CS for SB 1524

By the Committee on Communications, Energy, and Public Utilities; and Senators Simmons, Bennett, Thrasher, Oelrich, Smith, Gaetz, and Braynon

579-02803-11

20111524c1

A bill to be entitled 1 2 An act relating to telecommunications; creating the 3 "Regulatory Reform Act"; amending s. 364.01, F.S.; 4 revising legislative intent with respect to the 5 jurisdiction of the Florida Public Service Commission; 6 amending s. 364.011, F.S.; providing that certain 7 basic and nonbasic telecommunication services are 8 exempt from the jurisdiction of the Public Service 9 Commission; amending s. 364.012, F.S.; requiring local exchange telecommunications companies to provide 10 11 unbundled access to network elements; amending s. 12 364.0135, F.S.; providing legislative intent relating 13 to the sustainable adoption of broadband Internet 14 service; providing a definition of "sustainable 15 adoption" as it relates to broadband Internet 16 services; removing obsolete legislative intent; 17 authorizing the Department of Management Services to work collaboratively with, and to receive staffing 18 19 support and other resources from, Enterprise Florida, Inc., state agencies, local governments, private 20 21 businesses, and community organizations to encourage 22 sustainable adoption of broadband Internet services; 23 authorizing the department to adopt rules; repealing 24 s. 364.015, F.S., relating to injunctive relief; 364.02, F.S.; removing the definition of "monopoly 25 26 service" and adding a definition for "VoIP"; repealing ss. 364.025, 364.0251, and 364.0252, F.S., relating to 27 28 uniform telecommunications service, a 29 telecommunications consumer information program, and

#### Page 1 of 52

579-02803-11 20111524c1 30 the expansion of consumer information programs, respectively; amending s. 364.04, F.S.; providing that 31 32 the commission has no jurisdiction over the content, form, or format of rate schedules published by a 33 34 telecommunications company; providing that a 35 telecommunications company may undertake certain activities; repealing ss. 364.051, 364.052, 364.057, 36 37 364.058, 364.059, 364.06, 364.063, 364.07, and 364.08, 38 F.S., relating to price regulation, regulatory methods 39 for small local exchange telecommunications companies, 40 experimental and transitional rates, limited 41 proceedings, procedures for seeking a stay of 42 proceedings, joint rates, tolls, and contracts, rate 43 adjustment orders, intrastate interexchange service 44 contracts, and unlawful charges against consumers, 45 respectively; amending s. 364.10, F.S.; removing obsolete provisions; requiring an eligible 46 47 telecommunications carrier to provide a Lifeline Assistance Plan to qualified residential subscribers; 48 repealing s. 364.15, F.S., relating to repairs, 49 50 improvements, and additions to telecommunication 51 facilities; amending s. 364.16, F.S., relating to interconnection, unbundling, and resale of 52 53 telecommunication services; requiring the commission 54 to, upon request, arbitrate and enforce 55 interconnection agreements; prohibiting a 56 telecommunications company from knowingly delivering 57 traffic for which terminating access service charges 58 would otherwise apply; authorizing the commission to

#### Page 2 of 52

	579-02803-11 20111524c1
59	adopt rules to prevent the unauthorized changing of a
60	subscriber's telecommunications service; removing
61	obsolete provisions relating to local exchange
62	telecommunications companies; repealing ss. 364.161
63	and 364.162, F.S., relating to unbundling and resale
64	of telecommunication services and negotiated prices
65	for interconnection services, respectively; amending
66	s. 364.163, F.S.; conforming provisions to changes
67	made by the act; amending s. 364.183, F.S.; revising
68	provisions relating to access of the commission to
69	certain records of a telecommunications company;
70	repealing ss. 364.185, 364.19, and 364.27, F.S.,
71	relating to powers of the commission to investigate
72	and inspect any premises of a telecommunications
73	company, regulation of telecommunication contracts,
74	and powers and duties as to interstate rates,
75	respectively; amending s. 364.33, F.S., relating to
76	the certificate of authority; prohibiting a person
77	from providing any telecommunications service to the
78	public without a certificate of necessity or a
79	certificate of authority issued by the commission;
80	providing that, after a specified date, the commission
81	will no longer issue certificates of necessity;
82	amending s. 364.335, F.S.; requiring an applicant to
83	provide certain information when applying for a
84	certificate of authority; describing the criteria
85	necessary to be granted a certificate of authority;
86	authorizing a telecommunications company to terminate
87	a certificate of authority; repealing s. 364.337,

# Page 3 of 52

	579-02803-11 20111524c1
88	F.S., relating to competitive local exchange
89	companies; amending s. 364.3375, F.S., relating to pay
90	telephone service providers; requiring pay telephone
91	providers to obtain a certificate of authority from
92	the commission; repealing ss. 364.3376, 364.3381,
93	364.3382, 364.339, 364.345, and 364.37, F.S., relating
94	to operator services, cross-subsidization, cost
95	disclosures, certificates for territories served,
96	shared tenant services, and powers of the commission
97	relating to service territories, respectively;
98	amending s. 364.385, F.S.; removing obsolete
99	provisions relating to saving clauses; amending s.
100	364.386, F.S.; revising the content to be included in
101	the report to be filed with the Legislature; repealing
102	ss. 364.501, 364.503, 364.506, 364.507, 364.508,
103	364.515, 364.516, 364.601, 364.602, 364.603, and
104	364.604, F.S., relating to the prevention of damages
105	to underground telecommunication facilities, mergers
106	or acquisitions, a short title for education
107	facilities, legislative intent for advanced
108	telecommunication services to eligible facilities,
109	definitions, infrastructure investments, penalties for
110	failing to provide advanced telecommunication
111	services, the short title for telecommunication
112	consumer protections, definitions, the methodology for
113	protecting consumers for changing telecommunication
114	providers, and billing procedures to inform and
115	protect the consumer, respectively; amending ss.
116	196.012, 199.183, 212.08, 290.007, 350.0605, 364.105,

# Page 4 of 52

	579-02803-11 20111524c1
117	364.32, and 489.103, F.S.; revising cross-references
118	to conform to changes made by the act; providing an
119	effective date.
120	
121	Be It Enacted by the Legislature of the State of Florida:
122	
123	Section 1. This act may be cited as the "Regulatory Reform
124	Act."
125	Section 2. Section 364.01, Florida Statutes, is amended to
126	read:
127	364.01 Powers of commission, legislative intent
128	(1) The Florida Public Service Commission shall exercise
129	over and in relation to telecommunications companies the powers
130	conferred by this chapter.
131	(2) It is the legislative intent to give exclusive
132	jurisdiction in all matters set forth in this chapter to the
133	Florida Public Service Commission in regulating
134	telecommunications companies, and such preemption shall
135	supersede any local or special act or municipal charter where
136	any conflict of authority may exist. However, <del>the provisions of</del>
137	this chapter <u>does</u> <del>shall</del> not affect the authority and powers
138	granted in s. 166.231(9) or s. 337.401.
139	(3) Communications activities that are not regulated by the
140	Florida Public Service Commission <del>, including, but not limited</del>
141	to, VoIP, wireless, and broadband, are subject to this state's
142	generally applicable business regulation and deceptive trade
143	practices and consumer protection laws, as enforced by the
144	appropriate state authority or through actions in the judicial
145	system. This chapter does not limit the availability to any

# Page 5 of 52

579-02803-11 20111524c1 146 party of any remedy or defense under state or federal antitrust 147 laws. The Legislature finds that the competitive provision of telecommunications services, including local exchange 148 telecommunications service, is in the public interest and has 149 150 provided will provide customers with freedom of choice, encouraged encourage the introduction of new telecommunications 151 152 service, encouraged encourage technological innovation, and 153 encouraged encourage investment in telecommunications 154 infrastructure. The Legislature further finds that the 155 transition from the monopoly provision of local exchange service 156 to the competitive provision thereof will require appropriate 157 regulatory oversight to protect consumers and provide for the 158 development of fair and effective competition, but nothing in 159 this chapter shall limit the availability to any party of any 160 remedy under state or federal antitrust laws. The Legislature 161 further finds that changes in regulations allowing increased 162 competition in telecommunications services could provide the 163 occasion for increases in the telecommunications workforce; 164 therefore, it is in the public interest that competition in 165 telecommunications services lead to a situation that enhances 166 the high-technological skills and the economic status of the 167 telecommunications workforce. The Legislature further finds that the provision of voice-over-Internet protocol (VoIP) free of 168 169 unnecessary regulation, regardless of the provider, is in the 170 public interest. 171 (4) The commission shall exercise its exclusive jurisdiction in order to: 172 173 (a) Protect the public health, safety, and welfare by 174 ensuring that basic local telecommunications services are

#### Page 6 of 52

	579-02803-11 20111524c1
175	available to all consumers in the state at reasonable and
176	affordable prices.
177	(b) Encourage competition through flexible regulatory
178	treatment among providers of telecommunications services in
179	order to ensure the availability of the widest possible range of
180	consumer choice in the provision of all telecommunications
181	services.
182	(c) Protect the public health, safety, and welfare by
183	ensuring that monopoly services provided by telecommunications
184	companies continue to be subject to effective price, rate, and
185	service regulation.
186	(d) Promote competition by encouraging innovation and
187	investment in telecommunications markets and by allowing a
188	transitional period in which new and emerging technologies are
189	subject to a reduced level of regulatory oversight.
190	(c) Encourage all providers of telecommunications services
191	to introduce new or experimental telecommunications services
192	free of unnecessary regulatory restraints.
193	(f) Eliminate any rules or regulations which will delay or
194	impair the transition to competition.
195	(g) Ensure that all providers of telecommunications
196	services are treated fairly, by preventing anticompetitive
197	behavior and eliminating unnecessary regulatory restraint.
198	(h) Recognize the continuing emergence of a competitive
199	telecommunications environment through the flexible regulatory
200	treatment of competitive telecommunications services, where
201	appropriate, if doing so does not reduce the availability of
202	adequate basic local telecommunications service to all citizens
203	of the state at reasonable and affordable prices, if competitive

