

ORIGINAL

BEFORE THE
FLORIDA HOUSE OF REPRESENTATIVES

COPY

FLOOR DEBATE ON
HOUSE BILL 1903 AND
SENATE BILL 654

DATE: May 1, 2003

LOCATION: The Capitol
Tallahassee, Florida

TRANSCRIBED BY: MARY ALLEN NEEL, RPR
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FPSC-COMMISSION CLERK

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PROCEEDINGS

THE SPEAKER: Read the next bill.

THE CLERK: By the Committee on Business Regulation and Representative Mayfield, House Bill 1903, a bill to be entitled "An act relating to regulation of telecommunications companies."

THE SPEAKER: Representative Mayfield.

REPRESENTATIVE MAYFIELD: Thank you, Mr. Speaker.

Members, we started questions on this bill yesterday, and we TP'd it, and we were waiting for the Senate Bill to come over. And at this time, Mr. Speaker, I would like to make a motion that we move to substitute and consider Senate Bill 654 in lieu of House Bill 1903.

THE SPEAKER: All right. Representative Mayfield moves to substitute and consider Senate Bill 654 in lieu of House Bill 1903. All in favor say yea, opposed nay.

Show it adopted.

Read the Senate Bill. Read the Senate Bill.

THE CLERK: By the Committee on Communications and Public Utilities and Senator Haridopolos, Committee Substitute for Senate Bill 654,

1 a bill to be entitled "An act relating to regulation
2 of telecommunications companies."

3 THE SPEAKER: Representative Mayfield moves
4 the rules be waived and Senate Bill 654 be read a
5 second time by title. All in favor signify by saying
6 yea, opposed nay.

7 Show it adopted.

8 Read the bill.

9 THE CLERK: By Senator Haridopolos,
10 Committee Substitute for Senate Bill 654, a bill to be
11 entitled "An act relating to the regulation of
12 communications companies."

13 THE SPEAKER: All right. Representative
14 Mayfield, you've explained the bill; is that correct?

15 REPRESENTATIVE MAYFIELD: Yes, sir.
16 Mr. Speaker --

17 THE SPEAKER: Do you want to further
18 explain the bill?

19 REPRESENTATIVE MAYFIELD: We spent some
20 time on the explanation of this yesterday, but I'll
21 just run through a couple of points.

22 Members, this bill will give the PSC full
23 authority to oversee a measured, three-step process to
24 get us into an effective competitive marketplace at
25 the local exchange level. It retains PSC oversight

1 over vital customer protection. It's going to expand
2 the Lifeline program to 125% of the federal poverty
3 level and expand that Lifeline opportunity to 25% of
4 the subscriber base across the state.

5 And the most exciting thing I think about
6 this bill, members, what it does, it fences off
7 intrusive regulation from emerging technologies like
8 voice-over-internet.

9 Mr. Speaker, that's what the bill does.

10 THE SPEAKER: Are there questions? Are
11 there amendments?

12 THE CLERK: None on the desk, Mr. Speaker.

13 THE SPEAKER: Show the bill --
14 Representative Clarke has a question.

15 REPRESENTATIVE CLARKE: Thank you,
16 Mr. Speaker.

17 Representative Mayfield, I would like to
18 clarify that what this bill actually does is, it moves
19 the rate-setting authority back to the Public Service
20 Commission from the Legislature.

21 THE SPEAKER: Representative Mayfield.

22 REPRESENTATIVE MAYFIELD: Thank you,
23 Mr. Speaker.

24 Representative Clarke, that's exactly what
25 it does. It moves the political process one step away

1 from rate changes or possible rate changes. It sets
2 forth provisions which will require the Public Service
3 Commission to sit in judgment and to determine two
4 factors: One, will the petition to change rates
5 create competition in the local marketplace; and two,
6 will it be beneficial to residential customers.
7 Before any changes can take place, that has to be
8 determined by the PSC.

9 THE SPEAKER: Representative Clarke for a
10 follow-up.

11 REPRESENTATIVE CLARKE: Thank you,
12 Mr. Speaker. Does this process with the Public
13 Service Commission involve public hearings and time
14 for the public to make their voices known?

15 THE SPEAKER: Representative Mayfield.

16 REPRESENTATIVE MAYFIELD: Absolutely,
17 Representative Clarke. It is a completely open
18 process which the Public Service Commission will
19 follow. It has to conduct hearings. It is completely
20 open.

21 THE SPEAKER: All right. Are there other
22 questions? Representative Allen for a question.

23 REPRESENTATIVE ALLEN: Thank you,
24 Mr. Speaker.

25 Representative Mayfield, it is my

1 understanding, and I just want to make sure I'm
2 correct on this, that the Lifeline provision inside
3 the bill that came over from the Senate actually
4 increases by nearly a million those around the state
5 that would actually be able to have those vital local
6 services known as Lifeline, and it did extend the
7 equation. Is that accurate?

8 THE SPEAKER: For an answer, Representative
9 Mayfield.

10 REPRESENTATIVE MAYFIELD: Yes,
11 Representative Allen, it does. The subscriber base is
12 expanded by 25% from what it currently is. And this
13 is going to ensure that telephone services are
14 provided to those who really are the truly most needy
15 in our state. All the provisions for assistance are
16 still going to be in place, and it is substantially
17 enhanced under this bill.

18 THE SPEAKER: Representative Prieguez.

19 REPRESENTATIVE PRIEGUEZ: Thank you very
20 much, Mr. Speaker.

21 But isn't it also true, Representative
22 Mayfield, that once parity is reached -- and that can
23 be in two years -- that at that point in time,
24 Lifeline stops, and everything above what is currently
25 protecting the poorest people in the State of Florida

1 at that -- those credits that they receive from
2 Lifeline will end right there and will not continue,
3 and basic rates will go up? Isn't that also true,
4 Representative Mayfield?

