

FLORIDA PUBLIC SERVICE COMMISSION

Division of Appeals

DOCKET NO. 900644-TP

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DEPARTMENT OF STATE
TALLAHASSEE, FLORIDA

RULE TITLE:

RULE NO.:

Regulatory Assessment Fees;

25-4.0161

Telecommunications Companies

PURPOSE AND EFFECT: To generate revenue sufficient to pay the cost of regulating telecommunications companies, the Commission proposes to increase the regulatory assessment fee rate from .125 (1/8) percent to .15 percent of telecommunications companies' gross operating revenues derived from intrastate business.

The proposed rule amendment also increases the minimum annual regulatory assessment fee to \$50 beginning in 1991, as required by section 364.336, Florida Statutes. The Commission further proposes to adopt a new regulatory assessment fee return form for each of the four types of telecommunications companies required to pay a regulatory assessment fee.

SUMMARY: The Commission proposes to amend Rule 25-4.0161, F.A.C.,

to increase the regulatory assessment fee rate that is paid by

interexchange telecommunications companies, local exchange

companies, pay telephone companies, and shared tenant service

providers from .125 to .15 percent of their gross operating

revenues derived from intrastate business. Interexchange companies

and pay telephone companies would be allowed to deduct the amount

they pay for use of the local network from their gross operating

revenues before computing the regulatory assessment fee pursuant to

s. 364.337(4), F.S., as amended by s. 34, Chapter 90-244, Laws of

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FPSC-RECORDS/REPORTING

Florida.

The proposed rule amendment also increases the minimum annual regulatory assessment fee to \$50 beginning in 1991, as required by section 364.336, Florida Statutes. The Commission proposes to adopt a new regulatory assessment fee return form for each of the four types of telecommunications companies required to pay a regulatory assessment fee.

RULEMAKING AUTHORITY: 350.127(2)

LAW IMPLEMENTED: 350.113

SUMMARY OF THE ESTIMATE OF ECONOMIC IMPACT OF THESE RULES:

Telecommunications companies pay regulatory assessment fees as a percentage of their assessable gross operating revenues. The proposed rule amendment increases the percentage from .125 to .15 of one percent of gross revenues derived from intrastate business. By statute, each company must pay a minimum fee towards regulatory costs, however, even if profits are low or nonexistent. In 1989, 225 telecommunications companies paid the minimum fee. Approximately 825 companies owed the minimum fee but did not pay it.

Under the amended statute and proposed rule revision, small companies currently paying the minimum fee of \$25 based on assessable revenues of up to \$20,000 would pay a minimum fee of \$50. Beginning October 1, 1990, however, pay telephone companies, are statutorily authorized to deduct the access fees they pay to local exchange companies before computing their regulatory assessment fees, so many of these companies may pay lower fees than in the past.

Based on the estimated level of telecommunications companies' assessable operating revenues for 1991 and 1992, the proposed increase in regulatory assessment fees will generate additional revenue of \$1,138,057 for 1991 and \$1,183,477 for 1992. The Commission will receive 92.7 percent of this amount, the state general revenue fund will receive 7 percent, and the remaining .3 percent will go to the Agency Budget Sunset Trust Fund. The actual projected cost to the companies will be less than these amounts because regulatory assessment fees are a tax deductible expense and payment of them reduces companies' taxable profits.

WRITTEN COMMENTS OR SUGGESTIONS ON THE PROPOSED RULE MAY BE SUBMITTED TO THE FPSC, DIVISION OF RECORDS AND REPORTING, WITHIN 21 DAYS OF THE DATE OF THIS NOTICE FOR INCLUSION IN THE RECORD OF THE PROCEEDING. IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE HELD AT THE DATE AND PLACE SHOWN BELOW:
TIME AND DATE: 10:00 A.M., November 8, 1990

PLACE: Room 122, 101 East Gaines Street, Tallahassee, Florida.
THE PERSON TO BE CONTACTED REGARDING THESE RULES AND THE ECONOMIC IMPACT STATEMENT IS: Director of Appeals, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, Florida 32399
THE FULL TEXT OF THE RULE IS:

25-4.0161 Regulatory Assessment Fees; Telecommunications [Telephone] Companies.

(1) As applicable and as provided in s. 350.113, F.S. s. 364.336, F.S., and s. 364.337(4), F.S. [(1985)], each company shall remit a fee based upon its gross operating revenue as provided below. This fee shall be referred to as a regulatory assessment

fee, and each company shall pay a regulatory assessment fee in the amount of .15 [one-eighth] of one percent of its gross operating revenues derived from intrastate business. For the purpose of determining this fee, each interexchange telecommunications company and each pay telephone company shall deduct from gross operating revenues amounts paid for use of the local network to a telecommunications company providing local service. Regardless of the gross operating revenue of a company, a minimum annual regulatory assessment fee of \$50 [\$25] shall be imposed.

(2) Regulatory assessment fees and the applicable regulatory assessment fee return form are due each January 30 for the preceding period or any part of the period from July 1 until December 31, and on July 30 for the preceding period or any part of the period from January 1 until June 30. Commission Form PSC/CMU 25, entitled "Communication Company Regulatory Assessment Fee Return," applicable to local exchange telecommunications companies; Form PSC/CMU 26, entitled "Pay Telephone Service Provider Regulatory Assessment Fee Return;" Form PSC/CMU 34, entitled "Shared Tenant Service Provider Regulatory Assessment Fee Return;" and Form PSC/CMU 153, entitled "Interexchange Company Regulatory Assessment Fee Return," are incorporated into this rule by reference and may be obtained from the Commission's Division of Administration. Each company shall have up to and including the due date in which to submit the applicable form and:

- (a) Remit the total amount of its fee, or
- (b) Remit an amount which the company estimates is its full fee, or

(c) Seek and receive from the Commission a 30-day extension of its due date.

(3) Where the company remits less than its full fee pursuant to subsection (2)(b) of this rule, the remainder of the full fee shall be due on or before the 30th day from the due date and shall, where the amount remitted was less than 90 percent [%] of the total regulatory assessment fee, include interest as provided by subsection (5)(b) of this rule.

(4) Where a company receives a 30-day extension of its due date pursuant to subsection (2)(c) of this rule, then the company shall remit a charge in addition to the regulatory assessment fees, as set out in s. 350.113(5), F.S. [(1985)].

(5) The delinquency of any amount due to the Commission from the company pursuant to the provisions of s. 350.113, F.S., [(1985)] and this rule, begins with the first day after any date established as the due date either by operation of this rule or by an extension pursuant to this rule.

(a) A penalty, as set out in s. 350.113, F.S., [(1985)] shall apply to any such delinquent amounts.

(b) Interest at the rate of 12 percent [%] per annum shall apply to any such delinquent amounts.

Specific Authority: 350.127(2), 364.336, 364.337(4), F.S.

Law Implemented: 350.113, F.S.

History: New 5/18/83, formerly 25-4.161, Amended 10/16/86, _____.

NAME OF PERSON ORIGINATING PROPOSED RULE: Chris Holman, Division of Communications.

NAME OF SUPERVISOR OR PERSON(S) WHO APPROVED THE PROPOSED RULE:

Florida Public Service Commission

DATE PROPOSED RULES APPROVED: October 2, 1990

If any person decides to appeal any decision of the Commission with respect to any matter considered at the rulemaking hearing, if held, a record of the hearing is necessary. The appellant must ensure that a verbatim record, including testimony and evidence forming the basis of the appeal is made. The Commission usually makes a verbatim record of rulemaking hearings.