

ORIGINAL

BEFORE THE  
FLORIDA SENATE

COPY

---

FLOOR DEBATE ON  
COMMITTEE SUBSTITUTE FOR SENATE BILL 654

---

DATE: April 30, 2003

LOCATION: The Capitol  
Tallahassee, Florida

TRANSCRIBED BY: MARY ALLEN NEEL, RPR  
Notary Public, State  
of Florida at Large

ACCURATE STENOGRAPHY REPORTERS, INC.  
2894-A REMINGTON GREEN LANE  
TALLAHASSEE, FLORIDA 32308  
(850) 878-2221

AUS \_\_\_\_\_  
CAF \_\_\_\_\_  
CMP \_\_\_\_\_  
COM \_\_\_\_\_  
CTR \_\_\_\_\_  
ECR \_\_\_\_\_  
GCL \_\_\_\_\_  
OPC \_\_\_\_\_  
MMS \_\_\_\_\_  
SEC   1    
OTH \_\_\_\_\_

DOCUMENT NUMBER-DATE

12343 DEC-38

FPSC-COMMISSION CLERK

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

PROCEEDINGS

SENATOR KING: Take up and read the next bill.

THE SECRETARY: Committee Substitute for Senate Bill 654, a bill to be entitled "An act related to regulation of telecommunications companies."

SENATOR KING: Senator Haridopoulos of the 26th, you're recognized to explain your bill.

SENATOR HARIDOPOLOS: Thank you, Mr. President.

This legislation will build on the 1995 legislation bringing competition to local markets, and this gives the PSC the absolute authority to set prices and consumer protection.

SENATOR KING: You've heard the explanation of the bill by the sponsor. Are there amendments?

THE SECRETARY: None on the desk, Mr. President.

SENATOR KING: Are there questions here or debate?

Senator Campbell, for what purpose?

SENATOR CAMPBELL: Just a couple of questions.

SENATOR KING: You're recognized. He yields.

1                   SENATOR CAMPBELL: Senator, I just want to  
2 verify some facts before I make a decision on how I'm  
3 going to vote on this. Does the Public Service  
4 Commission have the authority to deny or condition a  
5 rate rebalancing requested by the companies?

6                   SENATOR KING: Senator Haridopoulos to  
7 respond.

8                   SENATOR HARIDOPOLOS: Yes, Senator from the  
9 32nd. They have this very strict language in Section  
10 15 of the bill which says that the -- the language as  
11 outlined making sure that it must be in the best  
12 interests of residential customers and bring local  
13 competition to the market before they would look at  
14 the rates.

15                   SENATOR CAMPBELL: Are there any other  
16 criteria for the petition?

17                   SENATOR KING: Senator Haridopoulos to  
18 respond.

19                   SENATOR HARIDOPOLOS: Throughout Section 15  
20 they outline, specifically in sections 1 through 9,  
21 each of the criteria. But the main criterion I  
22 thought we were looking at most closely would be again  
23 for the PSC to decide is there increased competition  
24 and will this benefit local customers.

25                   SENATOR CAMPBELL: Can I have a series of

1 questions? It's just about four or five.

2 SENATOR KING: You're recognized. He  
3 yields.

4 SENATOR CAMPBELL: AT&T long distance  
5 service last year upped their rates by \$1.95  
6 arbitrarily. Does that go away in this bill?

7 SENATOR KING: Senator Haridopoulos to  
8 respond.

9 SENATOR HARIDOPOLOS: Yes, they will. As  
10 the adjustments are made on the access charges, should  
11 they be made, the \$1.95 charge -- and I think there's  
12 also another company that offers this or charges this  
13 -- would also be reduced or eliminated.

14 SENATOR CAMPBELL: And as I understand it,  
15 you are in this bill increasing the Lifeline for  
16 approximately a million to 1.2 million Floridians.

17 SENATOR KING: Senator Haridopoulos to  
18 respond.

19 SENATOR HARIDOPOLOS: That's a very good  
20 question. Yes, we have increased the Lifeline  
21 provision dramatically, up to 125%, which would bring  
22 over -- yes, over a million Floridians will now be  
23 eligible for this program.

24 SENATOR CAMPBELL: How are Floridians going  
25 to know about this?

1                   SENATOR HARIDOPOLOS: I think the best way  
2 is that -- I think Senator Siplin from the 19th  
3 District and others have asked about this question.  
4 One is that there are already plans within the bill  
5 which uses coordination between the companies and also  
6 government agencies, DCS specifically. And also I  
7 have a letter from the --

8                   SENATOR CAMPBELL: I can't hear anything.

9                   SENATOR KING: Yes, it's getting loud. If  
10 you've got business to conduct, go off the floor,  
11 because you do have to be respectful to those people  
12 who are engaged in meaningful debate.

13                   Go ahead, Senator Campbell.

14                   SENATOR CAMPBELL: All right.

15                   SENATOR KING: Senator Haridopoulos to  
16 respond.

17                   SENATOR HARIDOPOLOS: In response to your  
18 question, yes, there are provisions in the bill so  
19 that these companies will work with government  
20 agencies. Also, I have a letter from the different  
21 companies involved promising that they will spend over  
22 the next three years \$1 million to enhance the  
23 Lifeline portion so that more persons are realizing  
24 this incredible program and opportunity so we can keep  
25 phone service at a very low rate.

1           SENATOR CAMPBELL: And one final question.  
2           Once they reach rebalancing, will the companies have  
3           any restraints as far as raising fees, similar to what  
4           we saw in the cable bill that we passed a couple of  
5           years ago?

6           SENATOR KING: Senator Haridopoulos to  
7           respond.

8           SENATOR HARIDOPOLOS: There are provisions  
9           once rebalancing is met so that we can -- the PSC --  
10          the whole goal of the bill is to move this out of the  
11          Legislature and put it in the Public Service  
12          Commission's hands. They will be the ones in charge  
13          of all ratemaking abilities in the future.

