity that provides or is
4	proposing to provide communications services to one or more
5	subscribers within its airport layout plan which are not
6	integral and essential to the safe and secure transportation
7	of passengers and freight through the airport facility, or to
8	one or more subscribers outside its airport layout plan, is
9	not exempt from this section. By way of example and not
10	limitation, the integral, essential subscribers may include
11	airlines and emergency service entities, and the nonintegral,
12	nonessential subscribers may include retail shops,
13	restaurants, hotels, or rental car companies.
14	(7) This section does not alter or affect any
15	provision in the charter, code, or other governing authority
16	of a governmental entity that impose additional or different
17	requirements on provision of communications service by a
18	governmental entity. Any such provisions shall apply in
19	addition to the applicable provisions in this section.
20	Section 9. If any provision of this act or its
21	application to any person or circumstance is held invalid, the
22	invalidity does not affect other provisions or applications of
23	the act which can be given effect without the invalid
24	provision or application, and to this end the provisions of
25	this act are severable.
26	Section 10. Section 364.01, Florida Statutes, is
27	amended to read:
28	364.01 Powers of commission, legislative intent
29	(1) The Florida Public Service Commission shall
30	exercise over and in relation to telecommunications companies
31	the powers conferred by this chapter.

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- 1 It is the legislative intent to give exclusive jurisdiction in all matters set forth in this chapter to the Florida Public Service Commission in regulating 3 telecommunications companies, and such preemption shall supersede any local or special act or municipal charter where any conflict of authority may exist. However, the provisions of this chapter shall not affect the authority and powers granted in s. 166.231(9) or s. 337.401.
  - (3) Communications activities that are not regulated by the Florida Public Service Commission, including, but not <u>limited to, VoIP, wireless, and broadband, are subject to this</u> state's generally applicable business regulation and deceptive trade practices and consumer protection laws, as enforced by the appropriate state authority or through actions in the judicial system. This chapter does not limit the availability to any party of any remedy or defense under state or federal antitrust laws. The Legislature finds that the competitive provision of telecommunications services, including local exchange telecommunications service, is in the public interest and will provide customers with freedom of choice, encourage the introduction of new telecommunications service, encourage technological innovation, and encourage investment in telecommunications infrastructure. The Legislature further finds that the transition from the monopoly provision of local exchange service to the competitive provision thereof will require appropriate regulatory oversight to protect consumers and provide for the development of fair and effective competition, but nothing in this chapter shall limit the availability to any party of any remedy under state or federal antitrust laws. The Legislature further finds that changes in regulations allowing increased competition in

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telecommunications services could provide the occasion for increases in the telecommunications workforce; therefore, it is in the public interest that competition in telecommunications services lead to a situation that enhances the high-technological skills and the economic status of the telecommunications workforce. The Legislature further finds that the provision of voice-over-Internet protocol (VOIP) free of unnecessary regulation, regardless of the provider, is in the public interest.

- (4) The commission shall exercise its exclusive jurisdiction in order to:
- (a) Protect the public health, safety, and welfare by ensuring that basic local telecommunications services are available to all consumers in the state at reasonable and affordable prices.
- (b) Encourage competition through flexible regulatory treatment among providers of telecommunications services in order to ensure the availability of the widest possible range of consumer choice in the provision of all telecommunications services.
- (c) Protect the public health, safety, and welfare by ensuring that monopoly services provided by telecommunications companies continue to be subject to effective price, rate, and service regulation.
- (d) Promote competition by encouraging <u>innovation and</u> <u>investment in</u> new entrants into telecommunications markets and by allowing a transitional period in which new <u>and emerging</u> <u>technologies</u> <u>entrants</u> are subject to a <u>reduced lesser</u> level of regulatory oversight <u>than local exchange telecommunications</u> <u>companies</u>.
- 31 (e) Encourage all providers of telecommunications

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services to introduce new or experimental telecommunications services free of unnecessary regulatory restraints.

- (f) Eliminate any rules  $\underline{\text{or}}$  and/or regulations which will delay or impair the transition to competition.
- (g) Ensure that all providers of telecommunications services are treated fairly, by preventing anticompetitive behavior and eliminating unnecessary regulatory restraint.
- (h) Recognize the continuing emergence of a competitive telecommunications environment through the flexible regulatory treatment of competitive telecommunications services, where appropriate, if doing so does not reduce the availability of adequate basic local telecommunications service to all citizens of the state at reasonable and affordable prices, if competitive telecommunications services are not subsidized by monopoly telecommunications services, and if all monopoly services are available to all competitors on a nondiscriminatory basis.
- (i) Continue its historical role as a surrogate for competition for monopoly services provided by local exchange telecommunications companies.
- Section 11. Section 364.011, Florida Statutes, is created to read:
- 364.011 Exemptions from commission jurisdiction.--The following services are exempt from oversight by the commission, except to the extent delineated in this chapter or specifically authorized by federal law:
- (1) Intrastate interexchange telecommunications services.
- (2) Broadband services, regardless of the provider,platform, or protocol.
- 31 <u>(3) VoIP.</u>

