

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: PENSACOLA SERVICE HEARING

BEFORE: CHAIRMAN LILA A. JABER
COMMISSIONER J. TERRY DEASON
COMMISSIONER BRAULIO L. BAEZ

DATE: Monday, October 13, 2003

1 TIME: Commenced at 6:00 p.m. CT
2 Concluded at 8:35 p.m. CT
3 PLACE: Hagler Auditorium (Room 252)
4 Pensacola Junior College
5 1000 College Blvd.
6 Pensacola, Florida
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10 Administrative Services
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I N D E X

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P R O C E E D I N G S

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2 CHAIRMAN JABER: Good evening. I'm Lila Jaber. I
3 chair the Florida Public Service Commission. I want to take a
4 minute to welcome everyone here. We really appreciate that you
5 came out this evening to participate in our proceeding. I want
6 to introduce the Commissioners. On my right is J. Terry
7 Deason, Commissioner Deason, and on my left is Commissioner
8 Braulio Baez, and the three of us join in welcoming you, and
9 tell you ahead of time that we look forward to your comments.
10 They are an integral part of the record we need to establish
11 for these three petitions that I will describe a little bit
12 more in just a bit.

13 I've got to get through the formalities of our
14 proceedings, so at this time I am going to ask our staff
15 counsel to read the notice, and then I will ask the parties
16 here to make appearance so that you know who is at the table
17 here, and then I will tell you a little bit about why we are
18 here. And I will let the parties give their own perspective
19 about the case and the petitions that were filed by the
20 companies.

21 At some point, again, the formality of the process
22 requires that I have you stand, raise your right hand for those
23 of you that wish to testify, raise your right hand and take an
24 oath that the testimony you are about to give is the truth and
25 nothing but the truth. But we will do that a little bit later

1 on.

2 Staff counsel, read the notice.

3 MS. BANKS: Pursuant to the notice issued September
4 23rd, 2003, this time and place have been set for a hearing in
5 Docket Number 030867, 030868, and 030869, petition to reduce
6 intrastate switched access charges in a revenue neutral manner.

7 CHAIRMAN JABER: Thank you, Ms. Banks. Appearances,
8 Mr. Criser.

9 MR. CRISER: Good evening. I am Marshall Criser
10 representing BellSouth. Also with me is Nancy White, though
11 she is not up here at the front of the room.

12 MR. TWOMEY: Ladies and gentlemen, I am Mike Twomey
13 representing the AARP.

14 MR. BECK: And my name is Charlie Beck with the
15 Office of Public Counsel.

16 MS. BANKS: I'm Felicia Banks, and here with me this
17 evening is Beth Salak, and to the far end of the room, the back
18 of the room is Kevin Bloom and Bridget Hoyle.

19 CHAIRMAN JABER: Thank you, Ms. Banks. And let me
20 remind folks, for those of you that are just walking in,
21 Bridget in the back -- Bridget, can you raise your hand,
22 please. Bridget has the sign-up sheet for customers who wish
23 to testify and participate in this proceeding. If you could
24 make sure you sign that list. That list is brought up here,
25 and brought to Charlie Beck, who represents the Office of

1 Public Counsel. He will call your name and ask you to begin
2 testifying.

3 I said earlier that I would brief you on why we are
4 here. This last legislative session our Florida Legislature
5 passed a new law entitled Telecom Petition Innovation and
6 Infrastructure Enhancement Act, and that law allows the three
7 major companies, major local companies of BellSouth, Sprint,
8 and Verizon to petition the PSC to reduce certain charges that
9 they assess to long distance companies. If the PSC grants the
10 petitions, the local companies, BellSouth, Verizon, and Sprint
11 have asked that the increase be offset -- that the decrease,
12 I'm sorry, be offset by an increase to the local monthly rates.

13 Now, in deciding those petitions, the PSC is required
14 to make a finding that granting the petition will benefit the
15 residential consumers, that it will promote a competitive
16 market such that there will be a benefit to the consumer.

17 I want you to know all of that because as you can
18 imagine this testimony is critical to our process. We want to
19 hear from you on whether you are interested in having a more
20 competitive market in your area. We are very interested in
21 finding out what competitive providers are in your area. What
22 service product offerings are available to you. Please don't
23 be surprised if the parties ask you questions after your
24 testimony. That is a way of building the record.