# Page 7 of 52

	579-02803-11 20111524c1
204	telecommunications services are not subsidized by monopoly
205	telecommunications services, and if all monopoly services are
206	available to all competitors on a nondiscriminatory basis.
207	(i) Continue its historical role as a surrogate for
208	competition for monopoly services provided by local exchange
209	telecommunications companies.
210	Section 3. Section 364.011, Florida Statutes, is amended to
211	read:
212	364.011 Exemptions from commission jurisdictionThe
213	following services are exempt from oversight by the commission,
214	except to the extent delineated in this chapter or specifically
215	authorized by federal law:
216	(1) Intrastate interexchange telecommunications services.
217	(2) Broadband services, regardless of the provider,
218	platform, or protocol.
219	(3) VoIP.
220	(4) Wireless telecommunications, including commercial
221	mobile radio service providers.
222	(5) Basic service.
223	(6) Nonbasic services.
224	Section 4. Subsection (2) of section 364.012, Florida
225	Statutes, is amended to read:
226	364.012 Consistency with federal law
227	(2) This chapter does not limit or modify the duties of a
228	local exchange <u>telecommunications company</u> carrier to provide
229	unbundled access to network elements or the commission's
230	authority to arbitrate and enforce interconnection agreements to
231	the extent that those elements are required under 47 U.S.C. ss.
232	251 and 252, and under any regulations issued by the Federal

# Page 8 of 52

	579-02803-11 20111524c1
233	Communications Commission at rates determined in accordance with
234	the standards established by the Federal Communications
235	Commission pursuant to 47 C.F.R. ss. 51.503-51.513, inclusive of
236	any successor regulation or successor forbearance of regulation.
237	Section 5. Section 364.0135, Florida Statutes, is amended
238	to read:
239	364.0135 Promotion of broadband adoption deployment
240	(1) The Legislature finds that the sustainable adoption of
241	broadband Internet service is critical to the economic <u>and</u>
242	business development of the state and is beneficial for
243	libraries, schools, colleges and universities, health care
244	providers, and community organizations. The term "sustainable
245	adoption" means the ability for communications service providers
246	to offer broadband services in all areas of the state by
247	encouraging adoption and utilization levels that allow for these
248	services to be offered in the free market absent the need for
249	governmental subsidy. The Legislature further finds that
250	barriers exist to the statewide deployment of broadband Internet
251	service, especially in rural, unserved, or underserved
252	communities. The Legislature therefore intends to promote the
253	efficient and effective deployment of broadband Internet service
254	throughout the state through a coordinated statewide effort.
255	(2) The Department of Management Services is authorized to

work collaboratively with, and to receive staffing support and other resources from, Enterprise Florida, Inc., state agencies, local governments, private businesses, and community organizations to:

260 (a) Monitor the adoption of Conduct a needs assessment of
 261 broadband Internet service in collaboration with communications

### Page 9 of 52

579-02803-11 20111524c1 262 service providers, including, but not limited to, wireless and 263 wireline Internet service providers, to develop geographical 264 information system maps at the census tract level that will: 265 1. Identify geographic gaps in broadband services, 266 including areas unserved by any broadband provider and areas served by a single broadband provider; 267 2. Identify the download and upload transmission speeds 268 269 made available to businesses and individuals in the state, at 270 the census tract level of detail, using data rate benchmarks for 271 broadband service used by the Federal Communications Commission 272 to reflect different speed tiers; and 3. Provide a baseline assessment of statewide broadband 273 deployment in terms of percentage of households with broadband 274 275 availability. 276 (b) Create a strategic plan that has goals and strategies 277 for increasing the use of broadband Internet service in the 278 state. 279 (c) Build and facilitate local technology planning teams or partnerships with members representing cross-sections of the 280 281 community, which may include, but are not limited to, 282 representatives from the following organizations and industries: 283 libraries, K-12 education, colleges and universities, local health care providers, private businesses, community 284 organizations, economic development organizations, local 285 governments, tourism, parks and recreation, and agriculture. 286 287 (d) Encourage the use of broadband Internet service, 288

especially in the rural, unserved, and underserved communities of the state through grant programs having effective strategies to facilitate the statewide deployment of broadband Internet

#### Page 10 of 52

579-02803-11 20111524c1 291 service. For any grants to be awarded, priority must be given to 292 projects that: 293 1. Provide access to broadband education, awareness, 294 training, access, equipment, and support to libraries, schools, colleges and universities, health care providers, and community 295 296 support organizations. 297 2. Encourage the sustainable adoption of broadband in 298 primarily unserved areas by removing barriers to entry, such as 299 unreasonably high pole-attachment rates investments in primarily 300 unserved areas to give consumers a choice of more than one 301 broadband Internet service provider. 302 3. Work toward encouraging investments in establishing 303 affordable and sustainable broadband Internet service in 304 unserved areas of the state. 305 4. Facilitate the development of applications, programs, 306 and services, including, but not limited to, telework, 307 telemedicine, and e-learning to increase the usage of, and 308 demand for, broadband Internet service in the state. 309 (3) The department may apply for and accept federal funds 310 for purposes of this section, as well as gifts and donations from individuals, foundations, and private organizations. 311 312 (4) The department may is authorized to enter into 313 contracts necessary or useful to carry out the purposes of this 314 section. 315 (5) The department may is authorized to establish any 316 committee or workgroup to administer and carry out the purposes 317 of this section. 318 (6) The department may is authorized to adopt rules necessary to carry out the purposes of this section. Any rule, 319

#### Page 11 of 52

	579-02803-11 20111524c1
320	contract, grant, or other activity undertaken by the department
321	shall ensure that all entities are in compliance with any
322	applicable federal or state laws, rules, and regulations,
323	including, but not limited to, those applicable to private
324	entities providing communications services for hire and the
325	requirements of s. 350.81, including, without limitation, the
326	authority to establish definitions of terms pertinent to this
327	section.
328	Section 6. Section 364.015, Florida Statutes, is repealed.
329	Section 7. Section 364.02, Florida Statutes, is amended to
330	read:
331	364.02 Definitions.—As used in this chapter, the term:
332	(1) "Basic local telecommunications service" means voice-
333	grade, single-line, flat-rate residential local exchange service
334	that provides dial tone, local usage necessary to place
335	unlimited calls within a local exchange area, dual tone
336	multifrequency dialing, and access to the following: emergency
337	services such as "911," all locally available interexchange
338	companies, directory assistance, operator services, and relay
339	services, and an alphabetical directory listing. For a local
340	exchange telecommunications company, the term includes any
341	extended area service routes, and extended calling service in
342	existence or ordered by the commission on or before July 1,
343	1995.
344	(2) "Broadband service" means any service that consists of
345	or includes the offering of the capability to transmit or
346	receive information at a rate that is not less than 200 kilobits

347 per second and either:

348

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

### Page 12 of 52

CS for SB 1524

	579-02803-11 20111524c1
349	(b) Provides computer processing, information storage,
350	information content, or protocol conversion in combination with
351	the service.
352	
353	The definition of broadband service does not include any
354	intrastate telecommunications services that have been tariffed
355	with the commission on or before January 1, 2005.
356	(3) "Commercial mobile radio service provider" means a
357	commercial mobile radio service provider as defined by and
358	pursuant to 47 U.S.C. ss. 153(27) and 332(d).
359	(4) "Commission" means the Florida Public Service
360	Commission.
361	(5) "Competitive local exchange telecommunications company"
362	means any company certificated by the commission to provide
363	local exchange telecommunications services in this state on or
364	after July 1, 1995.
365	(6) "Corporation" includes a corporation, company,
366	association, or joint stock association.
367	(7) "Intrastate interexchange telecommunications company"
368	means any entity that provides intrastate interexchange
369	telecommunications services.
370	(8) "Local exchange telecommunications company" means any
371	company certificated by the commission to provide local exchange
372	telecommunications service in this state on or before June 30,
373	1995.
374	(9) "Monopoly service" means a telecommunications service
375	for which there is no effective competition, either in fact or
376	by operation of law.
377	(9) (10) "Nonbasic service" means any telecommunications