14          SENATOR CAMPBELL: So it's going to be  
15          taken away from the Legislature, essentially?

16          SENATOR KING: Senator Haridopoulos to  
17          respond.

18          SENATOR HARIDOPOLOS: In my now three years  
19          in the Legislature, this has been a political  
20          football, as you know, Senator Campbell. And our goal  
21          has been to take this political football out of the  
22          Legislature and put it in the hands of the Public  
23          Service Commission. And that's exactly, yes, what  
24          this bill will do.

25          SENATOR CAMPBELL: All right. One final,

1 and I'm done.

2 SENATOR KING: You said that three ago.

3 SENATOR CAMPBELL: I know. I got three?  
4 All right.

5 SENATOR KING: Senator Campbell, you're  
6 recognized.

7 SENATOR CAMPBELL: When I first bought a  
8 cellular phone, I think we paid \$900 for it. We can  
9 now get phones given to us for free by the companies.  
10 We get long distance service, and we get local service  
11 because of the competitive market that was brought  
12 into the cellular phone industry.

13 Do you anticipate that this bill will in  
14 fact result in competitive markets such that in fact  
15 the phone rates for everybody will essentially go  
16 down?

17 SENATOR KING: Senator Haridopoulos to  
18 respond.

19 SENATOR HARIDOPOLOS: I like that question,  
20 in the sense that it's exactly the case. I think  
21 America proves that when you have true competition,  
22 prices go down. I think without question not only the  
23 basic cost, but I think the extra services that come  
24 on, those costs will go down. That's my hope and  
25 ambition, and I think history tells us that will be

1 correct, your statement.

2 SENATOR CAMPBELL: Thank you,  
3 Mr. President.

4 SENATOR KING: You bet.

5 Senator Siplin, I saw you from the 19th  
6 first. You're recognized.

7 SENATOR SIPLIN: Thank you, Mr. President.  
8 For a series of questions?

9 SENATOR KING: You're recognized. He  
10 yields. Remember, now, this is third reading. We're  
11 supposed to be debating, but that's okay, because as I  
12 recall, we had some problem the bill. You're right.  
13 Go ahead.

14 SENATOR SIPLIN: Thank you.

15 Senator from the 26th, will your bill  
16 impose an automatic increase on our customers, on our  
17 citizens in the State of Florida?

18 SENATOR HARIDOPOLOS: That's a very good  
19 question. Absolutely not. As I think -- I know you  
20 worked on the bill with me. This is very clear that  
21 the Public Service Commission has absolute control  
22 over costs and prices. And again, to make it clear to  
23 the members, the only way that a rate increase could  
24 take place is only if the mandates or conditions are  
25 met, and that is that it must be in the best interests



1 of residential customers and must bring local  
2 competition before they can look at rates.

3 SENATOR KING: Senator from the 19th for a  
4 follow-up.

5 SENATOR SIPLIN: Before there's any type of  
6 increase from the Public Service Commission, will the  
7 public be advised and will they have participation in  
8 that process and that decision?

9 SENATOR KING: Senator Haridopoulos to  
10 respond.

11 SENATOR HARIDOPOLOS: Again, excellent  
12 question. This is the opportunity, just like in any  
13 rate issue, whether it be water or electric. Now, by  
14 having the PSC, you will have your day in court, so to  
15 speak. If you're a consumer group or a person who's  
16 very concerned about the rates of phones, you can  
17 again go before the Commission just like in any trial  
18 and present your case. This is a true opportunity --  
19 I know we had Jack Shreve here just the other day.  
20 The Office of Public Counsel will have that  
21 opportunity so you can present the case and make sure  
22 the interest of the consumers is looked at first right  
23 there at the Public Service Commission.

24 SENATOR SIPLIN: One of the major reasons  
25 why I'm considering voting in favor for this bill is

1 because of the fact that it's going to increase the  
2 Lifeline to our most vulnerable citizenry, which is  
3 our poor, our deprived blacks and Hispanics, and, of  
4 course, our seniors.

5 How long will the Lifeline services exist  
6 under your bill?

7 SENATOR HARIDOPOLOS: Under the current  
8 condition of the bill, they will last indefinitely, I  
9 mean, as long as we keep the law in its current form,  
10 125% of the poverty level. I think that's around  
11 \$23,000 now for a family of four. They will receive  
12 that \$13 credit on their bill.

13 And I think the other great thing, with  
14 your leadership, we have the commitment from these  
15 different affected groups, and they'll commit over a  
16 million dollars promoting this program so that we can  
17 increase the numbers of persons who can take advantage  
18 of the Lifeline program, and helping seniors and those  
19 persons who are financially troubled at this time.

20 SENATOR SIPLIN: Okay. Under your bill,  
21 we've just gotten an agreement from BellSouth, Sprint,  
22 and Verizon to provide a million dollars over the next  
23 three years to educate the public, because  
24 historically there's over a million people who qualify  
25 for this, but only about 20%, less than 200,000, have

1 actually applied for it.

2 Are you committed today on this floor to  
3 fight again after this million dollars expires in  
4 terms of informing the public about this Lifeline  
5 qualification and availability?

6 SENATOR HARIDOPOLOS: I think with the  
7 provisions that you bring up, this year, 2003, they'll  
8 commit over a half a million dollars, and in 2004, an  
9 additional 300,000, and in 2005, \$200,000 to promote  
10 this program.

11 I would also ask that the groups that had  
12 concerns about this bill, that they use their  
13 promotional elements. You know, the AARP has some  
14 issues that they brought up. I hope they use their  
15 services and their ability to reach those vulnerable  
16 citizens and promote the program. I think it's a  
17 valuable one. And I think we can use the Office of  
18 Public Counsel and their budget within the Public  
19 Service Commission to continue to promote this plan.  
20 I think that's a very good idea.

21 SENATOR SIPLIN: Another concern by the  
22 AARP is the fact that some states such as Texas, and I  
23 believe Alabama, have automatic sign-up for the  
24 Lifeline program. Once the million dollars has  
25 expired and been utilized properly over the next three

1 years, would you be willing to consider to work with  
2 the Senator from the 19th to look at whether or not we  
3 can make this automatic for all of the applicable  
4 qualified customers?

