

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

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In the Matter of

PETITION BY VERIZON FLORIDA INC.
TO REFORM INTRASTATE NETWORK ACCESS
AND BASIC LOCAL TELECOMMUNICATIONS
RATES IN ACCORDANCE WITH SECTION
364.164, FLORIDA STATUTES.

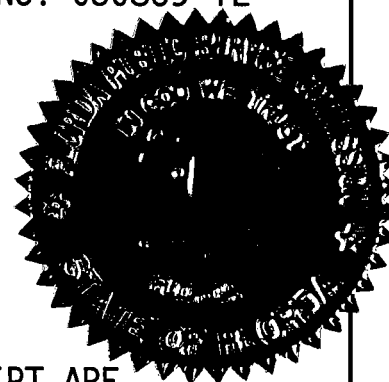
DOCKET NO. 030867-TL

PETITION BY SPRINT-FLORIDA,
INCORPORATED TO REDUCE INTRASTATE
SWITCHED NETWORK ACCESS RATES TO
INTERSTATE PARITY IN REVENUE-NEUTRAL
MANNER PURSUANT TO SECTION
364.164(1), FLORIDA STATUTES.

DOCKET NO. 030868-TL

PETITION FOR IMPLEMENTATION OF
SECTION 364.164, FLORIDA STATUTES,
BY REBALANCING RATES IN A
REVENUE-NEUTRAL MANNER THROUGH
DECREASES IN INTRASTATE SWITCHED
ACCESS CHARGES WITH OFFSETTING
RATE ADJUSTMENTS FOR BASIC SERVICES,
BY BELLSOUTH TELECOMMUNICATIONS, INC.

DOCKET NO. 030869-TL



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PROCEEDINGS: JACKSONVILLE SERVICE HEARING

BEFORE: COMMISSIONER J. TERRY DEASON
COMMISSIONER RUDOLPH "RUDY" BRADLEY
COMMISSIONER CHARLES M. DAVIDSON

DATE: Wednesday, October 1, 2003

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TIME: Commenced at 6:30 p.m.
Concluded at 8:35 p.m.

PLACE: Duval County School Board
1st Floor Board Room
1701 Prudential Drive
Jacksonville, Florida

REPORTED BY: JANE FAUROT, RPR
Chief, Office of Hearing Reporter Services
FPSC Division of Commission Clerk and
Administrative Services
(850) 413-6732

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3 The Florida Legislature, 111 West Madison Street, Room 812,
4 Tallahassee, Florida, 32399-1400, appearing on behalf of the
5 Office of Public Counsel.

6 MICHAEL B. TWOMEY, ESQUIRE, P.O. Box 5256,
7 Tallahassee, Florida 32314-5256, appearing on behalf of AARP.

8 CHARLES REHWINKEL, ESQUIRE, Sprint-Florida,
9 Incorporated, (MCFLTLH00107), P. O. Box 2214, Tallahassee,
10 Florida 32316-2214, appearing on behalf of Sprint-Florida.

11 NANCY WHITE, ESQUIRE, and MARSHALL CRISER, III,
12 V.P.-Regulatory, BellSouth Telecommunications, Inc., c/o Ms.
13 Nancy H. Sims, 150 South Monroe Street, Suite 400,
14 Tallahassee, 32301-1556, appearing on behalf of BellSouth
15 Telecommunications, Inc.

16 BETH KEATING, ESQUIRE, FPSC General Counsel's Office,
17 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850,
18 appearing on behalf of Commission Staff.

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P R O C E E D I N G S

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2 COMMISSIONER DEASON: If I could have your
3 attention, we will call this evening's hearing to order. And
4 we will begin by having the notice read.

5 MS. KEATING: By notice issued September 23rd, 2003
6 this time and place have been set for a hearing in Docket
7 Numbers 030867, 030868 and 030869. The purpose is as set
8 forth in the notice.

9 COMMISSIONER DEASON: Thank you. Take appearances.

10 MR. BECK: My name is Charlie Beck, I'm with the
11 Office of Public Counsel.

12 MR. TWOMEY: My name is Mike Twomey. I'm
13 representing AARP in these proceedings.

14 MR. CRISER: Marshall Criser, representing
15 BellSouth.

16 MS. WHITE: Nancy White, representing BellSouth.

17 MS. KEATING: And Beth Keating, appearing for
18 Commission Staff.

19 COMMISSIONER DEASON: Beth, do you mind introducing
20 staff personnel that are here this evening.

21 MS. KEATING: Certainly. With me here sitting up on
22 the desk is Beth Salak. And we also have a number of PSC
23 personnel. When you first walked into the room, back toward
24 the back of the room, you see Kevin Bloom. Also, as you
25 entered you saw Dick Durbin at the front table.

1 COMMISSIONER DEASON: Any of the PSC personnel would
2 be more than happy to assist you in any way possible. Let me
3 take this opportunity to stand up so you know who is speaking.
4 There's a lot of people up here. Let me introduce myself. My
5 name is Terry Deason. I'll be chairing the hearing this
6 evening. I am a member of the Public Service Commission.
7 Seated to my right is Commissioner Rudy Bradley, and seated to
8 be my left is Commissioner Chuck Davidson. We will comprise
9 the panel of Commissioners that will be hearing your testimony
10 this evening.

11 When I took appearances there were a number of
12 individuals that introduced themselves. We have
13 representatives from BellSouth, from the Public Counsel's
14 Office and from AARP and then, of course, the staff of the
15 Public Service Commission.

16 I want to take this opportunity first to welcome
17 everyone out this evening. We appreciate you coming, sharing
18 your thoughts with us. That is the purpose of the hearing
19 this evening, is to hear from you, the customers.

20 The matter that is before the Commission, we have
21 three separate dockets involving the predominant telephone
22 companies in the state. In this particular area of the state
23 BellSouth is the predominant carrier. Petitions have been
24 filed before the Public Service Commission in accordance with
25 the telecommunication infrastructure and -- I forget the exact

1 title of the act, but it became effective in May of this year.

2 The provision of this act, or the purpose, rather,
3 is to give back to the Public Service Commission authority to
4 address access charges and to address potential barriers to
5 competition in the state of Florida. The act has several
6 provisions in it, one of which is to look at the possibility
7 of rebalancing rates by reducing access charges and increasing
8 local rates as a benefit to promoting competition.

9 There are a number of criteria that the Commission
10 has to consider. We are here to hear from you on these
11 proposals. You probably have read in the newspaper accounts
12 recently the Commission made a decision that changed the time
13 period in which we are going to consider this matter, and we
14 are going to get some introductory comments in just a moment
15 concerning the decision yesterday and how that impacts the
16 filings.

17 The process we are going to follow this evening is
18 that we will have a brief introduction by the staff of the
19 Commission, that will be followed by opening comments by
20 BellSouth, which will be followed by Public Counsel, which
21 will be followed by AARP. And then we get to the real reason
22 we are here this evening, and that is to hear from you, the
23 customers.

24 I want to take just a moment to review the
25 process -- or the procedure we are going to follow this

1 evening. When you entered the hearing room, you should have
2 been greeted. And if you want to make comments, you should
3 have been given a form to fill out. This will be the list of
4 people that Public Counsel's office will be using to call
5 members of the public to make a statement before the
6 Commission. If you do not wish to make a verbal statement
7 this evening, then we also encourage you to write the
8 Commission.

9 We facilitate this by the information booklet you
10 were handed as you entered the hearing room. The last page of
11 that is designed to be taken off and folded and sent to the
12 Commission. You may also fax information to the Commission or
13 just simply write a letter to the Commission, or call us on
14 our toll free number. We want to facilitate your comments in
15 this docket.

16 When we get to the phase of the hearing where we are
17 going to hear from members of the public, Mr. Beck will be
18 calling you by name. We ask when your name is called to come
19 to the podium right in front of the court reporter. This is
20 probably a good time to indicate that this is an official
21 hearing of the Commission. It is being recorded by the court
22 reporter. It will become part of the official record, and it
23 will constitute evidence upon which the Commission can rely in
24 making its decision in this docket. And since it is a formal
25 hearing of the Commission, anyone giving a statement this

1 evening will be sworn in. This is a necessary protocol so
2 that your statement can become part of the official record. I
3 think that covers the preliminaries.

4 Ms. Keating, have I left anything out?

5 MS. KEATING: No, sir, none that I can think of.

6 COMMISSIONER DEASON: Okay. Before we get to your
7 presentation, which is, I understand, going to be brief, I do
8 want to take this opportunity to recognize someone in the
9 audience this evening, Mr. Jack Shreve, former Public Counsel
10 of the state -- Jack, do you mind standing up -- former Public
11 Counsel of the state of Florida. He is now special consultant
12 to the Attorney General for the state of Florida. I
13 understand he is going to be monitoring these proceedings, and
14 we are certainly glad that he is with us this evening.

15 MR. SHREVE: Thank you.

16 COMMISSIONER DEASON: With that, Ms. Keating, you
17 may proceed.

18 MS. KEATING: Thank you, Commissioner. As
19 Commissioner Deason pointed out, we are here today for three
20 dockets that were initiated by three petitions filed by
21 Sprint, BellSouth and Verizon. These petitions are based on
22 recent legislation that was passed by the Florida Legislature.
23 And as Commissioner Deason pointed out, the goals are to
24 address access charges and to remove barriers to competition.

25 One of the ways that the Legislature has sought to

1 do this is by allowing the local companies to reduce the
2 access charges that they charge to long distance companies and
3 allowing them to also offset those reductions in a revenue
4 neutral manner. The Legislature has directed the Commission
5 to review these petitions with specific criteria in mind.

6 And those four criteria are to remove current
7 support for basic local telecommunication services that
8 prevents the creation of a more attractive, competitive local
9 exchange market for the benefit of residential consumers.

10 The Commission is also going to have to consider
11 whether granting the petitions will induce enhanced market
12 entry.

13 The Commission will also be looking at whether
14 granting the petitions will result in interstate switched
15 network access rate reductions to parity over a period of not
16 less than two years, or more than four years. And parity
17 essentially means that the Florida in-state access charges
18 that are charged to long distance companies for calls with --
19 long distance calls in the state will then be the same as
20 access charges for long distance calls that go out-of-state.

21 The final criteria that the Commission must consider
22 is that granting the petitions ultimately has to be revenue
23 neutral. Revenue neutrality is define as changes in access
24 revenues, offset by equal changes in local rates.

25 And, again, as Commissioner Deason emphasized, we

1 are here today to hear from you, the customers, and we want to
2 hear all of your comments. But particularly in view of what
3 the Legislature has asked the Commission to consider, it would
4 be particularly helpful if you do have comments regarding
5 competition in your area for basic local telephone service and
6 what types of competition you would like to see. Also, if
7 there are other options for your service that you might be
8 interested in or other services, we would be interested in
9 hearing about that especially, but we really do want to hear
10 all of your comments.

11 And I would just like to take a minute and tell you
12 a little bit about the Commission process. The process was
13 initiated by petitions that were filed by the three companies
14 that I identified earlier. They start a 90-day clock by which
15 the Legislature directed the Commission that it has to render
16 its final decision. As, again, Commissioner Deason pointed
17 out, this week the utilities were required to amend their
18 petitions, so that 90-day clock has been restarted. And
19 BellSouth has refiled, as well as Sprint, and the 90-clock
20 runs for those companies at the end of December.

21 We are going to be conducting public hearings
22 throughout the state to hear from customers like you, and then
23 we are going to conduct a technical hearing in Tallahassee.
24 And right now that is scheduled for December 10th through the
25 12th. And during the technical hearing, the companies, as

1 well as other parties, will be presenting their expert
2 witnesses. And some of the parties that will be participating
3 or that are currently participating are, as Commissioner
4 Deason pointed out, the Office of Public Counsel, who
5 represents the citizens of Florida as well as AARP. At the
6 technical hearing, parties will be responsible for filing
7 testimony, conducting depositions, attending a prehearing
8 conference that will be scheduled at a later date, as well as
9 putting on witnesses and conducting cross-examination.

10 After the hearing, the Commission staff will be
11 preparing and presenting a recommendation to the Commission
12 for them to consider. At that point in time, no further
13 participation will be allowed by any companies or consumers.
14 The Commission will then make a final vote and will render an
15 order before the 90-days has run. After that any affected
16 parties may seek review before the Florida Supreme Court.

17 And that concludes my comments. Thank you,
18 Commissioner.

19 COMMISSIONER DEASON: Thank you, Ms. Keating.

20 BellSouth?

21 MR. CRISER: Thank you. Good evening. Again, I am
22 Marshall Criser. I am here tonight representing BellSouth.

23 As you have already heard, based on a decision by
24 the Public Service Commission yesterday, BellSouth has revised
25 our filing and our proposal to the Commission for

1 implementation of the act. What I would like to do tonight is
2 just take a few moments to review the changes in our proposals
3 for you.