# Page 13 of 52

CS for SB 1524

579-02803-11 20111524c1 378 service provided by a local exchange telecommunications company 379 other than a basic local telecommunications service, a local 380 interconnection, resale, or unbundling pursuant to arrangement 381 described in s. 364.16, or a network access service described in 382 s. 364.163. Any combination of basic service along with a nonbasic service or an unregulated service is nonbasic service. 383 384 (10) (11) "Operator service" includes, but is not limited 385 to, billing or completion of third-party, person-to-person, 386 collect, or calling card or credit card calls through the use of 387 a live operator or automated equipment. 388 (11) (12) "Operator service provider" means a person who 389 furnishes operator service through a call aggregator. 390 (12) (13) "Service" is to be construed in its broadest and most inclusive sense. The term "service" does not include 391 broadband service or voice-over-Internet protocol service for 392 purposes of regulation by the commission. Nothing herein shall 393 394 affect the rights and obligations of any entity related to the 395 payment of switched network access rates or other intercarrier 396 compensation, if any, related to voice-over-Internet protocol 397 service. Notwithstanding s. 364.013, and the exemption of 398 services pursuant to this subsection, the commission may 399 arbitrate, enforce, or approve interconnection agreements, and resolve disputes as provided by 47 U.S.C. ss. 251 and 252, or 400 any other applicable federal law or regulation. With respect to 401 402 the services exempted in this subsection, regardless of the 403 technology, the duties of a local exchange telecommunications 404 company are only those that the company is obligated to extend 405 or provide under applicable federal law and regulations. 406 (13) (14) "Telecommunications company" includes every

#### Page 14 of 52

	579-02803-11 20111524c1
407	corporation, partnership, and person and their lessees,
408	trustees, or receivers appointed by any court whatsoever, and
409	every political subdivision in the state, offering two-way
410	telecommunications service to the public for hire within this
411	state by the use of a telecommunications facility. The term
412	"telecommunications company" does not include:
413	(a) An entity that provides a telecommunications facility
414	exclusively to a certificated telecommunications company;
415	(b) An entity that provides a telecommunications facility
416	exclusively to a company which is excluded from the definition
417	of a telecommunications company under this subsection;
418	(c) A commercial mobile radio service provider;
419	(d) A facsimile transmission service;
420	(e) A private computer data network company not offering
421	service to the public for hire;
422	(f) A cable television company providing cable service as
423	defined in 47 U.S.C. s. 522; <del>or</del>
424	(g) An intrastate interexchange telecommunications company <u>;</u>
425	or
426	(h) An operator services provider.
427	
428	However, each commercial mobile radio service provider and each
429	intrastate interexchange telecommunications company shall
430	continue to be liable for any taxes imposed under chapters 202,
431	203, and 212 and any fees assessed under s. 364.025. Each
432	intrastate interexchange telecommunications company shall
433	continue to be subject to <u>s.</u> <del>ss. 364.04, 364.10(3)(a) and (d),</del>
434	364.163, <del>364.285, 364.336, 364.501, 364.603, and 364.604, shall</del>
435	provide the commission with the current information as the

# Page 15 of 52

	579-02803-11 20111524c1
436	commission deems necessary to contact and communicate with the
437	- company, and shall continue to pay intrastate switched network
438	access rates or other intercarrier compensation to the local
439	exchange telecommunications company or the competitive local
440	exchange telecommunications company for the origination and
441	termination of interexchange telecommunications service.
442	(14) (15) "Telecommunications facility" includes real
443	estate, easements, apparatus, property, and routes used and
444	operated to provide two-way telecommunications service to the
445	public for hire within this state.
446	(15) (16) "VoIP" means any service that:
447	(a) Enables real-time, two-way voice communications that
448	originate from or terminate to the user's location in Internet
449	Protocol or any successor protocol;
450	(b) Uses a broadband connection from the user's location;
451	and
452	(c) Permits users generally to receive calls that originate
453	on the public switched telephone network and to terminate calls
454	to the public switched telephone network the voice-over-Internet
455	protocol as that term is defined in federal law.
456	Section 8. Section 364.025, Florida Statutes, is repealed.
457	Section 9. Section 364.0251, Florida Statutes, is repealed.
458	Section 10. Section 364.0252, Florida Statutes, is
459	repealed.
460	Section 11. Section 364.04, Florida Statutes, is amended to
461	read:
462	364.04 Schedules of rates, tolls, rentals, and charges;
463	filing; public inspection
464	(1) Every telecommunications company shall publish through

# Page 16 of 52

	579-02803-11 20111524c1
465	electronic or physical media schedules showing the rates, tolls,
466	rentals, and charges of that company for service to be offered
467	performed within the state. The commission shall have no
468	jurisdiction over the content or form or format of such
469	published schedules. A telecommunications company may, as an
470	option, file the published schedules with the commission or
471	publish its schedules through other reasonably publicly
472	accessible means, including on a website. A telecommunications
473	company that does not file its schedules with the commission
474	shall inform its customers where a customer may view the
475	telecommunications company's schedules.
476	(2) This chapter does not prohibit a telecommunications
477	company from:
478	(a) Entering into contracts establishing rates, tolls,
479	rentals, and charges that differ from its published schedules or
480	offering services that are not included in its published
481	schedules; or
482	(b) Meeting competitive offerings in a specific geographic
483	market or to a specific customer.
484	(3) This section does not apply to the rates, terms, and
485	conditions established pursuant to 47 U.S.C. ss. 251 and 252.
486	The schedules shall plainly state the places telecommunications
487	service will be rendered and shall also state separately all
488	charges and all privileges or facilities granted or allowed and
489	any rules or regulations or forms of contract which may in
490	anywise change, affect, or determine any of the aggregate of the
491	rates, tolls, rentals, or charges for the service rendered.
492	Section 12. Section 364.051, Florida Statutes, is repealed.
493	Section 13. Section 364.052, Florida Statutes, is repealed.

# Page 17 of 52

	579-02803-11 20111524c1
494	Section 14. Section 364.057, Florida Statutes, is repealed.
495	Section 15. Section 364.058, Florida Statutes, is repealed.
496	Section 16. Section 364.059, Florida Statutes, is repealed.
497	Section 17. Section 364.06, Florida Statutes, is repealed.
498	Section 18. Section 364.063, Florida Statutes, is repealed.
499	Section 19. Section 364.07, Florida Statutes, is repealed.
500	Section 20. Section 364.08, Florida Statutes, is repealed.
501	Section 21. Section 364.10, Florida Statutes, is amended to
502	read:
503	364.10 Undue advantage to person or locality prohibited;
504	Lifeline service
505	(1) A telecommunications company may not make or give any
506	undue or unreasonable preference or advantage to any person or
507	locality or subject any particular person or locality to any
508	undue or unreasonable prejudice or disadvantage in any respect
509	whatsoever.
510	(1) (2) (a) The prohibitions of subsection (1)
511	$\operatorname{notwithstanding}_{m{r}}$ An eligible telecommunications carrier shall
512	provide a Lifeline Assistance Plan to qualified residential
513	subscribers, as defined in the eligible telecommunications
514	carrier's published schedules a commission-approved tariff or
515	price list, and a preferential rate to eligible facilities as
516	<del>provided for in part II</del> . For the purposes of this section, the
517	term "eligible telecommunications carrier" means a
518	telecommunications company, as defined by s. 364.02, which is
519	designated as an eligible telecommunications carrier by the
520	commission pursuant to 47 C.F.R. s. 54.201.
521	(b) An eligible telecommunications carrier shall offer a
522	consumer who applies for or receives Lifeline service the option

# Page 18 of 52

579-02803-11 20111524c1 523 of blocking all toll calls or, if technically capable, placing a 524 limit on the number of toll calls a consumer can make. The 525 eligible telecommunications carrier may not charge the consumer 526 an administrative charge or other additional fee for blocking 527 the service. 528 (c) An eligible telecommunications carrier may not collect 529 a service deposit in order to initiate Lifeline service if the 530 qualifying low-income consumer voluntarily elects toll blocking 531 or toll limitation. If the qualifying low-income consumer elects 532 not to place toll blocking on the line, an eligible 533 telecommunications carrier may charge a service deposit. 534 (d) An eligible telecommunications carrier may not charge 535 Lifeline subscribers a monthly number-portability charge. 536 (e)1. An eligible telecommunications carrier must notify a 537 Lifeline subscriber of impending termination of Lifeline service 538 if the company has a reasonable basis for believing that the 539 subscriber no longer qualifies. Notification of pending 540 termination must be in the form of a letter that is separate from the subscriber's bill. 541 542 2. An eligible telecommunications carrier shall allow a 543 subscriber 60 days following the date of the pending termination 544 letter to demonstrate continued eligibility. The subscriber must present proof of continued eligibility. An eligible 545 telecommunications carrier may transfer a subscriber off of 546

547 Lifeline service, pursuant to its tariff, if the subscriber 548 fails to demonstrate continued eligibility.

549 3. The commission shall establish procedures for such 550 notification and termination.