5 SENATOR KING: Senator Haridopoulos to  
6 respond.

7 SENATOR HARIDOPOLOS: Very good question.  
8 I know you've been the leader on this issue in the  
9 House and now in the Senate. The point that what has  
10 come about -- we do want to try to have some kind of  
11 link-up, but we've got to be very conscious -- I know  
12 Senator Aronberg and others are working on making sure  
13 privacy is kept. So when we deal with some of these  
14 agencies, we want to make sure the privacy issues are  
15 taken care of. And if there is some type of link-up  
16 they can provide and make sure they're just basically  
17 plugged into a program that's available to them, I  
18 would be willing to work on that issue, without  
19 question.

20 SENATOR KING: Senator Aronberg, you're  
21 recognized.

22 SENATOR ARONBERG: Thank you,  
23 Mr. President.

24 My question for Senator Haridopoulos -- and  
25 this builds on the question from Senator Campbell.

1           I was hit last year with a series of these  
2 access recovery fees. It was from Sprint. It wasn't  
3 from AT&T. I'm wondering if that's the fee you were  
4 talking about when you addressed Senator Campbell's  
5 questions. Are those the fees that are going to be  
6 removed from people's phone bills, these access  
7 recovery fees that have been imposed by Sprint,  
8 Verizon, and the others to defray the cost of these  
9 access charges?

10           SENATOR KING: Senator Haridopoulos to  
11 respond.

12           SENATOR HARIDOPOLOS: Excellent question,  
13 and that is exactly the case. As you read through the  
14 bill, you'll see within the legislation, this fee will  
15 be removed and the prices will go down immediately for  
16 those long distance customers.

17           SENATOR KING: Senator Aronberg for a  
18 follow-up.

19           SENATOR ARONBERG: Thank you,  
20 Mr. President.

21           Senator Haridopoulos, is there currently a  
22 limit on the access recovery fees that a company can  
23 charge its customers?

24           SENATOR KING: Senator Haridopoulos to  
25 respond.

1                   SENATOR HARIDOPOLOS: No, these will be set  
2 by companies. They're in a competitive market  
3 already, the long distance companies, and they would  
4 be the ones who set the rate. But again, we're  
5 looking at something I think a little bit different  
6 here.

7                   SENATOR KING: Senator Aronberg for a  
8 follow-up.

9                   SENATOR ARONBERG: Thank you,  
10 Mr. President.

11                   I just want to clarify. What I was asking  
12 is, currently, under current law, is there any  
13 limitation on the amount that a company can charge  
14 customers when they regard these charges as access  
15 recovery fees? Is there a limit on those fees?

16                   SENATOR KING: Senator Haridopolos to  
17 respond.

18                   SENATOR HARIDOPOLOS: There is no limit.

19                   SENATOR ARONBERG: Okay. Last question.

20                   SENATOR KING: Senator Aronberg for a  
21 follow-up.

22                   SENATOR ARONBERG: Thank you,  
23 Mr. President.

24                   Lastly, Senator Haridopolos, apparently the  
25 utilities, FPL and TECO, they have their rates set by

1 the PSC as opposed to the Legislature, and I was just  
2 wondering, why are the politicians charged with  
3 setting rates for phone as opposed to electrical  
4 utilities?

5 SENATOR KING: Senator Haridopolos for a  
6 response.

7 SENATOR HARIDOPOLOS: Well, Senator  
8 Aronberg, you and I were not here when this happened.  
9 And I think what we're trying to do is simply move  
10 this out of this political body and move it to the  
11 professionals at the Public Service Commission again  
12 where, I think as Senator Siplin brought up earlier,  
13 the issue that we can truly have a court or a hearing  
14 to make sure that at any time there is a rate increase  
15 or decrease at issue, you can have the public testify  
16 and fully get involved in the issue.

17 SENATOR ARONBERG: Thank you.

18 SENATOR KING: Senator Argenziano from the  
19 Third, you're recognized.

20 COMMISSIONER DAVIDSON: Mr. President, it's  
21 for debate rather than questions. Is this the proper  
22 time?

23 SENATOR KING: All right. Are there more  
24 questions? More questions?

25 Senator from the 39th, Senator Bullard,

1 you're recognized.

2 SENATOR BULLARD: Thank you,  
3 Mr. President.

4 I want to say, Senator Haridopoulos and  
5 Aronberg, I like you two. You're going places. I  
6 wanted to say -- I just wanted to say that to preface  
7 my question. I like to hear their dialogue.

8 I would like to ask Senator Haridopoulos if  
9 this -- can you explain to me how the poor or working  
10 class will be affected by this? If you could just  
11 tell me what in this will support the poor and working  
12 class.

13 SENATOR HARIDOPOLOS: I think that's a very  
14 good question, Senator Bullard. And I think the most  
15 important provisions which led me to support this bill  
16 -- and I know the Governor had concerns, and this is  
17 how we're addressing the Governor's concerns as well  
18 -- is increasing the availability or the opportunities  
19 for those persons, so that now 125% of the poverty  
20 level can now get this free service, basically, \$13  
21 per month as a credit on their bill.

22 And you also have an easier provision in  
23 which to get on it. You used to have to qualify for a  
24 multitude of programs. Now if you qualify for a  
25 single one of these low income programs, you can



1 qualify for the Lifeline program.

2 So we're actually increasing the  
3 opportunities for those persons to get what they  
4 rightly deserve, and that is up to 125% of the poverty  
5 level. And our most vulnerable citizens I believe  
6 will now be taken care of, and they won't have that  
7 fear of not being able to pay for their phone service.

8 SENATOR BULLARD: Thank you.

9 SENATOR KING: Senator -- well, other  
10 questions? Senator Cowin, was yours a question?

11 SENATOR COWIN: Yes.

12 SENATOR KING: Senator Cowin, you're  
13 recognized.

14 SENATOR COWIN: Yes. Actually, I -- you  
15 know, I come from a rural area, and the concern that I  
16 have is with the rural communities and many people,  
17 especially of limited income, but not completely poor,  
18 so they would not necessarily qualify for the  
19 Lifeline, but have phones in their homes mainly for  
20 local service, for the 911, for that kind of service.