4 Specifically, our revised proposal will reduce
5 in-state toll access charges in three 12-month increments,
6 instead of the two increments that we had previously
7 requested. These reductions will reduce BellSouth's access
8 charges in Florida to the level charged for interstate calls.
9 Implementation of this proposal will require the toll
10 companies in Florida to reduce their in-state toll charges,
11 including the elimination of the in-state connection charge
12 which is on many Florida customers' bills.

13 If our proposal is approved, we plan to offset these
14 reductions by adjusting the charge for certain services.
15 Specifically, we will simplify the rate structure for business
16 single-line service by collapsing the current twelve different
17 rate groups statewide to three rate groups over the next two
18 years. For example, in Fernandina for business service, the
19 rate would move to \$25 per month, or in Jacksonville for
20 business service, the rate would move to \$30.20 per month.

21 In addition, we have modified our previous proposal
22 to adjust the rate for residential basic service in three
23 increments. Under the new proposal the adjustment in
24 residential basic service would be \$1.25 in 2004 and 2005, and
25 approximately a dollar in 2006. However, we have voluntarily

1 maintained our commitment to exempt Lifeline customers from
2 these rate changes for the full four years that could be
3 provided under the act.

4 We also plan to adjust our nonrecurring charges for
5 services such as service installation by approximately 17
6 percent over the same period as the residential basic service
7 adjustments.

8 All of these adjustments are subject to verification
9 by the Public Service Commission to ensure that they are
10 revenue neutral to BellSouth. BellSouth has continued to
11 pursue this effort because we believe that the competition --
12 the objectives of competition and a strong economic foundation
13 are essential to the well being of our state and to our
14 telephone customers.

15 I appreciate your time tonight, and I look forward
16 to listening to your comments. Thank you.

17 COMMISSIONER DEASON: Mr. Beck.

18 MR. BECK: Thank you. Very briefly, my name is
19 Charlie Beck. I'm with the Office of Public Counsel. And you
20 may not be familiar with our office, but we represent
21 customers before the Public Service Commission. Our office is
22 completely separate from them.

23 Shortly after the phone companies filed their
24 petitions last August, we filed a motion to dismiss them. The
25 filing, as they made it, asked for two rate increases in local

1 rates with a corresponding decreases in access charges 12
2 months apart. And the law said that the rate changes had to
3 occur over a period of no less than two years. So we filed a
4 motion to dismiss them for violating that law, and yesterday
5 the PSC granted that motion. And I think that shows that the
6 PSC has wide-ranging authority over the petitions to accept or
7 reject what the companies have filed.

8 So that is why we are here tonight is to hear your
9 testimony so you can tell the Commission how you believe the
10 bill would affect you and you can discuss competition. Of
11 course, there are various aspects to the proposals that would
12 both increase local rates, but should bring about decreases in
13 your long distance rates for calls within the state. So we
14 look forward to hearing from you and giving your input to the
15 Commission, because it is the Commission that is going to
16 finally decide whether to accept or reject the petitions by
17 the companies. Thank you.

18 COMMISSIONER DEASON: Mr. Twomey.

19 MR. TWOMEY: Thank you, Mr. Chairman, and
20 Commissioners. Ladies and gentlemen, I'm Mike Twomey. I'm an
21 attorney representing AARP, who have intervened in these three
22 cases in order to try and kill these rate increases in their
23 entirety on behalf of their 2.6 million members in the state
24 of Florida. If they are successful in doing that, all of you
25 who are single-line business customers and residential

1 customers will benefit as well.

2 Let me comment first and say that AARP doesn't
3 follow or doesn't believe that the statement of purpose in the
4 Public Service Commission's yellow handout is adequate. It
5 tells you to comment on competition, but what do you know
6 about competition? We think that -- AARP thinks that the more
7 important issue for this Commission to hear, and as promised
8 by these companies, these three companies, and the
9 Legislature, and the Governor when they passed this bad law
10 and when the bad law was signed, they said that this
11 Commission has sweeping discretion to deny these rate
12 increases. There had been a fear that these companies, if
13 they got the law passed, would get the money merely by filing
14 their cases before the PSC.

15 And the proponents of the bill said, that is not
16 true. The Public Service Commission has broad discretion.
17 They will have to find and the companies will have to prove
18 that you consumers will have benefits. And the AARP takes the
19 position that that means financial benefits and net financial
20 benefits, which we take to mean when this is all said and done
21 and this Commission approves these increases, if they do,
22 which we hope they won't, that your bills will have to be
23 equal to or lower than what they are now. And the AARP takes
24 the position that can't happen, and I will tell you why in
25 just a second.

1 They also -- the companies complained in getting
2 this law passed that your service doesn't pay them enough,
3 okay. They say that there is a subsidy from other services
4 they have to residential service. AARP takes the position
5 that that claim is absolutely and totally false, and we will
6 have an expert witness at the technical hearings that Ms.
7 Keating referred to to try and prove that.

8 But what they mean is, and I will give you a quick
9 example if I may, they say that on average throughout the
10 state that it costs about \$25 to pay for and maintain the
11 local loop, the last mile of copper wire or so that goes to
12 your house, and they say it takes \$25 a month for that. And
13 typically you may only pay 10, 11, \$12 a month; therefore,
14 they are losing on it. What they don't do, ladies and
15 gentlemen, is they don't count the money that they get from
16 you and from other people in what are called vertical or
17 custom services, if you have caller ID, third-party, call
18 waiting, and that kind of thing or voice mail, they don't want
19 to count that. Those services have to use that last mile of
20 copper wire, otherwise they couldn't sell them.

21 When you use -- when you use directory assistance,
22 and they charge you a dollar or 75 cents a pop, they don't
23 want to count that. They don't want to count other things
24 that have to -- like money they get from long distance
25 companies, access fees, that are being reduced here. They

1 don't want to count those things, and they want to say that
2 there is a subsidy. So the AARP says there is no subsidy.
3 And if there is no subsidy and we can prove that, then there
4 is no possibility whatsoever for them approving these rate
5 increases.

6 Let's go back a minute to the -- to the net benefits
7 concept that the AARP has. We say you have to come out ahead.
8 And in the hearings before the Legislature these companies and
9 their legislative proponents, of which they had too many, said
10 it's going to be okay. My constituents, our customers, will
11 have a chance to break-even on their overall monthly bill
12 because they are going to make lots of in-state toll calls,
13 not interstate, not calling Jersey, not calling Michigan, New
14 York or wherever, in the state. They are going to make lots
15 of in-state toll calls, and they are going to do it at lower
16 rates, and they might have a chance to break even or maybe
17 even win on their monthly bill.

18 Now, what is the problem with that? The problem is
19 a lot of people don't make in-state toll calls. A lot of
20 people that make in-state toll calls do it with a cell phone.
21 If you do it with a cell phone, you can't possibly break even
22 on these supposed lower rates we are going to get. If you use
23 a calling card from Sam's or you use a dial-around number, one
24 of these 800 numbers, you don't get credit there. You can't
25 possibly save. Okay.

1 But you know what the number one problem is, ladies
2 and gentlemen, on why you can't know whether you are going to
3 save on this is because these companies haven't told these
4 Commissioners and their staff how much the in-state toll rates
5 are going go down. And perhaps it is fair that they haven't
6 told them, because they say they don't know, because that is
7 left to the goodwill of AT&T, and MCI, and Sprint long
8 distance, okay. Now, there is a big problem there, so you
9 can't possibly, even if you know that you made five hours a
10 month of in-state toll calls that qualify, and you use your
11 land line, you can't calculate what your savings might be,
12 because nobody has told you what the savings possibly can be.

13 On the other hand, we know what the detriments or
14 what the costs are to you if the Commission approves these
15 petitions. Specifically, with BellSouth they are asking at a
16 maximum to raise your rates \$3.86 a month, which is 46.32 a
17 year, and that doesn't include the extra taxes and fees that
18 are tacked on because they are a percentage. Your bill will
19 go up quite a bit more. So it is the AARP's position that you
20 can't possibly know that you can save, and we don't believe
21 that there is anyway that you can save. And on that basis we
22 are going to ask the Public Service Commission to deny the
23 increases to these three companies.

24 I want to close by telling you a couple of other
25 things that are bad that will happen that is bad if the PSC

1 approves these rate increases.

2 COMMISSIONER DEASON: Mr. Twomey, I'm going to --
3 you indicated you are going to wrap it up. I am going to ask
4 you to please wrap it up.

5 MR. TWOMEY: Yes, sir. I'm going to wrap it up,
6 Mr. Chairman.

7 COMMISSIONER DEASON: Okay.

8 MR. TWOMEY: If they approve these increases, and
9 these companies get to impose all of these rate increases on
10 you over the course of two years and one day, when that
11 happens, you know what else happens? As soon as they do that,
12 their rate increases which in those two years will be 35 to 51
13 percent, ladies and gentlemen, thereafter they can
14 immediately, without asking anybody's permission start
15 increasing rates by 20 percent per year. Additionally, they
16 have the option of trying to remove the Public Service
17 Commission's ability to control their quality of service.

18 And lastly, notwithstanding the fact that Mr. Criser
19 said that this company wants to extend magnanimously
20 protection to Lifeline customers for four full years from
21 these rate increases, AARP is concerned that they don't have
22 the right to do that statutorily and that those rate increases
23 may go to the Lifeline customers in as few as two years.

24 I would encourage you to testify. Don't be
25 concerned about the requirement of being under oath. Come up

1 and tell these Commissioners if you can't afford the rate
2 increases or if you can afford them, that you don't want them
3 because you don't think they are fair. Thank you very much.

4 COMMISSIONER DEASON: Thank you, Mr. Twomey.

5 At this stage I am going ask all members of the
6 public who have indicated a desire to make a statement this
7 evening to please stand and raise your right hand so I can put
8 you under oath.

9 (Witness sworn simultaneously.)

10 Thank you. You may be seated.

11 Mr. Beck, before you call the first name, as I
12 indicated, when your name is called, please come to the podium
13 directly in front of the court reporter. We ask that you
14 begin by giving us your name and your address, please tell us
15 the telephone company which provides you your local service.
16 If you think it would be helpful to the court reporter, you
17 may wish to spell your last name so that it is recorded
18 accurately in the record. You may then proceed with your
19 statement.

20 At the conclusion of your -- let me say this, too:
21 We are not imposing any time limits on your statement. The
22 only thing we ask is that you please be cognizant of the fact
23 that there are a number of people waiting, so be -- tell us
24 what you want us to know, but be concise and be considerate of
25 those people that are waiting for their opportunity as well.

1 At the conclusion of your statement, please wait for a moment,
2 there may be some clarifying questions at the conclusion.

3 And, Mr. Beck, you may call your first witness.

4 MR. BECK: Thank you, Mr. Chairman.

5 I'm going to use these sheets that everybody used
6 when you came in, when you signed up. I am going to do my
7 very best to call everybody in exactly the order that you came
8 in and signed on these sheets. And, also, if I mispronounce
9 your name, I apologize ahead of time.

10 The first person is Mr. Norm Dobrowski.

11 NORM DOBROWSKI

12 was called as a witness on behalf of the Citizens of the State
13 of Florida and, having been duly sworn, testified as follows:

14 DIRECT STATEMENT

15 MR. DOBROWSKI: My name is Norm Dobrowski. Last
16 name is spelled D-O-B-R-O-W-S-K-I. I reside at 12349 Leafy
17 Tree Lane in Mandrin. My service provider is BellSouth;
18 however, my long distance provider is 101-6400. And I am
19 strongly opposed to these increases. Over the last eight
20 months since we've moved to Florida our phone bills with
21 BellSouth have been about 24 to \$25 a month. And my long
22 distance bill with 101-6400 has been less than five dollars.
23 So not only would I not save anything by virtue of not being a
24 BellSouth customer, I wouldn't save anything even if I was,
25 because it would be hard to beat that five-dollar rate. I

1 don't think they could reduce their rates far enough for me to
2 have any savings.

3 I believe we have plenty of long distance affordable
4 options today with 10-10s, 101s, with cell phones, with the
5 Internet, with MCI. I don't think we need a long distance
6 rate reduction. However, we are somewhat relative captives of
7 our long -- of our local providers. We don't have a whole lot
8 of options there.

9 The Legislature passed the bill saying that we are
10 supposed to have more competition generated because of this
11 bill. I, for one, cannot see how we are going to get more
12 local competition unless we raise the rates high enough that
13 makes it very attractive for other phone companies to come in.
14 If you raise the rates high enough, anybody can come in and
15 compete, but it certainly isn't a benefit to us as consumers.