1	(4) Wireless telecommunications, including commercial
2	mobile radio service providers.
3	Section 12. Section 364.012, Florida Statutes, is
4	created to read:
5	364.012 Consistency with federal law
6	(1) In order to promote commission coordination with
7	federal policymakers and regulatory agencies, the commission
8	shall maintain continuous liaisons with appropriate federal
9	agencies whose policy decisions and rulemaking authority
10	affect those telecommunications companies over which the
11	commission has jurisdiction. The commission is encouraged to
12	participate in the proceedings of federal agencies in cases in
13	which the state's consumers may be affected and to convey the
14	commission's policy positions and information requirements in
15	order to achieve greater efficiency in regulation.
16	(2) This chapter does not limit or modify the duties
17	of a local exchange carrier to provide unbundled access to
18	network elements or the commission's authority to arbitrate
19	and enforce interconnection agreements to the extent that
20	those elements are required under 47 U.S.C. ss. 251 and 252,
21	and under any regulations issued by the Federal Communications
22	Commission at rates determined in accordance with the
23	standards established by the Federal Communications Commission
24	pursuant to 47 C.F.R. ss. 51.503-51.513, inclusive of any
25	successor regulation or successor forbearance of regulation.
26	Section 13. Section 364.013, Florida Statutes, is
27	created to read:
28	364.013 Emerging and advanced servicesBroadband
29	service and the provision of voice-over-Internet-protocol
30	(VoIP) shall be free of state regulation, except as delineated
31	in this chapter or as specifically authorized by federal law,

1	regardless of the provider, platform, or protocol.
2	Section 14. Section 364.02, Florida Statutes, is
3	amended to read:
4	364.02 DefinitionsAs used in this chapter:
5	(1) "Basic local telecommunications service" means
6	voice-grade, flat-rate residential, and flat-rate single-line
7	business local exchange services which provide dial tone,
8	local usage necessary to place unlimited calls within a local
9	exchange area, dual tone multifrequency dialing, and access to
10	the following: emergency services such as "911," all locally
11	available interexchange companies, directory assistance,
12	operator services, relay services, and an alphabetical
13	directory listing. For a local exchange telecommunications
14	company, <u>the</u> such term shall include any extended area service
15	routes, and extended calling service in existence or ordered
16	by the commission on or before July 1, 1995.
17	(2) "Broadband service" means any service that
18	consists of or includes the offering of the capability to
19	transmit or receive information at a rate that is not less
20	than 200 kilobits per second and either:
21	(a) Is used to provide access to the Internet; or
22	(b) Provides computer processing, information storage,
23	information content, or protocol conversion in combination
24	with the service.
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26	The definition of broadband service does not include any
27	intrastate telecommunications services that have been tariffed
28	with the commission on or before January 1, 2005.
29	(3)(2) "Commercial mobile radio service provider"
30	means a commercial mobile radio service provider as defined by
31	and pursuant to 47 U.S.C. ss. 153(n) and 332(d).

1	(4) "Commission" means the Florida Public Service
2	Commission.
3	(5) (4) "Competitive local exchange telecommunications
4	company" means any company certificated by the commission to
5	provide local exchange telecommunications services in this
6	state on or after July 1, 1995.
7	(6) "Corporation" includes a corporation, company,
8	association, or joint stock association.
9	(7) "Intrastate interexchange telecommunications
10	company" means any entity that provides intrastate
11	interexchange telecommunications services.
12	(8) "Local exchange telecommunications company"
13	means any company certificated by the commission to provide
14	local exchange telecommunications service in this state on or
15	before June 30, 1995.
16	(9)(8) "Monopoly service" means a telecommunications
17	service for which there is no effective competition, either in
18	fact or by operation of law.
19	(10)(9) "Nonbasic service" means any
20	telecommunications service provided by a local exchange
21	telecommunications company other than a basic local
22	telecommunications service, a local interconnection
23	arrangement described in s. 364.16, or a network access
24	service described in s. 364.163.
25	$\frac{(11)}{(10)}$ "Operator service" includes, but is not
26	limited to, billing or completion of third-party,
27	person-to-person, collect, or calling card or credit card
28	calls through the use of a live operator or automated
29	equipment.
30	(12)(11) "Operator service provider" means a person
31	who furnishes operator service through a call aggregator.
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$\frac{(13)(12)}{(12)}$ "Service" is to be construed in its broadest
and most inclusive sense. The term "service" does not include
<pre>broadband service or voice-over-Internet protocol service for</pre>
purposes of regulation by the commission. Nothing herein shall
affect the rights and obligations of any entity related to the
payment of switched network access rates or other intercarrier
compensation, if any, related to voice-over-Internet protocol
service. Notwithstanding s. 364.013, and the exemption of
services pursuant to this subsection, the commission may
arbitrate, enforce, or approve interconnection agreements, and
resolve disputes as provided by 47 U.S.C. ss. 251 and 252, or
any other applicable federal law or regulation. With respect
to the services exempted in this subsection, regardless of the
technology, the duties of a local exchange telecommunications
company are only those that the company is obligated to extend
or provide under applicable federal law and regulations.
(14)(13) "Telecommunications company" includes every
corporation, partnership, and person and their lessees,
trustees, or receivers appointed by any court whatsoever, and
every political subdivision in the state, offering two-way
telecommunications service to the public for hire within this
state by the use of a telecommunications facility. The term
"telecommunications company" does not include:
(a) An entity which provides a telecommunications
facility exclusively to a certificated telecommunications
company;
(b) An entity which provides a telecommunications
facility exclusively to a company which is excluded from the
definition of a telecommunications company under this

30 subsection;