551

(f) An eligible telecommunications carrier shall timely

### Page 19 of 52

579-02803-11 20111524c1 552 credit a consumer's bill with the Lifeline Assistance credit as 553 soon as practicable, but no later than 60 days following receipt 554 of notice of eligibility from the Office of Public Counsel or 555 proof of eligibility from the consumer. 556 (2) (3) (a) Each local exchange telecommunications company 557 that has more than 1 million access lines and that is designated 558 as an eligible telecommunications carrier shall, and any 559 commercial mobile radio service provider designated as an 560 eligible telecommunications carrier pursuant to 47 U.S.C. s. 561 214 (e) may, upon filing a notice of election to do so with the 562 commission, provide Lifeline service to any otherwise eligible 563 customer or potential customer who meets an income eligibility 564 test at 150 percent or less of the federal poverty income 565 quidelines for Lifeline customers. Such a test for eligibility 566 must augment, rather than replace, the eligibility standards 567 established by federal law and based on participation in certain 568 low-income assistance programs. Each intrastate interexchange 569 telecommunications company shall file or publish a schedule 570 providing at a minimum the intrastate interexchange 571 telecommunications company's carrier's current Lifeline benefits 572 and exemptions to Lifeline customers who meet the income 573 eligibility test set forth in this subsection. The Office of 574 Public Counsel shall certify and maintain claims submitted by a 575 customer for eligibility under the income test authorized by 576 this subsection. 577

(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

### Page 20 of 52

579-02803-11 20111524c1 581 inform the persons of their eligibility for Lifeline, and each 582 state agency providing the benefits shall furnish the materials 583 to affected persons at the time they apply for benefits. 584 (c) Any local exchange telecommunications company customer 585 receiving Lifeline benefits shall not be subject to any 586 residential basic local telecommunications service rate 587 increases authorized by s. 364.164 until the local exchange 588 telecommunications company reaches parity as defined in s. 589 364.164(5) or until the customer no longer qualifies for the 590 Lifeline benefits established by this section or s. 364.105, or 591 unless otherwise determined by the commission upon petition by a 592 local exchange telecommunications company. 593 (c) (d) An eligible telecommunications carrier may not 594 discontinue basic local telecommunications exchange telephone

595 service to a subscriber who receives Lifeline service because of 596 nonpayment by the subscriber of charges for nonbasic services 597 billed by the telecommunications company, including long-598 distance service. A subscriber who receives Lifeline service 599 shall pay all applicable basic local telecommunications exchange 600 service fees, including the subscriber line charge, E-911, 601 telephone relay system charges, and applicable state and federal 602 taxes.

(d) (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 telecommunications exchange service.

607 (e) (f) An eligible telecommunications carrier may require
 608 that payment arrangements be made for outstanding debt
 609 associated with basic local telecommunications exchange service,

#### Page 21 of 52

579-02803-11 20111524c1 610 subscriber line charges, E-911, telephone relay system charges, 611 and applicable state and federal taxes. 612 (f) (g) An eligible telecommunications carrier may block a 613 Lifeline service subscriber's access to all long-distance 614 service, except for toll-free numbers, and may block the ability 615 to accept collect calls when the subscriber owes an outstanding 616 amount for long-distance service or amounts resulting from 617 collect calls. However, the eligible telecommunications carrier may not impose a charge for blocking long-distance service. The 618 619 eligible telecommunications carrier shall remove the block at 620 the request of the subscriber without additional cost to the 621 subscriber upon payment of the outstanding amount. An eligible 622 telecommunications carrier may charge a service deposit before 623 removing the block.

624 (g) (h)-1. By December 31, 2010, each state agency that 625 provides benefits to persons eligible for Lifeline service shall 626 undertake, in cooperation with the Department of Children and 627 Family Services, the Department of Education, the commission, 628 the Office of Public Counsel, and telecommunications companies 629 designated eligible telecommunications carriers providing 630 Lifeline services, the development of procedures to promote 631 Lifeline participation. The departments, the commission, and the 632 Office of Public Counsel may exchange sufficient information 633 with the appropriate eligible telecommunications carriers and 634 any commercial mobile radio service provider electing to provide 635 Lifeline service under paragraph (a), such as a person's name, date of birth, service address, and telephone number, so that 636 637 the carriers can identify and enroll an eligible person in the 638 Lifeline and Link-Up programs. The information remains

#### Page 22 of 52

579-02803-11 20111524c1 639 confidential pursuant to s. 364.107 and may only be used for 640 purposes of determining eligibility and enrollment in the 641 Lifeline and Link-Up programs.

642 2. If any state agency determines that a person is eligible 643 for Lifeline services, the agency shall immediately forward the information to the commission to ensure that the person is 644 645 automatically enrolled in the program with the appropriate 646 eligible telecommunications carrier. The state agency shall 647 include an option for an eligible customer to choose not to subscribe to the Lifeline service. The Public Service Commission 648 649 and the Department of Children and Family Services shall, no 650 later than December 31, 2007, adopt rules creating procedures to automatically enroll eligible customers in Lifeline service. 651

652 3. By December 31, 2010, the commission, the Department of 653 Children and Family Services, the Office of Public Counsel, and 654 each eligible telecommunications carrier offering Lifeline and 655 Link-Up services shall convene a Lifeline Workgroup to discuss 656 how the eligible subscriber information in subparagraph 1. will 657 be shared, the obligations of each party with respect to the use 658 of that information, and the procedures to be implemented to 659 increase enrollment and verify eligibility in these programs.

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

665 <u>(i)(j)</u> The commission shall adopt rules to administer this 666 section.

667

Section 22. Section 364.15, Florida Statutes, is repealed.

#### Page 23 of 52

CS	for	SB	1524

	579-02803-11 20111524c1
668	Section 23. Section 364.16, Florida Statutes, is amended to
669	read:
670	364.16 Connection of lines and transfers; Local
671	interconnection, unbundling, and resale; telephone number
672	portability
673	(1) The Legislature finds that the competitive provision of
674	local exchange service requires appropriate regulatory oversight
675	of carrier-to-carrier relationships to provide for the
676	development of fair and effective competition.
677	(2) It is the intent of the Legislature that in resolving
678	disputes, the commission shall treat all providers of
679	telecommunications services fairly by preventing anticompetitive
680	behavior.
681	(3) The commission shall, upon request, arbitrate and
682	enforce interconnection agreements pursuant to 47 U.S.C. ss. 251
683	and 252 and the Federal Communications Commission's orders and
684	regulations implementing those sections. The commission has the
685	authority to resolve disputes among carriers concerning
686	violations of this chapter and under the authority conferred by
687	federal law to resolve such disputes, including, but not limited
688	to, federal law addressing resale of services, number
689	portability, dialing parity, access to rights of way, access to
690	poles and conduits, and reciprocal compensation. However, this
691	section does not confer jurisdiction on the commission for
692	matters that are exempt from commission jurisdiction under ss.
693	<u>364.011 and 364.013.</u>
694	(4) A telecommunications company may not knowingly deliver
695	traffic, for which terminating access service charges would
696	otherwise apply, through a local interconnection arrangement

# Page 24 of 52

	579-02803-11 20111524c1
697	without paying the appropriate charges for such terminating
698	access service. Any party having a substantial interest may
699	petition the commission for an investigation of any suspected
700	violation of this subsection. If any telecommunications company
701	knowingly violates this subsection, the commission has
702	jurisdiction to arbitrate bona fide complaints arising from the
703	requirements of this subsection and shall, upon such complaint,
704	have access to all relevant customer records and accounts of any
705	telecommunications company.
706	(5) The commission shall adopt rules to prevent the
707	unauthorized changing of a subscriber's telecommunications
708	service. Such rules shall be consistent with the
709	Telecommunications Act of 1996, provide for specific
710	verification methodologies, provide for the notification to
711	subscribers of the ability to freeze the subscriber's choice of
712	carriers at no charge, allow for a subscriber's change to be
713	considered valid if verification was performed consistent with
714	commission rules, provide remedies for violations of the rules,
715	and allow for the imposition of other penalties available under
716	this chapter. The commission shall resolve on an expedited basis
717	any complaints of anticompetitive behavior concerning a local
718	preferred carrier freeze. The telecommunications company that is
719	asserting the existence of a local preferred carrier freeze,
720	which is the subject of a complaint, has the burden of proving
721	through competent evidence that the subscriber did in fact
722	request the freeze.
723	(6) Upon petition, the commission may conduct a limited or
724	expedited proceeding to consider and act upon any matter under
725	this section. The commission shall determine the issues to be

# Page 25 of 52

579-02803-11 20111524c1 726 considered during such a proceeding and may grant or deny any 727 request to expand the scope of the proceeding to include other 728 matters. The commission shall implement an expedited process to 729 facilitate the quick resolution of disputes between 730 telecommunications companies. The process implemented by the 731 commission shall, to the greatest extent feasible, minimize the 732 time necessary to reach a decision on a dispute. The commission 733 may limit the use of the expedited process based on the number 734 of parties, the number of issues, or the complexity of the 735 issues. For any proceeding conducted pursuant to the expedited 736 process, the commission shall make its determination within 120 737 days after a petition is filed or a motion is made. The 738 commission shall adopt rules to administer this subsection. 739 (1) Whenever the commission finds that connections between 740 any two or more local exchange telecommunications companies, 741 whose lines form a continuous line of communication or could be 742 made to do so by the construction and maintenance of suitable 743 connections at common points, can reasonably be made and 744 efficient service obtained, and that such connections are 745 necessary, the commission may require such connections to be 746 made, may require that telecommunications services be 747 transferred, and may prescribe through lines and joint rates and 748 charges to be made, used, observed, and in force in the future 749 and fix the rates and charges by order to be served upon the 750 company or companies affected. 751 (2) Each competitive local exchange telecommunications

company shall provide access to, and interconnection with, its
telecommunications services to any other provider of local
exchange telecommunications services requesting such access and