16 So I believe that Sprint, BellSouth, Verizon -- I
17 believe they are losing business in the long distance area.
18 And I think part of this -- this rate increase is a long-term
19 plan to say we need to offset that loss of revenue by taking
20 our captive customers and securing our income there. So I
21 would urge the Commission to reject these rate increases.
22 Thank you.

23 COMMISSIONER DEASON: Any questions?

24 One brief question, sir. You indicated that you
25 feel captive to the local companies. Have you -- are there

1 any other providers of local service in your particular
2 territory or do you just feel more comfortable with BellSouth?

3 MR. DOBROWSKI: We had -- I think we had to use
4 BellSouth when we got here when I signed up for the phone
5 service. I don't think when we first signed up we had
6 options. BellSouth was serving that area.

7 COMMISSIONER DEASON: Would you like to see more
8 competitors for local service or are you satisfied with the
9 way the situation is now?

10 MR. DOBROWSKI: I think I am satisfied. If think if
11 there were truly three competitors in the area that were
12 competing against one another, which there are technically
13 not, given the geographical area. I think we would be fine,
14 as long as there was no collusion with regard to setting
15 prices there. If they truly competed for the prices and the
16 customer service, I think we would be fine.

17 COMMISSIONER DEASON: Thank you, sir. We appreciate
18 your statement.

19 Mr. Beck.

20 MR. BECK: Thank you.

21 The next witness is Wilfred Ward.

22 WILFRED WARD

23 was called as a witness on behalf of the Citizens of the State
24 of Florida and, having been duly sworn, testified as follows:

25 DIRECT STATEMENT

1 MR. WARD: My name is Wilford Ward. The last name
2 is W-A-R-D. I don't see why we need to increase the phone
3 rates. I won't receive any benefit if you decrease the
4 Florida rates, because I use a Sam's card, and I find that it
5 is very reasonable. Also, I don't think that with -- I
6 don't -- the local calls -- I'm a BellSouth customer, first of
7 all, and other -- when I -- I also have long distance with
8 Talk which is on AOL, so that is very reasonable. It is a lot
9 more reasonable than AT&T. AT&T every so often sends me a
10 letter, wants to give me one hundred dollars, and now they are
11 down to \$40, but, I haven't gone back.

12 But, anyways, presently I have the package, the
13 local package. I have caller ID and everything that is under
14 the sun. And, really, I don't use a lot of the services. And
15 if the rates go up, then my wife and I have decided that we
16 will just cut out some of our local services.

17 COMMISSIONER DEASON: Any questions?

18 Thank you, sir.

19 MR. BECK: Thank you, Mr. Ward.

20 The next witness is Robert Fussell.

21 ROBERT FUSSELL

22 was called as a witness on behalf of the Citizens of the State
23 of Florida and, having been duly sworn, testified as follows:

24 DIRECT STATEMENT

25 MR. FUSSELL: I'm Robert Fussell. That's F, as in

1 fox, U-S-S-E-L-L. I live at 6730 Renee Terrace 32216. I'm
2 here opposing this rate on behalf of my residential area and
3 the small business area which is a fraternity area, which our
4 phone bill there is not used except in the evening for
5 emergency at fifty dollars and -- fifty dollars -- \$51, I'm
6 sorry. And also we do not make any interstate calls, long
7 distance calls or -- long distance calls from there because we
8 can use a card from Sam's or someplace which is a lot less.

9 According to the monthly bill from BellSouth, which
10 we both have, it says on here that we are paying 65 cents to
11 the Federal Universal Service Fund which helps keep local
12 phone rates affordable for the Americans. Well, if we keep
13 raising rates, we're not going to be able to afford it.

14 And competition, I worked for a large company, which
15 I was also a purchasing agent, and the competition was the
16 person that had the lowest price and best quality of
17 merchandise is the one got the order. In this particular
18 instance it looks like they want to raise the prices and don't
19 want to get out the orders.

20 Also, all the other charges listed to your phone
21 bill, will that be cut? For instance, here we have an FCC
22 charge for network access of six dollars and a half. My phone
23 bill locally right now without any long distance calls,
24 interstate calls, anything, is already 18.74, because that is
25 the basic service. So we are looking at close to

1 \$23-and-something. Well, most of us are retired, on pensions,
2 we have fixed incomes, and we don't apply -- and we can't get
3 Social Security or, I mean, we can't get Medicaid or the FCC
4 for that Lifeline or something else. And I think you ought to
5 look after the middle class people as well as the high class
6 people. Maybe it is just wanting to put some more money into
7 some other higher pockets. I don't know. But I think it is
8 wrong. We oppose it, from both the organization and myself.

9 COMMISSIONER DEASON: Any questions? No questions.
10 Thank you, sir.

11 MR. FUSSELL: Thank you.

12 MR. BECK: Thank you.

13 The next witness is Bill Price.

14 BILL PRICE

15 was called as a witness on behalf of the Citizens of the State
16 of Florida and, having been duly sworn, testified as follows:

17 DIRECT STATEMENT

18 MR. PRICE: Yes. My name is Bill Price. I'm with
19 Civil Services, Incorporated, here in Jacksonville, Florida.
20 I reside at 5275 Riverton Road in Jacksonville, Florida. My
21 office is on 2394 St. Johns Bluff. That is a small business.
22 We make quite a few calls. We're in support of the
23 market-based pricing. Most of my calls are in the Florida
24 state. We make very little long distance phone calls, and my
25 bill is very, very, adjustable to that. But at this time

1 my -- my statement is very brief. And, you know, we look
2 forward to the lower cost for in-state long distance calls.

3 COMMISSIONER DEASON: Any questions?

4 Thank you, sir.

5 MR. BECK: The next witness is Sedley Huey.

6 SEDLEY HUEY

7 was called as a witness on behalf of the Citizens of the State
8 of Florida and, having been duly sworn, testified as follows:

9 DIRECT STATEMENT

10 MR. HUEY: My name is Sedley Huey, H-U-E-Y. I'm the
11 president of ACTECH Architect Engineers, a small business
12 organization. We are in the position that we support the
13 bill, especially since it is proclaimed to be revenue neutral.
14 We make quite a bit of calls, we use our fax, far most
15 exclusively in the state of Florida. Therefore, we think it
16 would be good, especially for small businesses. And, again,
17 since it is revenue, or supposed to be revenue neutral, we see
18 that we have nothing to lose. We thank you.

19 COMMISSIONER DEASON: Questions?

20 MR. TWOMEY: Yes, sir, just briefly.

21 Mr. Huey, does your business have just a single line
22 or do you have rotary?

23 MR. HUEY: We have two lines and all the attributes
24 that go with it -- that go with the two lines.

25 MR. TWOMEY: Okay. Do you know whether you will

1 receive a rate increase from your business under this -- the
2 increases?

3 MR. HUEY: To the best of my knowledge, we should
4 not have an increase.

5 MR. TWOMEY: Okay. And, secondly, has anybody told
6 you how much you might save on the reduced in-state toll
7 charges?

8 MR. HUEY: No, I have not heard that. But, of
9 course, it it's revenue neutral, then if some people are going
10 to pay more, then others, of course, would have to pay less
11 for it to be revenue neutral.

12 MR. TWOMEY: Okay. Thank you.

13 MR. HUEY: Uh-huh.

14 COMMISSIONER DEASON: Thank you, sir.

15 MR. BECK: The next witness is Mike Hancock.

16 MIKE HANCOCK

17 was called as a witness on behalf of the Citizens of the State
18 of Florida and, having been duly sworn, testified as follows:

19 DIRECT STATEMENT

20 MR. HANCOCK: Good evening. My name is Mike
21 Hancock. I reside at 13140 Tamares (phonetic) Court here in
22 Jacksonville 32246, out towards the beach. I'm here tonight
23 representing myself on behalf of Five Star Cellular. We're a
24 Nextel dealer. And I would just like to say that my opinions
25 reflect my opinions and not those of Nextel or necessarily

1 Five Star Cellular.

2 I'm a BellSouth customer, have been for a long time.
3 I have three BellSouth lines in my home, in addition to
4 numerous cell phones, PDAs and cellular phones. I'm a
5 Republican. I have always been a big fan of less government
6 intervention, not more. I think the markets tend to take care
7 of themselves if they are open and allow competition freely,
8 and I believe this legislation does that.

9 As an example, my mother, who is close to being a
10 retiree, and is on a fairly fixed income, she is a member of
11 AARP, as a matter of fact, recently in Jacksonville customers
12 were given a choice, and she decided, because it was less
13 expensive, that she would take it, and moved her local phone
14 service over to what was now -- at the time AT&T Broadband.
15 Well, the quality of their service was just horrible. And
16 every time her television would go out, her phone would go
17 out. She couldn't make phone calls. And it didn't take long
18 for her to get to the point where she just couldn't tolerate
19 it anymore, and so she took her phone service back to
20 BellSouth.

21 And I think that if we -- well, I understand -- you
22 know, it is probably fitting that you guys are sitting in
23 school board chairs, because when you are dealing with
24 people's children there is nothing between you and them when
25 you are a school board member. I mean, that's like having

1 bare skin on leather. And you guys are kind of in the same
2 shape here tonight, because you are dealing with people's
3 pocketbooks and their wallets. And people get -- you know,
4 the fear of the unknown is what drives folks a lot of times.
5 And so there are a lot of people who feel kind of uncertain
6 about this.

7 My take on this is competition is always a good
8 thing for the customer in the end. Competition is always a
9 good thing for the customer in the end. And I do believe this
10 will open up the markets here in Florida for new -- for new
11 local exchange carriers and long distance carrier alike to
12 come into Florida and to begin competing.

13 And I will tell you, being in the cell phone
14 business, I have often discussed with my wife as I am writing
15 checks every month and paying my different bills and long
16 distance providers, and what have you, that, you know, really
17 at some point I am thinking that the cellular industry is
18 going to get to the point where it should be our primary
19 source of communication, and I can actually cut off my land
20 base.

21 And you know what in a competitive environment that
22 is okay. As long as my cellular carrier is able to perform up
23 to my expectations and do so in a way that is at least price
24 neutral with what I have already got with the local exchange
25 carrier, I think that is a good argument to make.

1 So, anyways, I think the legislation is appropriate.
2 I'd appreciate you guys considering the rate increase -- or it
3 is not actually a revenue increase, it's revenue neutral, but
4 I would appreciate you considering the item on the table
5 tonight.

6 COMMISSIONER DEASON: Questions?

7 MR. TWOMEY: Yes, sir, Mr. Chairman, just a couple
8 very quickly.

9 Mr. Hancock, I would like to be clear that I
10 understand what you are saying. You are saying that -- are
11 you saying that the consumers benefit if there is competition
12 at \$15 per month as opposed to the current situation where
13 rates might be 11?

14 MR. HANCOCK: If that promotes competition and
15 brings other people into the market, yes, I would say
16 consumers benefit from it.

17 MR. TWOMEY: Even if -- even if the rates never go
18 back to where they are now, customers are better because of
19 just the existence of competition is what you are saying?

20 MR. HANCOCK: I don't buy many things that stay the
21 same price for ever and ever and ever. I don't. I buy bread
22 today. It wasn't the same price it was five years ago,
23 neither is milk. So are prices going to go up a little bit?
24 Yes, absolutely. But, yes, to answer your question, I do
25 believe the competition will make service ultimately better

1 and actually more cost-effective in the end if you let the
2 free markets run.

3 MR. TWOMEY: Okay. Thank you.

4 COMMISSIONER DEASON: Sir, I have a question for you
5 and I think Commissioner Davidson may have a question after I
6 finish. I am intrigued by the fact that you are in the
7 cellular business, and I'm going to ask you your opinion on
8 something if you can share it with us.

9 MR. HANCOCK: Sure.

10 COMMISSIONER DEASON: Do you believe that cellular
11 is cost competitive now with local service providers, and do
12 you see that in the future if there is enhanced competition,
13 do you think there is going to be a point at which they are
14 competitive, not only for convenience and price, I know it's a
15 package. Could you share your thoughts on that with us,
16 please?

17 MR. HANCOCK: I think historically cellular phones
18 have been outside -- as far as residential consumers are
19 concerned, have been more of a luxury type of item. I think
20 that has changed several years ago. And from a price
21 standpoint, I think, yes, that they are becoming -- I think
22 increasing, ultimately increasing rates in local -- local
23 exchange carrier's service will bring the rates that -- we
24 just saw new rates come out today, as a matter of fact, from
25 cell phone carriers, where they are introducing very

1 competitive rates for residential customers. And the thing --
2 the argument there is, you're right, I mean, why shouldn't you
3 be able to have your home phone that you use as your home
4 phone on your hip and you carry it everywhere you go.