25 I will ask that you let us know if you don't want to

1 testify. Even though we have your name, but you change your
2 mind through the process, or someone else has covered your
3 remarks, just let us know and we will go on to the next person.

4 For those of you who do not wish to testify, you can
5 still be part of our process and let us know your concerns by
6 filling out the customer comment sheet that you received as you
7 walked in. It should be a yellow sheet like this, attached to
8 a pamphlet of information. You can leave that us with tonight,
9 you can mail it back to us, but please take advantage of this
10 if you don't wish to testify.

11 At this point, I would like to have the individual
12 parties make their presentations. Mr. Criser, we will start
13 with you. I want to just take a minute, though, to recognize
14 former Representative Jerry Maygarden who joins us today.
15 Representative Maygarden, there you are. And also
16 Representative Dave Mursen (phonetic) who joins us just to
17 acknowledge them. Thank you for being here, both of you. And
18 then finally, Jack Shreve, who used to be the State's Public
19 Counsel and now is with the State's Attorney General. Jack
20 Shreve, thank you for being here.

21 MR. SHREVE: Thank you.

22 CHAIRMAN JABER: Mr. Criser.

23 MR. CRISER: Good evening. Again, I'm Marshall
24 Criser. I am here tonight representing BellSouth. As you may
25 have already heard, BellSouth revised its proposal on September

1 30th following a decision by the Florida Public Service
2 Commission. I would like to take just a moment tonight to
3 summarize the changes that we have proposed.

4 Specifically, our revised plan will reduce the
5 in-state toll access charges which we charge to long distance
6 companies in three 12-month increments, instead of the two
7 increments that we had previously requested. These reductions
8 will reduce the amount that BellSouth charges to long distance
9 companies to the amount charged for interstate calls.

10 To be clear, and this is an area that I think
11 sometimes is confusing, these charges are charged on calls that
12 you make whether it is from your home telephone number, or from
13 an 800 number, a 10-10 number, or a calling card like a Sam's
14 card. Implementation of our proposal will require the long
15 distance companies to reduce their in-state toll charges,
16 including the complete elimination of the \$1.75 to \$1.99
17 in-state connection charge, which is currently on many Florida
18 customers' bills. By law, the amount of these reductions must
19 be equal to the reductions that the long distance companies
20 receive and it is subject to verification by the Public Service
21 Commission.

22 If our proposal is approved, we plan to offset the
23 reduction by adjusting the charges for certain services. We
24 plan to simplify the charge for business single-line service by
25 reducing the current 12 different rates to three rates over two

1 years. For example, here in Pensacola, the business
2 single-lane rate would go to \$28. In addition, we have
3 modified our previous proposal to adjust the charge for
4 residential basic service in three increments. Under our new
5 proposal, the adjustment in residential basic service will be
6 implemented in a 1.25 in 2004 and 2005, and approximately a
7 dollar in 2006.

8 However, under this new proposal we have continued
9 our voluntary commitment to exempt Lifeline customers from
10 these rate changes for the full four years allowed. We also
11 plan to adjust our nonrecurring charges for services such as
12 service installation by approximately 17 percent over the same
13 period of time as the residential basic service adjustments.

14 Again, all of these adjustments are subject to
15 verification by the Public Service Commission to ensure that
16 they are revenue neutral to BellSouth. We continue to pursue
17 this effort because we believe that the objectives of
18 competition and a strong economic foundation are essential to
19 the well-being of Florida and its telephone customers. I
20 appreciate you taking the time tonight to share your opinion
21 with us, and I look forward to your comments. Thank you.

22 CHAIRMAN JABER: Thank you, Mr. Criser. Mr. Beck.

23 MR. BECK: Thank you, Chairman Jaber. My name is
24 Charlie Beck with the Office of Public Counsel, and I want to
25 thank everybody for being here this evening. In case you are

1 not familiar with our office, our office is completely separate
2 and independent of the Public Service Commission. We appear as
3 an advocate before them and appear as any other party would.
4 We appear on behalf of the public in these cases.