5 UNIDENTIFIED SPEAKER: Of course it is.
6 (Laughter.)

7 THE SPEAKER: Representative Mayfield.

8 REPRESENTATIVE MAYFIELD: Mr. Speaker, I
9 would like to yield to Representative Ritter for an
10 answer to that question.

11 THE SPEAKER: Representative Ritter.

12 REPRESENTATIVE RITTER: Thank you,
13 Mr. Speaker.

14 There's nothing in the legislation that
15 says that Lifeline consumers' phone bills will be
16 automatically frozen after parity is reached. There's
17 nothing in the legislation that suggests that that is
18 the case.

19 THE SPEAKER: Representative Robaina.

20 REPRESENTATIVE ROBAINA: Thank you,
21 Mr. Speaker.

22 Representative, in this process, are we not
23 taking this out of the political arena and placing it
24 in the hands of professionals who have the expertise
25 to consider these complex issues? Is that not

1 correct?

2 Thank you, Mr. Speaker.

3 THE SPEAKER: Representative Mayfield.

4 REPRESENTATIVE MAYFIELD: Representative
5 Robaina, that's exactly what one of the goals of this
6 bill is, is to place the evaluation of technical,
7 extremely technical presentations and petitions
8 regarding rate adjustments in the hands of engineers
9 and those that are technically proficient to be able
10 to analyze this. That's one of the best things about
11 this bill and one of its primary goals.

12 THE SPEAKER: All right. Are there other
13 questions?

14 Are there amendments on the desk?

15 THE CLERK: None on the desk, Mr. Speaker.

16 THE SPEAKER: Show the bill will roll over
17 to third reading.

18 Now Representative Mayfield moves that the
19 rules be waived and Senate Bill 654 be read a third
20 time by title. All in favor signify by saying yea,
21 opposed nay.

22 Show it adopted.

23 Read the bill.

24 THE CLERK: By Senator Haridopoulos,
25 Committee Substitute for Senate Bill 654, a bill to be

1 entitled "An act relating to regulation of
2 telecommunications companies."

3 THE SPEAKER: Is there debate on the bill?
4 Is there debate on the bill?

5 Representative Prieguez.

6 REPRESENTATIVE PRIEGUEZ: Thank you very
7 much, Mr. Speaker.

8 Ladies and gentlemen, I want you to pay as
9 close attention as possible. I would like to premise
10 all my remarks first by saying that I believe, I
11 honestly believe that there are some, and perhaps a
12 lot of members in this Chamber that in good conscience
13 could vote for this bill for some of the things that
14 it may do. Those things that it may do, in my
15 opinion, are not guaranteed in any way, shape, or
16 form, but notwithstanding that, I believe that some
17 could in good conscience vote for this bill.

18 Having said that, I'm going to talk a
19 little bit about the reasons why I think that folks
20 should not vote for this bill, and I think that those
21 reasons are powerful, for all of you here to strongly
22 consider how it is that you're going to vote on this
23 legislation.

24 And I'm going to begin by going to Section
25 15 of the bill. And Section 15 is about the criteria

1 that need to be fulfilled by the phone companies when
2 they petition the Public Service Commission. They
3 have to fulfill, according to the legislation, certain
4 criteria that would allow for a rebalancing of the
5 rates so that the whole purpose of this legislation
6 can occur. And I'm going to go over those criteria so
7 you can see and hear for yourselves how nebulous and
8 vague they really are and how easily attainable they
9 truly are, because I want to remind everyone, the
10 whole purpose of this is to rebalance rates. Okay?
11 So it wouldn't -- if the whole purpose of this is to
12 rebalance rates, then they're not going to make it
13 tough. The criteria will not be tough to make these
14 things happen.

15 Number one -- and I'm really going to focus
16 on number one. It removes the subsidies that will
17 make local residential competition more attractive.
18 Now, remember, when we rebalance rates, it means that
19 long distance will go down because of the reduction in
20 access charges, but there must also be increased
21 competition on local service. Local service is
22 controlled for the most part by three very big
23 companies, BellSouth, Verizon, and Sprint.

24 The only way that true competition can
25 occur at the basic service level is in three ways.

1 The first way is, they would have to build a network
2 and infrastructure on their own. So think about
3 that. What has taken BellSouth, Sprint, and Verizon
4 to do over the years, God knows how many years, they
5 would have to do that. These new companies would have
6 to lay the wire up and down the state of Florida so
7 that they could compete against BellSouth, Verizon,
8 and Sprint. So that's pretty tough, in my opinion.
9 That's number one.

10 Number two, they could lease unbundled
11 network elements. And number two and number three are
12 sort of combined, lease unbundled network elements and
13 lease minutes from the incumbent companies, and for
14 the sake of argument, the three big companies, minutes
15 for them to sell.

16 Now, let's think about this for a second.
17 Let's think about this for a second. If this bill
18 passes, a company that wants to compete against
19 BellSouth at the local level, it has to -- under this
20 law, they have to go to BellSouth and negotiate with
21 BellSouth the use of their lines to be able to compete
22 against BellSouth, and to be able to compete against
23 Sprint, and to be able to compete against Verizon.

24 Now, where does that make sense? How will
25 that work? How will these companies, you know, just

1 open themselves up to competition by allowing the use
2 of their own lines, their own lines that they've --
3 you know, it has cost them God knows how much money to
4 lay out? So that's why I think that number one
5 criteria that needs to be met by these companies is so
6 very difficult.

7 Number two, benefit residential consumers.
8 It's going to have to benefit residential consumers.
9 How will the PSC know what residential consumers are
10 going to be helped by this and how many will be hurt?
11 Because there will be people that will be hurt. There
12 will be people that will pay more in their basic
13 service. There's no question about that, folks. No
14 one can deny that. So there's no determining factor
15 to that.