5 I have a friend of mine from college who is a fairly
6 mobile person. And he called me several months ago, about a
7 year ago, actually, and said, you know, I have decided I am
8 not going to have a home phone because I am on-the-go so much,
9 and I come home and have 20 or 25 messages on my answering
10 machine that I don't often check. Instead, I just want you to
11 get me a cell phone and make sure it is on a reasonable plan
12 that gives me plenty of minutes, and I am going to carry that
13 with me. So any time anyone needs to call me at the house, I
14 will get the call right on my phone. And he's lived with it
15 for -- in fact, I talked with him today in Louisiana. He was
16 on is a way from South Florida to Louisiana, and so his phone
17 is working great and the best decision he ever made because he
18 is not paying the monthly service charge for a local exchange
19 carrier, plus he gets free long distance on the plan that he
20 is on.

21 COMMISSIONER DEASON: I am going ask a follow-up,
22 Commissioner, and then I will allow you to ask your question.
23 Mr. Twomey when his opening statement correctly indicated that
24 under the act that if the plans are approved, at some future
25 time there is going to be greater pricing flexibility for the

1 local companies up to 20 percent per year if certain criteria
2 are met. Do you see that cellular is going to be -- put
3 pressure, competitive pressure to keep those increases in
4 check for the fact that customers would be disconnecting land
5 lines and converting over to cell phones for residential use?

6 MR. HANCOCK: Absolutely, there is no question about
7 it. Again, let me use myself as a personal example. I have
8 three local lines right now in my residence. If BellSouth,
9 given the service, if everything else remained the same, and I
10 was offered nothing else and BellSouth raised rates to that
11 extent, I think what they would find is people who start
12 cutting off lines and looking for other alternatives. And,
13 again, back to my point earlier, being that I believe totally
14 in the free markets and letting competition set the prices,
15 because what will happen is people who aren't able to pay will
16 begin looking for other options.

17 And in a natural open market, somebody is going to
18 fill that void and pick up that business. It is going to
19 happen. It's just a matter in what -- whether it is cellular
20 or land based. I mean, somehow that need is going to be
21 filled. The void will be taken care of. Yes, I do agree with
22 that completely.

23 COMMISSIONER DEASON: Commissioner Davidson.

24 COMMISSIONER DAVIDSON: Thank you, Chairman.

25 How have you seen competition working or not working

1 in the wireless market, particularly as it results to range of
2 options and prices for consumers?

3 MR. HANCOCK: Being in the sales business in the
4 cellular industry, I will tell you it is constantly you are
5 having to prove that you have a value proposition, that you
6 can offer the customer more or that you can offer the customer
7 equal service but at a lesser price. So I think the -- the
8 other interesting dynamic is of this whole situation,
9 especially when you throw in broadband and some other things
10 into the mix and watching how technology is developing, the
11 third-party applications right now in the cellular business
12 where we are partnering with companies that really have
13 nothing to do with our core business which is providing
14 that kind of activity, but the people that are driving
15 applications, like job applications and developing
16 applications where people can use work orders over their
17 phones and things of that nature. Now with picture telephones
18 you can, you know, snap pictures and send those over. There
19 is a lot of different applications that are now developing.

20 And I believe competition is what creates that. The
21 pressure of having to respond to the market to get new
22 technology out, to be bigger, better, faster, smarter, those
23 are the things that drive -- in fact, I will argue that those
24 are the things that have made our country great, innovation.
25 And competition breeds innovation. People have to find ways

1 to be first in the consumer's mind, and competition is what
2 makes that happen.

3 COMMISSIONER DAVIDSON: How, specifically in the
4 issue of prices and wireless. At some point in time the
5 federal regulators made a decision that we are not going to
6 regulate the wireless market in the same way that the local
7 land lines have been regulated. What have been the price
8 trends in the wireless market as it has evolved as a
9 competitive market?

10 MR. HANCOCK: Clearly, continually come down, have
11 fallen over the years. And, again, as new services, as
12 premium services come about, you are able to charge premium
13 prices for them. But, face it, when you first, you know --
14 and, again, let's go back to innovation and competition. I
15 remember my first cell phone that I ever had was a big heavy
16 bag phone, and I had to carry a shoulder strap to carry it
17 around. And I was so happy to have that thing. I mean, I
18 could sit on the beach and make a cell phone call. I just
19 thought that was the coolest thing. I remember call everybody
20 I could think of.

21 But, you know, now this is my cell phone. I mean,
22 it's, you know, from that big bag to this. Free market and
23 competition is what makes that happen. Because what happens
24 is we try to be better. You try to optimize your service.
25 You try to create new products, you try to be better and

1 smart, all of those things. And so, yes, I would say
2 clearly -- I mean, the competition in the cellular industry,
3 because it is not regulated, is fierce. And so you are always
4 having to look at adjusting your prices, making sure, you
5 know, if you're focused on business customers, making sure
6 that you have something for your residential customers.
7 Again, it is going to be -- you know, let them be able to
8 utilize the service and take advantage of it. So I think it
9 is an open market and hands off laissez-faire is a wonderful
10 strategy.

11 COMMISSIONER DAVIDSON: One more question, Chairman.
12 Specifically with regard to wireless and long
13 distance competition, if there is demonstrated in the record,
14 in fact, a network access charge exist, and that network
15 access charge is reduced, do you predict that there will be
16 greater competition between wireless and long distance, less
17 competition between wireless and long distance, or no impact
18 in competition between wireless and long distance?

19 MR. HANCOCK: I would predict there would be
20 greater. Right now, for example, since -- I will just use
21 Nextel who we -- 95 percent of our business is Nextel. And
22 Nextel, being in the cellular business is, as you said,
23 unregulated. Right now, on most -- or, in fact, all of our
24 national plans, you have free long distance with all of them.
25 In the state of Florida on even our local service plans, on

1 even the local service plan, a \$30 a month local service plan,
2 any cell phone call that I make on my Nextel calling Orlando,
3 Tampa, Miami, Pensacola, wherever, is a free phone call.
4 There is no roaming charges involved. There is nothing else.

5 So, again, if you give companies the flexibility of
6 pricing, and if you give companies -- if you give companies a
7 reason to be creative and to be innovative, they are going to
8 respond to it. On the other hand, if you don't give them that
9 incentive, they won't respond. Things will stay pretty much
10 like it is, which is fine for the folks that are satisfied.
11 But for the folks who want better, who want to move forward,
12 it is not so good.

13 COMMISSIONER DEASON: Commissioner Bradley.

14 COMMISSIONER BRADLEY: Yes. This has been a very
15 interesting discussion, especially in view of the fact that
16 you have expertise in the wireless area. It appears to me
17 that what you have done is to make an analogy or make a
18 comparison between line service and wireless service. And,
19 basically, what you have done is to, in my opinion, explain
20 how wireless started out -- and correct me if I'm wrong -- how
21 wireless started out as basic with no frills, no bells and no
22 whistles. And as a result of the free market pressures or
23 forces, we now have many, many, bells and whistles that have
24 resulted from free market forces entering into the picture.

25 MR. HANCOCK: Yes, sir.

1 COMMISSIONER BRADLEY: You also said that the price
2 of wireless has come down over -- over a period of time in
3 comparison to, I guess, the packages that are offered. My
4 question is this. And I think this is a fair question to ask
5 you, because I think you probably can maybe help me with this.
6 Where do you see land line services ten years from now in
7 comparison to where they are now if -- if we -- if this is put
8 into effect? Do you see land line service being the same as
9 it is today or do you see it being drastically different ten
10 years from now? And if so, what might you predict?

11 MR. HANCOCK: The 64-million-dollar question. It's
12 a great question, and one that I think all parties on all
13 sides of this issue are hoping to answer, trying to answer,
14 and hoping we have the right answer.

15 COMMISSIONER BRADLEY: And do you see more
16 technological advances? It seems like you explained that as a
17 part of the scenario for wireless. Do you see more -- more
18 abundant packages being created? I'm just --

19 MR. HANCOCK: Right. I don't claimed to --

20 COMMISSIONER BRADLEY: Your discussion is very
21 interesting.

22 MR. HANCOCK: I'm really not an expert in all the
23 different -- the bundle and unbundled elements and all of
24 those things. I will say that it appears -- it seems logical
25 to me, again, that if we have freedom and flexibility as far

1 as pricing goes -- again, companies are going to respond to
2 their consumers. If BellSouth immediately, or Sprint, or
3 Verizon, or whoever immediately experienced a -- you know, 30
4 percent of their customers bailing and leaving, I'm not
5 suggesting that is going to happen, but if it did, BellSouth,
6 and Verizon, and Sprint would respond accordingly. I mean,
7 they are not going to let that happen.

8 So, I think it is kind of ludicrous to sit here and
9 suggest that these guys are going to try to in some way rape
10 consumers. Because what is going to happen is consumers are
11 going to look for another alternative. Yes, I do believe, I
12 mean when you look now at computer screens where you can plug
13 your cable television and your phone right into it, which I
14 happen to have one of those, and I can be sitting at my -- at
15 my television -- I mean, at my computer screen and my
16 satellite dish is hooked in and someone calls on my land line,
17 my BellSouth land line, and I can see caller ID on my screen
18 right there on the computer who it is that is calling. And I
19 think, yes, as we make things work together more and more, and
20 as we continue to encourage innovativeness and new product
21 development, absolutely. Again, we all win in the end.

22 COMMISSIONER BRADLEY: Thank you.

23 MR. TWOMEY: Mr. Chairman, Mr. Hancock is a very
24 intriguing witness. May I ask him one short question?

25 COMMISSIONER DEASON: Yes.

1 MR. TWOMEY: Thank you, sir.

2 Mr. Hancock, the question is this: Do you believe,
3 do you really believe that a sophisticated corporation like
4 BellSouth is going through this expensive process so that it
5 can do something that is revenue neutral, i.e., not designed
6 to make any money, in order that it can lose some of its
7 customers through competition?

8 MR. HANCOCK: I was under the understanding that the
9 Legislature had passed this bill, actually. You're suggesting
10 that BellSouth did?

11 MR. TWOMEY: Yes, sir, that's true. But just so --
12 just so you know, and the companies are the Commission can
13 correct me if I'm wrong, the Legislature passed the law, but
14 they didn't say that any of these corporations had to come in
15 and ask to have the Commission raise their local rates and
16 reduce the in-state.

17 MR. HANCOCK: The thing that scares me the most
18 about keeping things the way they are is that things are going
19 to stay the way they are. I mean, that's a short answer. The
20 answer is do I believe that BellSouth, Sprint, and Verizon are
21 in business to make money? Yes. They are a for-profit
22 businesses.

23 Do I believe that they are going into this in an
24 attempt to hurt consumers? No.

25 Do I believe that by encouraging competition into

1 the marketplace that we all win in the end because of
2 innovativeness and in the end lower prices? Absolutely. And
3 call me a purest, but I do believe completely in the power of
4 the free market system in this country.

5 MR. TWOMEY: Thank you.

6 COMMISSIONER DEASON: Thank you, sir. We appreciate
7 your testimony.

8 MR. HANCOCK: Thank you.

9 COMMISSIONER DEASON: Mr. Beck.

10 MR. BECK: Thank you. The next witness is Bill
11 Figueron?

12 BILL FIGUERON

13 was called as a witness on behalf of the Citizens of the State
14 of Florida and, having been duly sworn, testified as follows:

15 DIRECT STATEMENT

16 MR. FIGUERON: Figueron. My name is Bill Figueron,
17 and I live at 12513 High View Drive, Jacksonville, Florida
18 32225. Let me start by saying that I am the president of Five
19 Star Cellular, where Mr. Hancock works, and I'm convinced
20 right now that hiring him was the best thing I ever did.

21 COMMISSIONER DAVIDSON: I think he deserves a raise.

22 MR. FIGUERON: I'm sure he will talk to me about it
23 in the car on the way out of here. You know, we kind of
24 talked in the car on the way over here, and right now he
25 covered so much with you that pretty much all I have to say is

1 that I agree with just about everything he said. I will also
2 say, not only is competition what drives things in our
3 business and in the cellular business we have seen it work in
4 a way that Mike tried to explain to.

5 When we look at things, right now in the wireless
6 industry, the most dominant carrier in the business, as far as
7 customer retention and new customer growth, is Nextel. Nextel
8 is also the predominant carrier as far as having the lowest
9 churn number. Their churn is less than two percent. Churn is
10 customers that switch from them to another carrier. They do
11 that by having the highest revenue per unit. That means they
12 bill their customers the most for their service of anybody in
13 their industry.