5 This second petition that Bell has filed here this
6 evening, the first one asked for two rate increases 12 months
7 apart. Our office filed motions to dismiss those in order to
8 enforce the statutory requirement that the rate changes take
9 place over a period of no less than two years. Just under two
10 weeks ago, the Public Service Commission granted the motions to
11 dismiss, and I think that is a good example of the broad
12 discretion and authority that the Commission has whether they
13 will grant or deny the petitions of the telephone companies.

14 That discretion they have makes your testimony very
15 important here tonight, because the Commission is going to
16 consider your testimony in deciding whether to grant or deny
17 the petition that is before them now. So I want to thank you
18 again for appearing. When the time comes to call witnesses, I
19 am going to try my very best to call everything in exactly the
20 same order that you signed up on the sheets coming in here.
21 Thank you.

22 CHAIRMAN JABER: Thank you, Mr. Beck. Mr. Twomey.

23 MR. TWOMEY: Thank you, Madam Chairman,
24 Commissioners, ladies and gentlemen, I'm Mike Twomey. I'm
25 appearing here on behalf of the AARP and its 2.6 million

1 members throughout the State of Florida. Bear with me, I've
2 got a bit of a cold.

3 I wanted to tell you all, driving over here I
4 listened to some tapes of the floor debate of the Florida House
5 of Representatives on the law that allows these petitions
6 today, and I made some notes, and I want to share with you the
7 House sponsor, Representative Stan Mayfield (phonetic), said
8 that the Public Service Commission would have full discretion
9 not to grant these rate increases. He said that it would have
10 full discretion not to do that, and that these petitions that
11 are filed before the Commission would have to meet two
12 conditions.

13 One, he said, will it create competition in the local
14 markets. Now, the companies now, at least as I understand
15 their petitions, are saying that they don't have to show that
16 competition will result necessarily, they have to show merely
17 that it might result and be enhanced by increasing your rates.

18 Secondly, Representative Mayfield said that the
19 Public Service Commission would have to find, he said will the
20 petitions, granting the petitions be beneficial to residential
21 customers. And that is particularly important in the view of
22 the AARP, because the AARP believes, ladies and gentlemen, that
23 in order for the Public Service Commission to grant these
24 petitions and raise your local rates, they have to find that
25 you will receive financial benefits. Not just benefits in the

1 way of thinking that there is some kind of fairy dust benefits
2 of competition by increasing your rates \$46.32 a year if you
3 are served by Bell, or if you are served by Sprint any of you
4 as much as \$83.32 a year.

5 Now, that is what he said, and that is what the AARP
6 is going to try to hold these companies to and hold the Public
7 Service Commission to. Let me tell you a little bit about how
8 they filed these petitions. They filed pursuant to a law that
9 was really horrible, 86 percent of you in a survey said that
10 you wanted the governor to veto it. Notwithstanding that, the
11 legislature signed it anyway. I think a bunch of them were
12 hoodwinked by their telephone lobbying friends. Whatever the
13 reason, it passed and we have to deal with it.

14 It had two particularly silly notions that the
15 company tried to make the legislators believe and would have
16 you believe now. And the first one is that they, BellSouth,
17 Sprint, and Verizon, want to have more competition and lose
18 customers and lose the revenue associated with those customers.
19 That is silly. Nobody believes that.

20 The second one is that you would be able to pay
21 more -- you are willing to pay more for competition. You will
22 have your rates raised anywhere from 35 to 90 percent per year
23 and that they won't gain a penny from it after spending
24 millions of dollars to pass the legislation. That is the
25 revenue neutral part you will hear about that they are not

1 making any money from this. And I want to tell you very
2 briefly that is just absolutely totally false. And what you
3 have to do, ladies and gentlemen, is track who gets the money
4 and you have to remember your part in it all.

5 The reason the telephone companies are doing this, or
6 so the AARP maintains, is they were losing a lot of money on
7 access fee revenues, 9 or 10 percent per year. It was like the
8 buggywhip division of local telephone companies. In order to
9 stop that bleeding of the access revenues, they came up with
10 this scheme to shift the responsibility to your backs. Hence
11 this legislation.