16 Number three, induce enhanced market entry,
17 also very vague.

18 Number four, move switched network access
19 rates to parity in two to four years. That's the
20 whole purpose of the bill, to make that happen so that
21 there's a rebalancing of the rates by lowering the
22 access charges, and the basic rates will go up. And
23 number four, by it being revenue neutral, again, the
24 basic rates will go up. The companies will not be
25 able to make more money once the access charges go

1 down. Everything -- so something's got to give.
2 Either from one place or the other, something has got
3 to give, and it's going to give in the basic service.

4 So, you know, that's my -- that, I guess,
5 is my summary on Section 15. And the whole point of
6 the matter is that it's going lead to increased rates,
7 increase basic service.

8 Now, number two, Senator Argenziano a month
9 ago sent a very detailed letter to the Public Service
10 Commission about, you know, the whole legislation.
11 And, you know, the legislation remains in that current
12 state for all intents and purposes. And, you know,
13 I'm just going to point to a couple of questions.

14 Number one, one of the first questions is,
15 "Is it correct that PSC approval of a LEC's petition
16 to reduce its interstate switched network access rate
17 in a revenue neutral manner must result in increases
18 in the LEC's basic local service rates?" And the
19 answer is, "The resolution of each petition will
20 depend upon the record developed in each proceeding.
21 The bill does state to immediately implement a revenue
22 category mechanism consisting of basic local
23 telecommunications service revenues and interstate
24 switched network access revenues to achieve revenue
25 neutrality." Again, the revenue neutrality means that

1 the basic rates will go up.

2 Another question, "Is it true that the PSC
3 has no authority under this legislation to initiate
4 basic local rate adjustments of any kind on its own
5 motion and that its sole authority to address basic
6 local rates or access fee adjustments would be on the
7 petition of a local exchange telecommunications
8 company?" The response, yes.

9 At the very, very end, at the very, very
10 end, rates will be uncontrolled, period, period, if
11 everything is followed through the way the
12 telecommunications companies want it to be followed
13 through. And I've already showed you and demonstrated
14 to you how there will be no way that the PSC will be
15 able to stop that, because after all, this is the very
16 purpose of the legislation that we're debating today.
17 It is the very purpose of it, so I think that's very
18 important.

19 Am I correct -- one more question from that
20 letter. "Am I correct in understanding that there is
21 no possibility that the PSC could lower basic local
22 service rates pursuant to this section of the
23 legislation?" The response again is yes.

24 Let me dovetail from what I just explained
25 to you all right now to the whole issue of parity,

1 because that's one of the steps in the road map to get
2 to where the telecommunications companies want to get
3 to. Parity is when a big company's interstate long
4 distance is the same as the intrastate long distance,
5 and it's supposed to happen in two to four years. And
6 the way that occurs, folks, is that, number one, it
7 lowers the access fees, and that leads to the raising
8 of basic rates.

9 You reach the parity. At that point, you
10 reach the parity when it's the same cost for one as
11 for the other. The companies then elect to have the
12 ability to raise either 6% if there's no competition
13 at the basic service level or 20% if there is
14 competition. And currently there is at least one
15 other company that is competing, so it could go up
16 automatically to the 20%.

17 They go before the PSC, and they do -- they
18 basically get to do whatever they want. If they all
19 -- listen to this very carefully. If they lower the
20 access fees enough, there will be complete
21 deregulation. And, you know, I've said that before,
22 but I'm going to reiterate. There will be complete
23 deregulation in everything. Ladies and gentlemen,
24 everything will go up. The basic rates will go up.
25 There will be, of course, no control over the long

1 distance, and everything will be -- everything will be
2 open to absolutely no control by the Public Service
3 Commission at that point in time.

4 Let me talk about it one more time, and I
5 may mention a question that I asked Representative
6 Mayfield about the Lifeline. And this is in Section
7 (c) of the bill. Lifeline, after they reach parity,
8 which can be in two years, Lifeline will only cover so
9 much. After that, after that, it will not continue to
10 rise in a comparable measure with what basic rates
11 will go up.

12 Read from the bill. Any local exchange
13 telecommunications company customer receiving Lifeline
14 benefits shall not be subject to any residential basic
15 local telecommunications service rate increases
16 authorized by 364 until such time as the local
17 exchange telecommunications company reaches parity as
18 defined in Statute 364, or until the customer no
19 longer qualifies for the Lifeline benefits established
20 by this section, or unless otherwise determined by the
21 Commission upon petition by a local exchange
22 telecommunications company.

23 So clearly, there is nothing here that
24 prevents Lifeline customers from continuing to be
25 covered as they are right now once basic rates start

1 going up. I mean, there's absolutely no question
2 about this.

3 And once again, ladies and gentlemen, I
4 want to return one more time to the whole argument of
5 competition. I think that everyone here can agree
6 that the biggest selling point from the
7 telecommunications companies has been that we need
8 this because it will bring competition. So let's
9 think about that for a second. The telecommunications
10 companies want more competition. They want more
11 competition.

12 Heck, you know what I may do? Next year I
13 may pass a bill so that there are more seafood
14 processors on the Miami River processing lobsters.
15 Hell, I want more competition too on the Miami River
16 -- heck. Excuse me. I want more competition on the
17 Miami River. Representative Russell, he has a pool
18 company. I'm sure he would be in favor of 10 more
19 pool companies showing up in his neighborhood, and so
20 on and so forth.

21 How could we assume for a second that this
22 makes any kind of sense whatsoever, that these folks
23 really want more competition? It just -- to me, it
24 doesn't make any sense. And I will argue to you that
25 what we have now is the best for the people in the

1 State of Florida.

2 And let me tell you why that is, because
3 number one, we have very, very, very low basic phone
4 service, very, very low. Be it artificial or not, we
5 have it very low. And number two, we have an
6 incredible amount of options when we make long
7 distance phone calls. I, when I'm calling from my
8 landline at home and I'm calling my sister in San
9 Diego or a client in New York, I dial 101 for state to
10 state, and then I dial the long distance number, and I
11 get charged 8 cents per minute 24 hours a day. And
12 there are a myriad of these companies, a myriad of
13 these companies that offer those services for pennies
14 per minute 24 hours a day.