14 So you have to ask yourself, how is it that they
15 manage to maintain the fastest growing customer base with the
16 least number of customers leaving while charging people the
17 most for their service? It's because they are -- they stand
18 alone singularly as the company with the best product, the
19 company with the best quality of sound, the company who is
20 putting the most new and unique ideas on the table. And if
21 that happens through a rate increase that is offset somewhere,
22 if we have competition, then the competition will take care of
23 itself, people will be satisfied with what they have. If they
24 feel that these companies who are charging more are worth
25 paying for, they will stay there. If they don't, they will

1 have other places to go in the future. And that is about all
2 I have got for you. Mike covered everything else.

3 COMMISSIONER DEASON: Questions?

4 MR. TWOMEY: Yes, sir, I do.

5 MR. FIGUERON: I knew you would.

6 MR. TWOMEY: That is the way it is supposed to work.

7 MR. FIGUERON: Good.

8 MR. TWOMEY: The -- the first question I have is --
9 is -- isn't -- won't the cellular industry in general, and
10 Nextel and your company, Five Star, be positioned to be more
11 effective competitors for telephone services in general if
12 these local companies raise their basic local rates?

13 MR. FIGUERON: There is no doubt that we are
14 currently at a point where with rates increasing in service
15 that you will reach a convergence of cellular costs versus
16 land line costs. We are already have customers coming in
17 signing up all the time. And our typical customer tells us
18 that they are getting rid of any home phone service is -- are,
19 in many cases, in a high percentage of the cases, are
20 representative of your membership. They are people who are
21 the RV'ers, the people who aren't staying at a primary
22 residence, the people who are snowbirds, who are getting rid
23 of their land line and moving to the cellulars because it is
24 more and more affordable for them to do so.

25 So, yes, there is a point where there is a

1 convergence where the line crosses, the cellular cost is going
2 down, the land line cost goes up, they hit. People are going
3 to switch. Yes, we -- that might happen for us, yes.

4 MR. TWOMEY: Yes, sir. And wouldn't I be correct in
5 understanding that the faster these local companies, Sprint,
6 Verizon and BellSouth increase their basic local rates, the
7 faster you would achieve that point of convergence, so that --

8 MR. FIGUERON: Well, that --

9 MR. TWOMEY: Let me finish, please.

10 MR. FIGUERON: Go ahead.

11 MR. TWOMEY: -- so that -- so that your position in
12 terms of cost-effectiveness would be markedly improved even
13 earlier?

14 MR. FIGUERON: While I appreciate the point you're
15 trying to make, that we are here with a dog in this fight, the
16 fact of the matter is that we stand behind competition. And
17 the cell phone companies on their own are reducing prices
18 every single quarter. Things get more and more competitive.
19 Nextel just rolled out a plan for \$30 a month that gives you
20 unlimited nationwide long distance for 300 minutes. It give
21 you state calls. It has no roaming charges with it. And
22 that's at \$30. Now, that -- that price point didn't exist a
23 few months ago. So is it necessary to move the phone rates up
24 to get there? If you don't the cell phone companies are going
25 catch up with you anyways.

1 MR. TWOMEY: And second and last question, Mr.
2 Chairman.

3 The -- how would you judge the -- the effectiveness
4 or rationality of Mr. Hancock, your employee or partner, or
5 whatever he is, if he hatched a plan that was designed to
6 cause Five Star to lose five or ten percent of its customer
7 base without any -- any credible notion that you would have
8 increased revenues?

9 MR. FIGUERON: Well, first of all, I know Mr.
10 Hancock wouldn't do that, that is why he is employed still.
11 We count on the fact he won't do those things. So I wouldn't
12 speculate about what Mr. Hancock might do, knowing that he
13 won't do such a thing.

14 MR. TWOMEY: I mean, if he did that, it wouldn't
15 make a lot of sense, would it?

16 MR. FIGUERON: For anybody in business it wouldn't
17 make any sense to -- to lose ten percent of your market share
18 for no real gain. But, you know, another point about this
19 plan being revenue neutral, is it's revenue neutral for the
20 phone carriers, but for small businesses, you know, who may
21 have an offset in the intraLATA fees -- and, for example, we
22 have 32 phone lines at our business, and they are spread in
23 different counties. I have some phone lines in Orange County;
24 I have some phone lines in Clay County; some in Duval County.
25 And all of those people are calling each other. We are paying

1 intraLATA services. Most of the people we fax to, who are
2 vendors and have to send information via fax, are out all of
3 our county, and we are charged intraLATA. We are already
4 paying at a higher rate than the residential rate on our phone
5 service just because we are a business, not because it costs
6 more to service us. So if for the higher phone rate we are
7 paying for the basic service, some of costs and intraLATA fees
8 can be offset by the residential consumer, it seems to me that
9 that is pretty equitable.

10 COMMISSIONER DEASON: Commissioner Bradley.

11 COMMISSIONER BRADLEY: Yes. I want to ask a
12 question about -- I am intrigued with your concept of
13 competition.

14 MR. FIGUERON: Yes, sir.

15 COMMISSIONER BRADLEY: What -- given the state of
16 our economy, and the world, in the United States and in
17 Florida, Florida is unique because it's one of the few states
18 that does not have a budget deficit, even though we are very
19 close to the red, but we are still in the black.

20 MR. FIGUERON: Uh-huh.

21 COMMISSIONER BRADLEY: Thank goodness to some --
22 some good policies that have been passed by the Florida State
23 Legislature.

24 MR. FIGUERON: Yes, sir.

25 COMMISSIONER BRADLEY: This whole concept of

1 competition, what -- can you talk a little bit about the
2 impact -- the residual -- I mean -- well, the impact upon our
3 economic picture in general and what competition does with
4 respect to the creation of jobs and entrepreneurial
5 opportunities and -- and growing a healthy economy. That is
6 something that -- I mean, I'm -- as I listen to your
7 discussion about competition that began to -- (simultaneous
8 conversation) -- a thought in my mind relative to that.

9 MR. FIGUERON: I can tell you that Jacksonville in
10 the cellular industry is the most competitive marketplace in
11 the United States. Companies open here because we have a good
12 demographic, as far as income versus a mix of population. We
13 have a very large middle income bracket and sort of a narrow
14 upper class and a narrow lower class. So it is a great place
15 for them to come and see what kind of response they get, and
16 to use us as a prototype for the rest of the nation. That is
17 why we have -- I think it's currently seven cellular companies
18 here.

19 I started this business with one other business
20 partner six and a half years ago in what was, at the time, one
21 of the most competitive businesses in town. And when I
22 started it, I started it fresh out of the service without much
23 in the way of start-up capital and without any real funding.
24 I was an enlisted person in the military, and I was making
25 about \$24,000 a year take-home. And we started this with a

1 business plan that was more of a dream than a funded reality.

2 Now, what made things work for us through that was
3 the competition. The competition puts customers in the
4 marketplace. Everybody advertising their product, competing
5 with each other, whether it is over price, innovation, a new
6 market strategy or a unique identifier in the marketplace,
7 which in our case with Nextel, has been its two-way radio
8 product. Any one thing that sets you apart. People are
9 driven into the marketplace to look. And the companies that
10 set themselves apart and do something extra for the consumer
11 benefit from that as a whole. And anybody that provides
12 additional service, any one thing that identifies you will
13 drive the people and the competition to the companies that are
14 meant to succeed through innovation.

15 COMMISSIONER BRADLEY: So competition, in your
16 opinion, creates jobs and entrepreneurial opportunities?

17 MR. FIGUERON: Competition creates jobs, competition
18 -- not only does it create entrepreneurial opportunities, it
19 helps entrepreneurial opportunities, or people who take those
20 opportunities, who understand how just to place themselves in
21 front of that competition. It helps them to succeed and helps
22 them to employ people.

23 Six years ago when I started the business, I wanted
24 to make enough money to employ myself and to employ my
25 business partner. Today we have got -- I would have to check

1 with the people who do our payroll, but I think it is 26
2 employees in six locations around the state. And that was
3 through hard work and through placing ourselves in front of
4 the competition.

5 COMMISSIONER BRADLEY: Okay.

6 COMMISSIONER DEASON: Thank you, sir.

7 MR. FIGUERON: Thank you.

8 MR. BECK: The next witness is Annie Wilkins-Prim.

9 ANNIE WILKINS-PRIM

10 was called as a witness on behalf of the Citizens of the State
11 of Florida and, having been duly sworn, testified as follows:

12 DIRECT STATEMENT

13 MS. WILKINS-PRIM: My name is Annie Wilkins-Prim,
14 1864 Kings Road here in Jacksonville. And I am a member of
15 the Lifeline. And if it had not been for the Lifeline, I
16 don't think that I would have -- could communicate like I can
17 now. And I have been with that Lifeline with BellSouth for
18 quite awhile, a few years. And I would appreciate not having
19 to have my rates lifted, because I am on a fixed income. And
20 I had -- if I -- they -- I only have -- no frills. The only
21 frill I have on my phone is call waiting. And so, therefore,
22 that is the only thing I can afford. And cause if it wasn't
23 for that, if I had -- the rates had to go up on what I have to
24 call, then in my condition, I would have to learn how to play
25 the drums or use smoke signals. So I'm thankful for Lifeline,

1 and that's all I have to say.

2 COMMISSIONER DEASON: Questions?

3 MR. TWOMEY: Yes, ma'am. Ms. Prim, if -- if the --
4 if the BellSouth rates go up \$42 a year in two years or even
5 in four years, and you are charged those increases, do I hear
6 you saying that is adversely going to affect your budget?

7 MS. WILKINS-PRIM: It will affect it.

8 MR. TWOMEY: And might possibly cause you to lose
9 your service?

10 MS. WILKINS-PRIM: Possibly.

11 MR. TWOMEY: Okay. Thank you very much.

12 MR. BECK: The next witness is Bob Brinson.

13 BOB BRINSON

14 was called as a witness on behalf of the Citizens of the State
15 of Florida and, having been duly sworn, testified as follows:

16 DIRECT STATEMENT

17 MR. BRINSON: Good evening. My name is Bob Brinson,
18 and I have live at 5036 Jammes Road, Jacksonville, Florida
19 32210. As most of the previous speakers have appeared here
20 tonight, speaking more or less in behalf of them -- or for
21 themselves; however, tonight I would appear here more in
22 behalf of a group of people that I'm in touch with practically
23 every day. This happens -- comes about in fulfilling various
24 volunteer jobs that puts me in touch with people who are in
25 the income levels -- some are in the poverty level, others are

1 in that level that is just above the above poverty level, but
2 yet they are not at a level where they really have an income
3 that covers all of their expenses.

4 Now, these people are not the type of people that
5 are conversant with competitiveness, they are not conversant
6 with access charges, they are not conversant with the
7 different things that the telephone companies talk about are
8 going to happen. They are not conversant with local service
9 versus -- versus long distance. What they are really
10 conversant with is that bill that comes out there, and on the
11 bottom it says so much, that I've got to pay this much for my
12 telephone. And so when they -- and this -- this particular
13 group of people also are people that are living just -- we
14 like to call it on the edge. They are living where their
15 expenses just balance their income, or else in some cases
16 their expenses are actually greater, and they have to do a lot
17 of juggling.

18 But what they are interested in -- and most of these
19 people are the type of people that would not care at all what
20 you did with long distance, because the only people they are
21 calling are people that are in the local area that they have
22 got to communicate with. And in many instances, many of them
23 have local service primarily because of 911. They are in a
24 position where they have to have a service like that. And so
25 what they are interested in is -- or looking at is what that

1 bottom line on that local bill comes. And when that bottom
2 line comes, and it is four or five dollars higher, or
3 whatever the amount is, then that makes a tremendous impact on
4 those particular people. And those -- and you will find those
5 are the type of people that if you find any kind of increase,
6 they are going to suffer. So that's the -- that is the
7 primary thing that I am speaking to tonight?

8 COMMISSIONER DEASON: Any questions?

9 Commissioner Bradley.

10 COMMISSIONER BRADLEY: Yes. Mr. Brinson.

11 MR. BRINSON: Yes, sir.

12 COMMISSIONER BRADLEY: How many of the individuals
13 that you mentioned have access to Lifeline services? Do
14 you -- I mean -- well, is that -- I know it is unfair to ask
15 you how many, but maybe a better question would be has
16 information been provided to the individuals that you are
17 talking about relative to Lifeline services?

18 MR. BRINSON: That is probably something that is
19 under-advertised or under -- made -- made available or people
20 being actually cognizant of the availability. But that also,
21 as we know, has a -- has an income line to it. A lot of the
22 people that I'm speaking to are what we call people that fall
23 through the cracks. These are people that are above the
24 poverty line, but they also do not have a sufficient income to
25 cover the expenses that are necessary, just the necessary

1 expenses of everyday life.