12 So, they say it is revenue neutral, and it is in a
13 snapshot in time. But over time they would lose a dollar this
14 year, it would be 90 cents next year, 81 cents and so forth.
15 That is why they initially tried to do this in two years
16 instead of the three or four years they promised you and the
17 Florida Legislature.

18 Who are the other winners in this deal? The other
19 winners are big business, chamber of commerce types. We will
20 probably see some tonight. They will come up -- and by the
21 way, if they have got more than one line, one business line,
22 they don't pay any local rate increases at all. Yet, AARP
23 fears that they will be the beneficiaries of the vast majority
24 of the in-state long distance rate that have to be flowed
25 through the customers while residential and single line

1 business will get very few. They are winners, okay? And if
2 you see the chamber types come up, they will say we like this,
3 it is a good deal, we are willing to pay for competition. And
4 by the way, in terms of paying for competition, the Chairman
5 said when you testify be sure and tell us if you want more
6 competition.

7 Now, she only told you part of the question, I would
8 maintain. That is, sure, we all like more competition. The
9 rest of the question is are you willing to pay from 42 to
10 80-something dollars a year for competition as a result. You
11 are the losers. Your rates are going to go up for sure. We
12 know that for an absolute certainty if these petitions are
13 granted by the Public Service Commission. We don't know if you
14 have the possibility of saving even a single penny, ladies and
15 gentlemen, as a result of in-state tolls going down, because
16 these companies don't know because the long distance companies
17 aren't parties to this case and nobody knows. The Commission
18 can't know, I can't know, you can't know, the companies don't
19 know. We think for that reason alone these cases should fail.

20 So who are losers? People on Lifeline will be
21 subject to rate increases at the same level you will be within
22 two to four years. That's it. After that, they will be
23 exposed to the same huge rate increases, from 35 to 90 percent
24 as you folks, and many of them will be forced to lose their
25 service.

1 In as little as two years, these companies can try
2 and take away the ability of the Public Service Commission
3 from controlling the quality of service they give you. They
4 can try and take it back. If they grant the petitions they can
5 try and take it away. If the Commission denies the petitions,
6 the rate increases will stay as under the current law, which is
7 less than one percent per year as opposed to 35 to 90 percent
8 within as little as two years, and 20 percent per year
9 automatically if they want them thereafter. I'll stop there.

10 Do come up and testify, ladies and gentlemen. Don't
11 be concerned about the oath. No one is going to grill you.
12 And if you don't testify, be sure and fill out the PSC form and
13 leave it in the back, and tell folks that you don't want rate
14 increases if, in fact, you don't. Thank you very much.

15 CHAIRMAN JABER: Thank you, Mr. Twomey. Ms. Banks,
16 what I would like for you to do now is quickly go through the
17 PowerPoint presentation, which is just staff's analysis, a
18 quick analysis of what the legislation actually provides. And
19 then after that we will swear in the witnesses and start with
20 their testimony. Ms. Banks.

21 MS. BANKS: Thank you, Madam Chair. As the parties
22 have already indicated, the reason we are here tonight is to
23 address three petitions that have been filed pursuant to
24 Section 364.164 of the Florida Statutes. Three separate
25 petitions have been filed by BellSouth, Sprint, and Verizon

1 section 364.164 of the Florida Statutes, which is entitled
2 Competitive Market Enhancement, provides that local telephone
3 companies may decrease the rates charged to long distance
4 companies for access to its network in a revenue neutral
5 manner.

6 The PSC must consider four criteria in reaching its
7 decision on each company's request. The PSC must consider
8 whether saying yes to the petition would remove current support
9 for basic local telecommunications services that prevents the
10 creation of a more attractive competitive exchange market for
11 the benefit of residential consumers; whether the petition will
12 induce/enhance market entry; whether it will require intrastate
13 switched network access charge rate reductions to parity over a
14 period of not less than two years or no more than four years.
15 Parity simply means that the access charges charged by the
16 local exchange companies are the same for an intrastate toll
17 charge as they would be for interstate toll calls. And the
18 last criteria is that they must be revenue neutral. Revenue
19 neutrality is defined as changes in access revenues offset by
20 equal changes in the local rates.

