

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

---

Prepared By: The Professional Staff of the Committee on Governmental Oversight and Accountability

---

BILL: CS/SB 1018

INTRODUCER: Communications, Energy, and Public Utilities Committee and Senator Bean

SUBJECT: Lifeline Service

DATE: February 5, 2018

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Wiehle</u>	<u>Caldwell</u>	<u>CU</u>	<u>Fav/CS</u>
2.	<u>Caldwell</u>	<u>Caldwell</u>	<u>GO</u>	<u>Pre-meeting</u>
3.	_____	_____	<u>RC</u>	_____

**Please see Section IX. for Additional Information:**

COMMITTEE SUBSTITUTE - Substantial Changes

**I. Summary:**

CS/SB 1018 amends s. 364.10, F.S., relating to Lifeline services, to include in the term “eligible telecommunications carrier” (ETC) any commercial mobile radio service provider that has been certified as an ETC by the Public Service Commission (PSC or commission).

This bill takes effect July 1, 2018.

**II. Present Situation:**

The Lifeline program was created by the federal government in 1985 to provide phone service discounts for qualifying low-income consumers as part of the federal Universal Service Program. In 2016, the Federal Communications Commission (FCC) adopted a comprehensive modernization reform adding broadband access to the Lifeline program. As a result, qualifying households may either receive up to a \$9.25 discount on their monthly phone or broadband bill or receive a free Lifeline cell phone and limited voice or broadband from certain wireless carriers.<sup>1, 2</sup>

---

<sup>1</sup> Florida Public Service Commission, *Florida Lifeline Assistance: Number of Customers Subscribing to Lifeline Service And the Effectiveness of Procedures to Promote Participation*, , pg. 3( Dec. 2017).

<sup>2</sup> The FCC had already expanded the Lifeline program to include wireless voice communications services in 2005 to accommodate shifting consumer demand. *Lifeline Program for Low-Income Consumers*, available at: <https://www.fcc.gov/general/lifeline-program-low-income-consumers> (last visited Jan. 31, 2017).

In Florida, the PSC oversees the Lifeline program<sup>3</sup> and Lifeline services are provided to eligible customers by an “eligible telecommunications carrier,” a term defined to mean “a telecommunications company, as defined by s. 364.02, which is designated as an eligible telecommunications carrier by the commission pursuant to 47 C.F.R. s. 54.201.”<sup>4</sup>

The commission only evaluates applications for eligible telecommunications carrier (ETC) designation from wireline companies, leaving wireless applications to be evaluated by the FCC.<sup>5</sup> The commission explains this position as follows: “The Florida 2011 Legislature (HB 1231), removed the FPSC authority to designate ETC wireless providers. Effective July 1, 2012, wireless providers must directly apply for Florida ETC designation with the FCC.”<sup>6</sup>

In 2011, the Florida Legislature passed the “Regulatory Reform Act,” completing its deregulation of retail landline telecommunications service providers. Prior to this Act, s. 364.011, F.S., in part, exempted wireless communications from PSC jurisdiction except as “specifically authorized by federal law.” The Act deleted the quoted language from this statute.<sup>7</sup> This appears to be the statutory change that the PSC refers to as removing its authority to designate a wireless carrier as an ETC.

### III. Effect of Proposed Changes:

The bill amends s. 364.10, F.S., on Lifeline services, to include in the term “eligible telecommunications carrier” any commercial mobile radio service provider that is certified as an ETC by the PSC.

The bill takes effect July 1, 2018.

### IV. Constitutional Issues:

#### A. Municipality/County Mandates Restrictions:

The mandate restrictions do not apply because the bill does not require counties and municipalities to spend funds, reduce counties’ or municipalities’ ability to raise revenue, or reduce the percentage of state tax shared with counties and municipalities.

#### B. Public Records/Open Meetings Issues:

None.

#### C. Trust Funds Restrictions:

None.

---

<sup>3</sup> Section 364.10, F.S.

<sup>4</sup> Section 364.10(1)(a), F.S.

<sup>5</sup> Fla. Public Service Commission, *supra* note 2 at 3.

<sup>6</sup> Fla. Public Service Commission, *supra* note 2 at 3, FN 13.

<sup>7</sup> Section 3, Ch. 2011-36, L.O.F.

**V. Fiscal Impact Statement:****A. Tax/Fee Issues:**

None.

**B. Private Sector Impact:**

The bill should allow wireless communications services providers to obtain an eligible telecommunications carrier designation quicker, thereby allowing them to provide Lifeline service to eligible customers and obtain Universal Service payments quicker. This should benefit both the carriers and customers.

**C. Government Sector Impact:**

The PSC may incur costs associated with designating these carriers as eligible telecommunications carriers.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends section 364.10 of the Florida Statutes.

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

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

**CS by Communications, Energy, and Public Utilities on January 10, 2018:**

For purposes of providing Lifeline services under s. 364.10, F.S., any commercial mobile radio service provider that is certified as an eligible telecommunications carrier by the Public Service Commission is included in the term “eligible telecommunications carrier.” The provision authorizing the commission to make the designation was moved from s. 364.011, F.S.

**B. Amendments:**

None.