2 And so, like I say, we usual refer to them as
3 falling through the crack. And a lot of these, of course, are
4 coming about. And the way that I get in touch with a lot of
5 them is because I am talking to them from the viewpoint of
6 health matters and also through the fact that I happen to be
7 associated with the Council on Elder Affairs, which goes to
8 the senior centers in the area, and you are in contact with
9 people like that at all times when you are out there.

10 COMMISSIONER DEASON: Just for clarifying, I'm going
11 to take this opportunity to ask Mr. Criser a question. I
12 believe that in the state of Florida to qualify for Lifeline
13 it's 125 percent of the federal poverty?

14 MR. CRISER: 125 percent of the poverty level under
15 the -- under the new law.

16 COMMISSIONER DEASON: So it may be that -- I don't
17 know the situation of your acquaintances, but it may be that
18 some of them may qualify under Florida guidelines.

19 MR. BRINSON: Well, there's a possibility. I think
20 there are people out there that are not using Lifeline now.
21 But there also -- there also is a tremendous number of people
22 that are in that -- in that area. And this is where -- this
23 is one of the things that surveys have found, that have asked
24 about. And that is what is your -- what is the feeling about
25 the number of people that are, percentages of people that are,

1 and what is the income level of people that are in that type
2 of thing. And one of the answers was from 20 to \$22,000 a
3 year.

4 COMMISSIONER DEASON: Yes. This, of course, is at
5 your discretion, but I would encourage you -- there probably
6 is some information out front dealing with Lifeline, some
7 pamphlets. And if could you put those to good use, I would
8 encourage you to get some of those. And we will provide you
9 more copies, too, if you want to disseminate some of that
10 information.

11 MR. BRINSON: Well, I am familiar with Lifeline.

12 COMMISSIONER DEASON: Okay. Very well. Thank you,
13 sir.

14 MR. BECK: The next witness is Richard Eckler. Is
15 Richard Eckler here? Oh, okay.

16 RICHARD ECKLER

17 was called as a witness on behalf of the Citizens of the State
18 of Florida and, having been duly sworn, testified as follows:

19 DIRECT STATEMENT

20 MR. ECKLER: Hi. My name is Richard Eckler. I live
21 at 2826 Post Street. I'm currently a -- I have BellSouth as
22 my local provider.

23 I want to read to you a quotation. It says, rarely
24 do men of influence gather, even for social reasons, but that
25 a conspiracy against the public is not hatched. That's Adam

1 Smith, father of modern capitalism.

2 The fact of the matter is, I am kind of happy to
3 find out that BellSouth is so interested in competition. It
4 explains all those years when it pushed for competition, when
5 it seemed so happy with its monopoly. I suspect its interest
6 in competition in the local market has a lot more to do with
7 this interest in getting into the long distance market than
8 any concern for its consumers.

9 Competition is -- it has its place. But we don't
10 allow competition in all fields for obvious reasons. Some
11 fields are more important than others. It is much more
12 important that people be able to communicate with each other
13 than people be able to, you know, in my opinion, buy several
14 brands of radio. So competition is a good, but it is not an
15 absolute good.

16 Competition exists in the retail gasoline market,
17 but how many corners have you driven by where there is a Shell
18 station on one corner, Amoco, four stations there and all
19 their prices are within a penny of each other. Now, this is
20 because there is no substantial difference in the product, so
21 they have to compete on something other -- something else like
22 brand loyalty. I am going to pull into the Shell because, you
23 know, I don't like Amoco or because I don't want go across the
24 street. It has absolute nothing to do with price.

25 To believe that AT&T or, rather, Verizon and these

1 other companies are going to enter into a market previously
2 dominated by BellSouth and set their prices substantially
3 lower than what price BellSouth is offering in price is
4 absolutely ridiculous. If I were a business and I were
5 entering a profit, and somebody else is charging \$15, I might
6 say, charge 14 or 13.50, whatever the threshold is that it
7 takes to make the customer choose. But, you know, don't set
8 it at ten, don't set it at nine simply because that is your
9 cost. That is exactly what is going to happen. And I think
10 you very well know it.

11 I called around trying to find an alternative to
12 BellSouth. And there absolutely were none. They would set me
13 up with a -- with a local or with a business line, which they
14 felt was profitable, but they weren't getting into the -- into
15 the residential market, apparently. Or if they did, they
16 certainly weren't doing it at a competitive price. Now, this
17 assumes that if BellSouth raises its prices, people are
18 somehow going to become more competitive. I doubt it.

19 I am one of those people that make only a few
20 inter -- intrastate calls, and I use my local a lot. I may
21 have a friend in South Florida. I may have a friend, you
22 know, in the Panhandle. But most of my calls out, or long
23 distance are to my folks. Who makes all the intrastate calls?
24 I believe the majority of them are probably businesses, or at
25 least a business will make a -- many of them in a month as

1 opposed to the average consumer. So businesses will save at
2 the price of the individual consumer. We are going to
3 subsidize business. I'm not surprised that the fellow who
4 owns the Nextel business wants us to do that, not a bit
5 surprised.

6 Competition -- the other fellow that was here from
7 Nextel said that competition will lead to innovation, which
8 leads to increased revenue. But that is not that we are doing
9 here. What we are doing here isn't going to increase their
10 revenue in the hopes of creating competition that may some
11 day, somehow, if they please, and if they want to, and if it's
12 good for them create some innovation that may somehow benefit
13 the consumer.

14 Where is the consumer's interest in this? How am I
15 better off paying up to \$8 more? Because my understanding,
16 correct me if I'm wrong, is that over the years that this
17 is -- it's not going to be \$2.35 or three dollars and a
18 quarter. Over the process of all the increases, it could be
19 as much as \$8. Where is the benefit to me to raise my phone
20 bill by 80 percent of the basic service in the hopes that
21 somewhere down the road, years down the road, somebody may
22 come in and accidentally roll this thing back eight or ten
23 years so that I've got a benefit. The benefit is not going to
24 be to me in price.

25 Is the benefit going to be in service? I don't

1 know. When I call AT&T, I get the same crappy service that I
2 get from BellSouth. It is pretty much the same way for -- it
3 is all -- everybody does things the same. We are no
4 different, or you are no different than Amoco, Shell, BP and
5 everybody else sitting on the same corner. Now, you can get a
6 lower price for gas by driving across the street, or rather
7 driving down the road or the other side of town or filling up
8 on your side of town. But that is not the kind of market that
9 phones are in. They are essentially in this telecommunication
10 sphere. They are all right here, right now at the same time,
11 and they are coming in with the same price.

12 And the belief that you have, that you allege that
13 you have, and people allege that they have, that they are all
14 going to set these back at the \$10.35 rate to draw away
15 BellSouth customers who are paying, you know, 14 or \$15 for
16 basic is absolutely baloney. I know it and you know, it.
17 Thank you.

18 COMMISSIONER DEASON: Questions?

19 MR. BECK: The next witness is Hubert Aenchbacher.

20 HUBERT AENCHBACHER

21 was called as a witness on behalf of the Citizens of the State
22 of Florida and, having been duly sworn, testified as follows:

23 DIRECT STATEMENT

24 MR. AENCHBACHER: My name is Hubert Aenchbacher,
25 and I live at 2137 University Boulevard, North, Jacksonville

1 Florida 32211. I have been living in Florida since 1949. I'm
2 retired. I am living on a limited income. I do not now have
3 a need for the long distance service.

4 I have followed this action through the Legislature,
5 and I noticed that the Duval delegation voted in favor of this
6 with all -- in favor of it, all except one. When that one was
7 asked -- when one of the individuals was asked why he voted in
8 favor of the increase, his remarks was that he was retired
9 from BellSouth. My question would have been to him, who sent
10 you to Tallahassee, BellSouth or the electric?

11 But this is a utility that can mask a large
12 contingent to work for increases, and we have to rely
13 primarily on the Public Service Commission to represent the
14 general public. And I appreciate the opportunity that I have
15 to address you, and I'm sure others, too, regarding this --
16 this proceeding.

17 There was a remark made regarding the cost of
18 maintaining the lines. And I had -- I've been living in a
19 house for 50 years, and I have had one time that the telephone
20 company come out and renew the line because of deterioration
21 of the -- of the wiring.

22 I also have a BellSouth credit card, I have a AT&T
23 credit card, I've got several others, but I don't use any of
24 the long distance service yet. I pay the six dollars and a
25 half access fee. So we are going to continue to increase the

1 cost for services that the majority of people, or a good many
2 of the people are not even utilizing. And I think this is an
3 entirely different approach.

4 I got a mailing from BellSouth promoting their stock
5 and their future plans. And in one of the articles it pointed
6 out that BellSouth is now looking, or has been looking, to
7 South America, that the income that they would generate out of
8 South America would far exceed anything they could generate
9 out of the United States or in their operating territory.

10 I have also asked a family member that spent
11 40-something years, 45 or 47 years with BellSouth, what is
12 ahead for BellSouth rates? And he replies, BellSouth would
13 continue to increase rates, period.

14 And my mailing from BellSouth looking towards the
15 South America thing indicates to me that this powerhouse is in
16 the position to create -- draw from the local users money to
17 continue to invest and expand their territory and their number
18 of customers. I am opposed to this, and I hope that the
19 action to delay this or to deny the BellSouth and the other
20 two companies an increase would be most appreciated. Thank
21 you.

22 COMMISSIONER DEASON: Questions?

23 MR. TWOMEY: One question, sir. Would it make you
24 feel more or less uncomfortable to know that BellSouth has, I
25 believe, at least two current or former employees as members

1 of the Florida Legislature?

2 MR. AENCHBACHER: I didn't here the last part.

3 MR. TWOMEY: I'm sorry. If I told you that
4 BellSouth has at least two current or former employees of it
5 on the Florida Legislature, would that make you feel more
6 comfortable or less?

7 MR. AENCHBACHER: Well, of course, anyone -- of
8 course, we have got a free market as far our hiring and firing
9 and who we can associate with. I know what your -- what your
10 approach is, and I agree that when we elect -- when we elect
11 someone to represent the general public or the people who sent
12 the individual to Tallahassee, that individual ought to
13 represent the people and not the utility.

14 And I know that this is a promotion, not only --
15 BellSouth is not the only one that does it. I think a good
16 portion of those in the Legislature are being -- are
17 representing some special interest as opposed to the interest
18 of the general public.

19 MR. TWOMEY: Thank you.

20 MR. BECK: The next witness is Alan Moore.

21 ALAN MOORE

22 was called as a witness on behalf of the Citizens of the State
23 of Florida and, having been duly sworn, testified as follows:

24 DIRECT STATEMENT

25 MR. MOORE: My name is Alan, spelled A-L-A-N, Moore.

1 I live at 1384 Pullen Road on the south side of Jacksonville.
2 I have been a BellSouth customer since 1979. I'm Mr. Middle
3 America. I am not very happy about what you are trying to do.
4 Have you looked at our phone bills lately and tried to figure
5 out how are the charges are laid out on the phone bill? First
6 of all, it's about six pages' worth of -- I can't really say
7 the word. But to be honest, it's six pages too much of the
8 writing that is on there.

9 I have a different carrier for long distance
10 services. I was recently just out of state and used a calling
11 card to call down here to Florida for a couple of business
12 calls. A dollar and 26 cents a minute they charged me for a
13 calling card. I call that very un-American, very unethical.
14 I work hard for a living. So let me tell you what, I have
15 been sitting here for almost hours waiting to voice my opinion
16 on this. I'm not very happy. I don't get very happy with big
17 business, because I work hard for my money, my taxes are paid;
18 therefore, I feel like big business should listen to the
19 middle America man that works. No, I don't agree with any
20 kind of increase whatsoever, and I'd appreciate it if you
21 would follow what we all say. Thank you.

22 COMMISSIONER DEASON: Questions?

23 Thank you, sir.

24 MR. BECK: Ava Parker.

25 AVA PARKER

1 was called as a witness on behalf of the Citizens of the State
2 of Florida and, having been duly sworn, testified as follows:

3 DIRECT STATEMENT

4 MS. PARKER: My name is Ava Parker. My business
5 address is 101 East Union Street, Suite 200, Jacksonville,
6 Florida, and my home address is 11482 Key Biscayne Drive,
7 Jacksonville, Florida 32218.

8 I actually went out and signed my name up a few
9 moments ago because you began a discussion regarding Lifeline,
10 and I wanted to comment a little bit about some of the things
11 that have been going on with Lifeline throughout the state,
12 and particularly starting here in Jacksonville. I worked with
13 former Public Counsel, Jack Shreve, and Charlie Beck, Interim
14 Public Counsel, to come up with a program that they would
15 support and work in conjunction with BellSouth to ensure that
16 our citizens are aware of the availability of Lifeline
17 programs, and particularly working with nonprofit organization
18 that we treat as alliance partners, who are working with us on
19 a grassroots level to go out and spread the word about this
20 very valuable service.