21 could you tell me exactly how your bill  
22 will impact the rural communities in the fact that  
23 they don't have long distance rates that could come  
24 down? It's obvious, it seems to me, that their local  
25 rates will go up. And I don't know where that

1 competition will come from.

2 SENATOR KING: Senator Haridopoulos to  
3 respond.

4 SENATOR HARIDOPOLOS: Senator Cowin, I  
5 think you bring up a very legitimate issue and an  
6 issue of concern to a lot of persons. I think what  
7 gives me comfort as I read through the bill,  
8 especially in Section 15, it clearly delineates, it  
9 clearly mandates that -- it says to the areas we're  
10 hoping to open up to competition that there must be a  
11 benefit to residential customers and there must be  
12 competition in the market before they can adjust these  
13 rates. That's the comfort level that I have in the  
14 bill. If there is no competition, if it's not in the  
15 best interests of the customer, their rates cannot be  
16 increased.

17 And again, we're giving that discretion to  
18 the Public Service Commission, and we're going to have  
19 persons from the background of Jack Shreve and others  
20 defend before the Public Service Commission saying  
21 that this is not the right thing to do, raise rates in  
22 this area.

23 Also, you have a provision which was not in  
24 the previous bill of having the carrier of last  
25 resort. That's expanded all the way now to 2009, and

1 I think that will also benefit the rural areas which  
2 have legitimate concerns about this bill.

3 But I think those two key points, saying  
4 there must be competition and it must benefit the  
5 local customer, is really the key provision. And I  
6 think you might see -- it might take longer for  
7 competition, but that also means that the rates will  
8 not go up in these noncompetitive areas.

9 SENATOR KING: Senator Cowin for a  
10 follow-up.

11 SENATOR COWIN: A follow-up and then  
12 another question. So I guess I'm hearing you say that  
13 in a rural community, that if the telephone rates  
14 don't have competition or the rates don't go -- and  
15 the rates won't go up if there isn't competition for  
16 those people that don't have any long distance, or are  
17 you looking at it as a total picture and saying  
18 overall, there will be parity, because overall the  
19 long distance rates -- where is the geographic region  
20 for competition for rural communities? Is that a  
21 separate entity?

22 SENATOR HARIDOPOLOS: I believe, Senator  
23 Cowin, as the bill clearly states, that what you're  
24 going to have here is simply, as the PSC looks at each  
25 -- as the company asks in a particular jurisdiction to

1 raise rates, they're going to look at the parameters  
2 of the area they're looking at specifically, and  
3 they're going to ask those two basic questions, will  
4 it benefit customers, and is there true competition.  
5 And I think that's what we want to hand to the  
6 professionals at the PSC, this very type of question.

7 SENATOR COWIN: And I have no problem with  
8 that.

9 As a follow-up, though, on another  
10 question, on the quality of service, let's say they  
11 find out that there's competition and they find out  
12 that they're going to reduce the access fees or  
13 eliminate them, and the local long distance will go  
14 down, and the local rates will go up, and you have  
15 this "kumbaya" on the telephone system in that  
16 particular area. What will happen if the quality of  
17 service is then poor and it's out under the regulation  
18 of the Public Service Commission? What recourse do  
19 people have, the average person, under this new world  
20 phenomena to protect against poor quality of service?

21 SENATOR KING: Senator Haridopoulos to  
22 respond.

23 SENATOR HARIDOPOLOS: I think that's a very  
24 fair question. I think there will be two things. One  
25 is the Public Service Commission still has oversight

1 over the industry. And second, I think what America  
2 has proven again is the idea that with competition, if  
3 you don't like your service, you can change your  
4 service. And I think that's a very important element  
5 here.

6 I think everyone has agreed. I think  
7 Senator Campbell brings up a very good point. We see  
8 with cell phones, when you're unhappy with your  
9 service and you see a better deal, you switch over.  
10 And I think this bill will finally provide a true  
11 avenue for competition and bring those costs down.

12 SENATOR KING: Before I get to Senator  
13 Sebesta, just one second.

14 Senator Constantine for an announcement, an  
15 introduction.

16 SENATOR CONSTANTINE: Thank you very much,  
17 Mr. President. Mr. President, I would like to  
18 introduce Girl Scout Troop 2039. They're here from  
19 Seminole County. They are the subject of our  
20 resolution today, which was 2974. They are all  
21 fourth-graders from Sweetwater Episcopal Academy in  
22 Longwood, Florida. These young ladies represent what  
23 is right in our kids today, and we want to welcome  
24 them to the Florida Senate.

25 SENATOR KING: Welcome, Girl Scouts.

1 (Applause.)

2 SENATOR KING: Thank you very much for  
3 being here, and thank you very much for the sponsors  
4 and the troop leaders too. We appreciate everything  
5 that you all do on behalf of shaping the direction and  
6 the ideology of our young. Thank you very much for  
7 your time.

8 Okay. Wait a second. Senator Sebesta,  
9 you're recognized for a question.

10 SENATOR SEBESTA: Thank you, Mr. President.  
11 Senator, I voted no on this bill last year  
12 and was, as you know, leaning no this year. I've been  
13 listening very intently to what you and our fellow  
14 Senators have been saying. I guess I have two  
15 questions for you.

16 One, can you tell me beyond a shadow of a  
17 doubt that whether these rates will go up or down is  
18 subject to the Public Service Commission and how they  
19 decide?

20 SENATOR KING: Senator Haridopolos to  
21 respond.

22 SENATOR HARIDOPOLOS: I can say without a  
23 doubt it will be the complete job of the Public  
24 Service Commission to decide the rates one way or the  
25 other, without question.