### Page 26 of 52

	579-02803-11 20111524c1
755	interconnection at nondiscriminatory prices, terms, and
756	conditions. If the parties are unable to negotiate mutually
757	acceptable prices, terms, and conditions after 60 days, either
758	party may petition the commission and the commission shall have
759	120 days to make a determination after proceeding as required by
760	s. 364.162(2) pertaining to interconnection services.
761	(3) Each local exchange telecommunications company shall
762	provide access to, and interconnection with, its
763	telecommunications facilities to any other provider of local
764	exchange telecommunications services requesting such access and
765	interconnection at nondiscriminatory prices, rates, terms, and
766	conditions established by the procedures set forth in s.
767	<del>364.162.</del>
768	(a) No local exchange telecommunications company or
769	competitive local exchange telecommunications company shall
770	knowingly deliver traffic, for which terminating access service
771	charges would otherwise apply, through a local interconnection
772	arrangement without paying the appropriate charges for such
773	terminating access service.
774	(b) Any party with a substantial interest may petition the
775	commission for an investigation of any suspected violation of
776	paragraph (a). In the event any certificated local exchange
777	service provider knowingly violates paragraph (a), the
778	commission shall have jurisdiction to arbitrate bona fide
779	complaints arising from the requirements of this subsection and
780	shall, upon such complaint, have access to all relevant customer
781	records and accounts of any telecommunications company.
782	(7) (4) In order to assure that consumers have access to
783	different local exchange service providers without being

# Page 27 of 52

CS for SB 1524

	579-02803-11 20111524c1
784	disadvantaged, deterred, or inconvenienced by having to give up
785	the consumer's existing local telephone number, all providers of
786	local exchange services must have access to local telephone
787	numbering resources and assignments on equitable terms that
788	include a recognition of the scarcity of such resources and are
789	in accordance with national assignment guidelines. <del>Each local</del>
790	exchange provider, except small local exchange
791	telecommunications companies under rate of return regulation,
792	shall provide a temporary means of achieving telephone number
793	portability. The parties, under the direction of the commission,
794	shall set up a number portability standards group by no later
795	than September 1, 1995, for the purposes of investigation and
796	development of appropriate parameters, costs, and standards for
797	number portability. If the parties are unable to successfully
798	negotiate the prices, terms, and conditions of a temporary
799	number portability solution, the commission shall establish a
800	temporary number portability solution by no later than January
801	1, 1996. Each local exchange service provider shall make
802	necessary modifications to allow permanent portability of local
803	telephone numbers between certificated providers of local
804	exchange service as soon as reasonably possible after the
805	development of national standards. The parties shall negotiate
806	the prices, terms, and conditions for permanent telephone number
807	portability arrangements. In the event the parties are unable to
808	satisfactorily negotiate the prices, terms, and conditions,
809	either party may petition the commission and the commission
810	shall, after opportunity for a hearing, set the rates, terms,
811	and conditions. The prices and rates shall not be below cost.
812	Number portability between different certificated providers of

# Page 28 of 52

838

579-02803-11 20111524c1 813 local exchange service at the same location shall be provided 814 temporarily no later than January 1, 1996. 815 (8) (5) When requested, each certificated telecommunications 816 company shall provide access to any poles, conduits, rights-ofway, and like facilities that it owns or controls to any local 817 818 exchange telecommunications company or competitive local 819 exchange telecommunications company pursuant to reasonable rates 820 and conditions mutually agreed to which do not discriminate 821 between similarly situated companies. 822 Section 24. Section 364.161, Florida Statutes, is repealed. 823 Section 25. Section 364.162, Florida Statutes, is repealed. 824 Section 26. Section 364.163, Florida Statutes, is amended 825 to read: 826 364.163 Network access services.-For purposes of this 827 section, the term "network access service" is defined as any 828 service provided by a local exchange telecommunications company 829 to a telecommunications company certificated under this chapter 830 or licensed by the Federal Communications Commission to access 831 the local exchange telecommunications network, excluding the 832 local interconnection, resale, or unbundling pursuant to 833 arrangements in s. 364.16 and the resale arrangements in s. 834 364.161. Each local exchange telecommunications company subject to s. 364.051 shall maintain tariffs with the commission 835 containing the terms, conditions, and rates for each of its 836 837 network access services. The switched network access service

839 shall remain, capped at that level until July 1, 2010. An 840 interexchange telecommunications company may not institute any 841 intrastate connection fee or any similarly named fee.

#### Page 29 of 52

rates in effect immediately prior to July 1, 2007, shall be, and

869

CS for SB 1524

579-02803-11 20111524c1 842 Section 27. Section 364.183, Florida Statutes, is amended 843 to read: 844 364.183 Access to company records.-845 (1) The commission shall have access to all records of a 846 telecommunications company which that are reasonably necessary 847 for the disposition of matters within the commission's 848 jurisdiction. The commission shall also have access to those 849 records of a local exchange telecommunications company's 850 affiliated companies, including its parent company, that are 851 reasonably necessary for the disposition of any matter 852 concerning an affiliated transaction or a claim of 853 anticompetitive behavior including claims of cross-subsidization 854 and predatory pricing. The commission may require a 855 telecommunications company to file records, reports or other 856 data directly related to matters within the commission's 857 jurisdiction in the form specified by the commission and may 858 require such company to retain such information for a designated 859 period of time. Upon request of the company or other person, any 860 records received by the commission which are claimed by the 861 company or other person to be proprietary confidential business 862 information shall be kept confidential and shall be exempt from 863 s. 119.07(1) and s. 24(a), Art. I of the State Constitution. (2) Discovery in any docket or proceeding before the 864 865 commission shall be in the manner provided for in Rule 1.280 of 866 the Florida Rules of Civil Procedure. Upon a showing by a 867 company or other person and a finding by the commission that 868 discovery will require the disclosure of proprietary

870 appropriate protective order designating the manner for handling

### Page 30 of 52

confidential business information, the commission shall issue an

579-02803-11

#### 20111524c1

871 such information during the course of the proceeding and for 872 protecting such information from disclosure outside the 873 proceeding. Such proprietary confidential business information 874 shall be exempt from s. 119.07(1). Any records provided pursuant 875 to a discovery request for which proprietary confidential 876 business information status is requested shall be treated by the 877 commission and the Office of the Public Counsel and any other 878 party subject to the public records law as confidential and 879 shall be exempt from s. 119.07(1), pending a formal ruling on 880 such request by the commission or the return of the records to 881 the person providing the records. Any record which has been 882 determined to be proprietary confidential business information and is not entered into the official record of the proceeding 883 884 shall be returned to the person providing the record within 60 days after the final order, unless the final order is appealed. 885 886 If the final order is appealed, any such record shall be 887 returned within 30 days after the decision on appeal. The 888 commission shall adopt the necessary rules to implement this 889 subsection.

890 (3) The term "proprietary confidential business 891 information" means information, regardless of form or 892 characteristics, which is owned or controlled by the person or 893 company, is intended to be and is treated by the person or company as private in that the disclosure of the information 894 895 would cause harm to the ratepayers or the person's or company's 896 business operations, and has not been disclosed unless disclosed 897 pursuant to a statutory provision, an order of a court or 898 administrative body, or private agreement that provides that the 899 information will not be released to the public. The term

#### Page 31 of 52

579-02803-11

CS for SB 1524

20111524c1

900 includes, but is not limited to: 901 (a) Trade secrets. 902 (b) Internal auditing controls and reports of internal 903 auditors. 904 (c) Security measures, systems, or procedures. 905 (d) Information concerning bids or other contractual data, 906 the disclosure of which would impair the efforts of the company 907 or its affiliates to contract for goods or services on favorable 908 terms. 909 (e) Information relating to competitive interests, the 910 disclosure of which would impair the competitive business of the 911 provider of information. 912 (f) Employee personnel information unrelated to 913 compensation, duties, qualifications, or responsibilities. 914 (4) Any finding by the commission that a record contains 915 proprietary confidential business information is effective for a 916 period set by the commission not to exceed 18 months, unless the 917 commission finds, for good cause, that the protection from 918 disclosure shall be for a specified longer period. The commission shall order the return of a record containing 919 920 proprietary confidential business information when such record 921 is no longer necessary for the commission to conduct its 922 business. At that time, the commission shall order any other 923 person holding such record to return it to the person providing 924 the record. Any record containing proprietary confidential 925 business information which has not been returned at the 926 conclusion of the period set pursuant to this subsection shall 927 no longer be exempt from s. 119.07(1) unless the 928 telecommunications company or affected person shows, and the

### Page 32 of 52

579-02803-11 20111524c1
commission finds, that the record continues to contain
proprietary confidential business information. Upon such
finding, the commission may extend the period for confidential
treatment for a period not to exceed 18 months unless the
commission finds, for good cause, that the protection from
disclosure shall be for a specified longer period. During
commission consideration of an extension, the record in question
remains exempt from s. 119.07(1). The commission shall adopt
rules to implement this subsection, which shall include notice
to the telecommunications company or affected person regarding
the expiration of confidential treatment.
Section 28. Section 364.185, Florida Statutes, is repealed.
Section 29. Section 364.19, Florida Statutes, is repealed.
Section 30. Section 364.27, Florida Statutes, is repealed.
Section 31. Section 364.33, Florida Statutes, is amended to
read:
364.33 Certificate of necessity <u>or authority</u> <del>prerequisite</del>
to construction, operation, or control of telecommunications
facilities. Except for a transfer of a certificate of necessity
from one person to another or to the parent or affiliate of a
certificated person as provided in this section, A person may
not provide begin the construction or operation of any
telecommunications services to the public without a certificate
of necessity or a certificate of authority. After July 1, 2011,
the commission shall cease to issue certificates of necessity,
but existing certificates of necessity remain valid. A
certificate of necessity or authority may be transferred to the
holder's parent company or an affiliate or another person
holding a certificate of necessity or authority, its parent