21 What I find in speaking with individuals within our
22 communities is that either they don't know about the service
23 or they don't trust it, because they have just kind of read
24 about it, maybe in front of the phone book, or maybe in a
25 flier.

1 And what I find is that when you go and have
2 individual conversations, and have friends talking to friends,
3 and neighbors speaking with neighbors about the program, then
4 that is one way for them to feel comfortable with actually
5 utilizing the service. So please know that through the Office
6 of Public Counsel and through the efforts of BellSouth, we are
7 spreading word about this service. We really do come in
8 contact with folks who actually have incomes that are fixed at
9 500 to \$700 per month, and the reduction that they receive in
10 their telephone bill because of Lifeline really makes a real
11 difference in their income.

12 So I just wanted you to know that there are programs
13 out there that are actually reaching consumers who really
14 utilize this service, or who are not utilizing the service but
15 should utilize the service based upon their income status.

16 COMMISSIONER DEASON: Questions?

17 MR. TWOMEY: Yes, sir, just briefly.

18 Ms. Parker, it's my understanding that at the rates
19 that BellSouth is requesting the Public Service Commission
20 increase the residential customers, that the rates will go up
21 to 3.86 a month or some \$42 per year. Now, that can either
22 happen -- your Lifeline recipients, those increases can either
23 happen in four years if BellSouth is successful in its effort
24 to be magnanimous and expand the Lifeline recipient protection
25 from the rate increases, or if the statute is more narrowly

1 confined, and the PSC doesn't have the historic authority to
2 grant that four years, it could happen in as few as two years.

3 Now, if the people that you know who are on Lifeline
4 have rate increases of in excess of \$42 a year, is that likely
5 going to cause Lifeline recipient penetration or the number of
6 taking the service to remain the same, to go up, or to go
7 down?

8 MS. PARKER: I guess my first comment is that,
9 certainly, I do hope that BellSouth is right and that it does
10 have the ability to maintain the protection for four years,
11 because I think that is something that I think is really good
12 about their program. If you are asking me whether or not -- I
13 guess I do think that when our -- when or if our phone bills,
14 or local telephone bills would increase to that rate, yes,
15 there would be an increase usage in Lifeline, if I am
16 answering the right question for you. Because I think that
17 what happens is that there may be folks now who qualify who
18 may not recognize that they should go ahead and take advantage
19 of the service. But once they -- once they feel there may be
20 some increase, then I do think that the number of participants
21 in the program would increase. And you are looking at me as
22 if I didn't respond to the question you asked me.

23 MR. TWOMEY: The -- I didn't ask the question
24 properly.

25 MS. PARKER: Okay.

1 MR. TWOMEY: And the question is this: It is my
2 understanding, and I will ask you if it is yours, my
3 understanding is that irrespective of what happens to this
4 company's telephone rates, and the others as well -- the other
5 two are asking for substantially larger increases monthly --
6 no matter what happens to their rates, and theirs will go up,
7 if their petition is granted, in excess of \$42 a year. Even
8 if those rates go up and Lifeline protection is for two to
9 four years, it is my understanding that the level of Lifeline
10 aid that goes to your clientele, or the people you are aware
11 of and trying to help, isn't going -- isn't going to increase
12 by a penny beyond the current \$13.

13 So my question is if the Lifeline assistance stays
14 at \$13 and the rates go up almost \$4, isn't that necessarily
15 going to result in some of the people that are just barely
16 hanging on, on the verge of falling through the cracks,
17 doesn't it follow that some of those people necessarily are
18 going to lose service?

19 MS. PARKER: I think it follows that -- and I will
20 go one step further, that if after the four-year cap, where
21 Lifeline subscribers would eventually be affected by the
22 telephone increase, I do think that there is a possibility
23 that that increase could impact Lifeline subscribers if at
24 that the time, because we are talking four years out, there
25 has not been any type of an increase in subsidy or benefit

1 that Lifeline subscribers should receive. I think the answer
2 to that would be that if we find that the impact is going to
3 be to that great of a detriment to Lifeline participants, then
4 there may be some other possibility to incorporate something
5 to allow even greater benefits for Lifeline participants. And
6 I guess, you know, we are kind of both projecting out, because
7 we are assuming that right now they have four years of
8 projection. And if we are going to talk about what's going to
9 happen after the four years, I would like to think that if the
10 impact is going to be that great and that detrimental that we
11 may look into increasing the benefits that Lifeline recipients
12 would receive.

13 MR. TWOMEY: Yes, ma'am. But don't -- my last
14 question, Mr. Chairman.

15 Don't you see it as being problematic that we know
16 that the -- we know for a certainty that the protection of the
17 Lifeline recipients from these rate increases, which are from
18 35 to 50 percent for this company, we know with certainty that
19 is going to expire either two years or four years. We don't
20 have any awareness, to my knowledge, of any plans to increase
21 the subsidy?

22 MS. PARKER: I think that as things stand at this
23 moment, yes. But I think it would be difficult for us to look
24 that far in the future and -- because one good thing is that
25 by giving a four-year cap, by that time you will be able to see

1 the benefits or detriments of having -- of having this type of
2 competition in the marketplace. So I would also like to think
3 that because competition is going to require different parties
4 to respond appropriately, that if we find that we are ending
5 up with citizens who are not receiving their protection or the
6 opportunity to have a telephone service, they will also, once
7 again, come up with some type of program that will assist them
8 to ensure that every consumer has a right -- or has an
9 opportunity to receive affordable telephone service.

10 MR. TWOMEY: Thank you.

11 COMMISSIONER DEASON: Ms. Parker, I have a question.
12 This may be something you have information on or may not. Do
13 you know whether the population of Lifeline participants,
14 whether they use long distance more, less, or about the same
15 as the general population?

16 MS. PARKER: I don't know the answer to that. And
17 that is not something I have been able to do any research on.
18 I do know that oftentimes because there is an elderly
19 population that participates in the Lifeline service, often
20 they have loved ones who are not necessarily in the same city
21 where they are located. So there is a great possibility that
22 they may also rely upon some type of long distance service.
23 But I haven't focused in on answering that particular
24 question, so I don't have a definite answer for you.

25 COMMISSIONER DEASON: Other questions? Go ahead,

1 Commissioner Bradley.

2 COMMISSIONER BRADLEY: I am interested in who
3 typically qualifies for Lifeline? Is it -- is it the elderly,
4 is it -- or it is a broad cross-section of the population? Is
5 it purely based upon the guidelines that are put forth with
6 respect to -- what is it, 125 percent of --

7 MS. PARKER: The way that the process -- I guess the
8 best way for you to think about it --

9 COMMISSIONER BRADLEY: -- the poverty level?

10 MS. PARKER: Excuse me, Commissioner Bradley. Is to
11 think that generally we have consumers within our state who
12 receive any type of federal or state assistance, generally you
13 can assume that those consumers will qualify for Lifeline.
14 And then in addition to that, I run into consumers who qualify
15 based upon their income, but who don't receive any type of
16 federal or state assistance. And it is certainly a
17 cross-section of our citizens. I think that generally we
18 often think about our elderly population, because that
19 population is so great. But there are also citizens of, you
20 know, younger citizen who also happen to, for whatever reason,
21 find themselves on a fixed income or government-subsidized
22 income that also -- would also qualify for the service.

23 COMMISSIONER BRADLEY: The program that you
24 mentioned that is -- that you helped to administer relative to
25 Lifeline, have you found that under the present scenario more

1 people are becoming aware of Lifeline, and -- and its
2 availability?

3 MS. PARKER: Yes, I think so. And I say that
4 because I come in contact with individuals who clearly
5 qualify, those who are on SSI, or Medicaid, or those who have
6 a very low fixed incomes who would automatically qualify for
7 the service, and they have just never heard of it, or those --
8 and as I have often said, there are so many different things
9 called Lifeline that often when I begin the discussion, there
10 is an assumption that there's some -- that that is a service
11 that deals with calling 911. They are not aware of the fact
12 that, you know, it is not a box, you realize it's a benefit of
13 your telephone bill. So I do think there is an increased
14 awareness.

15 COMMISSIONER BRADLEY: One last question. Based
16 upon your experiences up to the present, what would you
17 suggest that maybe can be done in order to increase the
18 public's awareness of the availability of Lifeline? I'm
19 thinking about various apparatuses, maybe, that could be used
20 that we are currently not using, or just some suggestions.

21 MS. PARKER: You know, in my opinion, you know, I
22 think that what works is a program that has been endorsed by
23 Jack Shreve, and Charlie Beck, and the Office of Public
24 Counsel, and the one that is in place with BellSouth right
25 now. I think it is the one that deals with the grassroots

1 campaign, dealing with neighbor speaking with neighbor. I --
2 I am not -- I am generally not in support of programs that
3 kind of just put it on the radio or just tell the message on
4 television. Because what I found is that people aren't
5 getting the message that way. I think it is that good
6 old-fashioned, you know, getting out and dealing with
7 nonprofit organization that actually touch people who qualify
8 for the service and letting them know that it is okay, that it
9 is not some scheme, that believe it or not, this is a good
10 program. And if you qualify, you should go ahead and take
11 advantage of it. So I think that this particular program -- I
12 am probably, you know, of course, tooting my own horn on this,
13 but I think this particular program that has been endorsed by
14 Public Counsel and used by BellSouth is one of the best ways
15 to get the word out.

16 COMMISSIONER DEASON: Commissioner Davidson.

17 COMMISSIONER DAVIDSON: Thank you, Chairman. I have
18 got three questions, and with the Chair's discretion, I would
19 like to put those out. And if Ms. Parker is the appropriate
20 person to answer, that's great, or if the company is the
21 appropriate person. The first question is what were the
22 changes, if any, that were made to the Lifeline program under
23 the legislation at issue here? Second question, if anyone
24 knows, how many more consumers does Lifeline capture by
25 operating at 125 percent of the poverty level than it would if

1 it operated at 100 percent in the state of Florida, to the
2 extent we know? And if -- there are any estimates as to the
3 amount that BellSouth invests in this program? Is there a
4 dollar cost that is associated with BellSouth or the other
5 companies' participations, whether they be large or small?
6 Whoever is best suited to answer.

7

8 MS. PARKER: I think BellSouth can best respond to
9 your question.

10 MR. CRISER: I think I had better handle it. I
11 think the first question was what was required by the statute.
12 The statute required that the Lifeline eligibility criteria be
13 extended to the 125 percent of the poverty level. That was
14 part of what BellSouth had already put in its Lifeline program
15 as part of an agreement with the Office of Public Counsel, but
16 that was extended to the rest of the state. The statute
17 required that that be done by September 1st of this year.
18 However, I believe that Sprint and Verizon actually
19 implemented that August 1st of this year, and so that is in
20 place now.

21 The second question was with regard -- excuse me,
22 the other thing that I believe the statute requires is any
23 company filing a petition is required to exempt Lifeline
24 customers from the effects of any proposed rate changes during
25 the period when those changes are being implemented. So, for

1 example, a company making a proposal for a two-year
2 implementation of the rate rebalancing, then the rate
3 rebalancing act would be required to exempt Lifeline
4 customers, that will be the requirement of law. And I think
5 the issue I would take exception with is that the law give a
6 minimum standard. I don't think the law in any way prohibits
7 a company like BellSouth from making a commitment to extend
8 that standard beyond what is required by the law. And that's
9 what we've tried to do in our proposal.

10 The third piece is -- I think there are probably two
11 answers -- we have a commitment, and I guess I can speak for
12 Sprint as well, with the Office of Public Counsel to fund a
13 community education program for Lifeline. The commitment for
14 that runs approximately three years. It is a total commitment
15 of about \$625,000. I think I've got -- I am trying to do some
16 numbers for both companies together, but I believe that is
17 correct. And in addition to that, as part of the legislative
18 process, there was a commitment from several companies to add
19 additional funding to Lifeline education over, I believe, the
20 next three years, which would have put about another 375,000
21 or a total of a million dollars being committed to Lifeline
22 education in the state of Florida. I hope I have answered all
23 of your questions.

24 COMMISSIONER DEASON: Follow up?

25 COMMISSIONER BRADLEY: Yes. I think maybe you did,

1 but maybe I miss it. By going to 100 percent, 125 percent --
2 going from 100 percent of the poverty level to 125 percent,
3 what we effectively have is more participation. Can you give
4 me some idea -- is that correct?