1	(d) A facsimile transmission service;
2	(e) A private computer data network company not
3	offering service to the public for hire;
4	(f) A cable television company providing cable service
5	as defined in 47 U.S.C. s. 522; or
6	(g) An intrastate interexchange telecommunications
7	company.
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9	However, each commercial mobile radio service provider and
10	each intrastate interexchange telecommunications company shall
11	continue to be liable for any taxes imposed <u>under</u> <del>pursuant to</del>
12	chapters 202, 203, and 212 and any fees assessed <u>under</u>
13	pursuant to ss. 364.025 and 364.336. Each intrastate
14	interexchange telecommunications company shall continue to be
15	subject to ss. 364.04, 364.10(3)(a) and (d), 364.163, 364.285,
16	364.501, 364.603, and 364.604, shall provide the commission
17	with such current information as the commission deems
18	necessary to contact and communicate with the company, shall
19	continue to pay intrastate switched network access rates or
20	other intercarrier compensation to the local exchange
21	telecommunications company or the competitive local exchange
22	telecommunications company for the origination and termination
23	of interexchange telecommunications service, and shall reduce
24	its intrastate long distance toll rates in accordance with s.
25	364.163(2).
26	(15)(14) "Telecommunications facility" includes real
27	estate, easements, apparatus, property, and routes used and
28	operated to provide two-way telecommunications service to the
29	public for hire within this state.
30	(16) "VoIP" means the voice-over-Internet protocol as
31	that term is defined in federal law.
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1	Section 15. Section 364.0361, Florida Statutes, is
2	amended to read:
3	364.0361 Local government authority; nondiscriminatory
4	exerciseA local government shall treat each
5	telecommunications company in a nondiscriminatory manner when
6	exercising its authority to grant franchises to a
7	telecommunications company or to otherwise establish
8	conditions or compensation for the use of rights-of-way or
9	other public property by a telecommunications company. A local
10	government may not directly or indirectly regulate the terms
11	and conditions, including, but not limited to, the operating
12	systems, qualifications, services, service quality, service
13	territory, and prices, applicable to or in connection with the
14	provision of any voice-over-Internet protocol, regardless of
15	the platform, provider, or protocol, broadband or information
16	service. This section does not relieve a provider from any
17	obligations under s. 166.046 or s. 337.401.
18	Section 16. Section 364.10, Florida Statutes, is
19	amended to read:
20	364.10 Undue advantage to person or locality
21	prohibited; Lifeline service
22	(1) A telecommunications company may not make or give
23	any undue or unreasonable preference or advantage to any
24	person or locality or subject any particular person or
25	locality to any undue or unreasonable prejudice or
26	disadvantage in any respect whatsoever.
27	(2)(a) The prohibitions of subsection (1)
28	notwithstanding, an eligible telecommunications carrier $\frac{1}{2}$
29	telecommunications company serving as carrier of last resort
30	shall provide a Lifeline Assistance Plan to qualified
31	residential subscribers, as defined in a commission-approved 31

1	tariff or price list, and a preferential rate to eligible
2	facilities as provided for in part II. For the purposes of
3	this section, the term "eligible telecommunications carrier"
4	means a telecommunications company, as defined by s. 364.02,
5	which is designated as an eligible telecommunications carrier
6	by the commission pursuant to 47 C.F.R. s. 54.201.
7	(b) An eligible telecommunications carrier shall offer
8	a consumer who applies for or receives Lifeline service the
9	option of blocking all toll calls or, if technically capable,
10	placing a limit on the number of toll calls a consumer can
11	make. The eligible telecommunications carrier may not charge
12	the consumer an administrative charge or other additional fee
13	for blocking the service.
14	(c) An eligible telecommunications carrier may not
15	collect a service deposit in order to initiate Lifeline
16	service if the qualifying low-income consumer voluntarily
17	elects toll blocking or toll limitation. If the qualifying
18	low-income consumer elects not to place toll blocking on the
19	line, an eligible telecommunications carrier may charge a
20	service deposit.
21	(d) An eligible telecommunications carrier may not
22	charge Lifeline subscribers a monthly number-portability
23	charge.
24	(e)1. An eligible telecommunications carrier must
25	notify a Lifeline subscriber of impending termination of
26	Lifeline service if the company has a reasonable basis for
27	believing that the subscriber no longer qualifies.
28	Notification of pending termination must be in the form of a
29	letter that is separate from the subscriber's bill.
30	2. An eligible telecommunications carrier shall allow
31	a subscriber 60 days following the date of the pending

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Barcode 385652 termination letter to demonstrate continued eligibility. The subscriber must present proof of continued eligibility. An eligible telecommunications carrier may transfer a subscriber off of Lifeline service, pursuant to its tariff, if the subscriber fails to demonstrate continued eligibility. 3. The commission shall establish procedures for such notification and termination. (f) An eligible telecommunications carrier shall timely credit a consumer's bill with the Lifeline Assistance credit as soon as practicable, but no later than 60 days following receipt of notice of eligibility from the Office of Public Counsel or proof of eligibility from the consumer. (3)(a) Effective September 1, 2003, any local exchange telecommunications company authorized by the commission to reduce its switched network access rate pursuant to s. 364.164 shall have tariffed and shall provide Lifeline service to any otherwise eligible customer or potential customer who meets an income eligibility test at 135 125 percent or less of the federal poverty income guidelines for Lifeline customers. Such a test for eligibility must augment, rather than replace, the eligibility standards established by federal law and based on participation in certain low-income assistance programs. Each

participation in certain low-income assistance programs. Each intrastate interexchange telecommunications company shall, effective September 1, 2003, file a tariff providing at a

minimum the intrastate interexchange telecommunications

26 carrier's current Lifeline benefits and exemptions to Lifeline

27 customers who meet the income eligibility test set forth in

this subsection. The Office of Public Counsel shall certify

and maintain claims submitted by a customer for eligibility

under the income test authorized by this subsection.