# Page 33 of 52

579-02803-11 20111524c1 958 company, or an affiliate without prior approval of the 959 commission by giving written notice of the transfer to the 960 commission within 60 days after the completion of the transfer. 961 The transferee assumes the rights and obligations conferred by 962 the certificate. This section does not affect any obligation of 963 the transferee pursuant to 47 U.S.C. ss. 251 and 252 and the 964 Federal Communications Commission's orders and regulations 965 implementing those sections. facility, or any extension thereof 966 for the purpose of providing telecommunications services to the 967 public, or acquire ownership or control thereof, in whatever 968 manner, including the acquisition, transfer, or assignment of 969 majority organizational control or controlling stock ownership, 970 without prior approval. A certificate of necessity or control 971 thereof may be transferred from a person holding a certificate, 972 its parent or an affiliate to another person holding a 973 certificate, its parent or an affiliate, and a person holding a 974 certificate, its parent or an affiliate may acquire ownership 975 control of a telecommunications facility through the 976 acquisition, transfer, or assignment of majority organizational 977 control or controlling stock ownership of a person holding a 978 certificate without prior approval of the commission by giving 979 60 days' written notice of the transfer or change of control to the commission and affected customers. This section does not 980 981 require approval by the commission prior to the construction, 982 operation, or extension of a facility by a certificated company 983 within its certificated area nor in any way limit the 984 commission's ability to review the prudence of such construction 985 programs for ratemaking as provided under this chapter. 986 Section 32. Section 364.335, Florida Statutes, is amended

#### Page 34 of 52

CS for SB 1524

	579-02803-11 20111524c1
987	to read:
988	364.335 Application for certificate of authority
989	(1) Each applicant for a certificate of authority shall:
990	(a) Provide the following information:
991	1. The applicant's official name and, if different, any
992	name under which the applicant will do business.
993	2. The street address of the principal place of business of
994	the applicant.
995	3. The federal employer identification number or the
996	Department of State's document number.
997	4. The name, address, and telephone number of an officer,
998	partner, owner, member, or manager as a contact person for the
999	applicant to whom questions or concerns may be addressed.
1000	5. Information demonstrating the applicant's managerial,
1001	technical, and financial ability to provide telecommunications
1002	service, including an attestation to the accuracy of the
1003	information provided. provide all information required by rule
1004	or order of the commission, which may include a detailed inquiry
1005	into the ability of the applicant to provide service, a detailed
1006	inquiry into the territory and facilities involved, and a
1007	detailed inquiry into the existence of service from other
1008	sources within geographical proximity to the territory applied
1009	for.
1010	(b) File with the commission schedules showing all rates
1011	for service of every kind furnished by it and all rules and
1012	contracts relating to such service.
1013	(b) (c) File the application fee required by the commission
1014	in an amount not to exceed \$500. Such fees shall be deposited in
1015	accordance with s. 350.113.

# Page 35 of 52

	579-02803-11 20111524c1
1016	(d) Submit an affidavit that the applicant has caused
1017	notice of its application to be given to such persons and in
1018	such manner as may be prescribed by commission rule.
1019	(2) The commission shall grant a certificate of authority
1020	to provide telecommunications service upon a showing that the
1021	applicant has sufficient technical, financial, and managerial
1022	capability to provide such service in the geographic area
1023	proposed to be served. The applicant shall ensure continued
1024	compliance with applicable business formation, registration, and
1025	taxation provisions of law. If the commission grants the
1026	requested certificate, any person who would be substantially
1027	affected by the requested certification may, within 21 days
1028	after the granting of such certificate, file a written objection
1029	requesting a proceeding pursuant to ss. 120.569 and 120.57. The
1030	commission may, on its own motion, institute a proceeding under
1031	ss. 120.569 and 120.57 to determine whether the grant of such
1032	certificate is in the public interest. The commission shall
1033	order such proceeding conducted in or near the territory applied
1034	for, if feasible. If any person requests a public hearing on the
1035	application, such hearing shall, if feasible, be held in or near
1036	the territory applied for, and the transcript of the public
1037	hearing and any material submitted at or prior to the hearing
1038	shall be considered part of the record of the application and
1039	any proceeding related to the application.
1040	(3) A certificate of authority may be terminated by the

1040 (3) <u>A certificate of authority may be terminated by the</u>
 1041 <u>telecommunications company by submitting notice to the</u>
 1042 <u>commission. The commission may grant a certificate, in whole or</u>
 1043 <u>in part or with modifications in the public interest, but in no</u>
 1044 <u>event granting authority greater than that requested in the</u>

### Page 36 of 52
i	579-02803-11 20111524c1
1045	application or amendments thereto and noticed under subsection
1046	(1); or it may deny a certificate. The commission may grant
1047	certificates for proposed telecommunications companies, or for
1048	the extension of an existing telecommunications company, without
1049	regard to whether such companies will be in competition with or
1050	duplicate the local exchange services provided by any other
1051	telecommunications company. The commission may also grant a
1052	certificate for a proposed telecommunications company, or for
1053	the extension of an existing telecommunications company, which
1054	will be providing either competitive or duplicative pay
1055	telephone service pursuant to the provisions of s. 364.3375, or
1056	private line service by a certified alternative access vendor
1057	pursuant to s. 364.337(6). Pay telephone service shall include
1058	that telephone service using telephones that are capable of
1059	accepting payment by specie, paper money, or credit cards.
1060	(4) Except as provided in s. 364.33, revocation,
1061	suspension, transfer, or amendment of a certificate shall be
1062	subject to the provisions of this section <del>; except that, when the</del>
1063	commission initiates the action, the commission shall furnish
1064	notice to the appropriate local government and to the Public
1065	Counsel.

1066 Section 33. Section 364.337, Florida Statutes, is repealed. 1067 Section 34. Section 364.3375, Florida Statutes, is amended 1068 to read:

1069

364.3375 Pay telephone service providers.-

1070 (1) (a) <u>A</u> No person <u>may not</u> shall provide pay telephone 1071 service without first obtaining from the commission a 1072 certificate of <u>authority or necessity</u> <u>public convenience and</u> 1073 <u>necessity</u> to provide such service, except that the certification

### Page 37 of 52

579-02803-11 20111524c1 1074 provisions of this subsection do not apply to a local exchange 1075 telecommunications company providing pay telephone service.

(b) In granting such certificate the commission, if it finds that the action is consistent with the public interest, may exempt a pay telephone provider from some or all of the requirements of this chapter. However, the commission may exempt a pay telephone provider from this section only to prevent fraud or if it finds the exemption to be in the public interest.

(c) A certificate authorizes the pay telephone provider to provide services statewide and to provide access to both local and intrastate interexchange pay telephone service, except that the commission may limit the type of calls that can be handled.

1086

(2) Each pay telephone station shall:

1087 (a) Receive and permit coin-free access to the universal 1088 emergency telephone number "911" where operable or to a local 1089 exchange company toll operator.

(b) Receive and provide coin-free or coin-return access to local directory assistance and the telephone number of the person responsible for repair service.

1093 (c) Designate a party responsible for processing refunds to 1094 customers.

(d) Be equipped with a legible sign, card, or plate of reasonable permanence which provides information determined by the commission, by rule, to adequately inform the end user.

1098 (e) Be eligible to subscribe to flat-rate, single-line1099 business local exchange services.

(3) Each pay telephone station which provides access to any interexchange telecommunications company shall provide access to all locally available interexchange telecommunications companies

#### Page 38 of 52

	579-02803-11 20111524c1
1103	and shall provide for the completion of international telephone
1104	calls under terms and conditions as determined by the
1105	commission. The commission may grant limited waivers of this
1106	provision to pay telephone companies <del>or operator service</del>
1107	<del>providers</del> to prevent fraud or as otherwise determined in the
1108	public interest.
1109	(4) A pay telephone provider may charge, as a maximum rate
1110	for local coin calls, a rate equivalent to the local coin rate
1111	of the local exchange telecommunications company.
1112	(5) A pay telephone provider shall not obtain services from
1113	an operator service provider unless such operator service
1114	provider has obtained a certificate of public convenience and
1115	necessity from the commission pursuant to the provisions of s.
1116	<del>364.3376.</del>
1117	Section 35. Section 364.3376, Florida Statutes, is
1118	repealed.
1119	Section 36. Section 364.3381, Florida Statutes, is
1120	repealed.
1121	Section 37. Section 364.3382, Florida Statutes, is
1122	repealed.
1123	Section 38. Section 364.339, Florida Statutes, is repealed.
1124	Section 39. Section 364.345, Florida Statutes, is repealed.
1125	Section 40. Section 364.37, Florida Statutes, is repealed.
1126	Section 41. Section 364.385, Florida Statutes, is amended
1127	to read:
1128	364.385 Saving clauses.—
1129	(1) This act does not invalidate any certificate or cause
1130	to be unlawful any rate which has been previously approved and
1131	which is lawfully being charged and collected immediately prior