1                   SENATOR SEBESTA: Okay. Follow-up,  
2 Mr. President?

3                   SENATOR KING: Follow-up.

4                   SENATOR SEBESTA: Number two, the folks  
5 that I am most concerned about here -- now, the  
6 Lifeline project is wonderful, and the telephone  
7 companies are to be commended for that. That's really  
8 wonderful. But that takes it to \$23,000 a year for a  
9 family of four. What I'm most concerned about is that  
10 next chunk, let's say the next 20,000, because even at  
11 \$43,000 a year, for a family of four, man, they're  
12 still struggling. And if they're looking at an up to  
13 \$7 a month rate increase, that's 100 bucks a year in  
14 pre-tax. That's a chunk for a family that's really  
15 suffering. What do we do about them?

16                  SENATOR KING: Senator Haridopolos, you're  
17 recognized.

18                  SENATOR HARIDOPOLOS: well, I believe with  
19 this bill, the true intent of the bill is true  
20 competition. We've been waiting for a long time for  
21 this true competition. We've been at it since 1995.  
22 And I think with this bill, we've already heard  
23 testimony in our committee about how companies are  
24 ready to come in now that there's going to be true  
25 competition. And I think you're going to see the

1 phone rates not go anywhere near these increases that  
2 you've spoken about.

3 SENATOR SEBESTA: One last follow-up,  
4 Mr. President?

5 SENATOR KING: You're recognized.

6 SENATOR SEBESTA: Thank you, sir. So as  
7 you said a minute ago, rates will not be allowed to go  
8 up unless there is new competition in the area?

9 SENATOR KING: Senator Haridopoulos to  
10 respond.

11 SENATOR HARIDOPOLOS: That is correct.  
12 There must be competition, and it must be in the  
13 benefit of residential customers.

14 SENATOR SEBESTA: I think you just sold me.

15 SENATOR HARIDOPOLOS: Thank you, sir.

16 SENATOR KING: Are there other questions?  
17 We're on questions. Are there questions?

18 Now is there debate? Is there debate?

19 Senator from the 19th, you're recognized  
20 for debate.

21 SENATOR SIPLIN: Thank you, Mr. President.

22 I want to just say a few words as to why  
23 I'm going to vote favorably for this what I believe  
24 good bill. I'm very honored and blessed to be the  
25 chairperson of the Black Business Caucus, whose



1 primary purpose is to encourage businesses throughout  
2 this great State of Florida, particularly for  
3 minorities, blacks and Hispanics, who have not  
4 traditionally been a part of the success of our great  
5 state.

6 And even though I'm proud about that fact,  
7 I'm also proud about the fact that this bill does  
8 something unique that it hasn't done before, and that  
9 is bring about an additional million people who would  
10 qualify for the Lifeline service so they can have a  
11 phone line to deal with the basic services in their  
12 homes.

13 And, you know, even though I'm proud to be  
14 a businessman and support the Black Business Caucus,  
15 I'm even more satisfied with this bill because it  
16 helps the have-nots. And that is what we need to  
17 consider in terms of our leadership roles in the State  
18 of Florida. It helps the medically needy. It also  
19 helps our seniors. It helps our underprivileged  
20 blacks. It helps Puerto Ricans and Haitians, who are  
21 very unfortunate. And that is the primary reason why  
22 I'm supporting this bill. These people can't afford  
23 this type of services, and I'm proud of the fact that  
24 this bill does encourage that. It does include a new  
25 qualified group that will be able to receive the

1 Lifeline services.

2 As you recall, yesterday I put in an  
3 amendment that would make it mandatory that because of  
4 the history, that all these people who could not find  
5 the Lifeline services would be targeted, and the bill  
6 would be paid by the utility, Bell -- the telephone  
7 companies. And I removed my amendment voluntarily  
8 because they indicated to me that they would  
9 voluntarily pay private funding to advertise so that  
10 these million new people would learn about the  
11 Lifeline services. And I'm very proud of that fact.

12 And what I want to say now is, I want to  
13 read the applicable portion of the letter that I got.  
14 It's an agreement between all the Bell -- all of the  
15 telephone companies agreeing to make sure that those  
16 people who are vulnerable who couldn't necessarily  
17 qualify or who didn't have Lifeline service will now  
18 have that. In the applicable part it says that  
19 BellSouth Telecommunications, Inc., Sprint-Florida,  
20 Incorporated are committed to the Florida Public  
21 Service Commission and the Office of Public Counsel to  
22 provide \$675,000 in the aggregate to educate  
23 consumers, blacks, Hispanics, the have-nots, the  
24 medically needy, our seniors, about and promote the  
25 availability of Lifeline and Link-Up services. "The

1 undersigned" -- and I'm going to read their names  
2 distinctly too. "The undersigned will provide  
3 additional funding and services directly to Lifeline  
4 and Link-Up education and promotion, which will bring  
5 about a total expenditure of in excess of \$1 million  
6 over the next three years, approximately \$500,000  
7 during the year 2003, \$300,000 during the year 2004,  
8 and \$200,000 during the year of 2005."

9           And this agreement, which is sent to our  
10 Governor, Jeb Bush, was signed by BellSouth  
11 Telecommunications, Verizon, Inc., Sprint, and, of  
12 course, on behalf of Florida Cable Telecommunications,  
13 and copies were sent to our good president, our  
14 Speaker of the House, Johnnie Byrd, our minority  
15 leader Ron Klein, Doug Wiles, Lila Jaber, Chair for  
16 the Public Commission, and, of course, Jack Shreve,  
17 the Public Counsel.

18           So I feel quite confident that this is a  
19 good bill, and I'm voting for this bill primarily  
20 because it's going to bring into Lifeline over a  
21 million people who would not necessarily qualify for  
22 these basic services to have the services so they can  
23 take care of their families, make phone calls, have  
24 emergency phone calls. And I think this is the reason  
25 why -- this is the reason, in fact, why I've committed

1 to voting for this bill, because it does help the  
2 have-nots. And that's one of my important goals in  
3 being in the Florida Senate, is to reach out to those  
4 people who don't have -- to make sure they participate  
5 in society and have everything else that everybody  
6 else has.

7 So on behalf of -- that is why I'm  
8 supporting this bill. Thank you.

9 SENATOR KING: All right. Members,  
10 remember, now, there are a lot of bills left, and we  
11 are -- you know, we are going -- seemingly a  
12 tremendous amount of time on a bill that's on third  
13 reading that we had a tremendous amount of time spent  
14 on in second reading. But we're still in the debate  
15 quadrant.