(b) Each <u>eligible telecommunications carrier</u> <del>local</del>

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exchange telecommunications company subject to this subsection shall provide to each state and federal agency providing 2 benefits to persons eligible for Lifeline service 3 applications, brochures, pamphlets, or other materials that inform the such persons of their eligibility for Lifeline, and each state agency providing the such benefits shall furnish the materials to affected persons at the time they apply for benefits.

- (c) Any local exchange telecommunications company customer receiving Lifeline benefits shall not be subject to any residential basic local telecommunications service rate increases authorized by s. 364.164 until the local exchange telecommunications company reaches parity as defined in s. 364.164(5) or until the customer no longer qualifies for the Lifeline benefits established by this section or s. 364.105, or unless otherwise determined by the commission upon petition by a local exchange telecommunications company.
- (d) An eliqible telecommunications carrier may not discontinue basic local exchange telephone service to a subscriber who receives Lifeline service because of nonpayment by the subscriber of charges for nonbasic services billed by the telecommunications company, including long-distance service. A subscriber who receives Lifeline service shall be required to pay all applicable basic local exchange service fees, including the subscriber line charge, E-911, telephone relay system charges, and applicable state and federal taxes.
- (e) An eligible telecommunications carrier may not refuse to connect, reconnect, or provide Lifeline service because of unpaid toll charges or nonbasic charges other than basic local exchange service.
  - (f) An eligible telecommunications carrier may require

1	that payment arrangements be made for outstanding debt
2	associated with basic local exchange service, subscriber line
3	charges, E-911, telephone relay system charges, and applicable
4	state and federal taxes.
5	(g) An eligible telecommunications carrier may block a
6	Lifeline service subscriber's access to all long-distance
7	service, except for toll-free numbers, and may block the
8	ability to accept collect calls when the subscriber owes an
9	outstanding amount for long-distance service or amounts
10	resulting from collect calls. However, the eligible
11	telecommunications carrier may not impose a charge for
12	blocking long-distance service. The eligible
13	telecommunications carrier shall remove the block at the
14	request of the subscriber without additional cost to the
15	subscriber upon payment of the outstanding amount. An eligible
16	telecommunications carrier may charge a service deposit before
17	removing the block.
18	$\frac{(h)(d)}{d}$ By December 31, 2003, each state agency that
19	provides benefits to persons eligible for Lifeline service
20	shall undertake, in cooperation with the Department of
21	Children and Family Services, the Department of Education, the
22	commission, the Office of Public Counsel, and
23	telecommunications companies providing Lifeline services, the
24	development of procedures to promote Lifeline participation.
25	$rac{ ext{(i)}( ext{e})}{ ext{The commission shall report to the Governor,}}$
26	the President of the Senate, and the Speaker of the House of
27	Representatives by December 31 each year on the number of
28	customers who are subscribing to Lifeline service and the
29	effectiveness of any procedures to promote participation.
30	(j) The commission shall adopt rules to administer
31	this section

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1	Section 17. <u>Section 364.502</u> , Florida Statutes, is
2	repealed.
3	Section 18. Subsection (1) of section 364.335, Florida
4	Statutes, is amended to read:
5	364.335 Application for certificate
6	(1) Each applicant for a certificate shall:
7	(a) Provide all information required by rule or order
8	of the commission, which may include a detailed inquiry into
9	the ability of the applicant to provide service, a detailed
10	inquiry into the territory and facilities involved, and a
11	detailed inquiry into the existence of service from other
12	sources within geographical proximity to the territory applied
13	for.
14	(b) File with the commission schedules showing all
15	rates for service of every kind furnished by it and all rules
16	and contracts relating to such service.
17	(c) File the application fee required by the
18	commission in an amount not to exceed $\$500\$250$ . Such fees
19	shall be deposited in accordance with s. 350.113.
20	(d) Submit an affidavit that the applicant has caused
21	notice of its application to be given to such persons and in
22	such manner as may be prescribed by commission rule.
23	Section 19. Section 364.336, Florida Statutes, is
24	amended to read:
25	364.336 Regulatory assessment feesNotwithstanding
26	any provisions of law to the contrary, each telecommunications
27	company licensed or operating under this chapter, for any part
28	of the preceding 6-month period, shall pay to the commission,
29	within 30 days following the end of each 6-month period, a fee

30 that may not exceed 0.25 percent annually of its gross

1	for purposes of this section and the fee specified in s.
2	350.113(3), any amount paid to another telecommunications
3	company for the use of any telecommunications network shall be
4	deducted from the gross operating revenue for purposes of
5	computing the fee due. The commission shall by rule assess $a$
6	minimum fee in an amount up to \$1,000. The minimum amount may
7	vary depending on the type of service provided by the
8	telecommunications company, and shall, to the extent
9	practicable, be related to the cost of regulating such type of
10	company. Differences, if any, between the amount paid in any
11	6-month period and the amount actually determined by the
12	commission to be due shall, upon motion by the commission, be
13	immediately paid or refunded. Fees under this section may not
14	be less than \$50 annually. Such fees shall be deposited in
15	accordance with s. 350.113. The commission may by rule
16	establish criteria for payment of the regulatory assessment
17	fee on an annual basis rather than on a semiannual basis.
18	Section 20. Subsection (6) of section 196.012, Florida
19	Statutes, is amended to read:
20	196.012 DefinitionsFor the purpose of this chapter,
21	the following terms are defined as follows, except where the
22	context clearly indicates otherwise:
23	(6) Governmental, municipal, or public purpose or
24	function shall be deemed to be served or performed when the
25	lessee under any leasehold interest created in property of the
26	United States, the state or any of its political subdivisions,
27	or any municipality, agency, special district, authority, or
28	other public body corporate of the state is demonstrated to
29	perform a function or serve a governmental purpose which could
30	properly be performed or served by an appropriate governmental
31	unit or which is demonstrated to perform a function or serve a