# Page 39 of 52

579-02803-11 20111524c1 1132 to July 1, 1995. However, such rate may not be changed, and a 1133 certificate may not be modified, suspended, or revoked, on or 1134 after July 1, 1995, except in accordance with the provisions of 1135 this act. 1136 (2) All applications for extended area service, routes, or 1137 extended calling service pending before the commission on March 1, 1995, shall be governed by the law as it existed prior to 1138 1139 July 1, 1995. Upon the approval of the application, the extended area service, routes, or extended calling service shall be 1140 1141 considered basic services and shall be regulated as provided in 1142 s. 364.051. Proceedings including judicial review pending on July 1, 1995, shall be governed by the law as it existed prior 1143 to the date on which this section becomes a law. No new 1144 proceedings governed by the law as it existed prior to July 1, 1145 1146 1995, shall be initiated after July 1, 1995. Any administrative 1147 adjudicatory proceeding which has not progressed to the stage of 1148 a hearing by July 1, 1995, may, with the consent of all parties 1149 and the commission, be conducted in accordance with the law as 1150 it existed prior to January 1, 1996. (3) Florida Public Service Commission Order No. PSC 94-1151 0172-FOF-TL shall remain in effect, and BellSouth 1152 1153 Telecommunications, Inc., shall fully comply with that order 1154 unless modified by the Florida Public Service Commission 1155 pursuant to the terms of that order. The order may not be 1156 modified to extend beyond December 31, 1997, except that the Florida Public Service Commission shall retain jurisdiction and 1157 1158 all parties shall retain their rights under the agreement after December 31, 1997, solely for the purpose of effectuating the 1159 1160 provisions of the order applicable to periods prior to January

#### Page 40 of 52

	579-02803-11 20111524c1
1161	1, 1998. The depreciation rates approved by the Florida Public
1162	Service Commission and in effect as of December 31, 1994, shall
1163	be used to calculate the earnings available for sharing for
1164	periods prior to January 1, 1998.
1165	(4) The rates and charges for basic local
1166	telecommunications service and network access service approved
1167	by the commission in accordance with the decisions set forth in
1168	Order Nos. PSC 03-1469-FOF-TL and PSC 04-0456-FOF-TL, and which
1169	are in effect immediately prior to July 1, 2007, shall remain in
1170	effect and such rates and charges may not be changed after the
1171	effective date of this act, except in accordance with the
1172	provisions of <u>s. 364.163</u> <del>ss. 364.051 and 364.163</del> .
1173	Section 42. Section 364.386, Florida Statutes, is amended
1174	to read:
1175	364.386 Reports to the Legislature
1176	(1)(a) The commission shall submit to the President of the
1177	Senate, the Speaker of the House of Representatives, and the
1178	majority and minority leaders of the Senate and the House of
1179	Representatives, on August 1, 2008, and on an annual basis
1180	thereafter, a report on the status of competition in the
1181	telecommunications industry and a detailed exposition of the
1182	following:
1183	1. The overall impact of local exchange telecommunications
1184	competition on the continued availability of universal service.
1185	1.2. The ability of competitive providers to make
1186	functionally equivalent local exchange services available to
1187	both residential and business customers at competitive rates,
1188	terms, and conditions.

1189

2.3. The ability of consumers to obtain functionally

# Page 41 of 52

	579-02803-11 20111524c1
1190	equivalent services at comparable rates, terms, and conditions.
1191	3.4. The overall impact of competition price regulation on
1192	the maintenance of reasonably affordable and reliable high-
1193	quality telecommunications services.
1194	4. <del>5.</del> A listing and short description of any carrier
1195	disputes filed under s. 364.16. What additional services, if
1196	any, should be included in the definition of basic local
1197	telecommunications services, taking into account advances in
1198	technology and market demand.
1199	6. Any other information and recommendations which may be
1200	in the public interest.
1201	(b) The commission shall make an annual request to
1202	providers of local exchange telecommunications services on or
1203	before March 1, 2008, and on or before March 1 of each year
1204	thereafter, for the data it requires to complete the report. A
1205	provider of local exchange telecommunications services shall
1206	file its response with the commission on or before April 15,
1207	2008, and on or before April 15 of each year thereafter.
1208	(2) <del>In lieu of</del> The quantitative part of the information
1209	requested in the commission's annual data request shall be
1210	limited to, a provider of local exchange telecommunications
1211	services may file the following:
1212	<del>(a)</del> a copy of the FCC Form 477 filed <u>by a provider of local</u>
1213	exchange telecommunications service with the Federal
1214	Communications Commission, which must identify Florida-specific
1215	access line data <u>or similar information if an FCC Form 477 is</u>
1216	not available.; and
1217	(b) Provisioned Florida access line data identified by
1218	telephone exchange location.

# Page 42 of 52

	579-02803-11 20111524c1
1219	(3) The Office of Public Counsel is also directed to submit
1220	a report on competition in the telecommunications industry and
1221	on how the price regulation provisions of s. 364.051 have
1222	benefited the ratepayers and consumers of this state and any
1223	other information and recommendations which may be in the public
1224	interest.
1225	Section 43. Section 364.501, Florida Statutes, is repealed.
1226	Section 44. Section 364.503, Florida Statutes, is repealed.
1227	Section 45. Section 364.506, Florida Statutes, is repealed.
1228	Section 46. Section 364.507, Florida Statutes, is repealed.
1229	Section 47. Section 364.508, Florida Statutes, is repealed.
1230	Section 48. Section 364.515, Florida Statutes, is repealed.
1231	Section 49. Section 364.516, Florida Statutes, is repealed.
1232	Section 50. Section 364.601, Florida Statutes, is repealed.
1233	Section 51. Section 364.602, Florida Statutes, is repealed.
1234	Section 52. Section 364.603, Florida Statutes, is repealed.
1235	Section 53. Section 364.604, Florida Statutes, is repealed.
1236	Section 54. Subsection (6) of section 196.012, Florida
1237	Statutes, is amended to read:
1238	196.012 DefinitionsFor the purpose of this chapter, the
1239	following terms are defined as follows, except where the context
1240	clearly indicates otherwise:
1241	(6) Governmental, municipal, or public purpose or function

(6) Governmental, municipal, or public purpose or function shall be deemed to be served or performed when the lessee under any leasehold interest created in property of the United States, the state or any of its political subdivisions, or any municipality, agency, special district, authority, or other public body corporate of the state is demonstrated to perform a function or serve a governmental purpose which could properly be

### Page 43 of 52

CS for SB 1524

579-02803-11 20111524c1 1248 performed or served by an appropriate governmental unit or which 1249 is demonstrated to perform a function or serve a purpose which 1250 would otherwise be a valid subject for the allocation of public 1251 funds. For purposes of the preceding sentence, an activity 1252 undertaken by a lessee which is permitted under the terms of its 1253 lease of real property designated as an aviation area on an 1254 airport layout plan which has been approved by the Federal 1255 Aviation Administration and which real property is used for the 1256 administration, operation, business offices and activities 1257 related specifically thereto in connection with the conduct of 1258 an aircraft full service fixed base operation which provides 1259 goods and services to the general aviation public in the 1260 promotion of air commerce shall be deemed an activity which 1261 serves a governmental, municipal, or public purpose or function. 1262 Any activity undertaken by a lessee which is permitted under the 1263 terms of its lease of real property designated as a public 1264 airport as defined in s. 332.004(14) by municipalities, 1265 agencies, special districts, authorities, or other public bodies corporate and public bodies politic of the state, a spaceport as 1266 1267 defined in s. 331.303, or which is located in a deepwater port 1268 identified in s. 403.021(9) (b) and owned by one of the foregoing 1269 governmental units, subject to a leasehold or other possessory 1270 interest of a nongovernmental lessee that is deemed to perform 1271 an aviation, airport, aerospace, maritime, or port purpose or 1272 operation shall be deemed an activity that serves a 1273 governmental, municipal, or public purpose. The use by a lessee, 1274 licensee, or management company of real property or a portion 1275 thereof as a convention center, visitor center, sports facility 1276 with permanent seating, concert hall, arena, stadium, park, or

#### Page 44 of 52

579-02803-11 20111524c1 1277 beach is deemed a use that serves a governmental, municipal, or 1278 public purpose or function when access to the property is open 1279 to the general public with or without a charge for admission. If 1280 property deeded to a municipality by the United States is 1281 subject to a requirement that the Federal Government, through a 1282 schedule established by the Secretary of the Interior, determine 1283 that the property is being maintained for public historic 1284 preservation, park, or recreational purposes and if those 1285 conditions are not met the property will revert back to the 1286 Federal Government, then such property shall be deemed to serve 1287 a municipal or public purpose. The term "governmental purpose" 1288 also includes a direct use of property on federal lands in 1289 connection with the Federal Government's Space Exploration 1290 Program or spaceport activities as defined in s. 212.02(22). 1291 Real property and tangible personal property owned by the 1292 Federal Government or Space Florida and used for defense and 1293 space exploration purposes or which is put to a use in support 1294 thereof shall be deemed to perform an essential national 1295 governmental purpose and shall be exempt. "Owned by the lessee" 1296 as used in this chapter does not include personal property, 1297 buildings, or other real property improvements used for the 1298 administration, operation, business offices and activities 1299 related specifically thereto in connection with the conduct of 1300 an aircraft full service fixed based operation which provides 1301 goods and services to the general aviation public in the 1302 promotion of air commerce provided that the real property is 1303 designated as an aviation area on an airport layout plan 1304 approved by the Federal Aviation Administration. For purposes of 1305 determination of "ownership," buildings and other real property