15 So why -- what would be the purpose of
16 competition? If competition is going to reduce the
17 price and is going to make it more competitive and is
18 going to make all these prices go down as people are
19 alleging, why do that if we already have it? Why pass
20 this legislation if we have the best world, we're
21 blessed to have the best world, the best of both
22 worlds right now, no long distance and no basic
23 service?

24 So I really want you to think about this
25 carefully. I want you to, you know, concentrate on

1 the things that I'm saying and think about that in
2 your mind.

3 And the majority of my arguments have come
4 from a public policy perspective. For one second I'm
5 going to talk about politics. A couple of months ago,
6 maybe it was a month ago, Representative Bense said,
7 "Folks, don't worry about voting for certain bills,
8 because there might be a mailer coming your way. You
9 don't know which mailer it's going to be. You don't
10 know where it's going to come from, but don't be a
11 mailer."

12 But I'm here to tell you, this is a
13 mailer. You're staring at it right in the face. This
14 is a mailer, because it's not the right thing to do.

15 Last year I did the wrong thing. Last year
16 I voted for this, and I regret it. I looked away, and
17 I regretted it. This year I'm not going to look away.

18 Thank you very much, Mr. Speaker.

19 (Applause.)

20 THE SPEAKER: Is there further debate?
21 Representative Slosberg.

22 REPRESENTATIVE SLOSBERG: Thank you,
23 Mr. Speaker. I rise in opposition of this bill.

24 I have a problem. My problem is that we
25 can't even use our offices in our district in Boca

1 Raton. My district is North Broward and South Palm
2 Beach County. And the reason that we can't use our
3 telephones in the Boca Raton office is because of the
4 fact we've been getting so many calls about this bill,
5 in opposition to this bill. I have 54,000 senior
6 citizens in my district, and many of them don't have
7 the computers where they can just send us whatever
8 they feel on the computer. Instead, they pick up
9 their phones. And we could barely use our phones,
10 we've had so many complaints about this bill.

11 The problem is that my senior citizens,
12 it's a big increase to them, whatever it is, because
13 of the fact that they're just on a fixed income. And
14 the bottom line here is that I want to go home, I want
15 to get off that airplane in Palm Beach County, and I
16 don't want weapons of mass destruction waiting for me
17 when I get off that plane. So I have to do the right
18 thing for my district and the citizens of the State of
19 Florida, and I'm against this bill.

20 Thank you.

21 THE SPEAKER: Representative Ritter.

22 REPRESENTATIVE RITTER: Thank you,
23 Mr. Speaker. First, I promise not to be as long as
24 the first speaker on this bill.

25 If I needed a 100% guarantee on everything

1 I voted for on the floor of this House, there wouldn't
2 be anything I would be able to cast a vote on. Much
3 of what we vote on is based on what the sponsors tell
4 us, and we take a leap a faith often when we vote on
5 things, hoping that what we are told they do will be
6 actually what they do.

7 There are only two guarantees in this life,
8 as we all know, death and taxes. If our Speaker had
9 his way, there would only be one guarantee, and that
10 would be death. But there are only two guarantees in
11 life, death and taxes. So I choose to take this leap
12 of faith that my constituents will actually see a
13 reduction in their phone bill.

14 I never thought that the day would come
15 when I would listen to a member of the majority party
16 tell me that deregulation was bad. I've been here for
17 seven years, and all I ever hear is free market,
18 deregulation, competition, those are good things. So
19 when the Chair of Business Regulation tells me that
20 deregulation is a bad thing, again, this is one of
21 those times where I scratch my head and I wonder
22 what's doing on here.

23 Deregulation is a good thing. Bringing
24 competition in is a good thing. And I'm not
25 suggesting that competition is brought in because

1 that's what the industry told me to say. I'm
2 suggesting that competition is a good thing because it
3 will directly benefit my constituents, and your
4 constituents as well. I want more competition, and
5 this is a good way to do it.

6 In closing, let me say this. If you are
7 worried about the politics of this bill, let me
8 suggest that many of the things that have been done on
9 the floor of this house during this session are far
10 more damaging than what is being done in this
11 particular piece of legislation. If you are worried,
12 please do not worry about this piece of legislation.
13 You are lowering rates for your constituents.

14 And as for those of us who live in South
15 Florida and have elderly constituents, first of all,
16 might I suggest that many of our constituents have
17 computers, and they are e-mailing us on many things,
18 including prepaid tuition. And might I also suggest
19 that many of our elderly constituents have families
20 who live out of state, and our constituents make
21 numerous long distance phone calls to those people who
22 live in the Northeast predominantly, and those
23 constituents will see a direct reduction in their
24 phone bills as a result of this piece of legislation.
25 This is a good bill.

1 In closing, let me say this. And I said it
2 yesterday, but I believe it bears repeating. My
3 parents live in my district. They are my most vocal
4 constituents. For those of you from my county who
5 know my dad, you know he doesn't hesitate to pick up
6 the telephone or come to my house and speak to me
7 whenever he needs to on a piece of legislation. They
8 are residential consumers, basic service, single
9 line. If I thought that this bill would raise my
10 parents' phone bill, I would not support this piece of
11 legislation. I do not believe that my parents will
12 see an increase in their bill as a result of this
13 piece of legislation, and I am supporting it, and I
14 would hope the members of this body would do the same.

