

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/CS/HB 551 Designation of Eligible Telecommunications Carriers

SPONSOR(S): Commerce Committee, Energy, Communications & Cybersecurity Subcommittee, Barnaby

TIED BILLS: **IDEN./SIM. BILLS:** CS/SB 478

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Energy, Communications & Cybersecurity Subcommittee	14 Y, 0 N, As CS	Baldree	Keating
2) Commerce Committee	15 Y, 0 N, As CS	Baldree	Hamon

SUMMARY ANALYSIS

The federal Lifeline program (Lifeline) provides telecommunications service discounts for qualifying low-income consumers. Consumers may qualify to participate in Lifeline either through program-based or income-based eligibility standards. Qualifying households can receive a discount on their monthly phone or broadband Internet bills from providers which have been designated as eligible telecommunications carriers (ETCs).

Pursuant to federal law, state commissions are granted authority to designate a company as an ETC. In Florida, the Public Service Commission (PSC) oversees Lifeline. Florida law does not authorize the PSC to designate wireless carriers as ETCs. If a company is not subject to the jurisdiction of the state commission, the company must petition the Federal Communications Commission (FCC) for ETC designation.

The bill authorizes the PSC to designate wireless providers as ETCs for the limited purpose of providing Lifeline service.

The bill does not appear to have a fiscal impact on state or local governments.

The bill provides that it will take effect upon becoming law.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

In 1985 the Lifeline program (Lifeline) was created by federal law, providing telecommunications service discounts for qualifying low-income consumers. Lifeline's initial goal was to ensure that all Americans had the opportunity and security that basic phone service provides. Over time, that goal has evolved to include broadband service. Qualifying households can receive up to a \$9.25 discount on their monthly phone or broadband Internet bills from wireline service providers that have been designated as eligible telecommunications carriers (ETCs). Alternatively, consumers may choose to receive monthly wireless minutes and/or measured data service from designated wireless providers.¹

Consumers may qualify to participate in Lifeline either through program-based or income-based eligibility standards. Program-based eligibility is determined by a customer's enrollment in specific qualifying programs. Customers can qualify for Lifeline by being enrolled in any of the following programs:

- Supplemental Nutrition Assistance Program (SNAP)
- Medicaid
- Federal Public Housing Assistance
- Supplemental Security Income
- Veterans or Survivors Pension Program
- Bureau of Indian Affairs Programs, including Tribal Temporary Assistance to Needy Families, Head Start Subsidy, and National School Lunch Program.²

Consumers whose total household income is less than 135 percent of the Federal Poverty Guidelines may participate in Lifeline under the income-based standard. The Federal Poverty Guidelines are annually updated by the United States Department of Health and Human Services.³

Florida Lifeline ETC Designation

Pursuant to federal law, state commissions⁴ are granted authority to designate a company as an ETC.⁵ In Florida, the Public Service Commission (PSC) oversees Lifeline. As permitted by federal law, the PSC designates telecommunications companies⁶ as ETCs pursuant to standards outlined in federal law.^{7, 8} Telecommunications providers must be designated as an ETC in order to participate in the Lifeline program.⁹ Florida law requires that an ETC must provide Lifeline service to qualified residential subscribers as defined in the ETC's published schedules.¹⁰

Designation of Wireless Carriers

Florida law does not authorize the PSC to designate commercial mobile radio service providers (wireless carriers) as ETCs. If a wireless carrier is not subject to the jurisdiction of the state commission, the company must petition the Federal Communications Commission (FCC) for ETC

¹ Public Service Commission (PSC), *2022 Florida Lifeline Assistance Report*, December 2022, p. 3., <https://www.floridapsc.com/pscfiles/website-files/PDF/Publications/Reports/Telecommunication/LifelineReport/2022.pdf>.

² *Id.*

³ *Id.* at 4.

⁴ The term state commission means the commission, board or official (by whatever name designated) that, under the laws of any state, has regulatory jurisdiction with respect to intrastate operations of carriers. 47 C.F.R. § 54.5 (1997).

⁵ Florida Public Service Commission, Agency Analysis of 2024 Senate Bill 478, p. 1 (Nov. 28, 2023).

⁶ A telecommunications company does not include commercial mobile radio service providers. S. 364.02(13), F.S.

⁷ S. 364.10(1)(a), F.S.

⁸ See 47 C.F.R. § 54.5 (1997).

⁹ Florida Public Service Commission, Agency Analysis of 2024 Senate Bill 478, p. 1 (Nov. 28, 2023).

¹⁰ S. 364.10(1)(a), F.S.

designation.¹¹ The PSC indicates that, since 2011, there have been 37 ETC applications by wireless carriers to the FCC for which no action has been taken.¹²

Effect of the Bill

The bill authorizes the PSC to designate wireless carriers as ETCs for the limited purpose of providing Lifeline service. The bill does not grant the PSC jurisdiction over wireless carriers for any other purpose.

B. SECTION DIRECTORY:

Section 1: Amends s. 364.10, F.S., relating to Lifeline service.

Section 2: Provides that the bill is effective upon becoming law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.¹³

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

According to the PSC, allowing wireless providers to petition the PSC for ETC designation may result in a more expedited application process, which may lead to more companies offering service with a Lifeline discount.¹⁴ The bill does not alter the pool of eligible consumers.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not Applicable. The bill does not appear to affect county or municipal government.

2. Other:

¹¹ Florida Public Service Commission, Agency Analysis of 2024 Senate Bill 478, p. 1 (Nov. 28, 2023).

¹² *Id.*

¹³ Florida Public Service Commission, Agency Analysis of 2024 Senate Bill 478, p. 2 (Nov. 28, 2023).

¹⁴ *Id.* at 2.

None.

B. RULE-MAKING AUTHORITY:

The bill does not authorize or require rulemaking.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

On December 12, 2023, the Energy, Communications & Cybersecurity Subcommittee adopted an amendment and reported the bill favorably as a committee substitute. The amendment clarified the Public Service Commission's regulatory jurisdiction with respect to wireless carriers.

On January 23, 2024, the Commerce Committee adopted an amendment and reported the bill favorably as a committee substitute. The amendment removed language related to the Public Service Commission's regulatory jurisdiction beyond matters not addressed in the bill.

This analysis is drafted to the committee substitute as passed by the Commerce Committee.