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purpose which would otherwise be a valid subject for the allocation of public funds. For purposes of the preceding sentence, an activity undertaken by a lessee which is 3 permitted under the terms of its lease of real property designated as an aviation area on an airport layout plan which 5 has been approved by the Federal Aviation Administration and 7 which real property is used for the administration, operation, business offices and activities related specifically thereto 8 in connection with the conduct of an aircraft full service 10 fixed base operation which provides goods and services to the 11 general aviation public in the promotion of air commerce shall be deemed an activity which serves a governmental, municipal, 12 or public purpose or function. Any activity undertaken by a 13 lessee which is permitted under the terms of its lease of real 14 15 property designated as a public airport as defined in s. 332.004(14) by municipalities, agencies, special districts, 16 authorities, or other public bodies corporate and public 17 18 bodies politic of the state, a spaceport as defined in s. 19 331.303(19), or which is located in a deepwater port 20 identified in s. 403.021(9)(b) and owned by one of the 21 foregoing governmental units, subject to a leasehold or other 22 possessory interest of a nongovernmental lessee that is deemed 23 to perform an aviation, airport, aerospace, maritime, or port 24 purpose or operation shall be deemed an activity that serves a governmental, municipal, or public purpose. The use by a 25 lessee, licensee, or management company of real property or a 26 portion thereof as a convention center, visitor center, sports 27 28 facility with permanent seating, concert hall, arena, stadium, 29 park, or beach is deemed a use that serves a governmental, municipal, or public purpose or function when access to the 30 property is open to the general public with or without a

1	charge for admission. If property deeded to a municipality by
2	the United States is subject to a requirement that the Federal
3	Government, through a schedule established by the Secretary of
4	the Interior, determine that the property is being maintained
5	for public historic preservation, park, or recreational
6	purposes and if those conditions are not met the property will
7	revert back to the Federal Government, then such property
8	shall be deemed to serve a municipal or public purpose. The
9	term "governmental purpose" also includes a direct use of
10	property on federal lands in connection with the Federal
11	Government's Space Exploration Program or spaceport activities
12	as defined in s. 212.02(22). Real property and tangible
13	personal property owned by the Federal Government or the
14	Florida Space Authority and used for defense and space
15	exploration purposes or which is put to a use in support
16	thereof shall be deemed to perform an essential national
17	governmental purpose and shall be exempt. "Owned by the
18	lessee" as used in this chapter does not include personal
19	property, buildings, or other real property improvements used
20	for the administration, operation, business offices and
21	activities related specifically thereto in connection with the
22	conduct of an aircraft full service fixed based operation
23	which provides goods and services to the general aviation
24	public in the promotion of air commerce provided that the real
25	property is designated as an aviation area on an airport
26	layout plan approved by the Federal Aviation Administration.
27	For purposes of determination of "ownership," buildings and
28	other real property improvements which will revert to the
29	airport authority or other governmental unit upon expiration
30	of the term of the lease shall be deemed "owned" by the
31	governmental unit and not the lessee. Providing two-way
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telecommunications services to the public for hire by the use of a telecommunications facility, as defined in s. 364.02(15) 2 s.364.02(14), and for which a certificate is required under 3 chapter 364 does not constitute an exempt use for purposes of s. 196.199, unless the telecommunications services are 5 provided by the operator of a public-use airport, as defined 7 in s. 332.004, for the operator's provision of telecommunications services for the airport or its tenants, 8 concessionaires, or licensees, or unless the 10 telecommunications services are provided by a public hospital. 11 However, property that is being used to provide such telecommunications services on or before October 1, 1997, 12 13 shall remain exempt, but such exemption expires October 1, 2004. 14 15 Section 21. Paragraph (b) of subsection (1) of section 199.183, Florida Statutes, is amended to read: 16 199.183 Taxpayers exempt from annual and nonrecurring 17 18 taxes.--19 (1) Intangible personal property owned by this state or any of its political subdivisions or municipalities shall 20 be exempt from taxation under this chapter. This exemption 21 22 does not apply to: (b) Property related to the provision of two-way 23 2.4 telecommunications services to the public for hire by the use of a telecommunications facility, as defined in s. 364.02(15) 25 s. 364.02(14), and for which a certificate is required under 26 chapter 364, when the such service is provided by any county, 27 28 municipality, or other political subdivision of the state. Any 29 immunity of any political subdivision of the state or other entity of local government from taxation of the property used 30 to provide telecommunication services that is taxed as a