15 Thank you.

16 THE SPEAKER: Representative Littlefield.

17 REPRESENTATIVE LITTLEFIELD: Thank you,
18 Mr. Speaker. Ladies and gentlemen, economic theory
19 argues that a prerequisite for a dynamic economy is
20 defined by the opportunity for individuals or firms to
21 compete in order that new technologies, efficiencies,
22 and more viable business plans can emerge. And if you
23 look at this bill, it does that.

24 Now, that's important for us to know in the
25 State of Florida, because Florida is the home of some

1 of the world's leading telecom providers. This bill
2 will help to eliminate unnecessary regulation of new
3 technology and encourage those providers to invest in
4 new technology that will give consumers new services,
5 new products, not to mention all of the jobs that will
6 be created in the state of Florida. The technology
7 explosion that we have seen over the years is because
8 there has been competition.

9 I remember the first cell phone that I
10 bought. It was about the size and weight of a brick.
11 Now all of us in this Chamber have cell phones or
12 computers that we can put in our pocket. I was
13 grateful when I bought my first computer that I had a
14 pickup truck, because it took a pickup truck to carry
15 all of the boxes that I had for that first computer
16 that I bought. But because of competition, I now have
17 a computer on my desk here that has more storage in it
18 than ever before. My personal computer that I have at
19 home is about half this size with as much memory on it
20 because of competition.

21 And I think that it's important to create
22 competition so that consumers have the benefit of
23 choice. And we have heard over and over again in our
24 policy that when you give people choice, you empower
25 them. And I simply say, power to the people, vote for

1 this bill. And this bill -- let me -- just one more
2 point, and I'm finished. And I promise I also will
3 not go as long as the first one who spoke in
4 opposition.

5 This bill, when you look closely at it, you
6 will find that the Public Service Commission is
7 serviced or given a clear blueprint as to how to make
8 the residential market more competitive while
9 protecting the residential consumer.

10 And so, members, I ask you to vote for this
11 bill. And, Governor Bush, wherever you are, I ask and
12 encourage you to sign this bill when it arrives at
13 your desk.

14 Thank you, Mr. Speaker.

15 THE SPEAKER: Representative Fiorentino.

16 REPRESENTATIVE FIORENTINO: Thank you,
17 Mr. Speaker. Most of us won't talk as long as
18 Representative Prieguez because he knew the
19 information. He read the bill, and he had a lot of
20 facts.

21 I rise in disagreement with this bill. I
22 understand your intentions of helping the telephone
23 companies. They certainly were at my office and
24 lobbying me too. I understand that there's a lot of
25 reasons that they say they need it.

1 One of the comments I made to them, I don't
2 mind paying the extra for my bells and whistles. Yes,
3 I have call waiting, I have DSL, and that's fine. I
4 also am not on a fixed income. Somewhat, yeah, I make
5 so much money, and that's all I get, but I'm not on
6 \$400 a month as my seniors are at home. \$8 to a
7 senior is medication. \$8 to a senior is half of their
8 already phone bill.

9 Think about it. I heard some kids up here
10 -- I say kids, they're in their 20s -- that said,
11 "What's 20 bucks?" Well, to them it's a bar tab on a
12 Friday night. But to my seniors back home, that's
13 their medication. That's some of their weekly food
14 bill. Those are important issues. \$20 to a senior is
15 a large amount of money, and we need to think about
16 that, when you're only dealing with \$400 a month.

17 Look what happened. Each one of you stood
18 up about medically needy. How many phone calls did we
19 get that said, "I can't spend down to 450," because
20 they don't even get that much. And now you're willing
21 to raise their rates 20%? I don't think we can do
22 that.

23 You talked about deregulation. No, that's
24 not what we want to do. Look at California and their
25 electric. Deregulation would not help this, I think.

1 The other -- the biggest problem I have for
2 my seniors is this one. The PSC is here in
3 Tallahassee. I don't know about you, but when I fight
4 the wastewater utility companies, it's very hard for
5 me to get my seniors to drive up here to do that, and
6 they do not hold their hearings down in your district,
7 people. They hold them up here, and that makes it
8 very difficult for them to get up there.

9 You are going to be raising your rates,
10 your basic rates for your seniors. There will be
11 parity in two years, and those Lifelines will be
12 limited, and we will have seniors that will be coming
13 out of the woodwork at us.

14 It's easy to vote yes on this bill because
15 it gets the burden off of our shoulders, but that's
16 not the right thing to do for the people in the State
17 of Florida. I hope you vote against the bill.

18 THE SPEAKER: Further debate?
19 Representative Reagan?

20 REPRESENTATIVE REAGAN: Thank you,
21 Mr. Speaker.

22 I believe this bill is good for the State
23 of Florida and good for Florida residential telephone
24 customers. It gives the authority to the Public
25 Service Commission to make the hard decisions about

1 competition and local rates.

2 I also like the idea that we're giving the
3 Public Service Commission the authority respond to
4 changing circumstances as local competition further
5 develops. These are the issues that the Public
6 Service Commission is better able to handle than we
7 are.

8 I urge all members to vote for this good
9 bill.

10 Thank you, Mr. Speaker.

11 THE SPEAKER: Representative Wishner.

12 REPRESENTATIVE WISHNER: Thank you,
13 Mr. Speaker. I rise in support of this piece of
14 legislation.

15 I guess it has already been said pretty
16 much about the issue of competition. And it's funny,
17 because everybody is focusing on the major
18 telecommunications companies in Florida, but everybody
19 is forgetting about all those optional companies that
20 are out there that offer services cheaper. And why is
21 that? That's because of competition.

22 You know, it's funny, because just recently
23 in Florida, we got a new mobile company that came
24 here. I think it's called T-Mobile or something like
25 that. It hasn't been in Florida that long. That's

1 because -- they came to Florida because they created
2 competition, and they felt that they could provide the
3 same service that other companies are providing at a
4 lower rate. And what is wrong with that? As a
5 businessman, I always look for the best service at the
6 lowest rate I can get. That's what my customers are
7 also looking for. And what's wrong with that?