16 Senator Bullard to debate, you're  
17 recognized.

18 SENATOR BULLARD: Thank you,  
19 Mr. President. I just wanted to say that this is a  
20 good bill. It is a step in the right direction. We  
21 know that, in all due respect to this process, we do  
22 -- we've worked very hard to ensure that we work  
23 toward a good product. And I believe that this is a  
24 good bipartisan product. This bill is revenue  
25 neutral. All of the in-state connection fees charged

1 -- and these are issues that are very important to  
2 consumers -- charged by interconnecting telecom  
3 companies is eliminated in this bill. And I believe  
4 that what we need to do is understand that while we  
5 can't always find a quick fix to such a bill as  
6 massive as the telecommunications bill, what Senator  
7 Haridopolos has done has created a very good working  
8 product. And for that reason, I believe that we  
9 should support this good bill.

10 SENATOR KING: All right. I'm trying to  
11 recognize those people for debate. I'm assuming,  
12 Senator Dawson, you're for debate. And I know Senator  
13 Argenziano is for debate, and Senator Bennett is for  
14 debate. Wait a second. Let me get a list.

15 Okay. We're going to have Senator Dawson.  
16 Are you for or against?

17 SENATOR DAWSON: I'm for.

18 SENATOR KING: Senator Cowin?

19 (Inaudible response.)

20 Senator Bennett?

21 (Inaudible response.)

22 Senator Argenziano?

23 (Inaudible response.)

24 Senator Smith, for or against?

25 (Inaudible response.)

1           SENATOR KING: Any other debaters?

2           Okay. So we have -- on my list now, we  
3 have five debaters. And when those five debaters are  
4 done, we're going to have a close by the bill sponsor,  
5 and then we're going to vote on this.

6           So let's start off with the first one I  
7 recognized. Senator Dawson, you're recognized for  
8 debate.

9           SENATOR DAWSON: Thank you, Mr. President  
10 and Senators.

11           I'll be real brief, but I need to kind of  
12 talk about why it is that I am going to support this  
13 telecommunications bill. And I've probably received  
14 so many phone calls or had to listen to so many rumors  
15 about this. And what I did was, I asked for a copy of  
16 the statute.

17           One of the rumors that was put before me  
18 was that the Lifeline was going to discontinue in a  
19 couple of years. Well, that's not true.

20           And another rumor was that if you were a  
21 Lifeline subscriber that you could not take advantage  
22 of any of the other services. Well, according to the  
23 statute, that's not true.

24           One of the issues that I was concerned  
25 with, and I'm sure no one in this Chamber is surprised

1 about, is the fact that there are so many other people  
2 out there in rural and in inner-city Florida that need  
3 to have basic phone service. With the addition to the  
4 already \$750,000 that the Public Service Commission  
5 requires Bellsouth to do, they were willing and we  
6 were able to expand that so that perhaps individuals  
7 in my district and in other rural communities who have  
8 not in the past had an opportunity to have phone  
9 service, and not on the backs of anyone else, but  
10 because -- this too is something that is important.  
11 When you don't have basic phone service, then you are  
12 basically out on a limb in the event that you need  
13 help.

14 I'm picturing supporting this because I  
15 have a great number of elderly who are on fixed income  
16 and who do need to have this basic service. So I'm  
17 supporting this measure because I think that not only  
18 will it allow the opportunity for people who have not  
19 in the past had the ability to have this service, but  
20 it now will also increase the visibility. There are  
21 so many individuals that I've had from my office to  
22 kind of bring up to speed to let them know what this  
23 bill actually means to them, and the fact that we've  
24 had a Lifeline program in the state for some time  
25 now. I think this will increase the visibility so

1 that many other Floridians who currently are unaware  
2 of this service will now have the ability to become  
3 aware and to take advantage of this service.

4 So with that, Mr. President, I am  
5 supporting this bill. Thank you.

6 SENATOR KING: Senator Cowin, against.

7 SENATOR COWIN: Yes. Members, you know,  
8 it's hard to look at this bill and think that it's  
9 really improved much from last year.

10 I believe that there is some more Public  
11 Service Commission oversight. However, I do believe  
12 that the flexibility that the Public Service  
13 Commission is only couched in words that say that  
14 there's public interest. I think as far as their  
15 regulation, they are there to establish parity, which  
16 in fact is lowering one set of rates in order to raise  
17 another set of rates. It has to be equal, so without  
18 question, there will be an increase in rates.

19 Let me bring up one issue that no one has  
20 ever addressed, and that's the fact that cell phones,  
21 as you know, have become ubiquitous. The problem is  
22 right now, where the money rests are not in long  
23 distance rates. And people, they say, "Oh, yes,  
24 because of competition." But the reality is, the  
25 money is going to be made on local service, as we use



1 local service for computers, as we use local service  
2 for high speed Internet and local service for  
3 contacting neighbor to neighbor and community to  
4 community. That's where the cost is going to be, and  
5 that's where the increase in profit is going to be  
6 made. So surely the regulation on the local service  
7 is not going to have a competitive nature in rural  
8 communities.

9 If this was a really good thing to do, then  
10 tell me why the bill exempts, and I believe it does,  
11 government entities and radio and television  
12 stations? I attest to you that that's probably  
13 because our school systems and our government entities  
14 would not be able to tolerate an increase in local  
15 costs. And likewise, the radio and television studios  
16 and stations would incur a high cost with local  
17 services.

18 If this bill is good, why does Section 5  
19 reduce the ability of city and county governments to  
20 regulate their cable TVs and their franchise  
21 agreements?

22 If this bill is good, why must people when  
23 they have a reduced quality of service after it's out  
24 of the regulation of the Public Service Commission  
25 have to look only to competition, which may or may not

1 be vibrant in their community, in order to get  
2 improved quality of service?

3 If this is good -- and this is important.  
4 If this bill is good, tell me why we have to raise the  
5 prices in order to get competition.