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result of this paragraph is hereby waived. However, intangible personal property related to the provision of such 2 telecommunications services provided by the operator of a 3 public-use airport, as defined in s. 332.004, for the operator's provision of telecommunications services for the 5 airport or its tenants, concessionaires, or licensees, and 7 intangible personal property related to the provision of such telecommunications services provided by a public hospital, are 8 exempt from taxation under this chapter. 9 10 Section 22. Subsection (6) of section 212.08, Florida 11 Statutes, is amended to read: 212.08 Sales, rental, use, consumption, distribution, 12 and storage tax; specified exemptions. -- The sale at retail, 13 the rental, the use, the consumption, the distribution, and 14 15 the storage to be used or consumed in this state of the following are hereby specifically exempt from the tax imposed 16 by this chapter. 17 18 (6) EXEMPTIONS; POLITICAL SUBDIVISIONS.--There are 19 also exempt from the tax imposed by this chapter sales made to 20 the United States Government, a state, or any county, municipality, or political subdivision of a state when payment 21 22 is made directly to the dealer by the governmental entity. This exemption shall not inure to any transaction otherwise 23 24 taxable under this chapter when payment is made by a government employee by any means, including, but not limited 25 to, cash, check, or credit card when that employee is 26 subsequently reimbursed by the governmental entity. This 27 28 exemption does not include sales of tangible personal property 29 made to contractors employed either directly or as agents of any such government or political subdivision thereof when such 30 tangible personal property goes into or becomes a part of

1	public works owned by such government or political
2	subdivision. A determination whether a particular transaction
3	is properly characterized as an exempt sale to a government
4	entity or a taxable sale to a contractor shall be based on the
5	substance of the transaction rather than the form in which the
6	transaction is cast. The department shall adopt rules that
7	give special consideration to factors that govern the status
8	of the tangible personal property before its affixation to
9	real property. In developing these rules, assumption of the
10	risk of damage or loss is of paramount consideration in the
11	determination. This exemption does not include sales, rental,
12	use, consumption, or storage for use in any political
13	subdivision or municipality in this state of machines and
14	equipment and parts and accessories therefor used in the
15	generation, transmission, or distribution of electrical energy
16	by systems owned and operated by a political subdivision in
17	this state for transmission or distribution expansion.
18	Likewise exempt are charges for services rendered by radio and
19	television stations, including line charges, talent fees, or
20	license fees and charges for films, videotapes, and
21	transcriptions used in producing radio or television
22	broadcasts. The exemption provided in this subsection does not
23	include sales, rental, use, consumption, or storage for use in
24	any political subdivision or municipality in this state of
25	machines and equipment and parts and accessories therefor used
26	in providing two-way telecommunications services to the public
27	for hire by the use of a telecommunications facility, as
28	defined in <u>s. 364.02(15)</u> <del>s. 364.02(14)</del> , and for which a
29	certificate is required under chapter 364, which facility is
30	owned and operated by any county, municipality, or other
31	political subdivision of the state. Any immunity of any
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# Bill No. <u>HB 1649, 1st Eng.</u>

1	political subdivision of the state or other entity of local
2	government from taxation of the property used to provide
3	telecommunication services that is taxed as a result of this
4	section is hereby waived. However, the exemption provided in
5	this subsection includes transactions taxable under this
6	chapter which are for use by the operator of a public-use
7	airport, as defined in s. 332.004, in providing such
8	telecommunications services for the airport or its tenants,
9	concessionaires, or licensees, or which are for use by a
10	public hospital for the provision of such telecommunications
11	services.
12	Section 23. Subsection (8) of section 290.007, Florida
13	Statutes, is amended to read:
14	290.007 State incentives available in enterprise
15	zonesThe following incentives are provided by the state to
16	encourage the revitalization of enterprise zones:
17	(8) Notwithstanding any law to the contrary, the
18	Public Service Commission may allow public utilities and
19	telecommunications companies to grant discounts of up to 50
20	percent on tariffed rates for services to small businesses
21	located in an enterprise zone designated pursuant to s.
22	290.0065. Such discounts may be granted for a period not to
23	exceed 5 years. For purposes of this subsection, the term
24	"public utility" has the same meaning as in s. $366.02(1)$ and
25	the term "telecommunications company" has the same meaning as
26	in <u>s. 364.02(14)</u> <del>s. 364.02(13)</del> .
27	Section 24. Subsection (3) of section 350.0605,
28	Florida Statutes, is amended to read:
29	350.0605 Former commissioners and employees;
30	representation of clients before commission
31	(3) For a period of 2 years following termination of $43$

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service on the commission, a former member may not accept employment by or compensation from a business entity which, 2 directly or indirectly, owns or controls a public utility 3 regulated by the commission, from a public utility regulated by the commission, from a business entity which, directly or 5 indirectly, is an affiliate or subsidiary of a public utility 7 regulated by the commission or is an actual business competitor of a local exchange company or public utility 8 regulated by the commission and is otherwise exempt from 10 regulation by the commission under ss. 364.02(14) 364.02(13)11 and 366.02(1), or from a business entity or trade association that has been a party to a commission proceeding within the 2 12 years preceding the member's termination of service on the 13 commission. This subsection applies only to members of the 14 15 Florida Public Service Commission who are appointed or reappointed after May 10, 1993. 16 Section 25. Subsection (4) of section 364.602, Florida 17 Statutes, is amended to read: 18 19 364.602 Definitions.--For purposes of this part: 20 (4) "Originating party" means any person, firm, 21 corporation, or other entity, including a telecommunications 22 company or a billing clearinghouse, that provides any telecommunications service or information service to a 23 24 customer or bills a customer through a billing party, except the term "originating party" does not include any entity 25 specifically exempted from the definition of 26 27 "telecommunications company" as provided in s. 364.02(14) s. 364.02(13). 28 29 Section 26. Subsection (5) of section 489.103, Florida Statutes, is amended to read: 30 31 489.103 Exemptions.--This part does not apply to:

Barcode 385652 1 (5) Public utilities, including special gas districts as defined in chapter 189, telecommunications companies as 2 defined in s. 364.02(14) s. 364.02(13) and natural gas 3 transmission companies as defined in s. 368.103(4), on construction, maintenance, and development work performed by 5 their employees, which work, including, but not limited to, 7 work on bridges, roads, streets, highways, or railroads, is incidental to their business. The board shall define, by rule, 8 the term "incidental to their business" for purposes of this 10 subsection. 11 Section 27. This act may not be construed to limit the rights of local government or the duties of providers of cable 12 13 service to comply with any and all requirements of federal, state, or local law, including, but not limited to, 47 U.S.C. 14 15 s.541, s. 166.046, and s. 337.401. 16 Section 28. Subsection (4) of section 364.051, Florida Statutes, is amended to read: 17 364.051 Price regulation.--18 19 (4)(a) Notwithstanding the provisions of subsection 20 (2), any local exchange telecommunications company that believes circumstances have changed substantially to justify 21 22 any increase in the rates for basic local telecommunications services may petition the commission for a rate increase, but 23

(4)(a) Notwithstanding the provisions of subsection (2), any local exchange telecommunications company that believes circumstances have changed substantially to justify any increase in the rates for basic local telecommunications services may petition the commission for a rate increase, but the commission shall grant the such petition only after an opportunity for a hearing and a compelling showing of changed circumstances. The costs and expenses of any government program or project required in part II may shall not be recovered under this subsection unless the such costs and expenses are incurred in the absence of a bid and subject to carrier-of-last-resort obligations as provided for in part II. The commission shall act upon the any such petition within 120

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1	days <u>after</u> <del>of</del> its filing.
2	(b) For purposes of this section, evidence of damage
3	occurring to the lines, plants, or facilities of a local
4	exchange telecommunications company that is subject to the
5	carrier-of-last-resort obligations, which damage is the result
6	of a tropical system occurring after June 1, 2005, and named
7	by the National Hurricane Center, constitutes a compelling
8	showing of changed circumstances.
9	1. A company may file a petition to recover its
10	intrastate costs and expenses relating to repairing,
11	restoring, or replacing the lines, plants, or facilities
12	damaged by a named tropical system.
13	2. The commission shall verify the intrastate costs
14	and expenses submitted by the company in support of its
15	petition.
16	3. The company must show and the commission shall
17	determine whether the intrastate costs and expenses are
18	reasonable under the circumstances for the named tropical
19	system.
20	4. A company having a storm-reserve fund may recover
21	tropical-system-related costs and expenses from its customers
22	only in excess of any amount available in the storm-reserve
23	fund.
24	5. The commission may determine the amount of any
25	increase that the company may charge its customers, but the
26	charge per line item may not exceed 50 cents per month per
27	customer line for a period of not more than 12 months.
28	6. The commission may order the company to add an
29	equal line-item charge per access line to the billing
30	statement of the company's retail basic local

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1	telecommunications service customers, and, to the extent the
2	commission determines appropriate, its wholesale loop
3	unbundled network element customers. At the end of the
4	collection period, the commission shall verify that the
5	collected amount does not exceed the amount authorized by the
6	order. If collections exceed the ordered amount, the
7	commission shall order the company to refund the excess.
8	7. In order to qualify for filing a petition under
9	this paragraph, a company with one million or more access
10	lines, but fewer than three million access lines, must have
11	tropical-system-related costs and expenses exceeding \$1.5
12	million, and a company with three million or more access lines
13	must have tropical-system-related costs and expenses of \$5
14	million or more. A company with fewer than one million access
15	lines is not required to meet a minimum damage threshold in
16	order to qualify to file a petition under this paragraph.
17	8. A company may file only one petition for storm
18	recovery in any 12-month period for the previous storm season,
19	but the application may cover damages from more than one named
20	tropical system.
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22	This paragraph is not intended to adversely affect the
23	commission's consideration of any petition for an increase in
24	basic rates to recover costs related to storm damage which was
25	filed before the effective date of this act.
26	Section 29. This act shall take effect upon becoming a
27	law except that the provisions that create new standards of
28	conduct for Public Service Commission members and that create
29	new penalties for violations involving such members shall
30	apply only to actions occurring after that date.
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1 ======= T I T L E A M E N D M E N T ========= And the title is amended as follows: 2 Delete everything before the enacting clause 3 4 5 and insert: б An act relating to regulation of 7 communications; creating the Committee on Public Service Commission Oversight as a 8 9 standing joint committee of the Legislature; 10 providing for its membership, powers, and 11 duties; amending s. 350.001, F.S.; requiring that the commission perform its duties 12 13 independently; amending s. 350.031, F.S.; authorizing the Florida Public Service 14 15 Commission Nominating Council to make 16 expenditures to advertise a vacancy on the council or the commission; requiring that the 17 Committee on Public Service Commission 18 19 Oversight provide nominees for recommendation to the Governor for appointment to the Public 20 21 Service Commission; providing procedures; 22 amending s. 350.041, F.S.; clarifying the prohibition against accepting gifts with 23 2.4 respect to its application to commissioners attending conferences; requiring that a penalty 25 be imposed against a person who gives a 26 commissioner a prohibited gift; requiring that 27 commissioners avoid impropriety and act in a 28 29 manner that promotes confidence in the commission; prohibiting a commissioner from 30 soliciting any thing of value, either directly 31