8 The other side of it is, we're all
9 pooh-poohing the issue of the PSC and whether or not
10 they should be the ones that are in charge of
11 regulating the rates in Florida. Why not? They're
12 the experts. Those are the ones that analyze the
13 facts, that run the numbers to see whether or not the
14 company should be able to raise their rates. There's
15 nothing wrong with that.

16 We come up here for 60 days to pass
17 legislation, and I don't think we want to be bogged
18 down with running numbers, looking at financial
19 statements, trying to figure out what's best. I don't
20 think we want to have our committee members, our
21 committee workers, the staff here running -- for 60
22 days running numbers to figure out whether or not
23 rates should be raised or not. We should leave it to
24 the professionals, and that's what this bill is going
25 to do. And for us to turn around and try to threaten

1 or scare the people of Florida, and especially our
2 senior citizens, which are going to benefit greatly by
3 this, you know, we shouldn't do that.

4 The other thing about it is real simple.
5 If it's bad, we come back next year and we fix it. We
6 do a glitch bill. If we see that what they're doing
7 is not doing the best for the people of Florida and
8 it's hurting our citizens, then we all should come
9 back here and fix it and bring it back to where it
10 belongs so it can't continue if that's the case.

11 But you know what? Don't shut off
12 competition. That is not the right thing to do for
13 us, and it's not the right thing for us to do on
14 behalf of the citizens of Florida. So let's look at
15 this, and let's make sure that we understand that this
16 is good.

17 You know, there's all of kinds of new
18 things that are coming out, cable, wireless. People
19 can talk on the phone through their computers. And
20 there's all kinds of innovations that are taking
21 place. Why do we want to stifle that, which could
22 cause actually the cost of telecommunications to go
23 down with more competition and other abilities to
24 communicate?

25 So I urge you to support this bill.

1 Thank you, Mr. Speaker.

2 THE SPEAKER: Representative Henriquez.

3 REPRESENTATIVE HENRIQUEZ: Thank you,
4 Mr. Speaker.

5 I wasn't going to speak today, but I felt
6 compelled to stand up and say, members, finally, this
7 is -- this bill, its time has come. You know,
8 probably the first tough vote I took in this
9 Legislature in 1998 was on this issue under Chairman
10 Luis Rojas. And those of you that were here remember
11 that bill and how close we were to passing it that
12 year, and it was TP'd I believe eight times in the
13 Florida House. I think that's some kind of a record.

14 We've been running from this issue for
15 years and years and years, and the papers have been
16 writing about this issue for years and years and
17 years. It's time for us to step forward, take the
18 step, pass the bill. It's a better bill than it was
19 last year, which many of you voted for. And have some
20 courage. So little political courage we seem to see
21 up here sometimes. And let's move forward.

22 Those seniors, I have those seniors as
23 well. I'm going to hear from them. They'll be able
24 to access Lifeline. This bill will help them.

25 And like Representative Wishner said, we

1 can always come back and fix it if there's a problem
2 or if we find that we've made a mistake. The Governor
3 is on board, thankfully. Okay? There won't be a rug
4 pulled from under us this year. Let's pass this bill
5 and be done with it. Let's move forward so we don't
6 have to come back next year and debate this issue
7 again.

8 Thank you, members.

9 THE SPEAKER: Representative Garcia.

10 REPRESENTATIVE GARCIA: Thank you,
11 Mr. Speaker.

12 I guess I want to start off my remarks
13 with what Representative Prieguez closed off with,
14 saying that this is going to be a mailer. Well, you
15 know what? I didn't get elected based on the fact
16 that my decisions down here were going to be a mailer
17 or not. I think that I got elected -- I ran for
18 office because I believed that I wanted to help my
19 people. I know that I want to help my people and do
20 the right thing. It's not about being a mailer not
21 being a mailer.

22 We've worked on this bill for three years,
23 at least since I've been here. This is a good
24 product. It's a better product than it was when I
25 first got up here. We have to be statesmen in this

1 body and have some courage and look into the future
2 and realize what that future is.

3 Representative Littlefield, you're
4 absolutely right when you talk about the cell phones.
5 who would have thought that cell phones, that we were
6 going to have laptop computers on our desktops? who
7 would have ever thought that?

8 This is what this bill does. It gives the
9 ability for more competition. Forget about the phone
10 ringing. I'm getting rid of my local landline right
11 now because I don't use it anymore. It's always on
12 the cell phone. And when the time comes, we're going
13 to have more wireless services going all around the
14 place. And this is what we're trying to do with this
15 bill, is promote more competition.

16 At the end of the day, our seniors are
17 going to be taken care of. They are. Don't let
18 anyone tell you that our seniors are going to be
19 thrown under the bus like a lot of people are saying
20 in this Legislature. That's not going to happen.
21 And that's why I feel comfortable in voting for this
22 bill.

23 And you know what? If it is a mailer
24 against me, I think I did the right thing. I did the
25 right thing in looking at Florida and saying where

1 does Florida want to be in the next 10, 15 years from
2 now. And this is what this bill does. It gives us
3 the ability to move forward, move into the future with
4 brighter pastures.

5 So, Representative Prieguez, I appreciate
6 your comments, but you know what? I'm not scared of
7 those mailers, because I know I'm doing the right
8 thing.

9 Thank you.

10 THE SPEAKER: Further debate?

11 Representative Richardson.

12 REPRESENTATIVE RICHARDSON: Thank you,
13 Mr. Speaker. To speak in favor of the legislation.

14 And I think that all of you who know me in
15 this Chamber know how passionately I fight for the
16 people that I represent here in District 8 and across
17 the State of Florida, many of whom are not the ones
18 that -- most of whom are not the ones that live in the
19 gated communities or the polished subdivisions. They
20 are my next-door neighbors, and I have to look them in
21 the face every morning when I get up to leave for
22 work.