6 Members, I have seen spinning wheels in  
7 this Chamber many, many times. In politics, it's not  
8 how you say it, or not what you say; it's in how you  
9 couch it and how you spin it. I have never -- I mean,  
10 it's beside me to think in terms of raising rates,  
11 raising local rates, and depending on upcoming  
12 competition as a way of bringing them down. If they  
13 come down, guess what. They're still going to be  
14 higher than they were when they started.

15 So don't be fooled by that. I think that  
16 this is a slight improvement to last year, but let me  
17 tell you, if it was really the good thing to do, you  
18 wouldn't have a million and one lobbyists from  
19 telephone companies trying to raise their profits.

20 Thank you.

21 SENATOR KING: Senator Bennett, for.

22 SENATOR BENNETT: Thank you very much.

23 You know, telephone rates and the rates  
24 associated with them are one of the best buys in  
25 America. And one of the problems that we have is that

1 people kind of look at this as the analogy of like  
2 taking medicine. Okay? Sometimes the medicine tastes  
3 horrible, but the results are great. And if you look  
4 at it, that's always what has happened with  
5 competition in our phone system.

6 Look at your long distance rates. They are  
7 the perfect example of what happens when you bring in  
8 additional competition.

9 If we would have kept even the inflation  
10 rate, your basic rate right now from 1988, which  
11 \$10.65 is roughly where it's at, would be over \$16  
12 today. That is basically what BellSouth pays. We're  
13 not even keeping pace with inflation. If we get  
14 competition in here, competition will continue to  
15 drive down the rates just as it did the long distance  
16 service.

17 Could the rates possibly spike? Yes, the  
18 rates could possibly spike. But our senior citizens  
19 will eventually make out through competition. We need  
20 the competition if you ever want to get the rates  
21 down. It's the American way, and it has always worked  
22 in the past, and I would hope that everybody would  
23 support this good bill.

24 SENATOR KING: Senator Argenziano,  
25 against.

1                   SENATOR ARGENZIANO: Mr. President, could  
2 you come back to me after the next speaker, please?

3                   SENATOR KING: You're it.

4                   SENATOR ARGENZIANO: Okay. All right.  
5 Then I'm ready. And I just ask for your indulgence  
6 for maybe four or five minutes. I don't get up that  
7 often, and I do need to debate on the bill.

8                   First I want to say that I've heard a few  
9 things here today, and I have in my hand a letter. I  
10 sent 64 questions to the PSC before this session  
11 began, and I got their answers, and they're still to  
12 date, up to date. And I want to correct some  
13 misrepresentations or mistakes that were made here  
14 today.

15                   When you're talking about having an instant  
16 or having rate increases, let me show you what the  
17 question -- I'm going to read the question.

18                   "Is it correct that PSC approval of a LEC's  
19 petition to reduce its interstate switched network  
20 access rate in a revenue neutral manner must result in  
21 increases in the LEC's basic local service rates?"  
22 And the answer from the PSC was, "The bill does state,  
23 quote, to immediately implement a revenue category  
24 mechanism consisting of basic local telecommunications  
25 service revenues and interstate switched network

1 access revenues to achieve revenue neutrality. It  
2 also states an adjustment in rates may not be offset  
3 entirely by the company's basic monthly recurring  
4 rate."

5 And then when you talk about saying that  
6 there are long-term benefits to the customers in the  
7 bill, they come with strings attached. We are  
8 dictating, make no mistake, what the outcome will be  
9 from the PSC. Let me just read you the second  
10 question.

11 "Is it true that the PSC has no authority  
12 under this legislation to initiate basic local rate  
13 adjustments of any kind on its own motion and that its  
14 sole authority to address basic local rates or access  
15 fee adjustments would be on the petition of a local  
16 exchange telecommunications company?" The answer from  
17 the PSC is yes.

18 So please make no mistake that the PSC has  
19 total discretion. Their answers say no, that's not  
20 true.

21 "Am I correct in understanding that there  
22 is no possibility that the PSC could lower basic local  
23 service rates pursuant to this section of the  
24 legislation? " Their answer is yes, they cannot even  
25 lower them.

1           Now, the other point I just want to make is  
2 that I've been in the Legislature for seven years, and  
3 for seven years this bill has been around. It kind of  
4 reminds me of that darn annoying Energizer Bunny,  
5 except this is even more annoying.

6           And let me just go over the points of the  
7 bill that are not being told to you. It's the largest  
8 rate hike in the state's history. This will be the  
9 largest utility's rate hike in the state's history.

10           The language in the bill -- there's  
11 language in the bill that will do away with the  
12 quality of service. That's got to bother you.

13           It dictates to the PSC that the rate hike  
14 -- that there will be a rate hike.

15           The calling areas, your local calling  
16 areas, the language in the bill -- read the language  
17 -- says that it will possibly and most likely reduce  
18 the local calling areas. Thus, you will be making  
19 more long distance phone calls.

20           Lifeline. Oh, Lifeline is a no-brainer. I  
21 love Lifeline. It shouldn't even be in this bill.  
22 The major discussion is, Senator Siplin, on Lifeline,  
23 when it's only a very small percentage of this bill.  
24 Read page 21, (c). "Any local exchange  
25 telecommunications company customer receiving Lifeline

1 benefits shall not be subject to any residential basic  
2 local telecommunications service rate increases  
3 authorized by 363.164 until the local exchange  
4 telecommunications company reaches parity as defined  
5 in statute 364 or until the customer no longer  
6 qualifies for the Lifeline benefits." Guess when they  
7 reach parity, Senator Siplin. In two years they can  
8 reach parity, and local Lifeline rates will be  
9 increased.

10 So don't feel so comfortable with that as a  
11 sweetener, because that's all it is, is a sweetener.

12 And on competition, I love competition.  
13 But how do you -- how do you tell your customers or  
14 your consumers back at home, "Guess what. We need  
15 competition because the rates for local rates are too  
16 low. It's not attracting competition, so let's raise  
17 the rates so that we hope these companies rush back in  
18 to get back down to where we are and where they don't  
19 want to be to begin with"? That's not common sense at  
20 all.