5 MR. CRISER: Yeah. I apologize I did miss that
6 question. I believe -- this is a rough answer. I believe
7 there is more specific data. I think the Commission staff may
8 even have data. I don't want to put them on the spot right
9 now. But I believe the expectation was that it would increase
10 the eligibility by about 20 percent, compared to the base that
11 was in the state, moving from about 800,000 potentially
12 eligible Florida customers to around a million. I guess that
13 is 25. I'm doing the math in my head.

14 COMMISSIONER BRADLEY: You know, I have just one
15 comment. You know, policy is always a document that is what I
16 consider to be a work in progress. And I found some -- I've
17 found some interest -- I have taken some interest in what you
18 said relative to maybe the future adjustments if they are
19 identifiable in the future. One hundred and twenty-five
20 percent of the poverty level is that a tremendous increase?
21 What -- what is the average -- how does Florida rank versus
22 other states? Do we have any data?

23 MR. CRISER: I don't have the state-by-state data.
24 I would point out that Florida, I believe, is one of the -- is
25 an exception by being a state that actually has the 125

1 percent of the poverty level rather than 100 percent of the
2 poverty level. Florida stands out as a state that has taken
3 the standard higher than most other states have.

4 MR. TWOMEY: Mr. Chairman -- I'm sorry. Were you
5 through, Commissioner Bradley?

6 COMMISSIONER BRADLEY: Yes.

7 MR. TWOMEY: May I comment just briefly on two
8 points? I don't have the -- I don't have the numbers with me,
9 but I will endeavor to get them for the Commission and have
10 them for the next hearing. The AARP has been part of a -- or
11 conducted a study, I forget the vintage of it, where I heard
12 them say at testimony before house and senate committees in
13 the Florida Legislature, that the state of Florida going to
14 125 percent remains substantially lower than the majority of
15 the states in the United States, many of which have 150
16 percent or higher. Now, I have heard them say that. I will
17 try and find the report.

18 The second thing I wanted to clarify is that the
19 AARP is not opposed to BellSouth trying to extend protection
20 from the rate increases up to four years. In fact, AARP is
21 trying to encourage legislation that would protect Lifeline
22 recipients from any rate increase, whether it be two years,
23 three years or four, because if the Lifeline assistance serves
24 as a life preserver, if you will, why should you yank it away
25 at the end of two years, three or even four and leave the

1 people without that \$13 monthly assistance.

2 The concern that AARP has about the desire,
3 expressed desire of BellSouth to extend Lifeline recipients'
4 protection from the rate increases, Mr. Chairman, and they
5 have gone further than the other companies. I think -- I
6 think Sprint in their proposal proposed, when they were asking
7 for a two-year implementation, they asked to give Lifeline
8 recipients one additional year protection and snatch it away
9 at three. And Verizon didn't request any additional
10 protection. The concern that the AARP has is that not that
11 BellSouth will try and do what it says it will do, because we
12 are confident that they will. But as the Chair knows and the
13 others know, the statutes of Florida require that the -- that
14 the rates of Florida be nondiscriminatory. And the AARP's
15 concern, potentially, is that even though they desire to do
16 this, once a -- if the law says they can no longer do it, then
17 they can't do it. That is our concern.

18 COMMISSIONER BRADLEY: One other question, Mr.
19 Chairman.

20 COMMISSIONER DEASON: Yes.

21 COMMISSIONER BRADLEY: Because it relates to
22 Lifeline, and I don't know who might be best to answer this.
23 But is the intent of the creation of Lifeline to be a
24 permanent entitlement, or is it intended to be temporary
25 assistance. I mean, you know, I'm getting a little confused

1 here, because I -- you know, I see all public assistance
2 programs as being not an entitlement but assistance in most
3 instances to the highest percentage of the population, that
4 it's temporary, and it is there to help them temporarily until
5 they can get themselves up and out into the main stream. What
6 is the intent of Lifeline? Is it a permanent entitlement, or
7 is it a temporary assistance program?

8 MS. PARKER: Commissioner Bradley, I don't think
9 that you can -- would necessarily term it as a permanent
10 entitlement. If you think about it, when the Federal
11 Communication Commissioner indicated it was important that all
12 consumers be able to afford a telephone. And so the idea is
13 that as long as you are within a certain income bracket or
14 receipt of certain services, then would you qualify for the
15 Lifeline benefit. However, if there comes a time when you
16 either are able to, I guess, grow out of the need for any kind
17 of public assistance, or if your income increases, then there
18 is a gradual decrease of your Lifeline benefits. So the idea
19 is that as long as you're in a need based upon your financial
20 condition, then you would, in fact, receive the service. And
21 if your financial condition improves, then you would gradually
22 be taken off the service.

23 COMMISSIONER DEASON: Okay. I thank you, Ms.
24 Parker.

25 Mr. Beck.

1 MR. BECK: Chairman Deason, Ms. Parker was the last
2 person who had signed up ahead of time to testify.

3 COMMISSIONER DEASON: Okay. Well, let me take this
4 opportunity, then, to ask is there any other members of the
5 public who wish to avail themselves of the opportunity to make
6 a statement at this time? If so, if you will just identify
7 yourself, we will allow you to come forward.

8 Please identify yourself.

9 MR. REHWINKEL: Mr. Chairman, my name is Charles
10 Rehwinkel, the state vice president for Sprint. I am not
11 testifying as a member of the public. I do not want to go in
12 front of any member of the public that wants to speak, but I
13 would like to make a brief remark.

14 COMMISSIONER DEASON: Okay. Please identify who you
15 are appearing on behalf of.

16 MR. REHWINKEL: Okay. Sprint-Florida, Incorporated.
17 I would like to just respond to one comment that was just made
18 about Sprint's proposal on Lifeline. We proposed to freeze
19 Lifeline rates for at least three years. It is almost four
20 years because of our annual filing date for any basic rate
21 increase when it could occur, so it is almost four years. We
22 do not propose to snatch anything away from anybody. There is
23 no proposal in there to increase anybody's Lifeline rate. It
24 is just a commitment that their rate will not change in that
25 period, which is three-plus -- three years and some months.

1 So we have no proposal to take anything or snatch anything
2 from anyone. Thank you.

3 COMMISSIONER DEASON: Questions?

4 MR. TWOMEY: I don't want to ask Mr. Rehwinkel a
5 question. I would like to make a comment, if I may, in
6 response to what he said. The facts, ladies and gentlemen,
7 are that the law provides that the protection for Lifeline
8 recipients from the increased rates that each of those
9 companies are seeking, and, again, I will say it ranges from
10 35 percent to 90 percent, that protection from increased rates
11 ceases when parity is reached; that is, when they have brought
12 their in-state access fees to interstate levels, and they have
13 finished with their rate increases.

14 So the fear is that the law provides that these
15 people, at least at the end of four years, will lose the
16 protection they enjoyed from the rate increases. And it's the
17 AARP's fear that those increases, whether it be \$42 a year or
18 80-something for Sprint, will cause some of those people, or
19 many of those people to not be able to afford telephone
20 service any longer. And in terms of -- and in terms of how
21 the law got that way, everybody in Tallahassee and everybody
22 that is knowledgeable about this process knows this law was
23 written by the telephone industry. They made it that way.
24 Thank you.

25 COMMISSIONER DEASON: Yes, ma'am, if you come

1 forward.

2 MS. MOSON: No, I can -- I talk pretty loud.

3 COMMISSIONER DEASON: Well, ma'am, the problem is
4 that the court reporter needs to be able to pick up your
5 comments for the record, so that is reason that we ask that
6 you come forward. Were you sworn earlier?

7 MS. MOSON: Was I sworn, no.

8 COMMISSIONER DEASON: Okay. I'm going to -- so that
9 your comments can become part of the record, I'm going to have
10 to do that.

11 MS. MOSON: Fine.

12 COMMISSIONER DEASON: And if there any other members
13 of the public that want to testify, if you will just stand at
14 this time, also.

15 (Witness sworn.)

16 COMMISSIONER DEASON: Thank you. Please proceed.

17 MADELINE MOSON

18 was called as a witness on behalf of the Citizens of the State
19 of Florida and, having been duly sworn, testified as follows:

20 DIRECT STATEMENT

21 MS. MOSON: My name is Madeline Moson (phonetic). I
22 live in Arlington, 6724 Heidi Road. I have been sitting here
23 for an hour and a half listening to different opinions of
24 people. I would like to make just one comment, and it is
25 going be very brief because I think we all want to go home.

1 The gentleman, Mr. Hancock, that spoke earlier, personally I
2 think he took extremely long to get his message across. That
3 is my personal opinion. However, there was one thing that he
4 mentioned that I thought was very interesting. And his
5 comment was that everything goes up all the time. That is
6 very true. That is life.

7 However, with the large population of senior
8 citizens living in Florida, many of these are living on
9 limited incomes, and their increases are not as frequent as
10 the person that goes to business every day. And, therefore,
11 since there is such a large population of senior citizens in
12 Florida, the majority of them that I know -- and I am a
13 volunteer worker, I participate in many volunteer
14 activities -- are objecting to this. The fact that they are
15 not sitting in that audience is probably they couldn't get
16 here. They needed a ride or whatever. So, that is all that I
17 have to say. And I am very much against this increase. Thank
18 you.

19 COMMISSIONER DEASON: Questions?

20 MR. TWOMEY: No, sir.

21 COMMISSIONER DEASON: Thank you, ma'am.

22 I will ask one more time. Anyone else wish to make
23 a statement?

24 TOM GLEASON

25 was called as a witness on behalf of the Citizens of the State

1 of Florida and, having been duly sworn, testified as follows:

2 DIRECT STATEMENT

3 MR. GLEASON: I would.

4 COMMISSIONER DEASON: Yes, sir. Please come
5 forward. Were you sworn earlier?

6 MR. GLEASON: No, but you can swear me in.

7 COMMISSIONER DEASON: All right. Well, I need to.
8 You know, it's part of my job. I have to do it.

9 MR. GLEASON: Sure enough.

10 (Witness sworn.)

11 COMMISSIONER DEASON: Thank you, sir. Please
12 proceed.

13 MR. GLEASON: Now I -- I was listening to the same
14 gentleman with the cell phone about -- talking about --

15 COMMISSIONER DEASON: Sir, could give us your name?

16 MR. GLEASON: Oh, my name is Tom Gleason, spelled
17 G-L-E-A-S-O-N. I live at 134 Spanish Marsh Court,
18 Jacksonville, Florida 32225.

19 Like I was saying, I listened to that gentleman
20 about competition. Well, we have been overwhelmed with
21 competition since the United States government broke up AT&T.
22 And lately, the cell phones are in there. You can't turn on
23 the TV or the newspaper, or whatever, "Do you hear me now?"
24 You know, I mean, we are being overwhelmed with competition.
25 So I don't think we need any more competition. I think we've

1 got to knock off some of these people. They are driving the
2 public crazy. That is what they are doing. That is all I've
3 got to say. Thank you very much.

4 COMMISSIONER DEASON: Thank you, sir.

5 I think that is a good witness to conclude this
6 evening's hearing. Just let me take this opportunity to thank
7 everyone for being here. We certainly received a diverse
8 group of comments. And all of your comments are well
9 received, and we appreciate you taking the time out of your
10 busy schedules to come and share them with us.

11 I would just like to inform everyone that this
12 evening's hearing is the first of fourteen hearings that we
13 are going to be conducting across the state. And we look
14 forward to hearing from those folks as well as we go through
15 the state of Florida. This is a very important decision that
16 we have to make, and your assistance is appreciated.

17 And do any of the parties have anything at this
18 point?

19 Staff?

20 MS. KEATING: Nothing.

21 COMMISSIONER DEASON: Nothing. With that, this
22 hearing is adjourned.

23 (The customer meeting concluded at 8:35 p.m.)
24
25

1
2 STATE OF FLORIDA)

3 : CERTIFICATE OF REPORTER

4 COUNTY OF LEON)

5
6 I, JANE FAUROT, RPR, Chief, Office of Hearing Reporter
7 Services, FPSC Division of Commission Clerk and Administrative
8 Services, do hereby certify that the foregoing proceeding was
9 heard at the time and place herein stated.

10 IT IS FURTHER CERTIFIED that I stenographically
11 reported the said proceedings; that the same has been
12 transcribed under my direct supervision; and that this
13 transcript constitutes a true transcription of my notes of
14 said proceedings.

15 I FURTHER CERTIFY that I am not a relative, employee,
16 attorney or counsel of any of the parties, nor am I a
17 relative or employee of any of the parties' attorney or
18 counsel connected with the action, nor am I financially
19 interested in the action.

20 DATED THIS 15th day of October, 2003.

21
22
23
24
25


JANE FAUROT, RPR
Chief, Office of Hearing Reporter Services
FPSC Division of Commission Clerk and
Administrative Services
(850) 413-6732