23 And I'm supporting this legislation,
24 members, because I think it's the right thing for us
25 to do. It's the right thing for the State of

1 Florida. Sometimes we have to experiment in order to
2 know if we can do things better. We experiment in
3 this chamber all the time. We experiment with
4 privatization. We experiment with other issues. And
5 hopefully we are smart enough that if the experiment
6 doesn't work or if the experiment needs to be fixed,
7 that we will bring it back and fix it or change it if
8 it needs that, and if it's working, allow it to work.
9 That's what I think is the case with this legislation.

10 One of the things that we fail to remember
11 and has not been mentioned here today is that these
12 same companies that we're talking about, the
13 telecommunications companies, hire thousands of
14 Floridians that are citizens of this state that
15 purchase the same telephone service that we're talking
16 about and will be paying those same rates. Now, would
17 we suggest that the companies are going to place an
18 undue burden on those very same employees that they
19 hire in those companies?

20 I have faith that Lifeline, although it
21 won't be a silver bullet, that it will provide relief
22 for many of our senior citizens and many of those who
23 are low income in our state. I've gotten a commitment
24 from the companies to work together between now and
25 next session to make sure that we more broadly

1 advertise the Lifeline service to bring more people on
2 board that may be eligible for Lifeline, and I'm
3 satisfied with that. I'm comfortable that I can --
4 after we take this vote that I can look at my neighbor
5 tomorrow morning and say that I did the right thing
6 for her, for my other neighbors, and for the State of
7 Florida.

8 So, members, I would encourage you to vote
9 for this legislation.

10 Thank you, Mr. Speaker.

11 THE SPEAKER: Representative Rubio, in
12 debate.

13 REPRESENTATIVE RUBIO: Thank you,
14 Mr. Speaker and members.

15 I want to first begin by telling you I am
16 tremendously honored to serve in this body with men
17 and women like Representative Fiorentino and
18 Representative Prieguez, who are friends of mine.
19 Representative Prieguez is a district neighbor, who I
20 know in their hearts, like so many of us here, are
21 brought here out of a sense of public service and care
22 deeply and passionately about the men and women we
23 represent. I think we all do, quite frankly.

24 One of the toughest things in this process
25 is in the time we spend here, our passion for serving

1 those we represent I think sometimes inflates,
2 disproportionately so, our confidence in the ability
3 of our laws to do so. We live in a country that's
4 based on a free market, a free market economy, where
5 prices are better set not by government regulation,
6 but by the marketplace in which we live.

7 And I think that's what this bill asks us
8 to do, is to have confidence in the free market in
9 which we've all shared and which has made people who
10 have come to this country with not a penny in their
11 pocket accumulate great wealth. And it's not a thing
12 of shame. It's a thing of beauty that this country
13 has been able to accomplish that because of our free
14 market economics. And that's not easy, because the
15 passion that so many of you of here for your -- you
16 see a bill that you think potentially could lead one
17 day to decisions being made by another body that could
18 result in rate increases for your constituents, and
19 you're concerned. And we share that concern. But
20 we're also convinced, those of us who support this
21 legislation, that that will not be the case, but
22 rather, we place our faith in the economic model that
23 has built this nation and the state and made it great.

24 And I'll tell you what else this bill takes
25 into account. And I've listened to the debate

1 carefully. I will tell you that I was not convinced
2 this morning in which direction I would go, because I
3 wanted to listen carefully to the debate. But this
4 bill does one other thing. It takes into account
5 monumental changes, monumental changes in the
6 marketplace of technology. There is no one here today
7 who could look at the technological advances before us
8 at this moment and have predicted them 10 years ago,
9 and you cannot predict where we will be 10 years from
10 now. In fact, the great technological changes of the
11 last 10 years are what fueled the '90s and the
12 economic growth that existed in this country.

13 And what this bill basically tells you is
14 that the days of local service where people just had a
15 home line and used that are perhaps fading away, and
16 there are growing changes in technology, and people
17 will use alternative methods of communicating.

18 And so after carefully thinking, I'm going
19 to support this bill today. I am convinced that the
20 free market forces that operate in our economy will
21 serve to regulate. And if they do not -- let me be
22 clear. If they do not, if we return a year from now
23 or two years from now, if we survive that onslaught of
24 mailings, Representative Prieguez, three years from
25 now, if we return and then we find that things have

1 not have worked out that way and that this model that
2 has worked for 227 years is suddenly broken down in
3 Florida because of the decision we've made, then I
4 think each of us who will be back will reserve the
5 right to make a change. And I'll be the first one to
6 lead that charge.

7 But I think this is an idea that has been
8 debated now for three years. It has been studied. It
9 has been altered. It has been changed to accommodate
10 the concerns of people like Representative Prieguez,
11 people who are passionate like Representative
12 Fiorentino. I think we need to give this idea a
13 chance. If it ends up not working out, we have the
14 right and the opportunity to change it, and we will.

15 And the last thing about the mailers, I
16 will tell you that it doesn't matter what decision you
17 make here, you're going to get a mailer.

18 (Applause.)

19 Sometimes, Mr. Speaker and members, those
20 mailers will accuse you of doing things you didn't
21 even know existed. As long as they get your name
22 right.

23 And at the end of the day, I think
24 ultimately your constituents will re-elect you and
25 judge you not on your vote on one bill or one critical

1 moment, but the way you represented them on a daily
2 basis, not just when you're here pushing buttons, but
3 back home when you're helping them with their
4 day-to-day decisions, and I hope you'll take that into
5 account as well.