21 Residential single-line business customers  
22 will pay all the increases in the basic local service  
23 rates, while multi-line business customers pay none of  
24 these increases, but the bill mandates that they  
25 receive the interstate reductions.

1                   And here's the kicker to this. And I'm  
2 going to end, but here's the kicker to this. There's  
3 no requirement that they maintain those initial toll  
4 reductions, not one requirement in the bill, for any  
5 period of time. So in a month, your access fees can  
6 go right back up.

7                   Read the bill. Ask the question.  
8 Sixty-four questions on my desk that were answered by  
9 the PSC, and it's not what I heard that this bill  
10 does.

11                   And in all honesty, this is not a consumer  
12 friendly bill. There's a lot of sweeteners in this  
13 bill, and I ask you to look at it again.

14                   And, Mr. President, I'm trying to be very  
15 senatorial, and my last statement on this bill I did  
16 with senatorial --

17                   SENATOR KING: Be careful.

18                   SENATOR ARGENZIANO: I did, and I'm going  
19 to say it, because this sums up my feeling in the best  
20 senatorial manner I can possibly do.

21                   This is the biggest suppository legislation  
22 we have ever been requested to introduce into the body  
23 politic.

24                   Thank you.

25                   SENATOR KING: Presidential. Presidential.



1                   Okay. Senator Smith?

2                   SENATOR SMITH: I'm only going to -- first  
3 of all, I don't know how you follow that.

4                   I wasn't going to speak. Senator  
5 Haridopolos has asked me to, so I will very briefly to  
6 say this: I support the bill. I support the bill  
7 because of the section that provides for competition  
8 and enhancement of competition.

9                   The decision that leads us where we are  
10 today was made a long time ago. We had two ways we  
11 could have gone in telecommunications. We could have  
12 stayed regulated, and we were that way for a long,  
13 long time.

14                   The technological explosion that we have  
15 seen, the explosion of services in communications that  
16 we have seen has been linked to deregulation. This is  
17 a final step in deregulation, and the final step in  
18 deregulation simply says to me that we are going to  
19 say that we want the market.

20                   Now, will there be winners and losers in  
21 the near term? Yes. There always will be when we  
22 make switches. There were the first time we made that  
23 decision.

24                   Some people tell me the AARP doesn't like  
25 this bill. They didn't like this bill, and the honest

1 truth is, they didn't like the idea of deregulation  
2 when it first started. But we've made those  
3 decisions. We are on that path, and so far what we've  
4 done in technology in this country is unprecedented,  
5 and it's unprecedented because it has been based on  
6 what has always worked best for us, and that is  
7 competition.

8           And when you make your vote today, my view  
9 is -- and Senator Haridopoulos will say it better, but  
10 my view is this is a simple idea about did we come up  
11 with a plan that says that that Commission that is to  
12 make the final decision is supposed to look to see one  
13 thing, and that is have we enhanced competition, and  
14 if we have enhanced competition, have we encouraged  
15 new entries into the market. Then in the long term,  
16 it won't be short-term winners and short-term losers.  
17 It will be that our state, this industry, and the  
18 whole concept of telecommunications will be a winner,  
19 and I support this bill for that reason.

20           SENATOR KING: Senator Haridopoulos to  
21 close.

22           SENATOR HARIDOPOLOS: Thank you,  
23 Mr. President. I appreciate the spirited debate. I  
24 think the most important thing is this political  
25 football game is finally over.

1           I remember when I filed this bill two years  
2 ago in the House, there were lobbyists lined up on  
3 both sides. And what we have finally done is, the  
4 Legislature I think has come together and looked at an  
5 issue to finally increase competition, but with the  
6 important ingredient of oversight. I think everyone  
7 in this room understands the professionals we have at  
8 the Public Service Commission, and that's where we're  
9 going to put this political football to bed. We're  
10 going to take it out of the Legislature and put it in  
11 the professionals' hands where citizen groups and  
12 persons alike can make sure that if there is any  
13 discussion about rates, the persons can be there to  
14 defend the right of the consumer.

15           I think this bill is all about competition  
16 and innovation, and I think that's what America is all  
17 about, competition and innovation.

18           I want to thank Senator Siplin for his good  
19 work on this bill, as well as Senator Smith and  
20 others, and, of course, the Chairman, Senator Bennett,  
21 for bringing all sides together. This has been a  
22 long time in coming, as Senator Smith has said. And I  
23 think that we have finally put this political football  
24 to bed, and I think it's time for us to move forward  
25 and trust competition in the same way we trusted

1 competition to make the United States.

2 Thank you.

3 SENATOR KING: The Senator having closed on  
4 his bill, the Secretary will unlock the machine and  
5 members will prepare the vote.

6 Have all members voted? Have all members  
7 voted? Have all members voted?

8 The Secretary will lock the machine and  
9 announce the vote.

10 THE SECRETARY: Twenty-seven yeas, 12 nays,  
11 Mr. President.


12 SENATOR KING: And so by your vote,  
13 Committee Substitute for Senate Bill 654 is passed.

14 (Conclusion of consideration of Committee  
15 substitute for Senate Bill 654 on April 30, 2003.)  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

1  
2  
3 CERTIFICATE OF TRANSCRIBER  
4

5 STATE OF FLORIDA:

6 COUNTY OF LEON:

7 I, MARY ALLEN NEEL, do hereby certify that the  
8 foregoing was transcribed by me from an audiotape,  
9 and that the foregoing pages numbered 1 through 44  
10 are a true and correct transcription of the aforesaid  
11 proceedings to the best of my ability.12 I FURTHER CERTIFY that I am not a relative,  
13 employee, attorney or counsel of any of the parties,  
14 nor relative or employee of such attorney or counsel,  
15 or financially interested in the foregoing matter.16 DATED THIS 21st day of October, 2003.  
1718   
19 MARY ALLEN NEEL, RPR  
20 2894-A Remington Green Lane  
21 Tallahassee, Florida 32308  
22 (850) 878-2221  
23  
24  
25