#### Page 45 of 52

579-02803-11 20111524c1 1306 improvements which will revert to the airport authority or other 1307 governmental unit upon expiration of the term of the lease shall 1308 be deemed "owned" by the governmental unit and not the lessee. 1309 Providing two-way telecommunications services to the public for 1310 hire by the use of a telecommunications facility, as defined in 1311 s. 364.02(14) s. 364.02(15), and for which a certificate is 1312 required under chapter 364 does not constitute an exempt use for purposes of s. 196.199, unless the telecommunications services 1313 1314 are provided by the operator of a public-use airport, as defined 1315 in s. 332.004, for the operator's provision of 1316 telecommunications services for the airport or its tenants, 1317 concessionaires, or licensees, or unless the telecommunications 1318 services are provided by a public hospital. 1319 Section 55. Paragraph (b) of subsection (1) of section 1320 199.183, Florida Statutes, is amended to read: 1321 199.183 Taxpayers exempt from nonrecurring taxes.-1322 (1) Intangible personal property owned by this state or any 1323 of its political subdivisions or municipalities shall be exempt 1324 from taxation under this chapter. This exemption does not apply 1325 to: 1326 (b) Property related to the provision of two-way 1327 telecommunications services to the public for hire by the use of 1328 a telecommunications facility, as defined in s. 364.02(14) s. 1329 364.02(15), and for which a certificate is required under chapter 364, when the service is provided by any county, 1330 1331 municipality, or other political subdivision of the state. Any 1332 immunity of any political subdivision of the state or other 1333 entity of local government from taxation of the property used to 1334 provide telecommunication services that is taxed as a result of

### Page 46 of 52

1	579-02803-11 20111524c1
1335	this paragraph is hereby waived. However, intangible personal
1336	property related to the provision of telecommunications services
1337	provided by the operator of a public-use airport, as defined in
1338	s. 332.004, for the operator's provision of telecommunications
1339	services for the airport or its tenants, concessionaires, or
1340	licensees, and intangible personal property related to the
1341	provision of telecommunications services provided by a public
1342	hospital, are exempt from taxation under this chapter.
1343	Section 56. Subsection (6) of section 212.08, Florida
1344	Statutes, is amended to read:
1345	212.08 Sales, rental, use, consumption, distribution, and
1346	storage tax; specified exemptionsThe sale at retail, the
1347	rental, the use, the consumption, the distribution, and the
1348	storage to be used or consumed in this state of the following
1349	are hereby specifically exempt from the tax imposed by this
1350	chapter.
1351	(6) EXEMPTIONS; POLITICAL SUBDIVISIONSThere are also
1352	exempt from the tax imposed by this chapter sales made to the
1353	United States Government, a state, or any county, municipality,
1354	or political subdivision of a state when payment is made
1355	directly to the dealer by the governmental entity. This
1356	exemption shall not inure to any transaction otherwise taxable
1357	under this chapter when payment is made by a government employee
1358	by any means, including, but not limited to, cash, check, or
1359	credit card when that employee is subsequently reimbursed by the
1360	governmental entity. This exemption does not include sales of
1361	tangible personal property made to contractors employed either
1362	directly or as agents of any such government or political
1363	subdivision thereof when such tangible personal property goes

# Page 47 of 52

579-02803-11 20111524c1 1364 into or becomes a part of public works owned by such government 1365 or political subdivision. A determination whether a particular 1366 transaction is properly characterized as an exempt sale to a 1367 government entity or a taxable sale to a contractor shall be 1368 based on the substance of the transaction rather than the form 1369 in which the transaction is cast. The department shall adopt 1370 rules that give special consideration to factors that govern the 1371 status of the tangible personal property before its affixation 1372 to real property. In developing these rules, assumption of the 1373 risk of damage or loss is of paramount consideration in the 1374 determination. This exemption does not include sales, rental, 1375 use, consumption, or storage for use in any political 1376 subdivision or municipality in this state of machines and 1377 equipment and parts and accessories therefor used in the 1378 generation, transmission, or distribution of electrical energy 1379 by systems owned and operated by a political subdivision in this 1380 state for transmission or distribution expansion. Likewise 1381 exempt are charges for services rendered by radio and television stations, including line charges, talent fees, or license fees 1382 1383 and charges for films, videotapes, and transcriptions used in 1384 producing radio or television broadcasts. The exemption provided 1385 in this subsection does not include sales, rental, use, 1386 consumption, or storage for use in any political subdivision or 1387 municipality in this state of machines and equipment and parts 1388 and accessories therefor used in providing two-way 1389 telecommunications services to the public for hire by the use of 1390 a telecommunications facility, as defined in s. 364.02(14) s. 1391 364.02(15), and for which a certificate is required under 1392 chapter 364, which facility is owned and operated by any county,

#### Page 48 of 52

579-02803-11 20111524c1 1393 municipality, or other political subdivision of the state. Any 1394 immunity of any political subdivision of the state or other 1395 entity of local government from taxation of the property used to 1396 provide telecommunication services that is taxed as a result of 1397 this section is hereby waived. However, the exemption provided 1398 in this subsection includes transactions taxable under this 1399 chapter which are for use by the operator of a public-use 1400 airport, as defined in s. 332.004, in providing such telecommunications services for the airport or its tenants, 1401 1402 concessionaires, or licensees, or which are for use by a public 1403 hospital for the provision of such telecommunications services. 1404 Section 57. Subsection (8) of section 290.007, Florida 1405 Statutes, is amended to read: 1406 290.007 State incentives available in enterprise zones.-The 1407 following incentives are provided by the state to encourage the 1408 revitalization of enterprise zones: 1409 (8) Notwithstanding any law to the contrary, the Public Service Commission may allow public utilities and 1410 1411 telecommunications companies to grant discounts of up to 50 1412 percent on tariffed rates for services to small businesses 1413 located in an enterprise zone designated pursuant to s. 1414 290.0065. Such discounts may be granted for a period not to exceed 5 years. For purposes of this subsection, the term 1415 1416 "public utility" has the same meaning as in s. 366.02(1) and the term "telecommunications company" has the same meaning as in s. 1417 1418 364.02(13) <del>s. 364.02(14)</del>.

1419Section 58. Subsection (3) of section 350.0605, Florida1420Statutes, is amended to read:

1421 350.0605 Former commissioners and employees; representation

#### Page 49 of 52

579-02803-11

20111524c1

1422 of clients before commission.-

1423 (3) For a period of 2 years following termination of 1424 service on the commission, a former member may not accept 1425 employment by or compensation from a business entity which, 1426 directly or indirectly, owns or controls a public utility 1427 regulated by the commission, from a public utility regulated by 1428 the commission, from a business entity which, directly or 1429 indirectly, is an affiliate or subsidiary of a public utility 1430 regulated by the commission or is an actual business competitor 1431 of a local exchange company or public utility regulated by the 1432 commission and is otherwise exempt from regulation by the 1433 commission under ss. 364.02(13) ss. 364.02(14) and 366.02(1), or 1434 from a business entity or trade association that has been a 1435 party to a commission proceeding within the 2 years preceding 1436 the member's termination of service on the commission. This 1437 subsection applies only to members of the Florida Public Service 1438 Commission who are appointed or reappointed after May 10, 1993.

1439 Section 59. Section 364.105, Florida Statutes, is amended 1440 to read:

1441 364.105 Discounted rate for basic service for former 1442 Lifeline subscribers.-Each local exchange telecommunications 1443 company shall offer discounted residential basic local 1444 telecommunications service at 70 percent of the residential 1445 local telecommunications service rate for any Lifeline subscriber who no longer qualifies for Lifeline. A Lifeline 1446 1447 subscriber who requests such service shall receive the 1448 discounted price for a period of 1 year after the date the 1449 subscriber ceases to be qualified for Lifeline. In no event 1450 shall this preclude the offering of any other discounted

#### Page 50 of 52

CS for SB 1524

1	579-02803-11 20111524c1
1451	services which comply with <u>s. 364.10</u> <del>ss. 364.08 and 364.10</del> .
1452	Section 60. Section 364.32, Florida Statutes, is amended to
1453	read:
1454	364.32 Definitions applicable to <u>s. 364.33</u> <del>ss. 364.33,</del>
1455	364.337, 364.345 and 364.37.—As used in ss. 364.33, 364.337,
1456	<del>364.345 and 364.37</del> :
1457	(1) "Person" means:
1458	(a) Any natural person, firm, association, county,
1459	municipality, corporation, business, trust, or partnership
1460	owning, leasing, or operating any facility used in the
1461	furnishing of public telecommunications service within this
1462	state; and
1463	(b) A cooperative, nonprofit, membership corporation, or
1464	limited dividend or mutual association, now or hereafter
1465	created, with respect to that part or portion of its operations
1466	devoted to the furnishing of telecommunications service within
1467	this state.
1468	(2) "Territory" means any area, whether within or without
1469	the boundaries of a municipality.
1470	Section 61. Subsection (5) of section 489.103, Florida
1471	Statutes, is amended to read:
1472	489.103 ExemptionsThis part does not apply to:
1473	(5) Public utilities, including special gas districts as
1474	defined in chapter 189, telecommunications companies as defined
1475	in <u>s. 364.02(13)</u> <del>s. 364.02(14)</del> , and natural gas transmission
1476	companies as defined in s. 368.103(4), on construction,
1477	maintenance, and development work performed by their employees,
1478	which work, including, but not limited to, work on bridges,
1479	roads, streets, highways, or railroads, is incidental to their

# Page 51 of 52

579-02803-11 20111524c1 business. The board shall define, by rule, the term "incidental to their business" for purposes of this subsection. Section 62. This act shall take effect July 1, 2011.

### Page 52 of 52

CODING: Words stricken are deletions; words underlined are additions.

CS for SB 1524