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or indirectly, from any public utility, its affiliate, or any party; amending s. 350.042, F.S.; requiring that a penalty be imposed against a person involved in a prohibited ex parte communication with a commissioner; amending s. 350.061, F.S.; requiring that the Committee on Public Service Commission Oversight rather than the Joint Legislative Auditing Committee appoint the Public Counsel; providing for biennial reconfirmation rather than annual; requiring that the Public Counsel perform his or her duties independently; amending s. 350.0614, F.S.; requiring that the Committee on Public Service Commission Oversight rather than the Joint Legislative Auditing Committee oversee expenditures of the Public Counsel; providing definitions; providing for notice of public hearings to consider whether the local government will provide a communications service; requiring a governmental entity to take certain action before a communications service is provided; providing certain restrictions on revenue bonds to finance provisioning of communications services; requiring a local government to make available a written business plan; providing criteria for the business plan; setting pricing standards; providing for accounting and books and records; requiring the governmental entity to establish an enterprise fund; requiring the governmental entity to maintain separate

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# Bill No. HB 1649, 1st Eng.

	operating and capital budgets; limiting the use
	of eminent-domain powers; requiring a
	governmental entity to hold a public hearing to
	consider certain factors if the business plan
	goals are not met; requiring compliance with
	certain federal and state laws; requiring local
	government to treat itself the same as it
	treats other providers of similar
	communications services; exempting certain
	governmental entities from specified provisions
	of the act; requiring a local government
	provider of communications services to follow
	the same prohibitions as other providers of the
	same services; providing an exemption for
	airports under certain conditions; recognizing
	preemption of a charter, code, or other
	governmental authority; providing for
	severability; repealing s. 364.502, F.S., which
	provides for regulation of video programming;
	amending s. 364.01, F.S.; specifying the
	exclusive jurisdiction of the Florida Public
	Service Commission to regulate
	telecommunications companies; providing that
	state laws governing business and consumer
	protection be applied to communications
	activities that are not regulated by the
	commission; revising provisions governing the
	exclusive jurisdiction of the commission;
	creating s. 364.011, F.S.; specifying certain
	services that are exempt from oversight by the
	commission; creating s. 364.012, F.S.;
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1	requiring the commission to coordinate with
2	federal agencies; providing that ch. 364, F.S.,
3	does not limit or modify certain duties of a
4	local exchange carrier; creating s. 364.013,
5	F.S.; requiring that broadband service remain
6	free of state and local regulation; requiring
7	that voice-over-Internet protocol remain free
8	of regulation, except as specifically provided
9	in ch. 364, F.S., or by federal law; amending
10	s. 364.02, F.S.; defining the terms "broadband
11	service" and "VoIP"; redefining the term
12	"service"; amending s. 364.0361, F.S.;
13	prohibiting a local government from regulating
14	voice-over-Internet protocol regardless of the
15	platform or provider; amending s. 364.10, F.S.;
16	transferring applicability from
17	telecommunications companies serving as
18	carriers of last resort to eligible
19	telecommunications carriers; defining the term
20	"eligible telecommunications carrier";
21	providing requirements for eligible
22	telecommunications carriers; requiring the
23	Public Service Commission to establish
24	procedures for notification and termination of
25	the Lifeline Assistance credit; providing
26	criteria for connection, reconnection, and
27	discontinuation of basic local
28	telecommunications service for Lifeline
29	Assistance subscribers; providing criteria for
30	blocking access to long-distance service;
31	adding the Department of Education and the

1	Office of Public Counsel to those agencies that
2	are directed to cooperate in developing
3	procedures for promoting Lifeline
4	participation; requiring the commission to
5	adopt rules; repealing s. 364.502, F.S.,
6	relating to video programming services;
7	amending s. 364.335, F.S.; increasing to \$500
8	from \$250 the maximum allowable filing fee for
9	certification of telecommunications carriers;
10	amending s. 364.336, F.S.; authorizing the
11	Public Service Commission to establish a
12	minimum fee of up to \$1,000; authorizing
13	different fees for different types of services
14	provided by telecommunications companies;
15	amending ss. 196.012, 199.183, 212.08, 290.007,
16	350.0605, 364.602, and 489.103, F.S.;
17	conforming cross-references; providing
18	clarification of rights of local governments
19	and duties of cable service providers to comply
20	with certain laws and regulations; amending s.
21	364.051, F.S.; providing that damage to the
22	equipment and facilities of a local exchange
23	telecommunications as a result of a named
24	tropical system constitutes a compelling
25	showing of changed circumstances to justify a
26	rate increase; allowing such companies to
27	petition for recovery of such costs and
28	expenses; requiring the Public Service
29	Commission to verify the intrastate costs and
30	expenses for repairing, restoring, or replacing
31	damaged lines, plants, or facilities; requiring 52
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# Bill No. <u>HB 1649, 1st Eng.</u>

1	the commission to determine whether the
2	intrastate costs and expenses are reasonable;
3	requiring a company to exhaust any
4	storm-reserve funds prior to recovery from
5	customers; providing that the commission may
6	authorize adding an equal line-item charge per
7	access line for certain customers; providing
8	for a rate cap and providing the maximum number
9	of months the rate may be imposed; providing a
10	12-month limit for the application; allowing
11	recovery for more than one storm within the
12	limit; providing an effective date.
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