6 Thank you.

7 THE SPEAKER: Further debate?

8 Representative Domino.

9 REPRESENTATIVE DOMINO: Thank you,
10 Mr. Speaker. I would like briefly to rise in support
11 of this legislation.

12 Much of the discussion of those who oppose
13 this legislation have thought of telecommunications in
14 a very static manner. They think of a phone, making a
15 phone call. But the new telecommunications is one of
16 data transmission so that we can get data and we can
17 get video as well as voice. Data transmission
18 generally is going to come through digitization, which
19 has already happened. And for that to really take
20 full bloom, we need to have the broadband Internet
21 technology develop. There's a technology, for
22 example, called voice-over-internet protocol. It
23 basically takes and digitizes what someone says, puts
24 it into small packets, and then ships it over
25 thousands of miles at virtually no charge. This is

1 the kind of technology that must be encouraged.

2 Even the difficulties Representative
3 Prieguez talked about can be solved by emerging
4 technology called electronic loop provisioning, which
5 basically allows local telecom competitors to get
6 voice and data without going into the consumer's home.

7 At the end of the day, it is estimated that
8 two-thirds of the advances in our economy since the
9 1996 deregulation of telecommunications has come from
10 improvements in information technology.

11 I join with those who say let the markets
12 determine where the competition is going to be. We
13 will all benefit immensely from that.

14 THE SPEAKER: Further debate?

15 Representative Jordan.

16 REPRESENTATIVE JORDAN: Thank you,
17 Mr. Chairman, and thank you members.

18 I do most of my discussion and
19 contributions hopefully in committee, but I'm going to
20 tell you, I've heard enough on this subject until my
21 ears are out of breath. This subject has been up and
22 down and left and right, and I've been talked to by
23 both sides. And I must give credit to the art of
24 persuasion of the people who have presented their
25 points today. You're very powerful.

1 But I didn't come to this Legislature to
2 worry about mailouts or where you stand. I came to do
3 the right thing. And you can drive bamboo shoots up
4 my fingernails, and I'm not going to vote against
5 something I have strong feelings about, or for it,
6 whatever.

7 Mr. Speaker, last year the leadership asked
8 us to vote to put the tax exemption on the ballot. I
9 did that, and somebody ran \$20,000 worth of TV ads
10 over a four-day period and called it the Jordan Tax
11 Plan. So it doesn't matter what you do. You must
12 stand for your principles.

13 I have one regret, Mr. Speaker and makers
14 of this motion. I think if it were not for the
15 possibility of destroying this bill, I would like to
16 amend it. So that we get out of the Public Service
17 Commission business, I would like to put on it the
18 ophthalmologists, the optometrists, the
19 anesthesiologists, and all the other things that
20 we're doing.

21 Mr. Speaker, I think that the time has come
22 to believe in the free market enterprise, the
23 cornerstone of this free republic, and give this thing
24 a chance, and I will vote for it.

25 THE SPEAKER: All right. Representative

1 Ambler.

2 REPRESENTATIVE AMBLER: Thank you,
3 Mr. Speaker. I'm going to keep this brief. I'm sure
4 that will make many of you very happy.

5 (Applause.)

6 when I campaigned for the House of
7 Representatives as a first-time political candidate, I
8 had one theme, and I'm going to reiterate this to all
9 of you that have to make a tough vote today.

10 The people in our districts cannot fall
11 prey to scare tactics. They are relying on us as
12 their elected representatives to educate ourselves on
13 the issues, to ask the tough questions, to get the
14 information we need, and to make the right decisions.
15 It's an issue of trust. If the constituents in your
16 district that elected you to the House of
17 Representatives trust you and your judgment, then feel
18 confident in the vote that you make today and don't be
19 persuaded by scare tactics. And I ask you to take
20 that message back to the constituents in your
21 district. Don't be persuaded by the scare tactics
22 that a vote on this bill is the death knell of certain
23 people that are getting these services.

24 If you raise something a dollar, even if it
25 results in an increase of a dollar, and they get a

1 decrease of two or three dollars on other services as
2 a result of competition, that ultimately is a good
3 thing, because the free market system is working.

4 We are not here as regulators. We are here
5 as policymakers, and you have to feel confident that
6 the people who trusted you now let them trust you in
7 making the right decision.

8 Thank you.

9 THE SPEAKER: Further debate? Further
10 debate?

11 Are you ready to close, Representative
12 Mayfield?

13 REPRESENTATIVE MAYFIELD: Yes, sir. Thank
14 you, Mr. Speaker.

15 Members, I could never stand here and
16 articulate some of the arguments that have been
17 presented here this morning. You all have done just a
18 phenomenal job of debating both side of this issue.
19 But I think just a couple of things need to be said in
20 closing with respect to the Lifeline program.

21 The Lifeline program remains intact. It
22 has been expanded. We're not going to throw poor
23 people or the needy under the bus with phone rates.
24 We've got provisions in this bill which are going to
25 protect them.

1 This bill is -- its objective is trying to
2 depoliticize the process of ratemaking or rate changes
3 or considerations for rate changes and move us one
4 step back away from that. That's really what the goal
5 of this bill is all about.

6 Technology is moving so fast in this state.
7 wireless phone numbers are -- the deployment of
8 wireless phone numbers are going at a rate so fast,
9 people five years from now won't even have a phone in
10 their house. They'll be carrying their phone on their
11 side just like we do.

12 But, members, look, this bill is about
13 creating competition. It's about creating
14 competition. It's about creating competition.

15 Members, I would ask for you to support the
16 bill.

17 THE SPEAKER: The question now recurs on
18 final passage of Senate Bill 654. The Clerk will
19 unlock the machine and the members will proceed to
20 vote.

21 All members voted? All members voted? All
22 members voted?

23 The Clerk will lock the machine and
24 announce the vote.

25 THE CLERK: Ninety-three yeas and 20 nays,

1 Mr. Speaker.

2 THE SPEAKER: So the bill passes.

3 (Conclusion of consideration of House Bill
4 1903 and senate Bill 654 on May 1, 2003.)

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