21 CHAIRMAN JABER: Thank you, Ms. Banks. At this time
22 if you wish to testify before our proceeding tonight, if you
23 will stand and raise your right hand.

24 (Witnesses collectively sworn.)

25 CHAIRMAN JABER: Mr. Beck, do you want to call the

1 first witness.

2 MR. BECK: Thank you, Madam Chairman. The first
3 witness is John Clark, the Council on Aging of West Florida.
4 If you would just come up here and state your name.

5 JOHN CLARK

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

8 DIRECT STATEMENT

9 MS. CLARK: Good evening, ladies and gentlemen. And
10 I thank you for the opportunity to speak to you tonight about
11 the proposed telephone rate increases. My name is John Clark,
12 and I am director of the Council on Aging of West Florida in
13 Pensacola, a position I have held since 1974. Our agency
14 provides a wide array of home and community-based services for
15 frail, low income elders such as Meals on Wheels, Adult Day
16 Healthcare, Senior Companions, Foster Grandparents, Case
17 Management, Senior Centers, and so forth.

18 Our mission is to assist elders in remaining in the
19 least restrictive environment for as long as possible.
20 Everyone benefits from these programs; the elders do, their
21 loved ones, and the taxpayers as home and community-based
22 service are more cost-effective. But I didn't come here
23 tonight to talk about our programs, but about telephone service
24 and its cost to our clientele. Telephone service today is no
25 longer considered a luxury by most people. I'm a relatively

1 young person, but I can remember when we didn't have a phone,
2 and then when we did get it it was a party line. That was
3 always fun, too. But today the phone can often be a vital link
4 between frail, low income, home-bound elders and medical help
5 or emergency assistance. In fact, one important program we
6 offer is an emergency alert response system which depends on
7 phone service. So telephone service is, in some cases, a
8 necessity. And I think you all will agree with me that access
9 to affordable phone service is vital to many elders.

10 However, I admit that I am very confused about the
11 complexities of what you just talked about. Frankly, I
12 sometimes wish for the old days when phone service was a lot
13 less complicated. We got a bill, that was it. We didn't even
14 own our phone, but it was very simple.

15 However, as an administrator of numerous programs, I
16 do understand that there are costs, infrastructure needs and so
17 forth, and cost factors involved with different programs that
18 occasionally need to be adjusted. But my purpose here tonight
19 is to say something positive and to encourage members of this
20 Commission to provide the public with more information about
21 the Lifeline and Link-Up telephone service.

22 As you are aware, this program provides low income
23 persons with a special reduced monthly fee and a reduced
24 installation fee. In the past this had to be people receiving
25 food stamps, Medicaid, or any other type of assistance to be

1 eligible. However, the expansion of this program to include
2 coverage for persons of 125 percent of the federal poverty
3 guidelines will expand the coverage to more households. In
4 fact, I personally wish that were higher, like 150 percent of
5 the federal poverty guidelines even if they were not receiving
6 any other type of government assistance. I do believe,
7 however, that there is still a very significant number of our
8 citizens who are simply unaware of this program and how it
9 could help them.

10 While we, as agencies, make our clients aware of this
11 service, and most of them are and subscribe to it, I believe it
12 is important for this Commission regardless of what action it
13 takes in regards to rate increases, to make a concerted effort
14 to better publicize this program in all areas of our state.

15 While anyone on a limited income is affected by any
16 rate increase, such as phone, electrical service, a program
17 like Lifeline could also help to lessen the impact. Again, I
18 want to voice my support for that program and encourage your
19 expansion of it and the help it provides many citizens in need.
20 But I would again ask that you make an effort on a regular
21 basis to publicize this program using all available media in
22 our state. And thank you for the opportunity to be here.

23 CHAIRMAN JABER: Thank you, Mr. Clark. And there is
24 no time like the present, so you have given me an opportunity
25 to take a few minutes and talk about the Lifeline program for

1 those customers sitting in the audience and those that may
2 watch the tape later. The Lifeline program is a telephone
3 charge assistance program. It does provide \$13.50 off of a
4 monthly phone bill for eligible participants, and up to \$30 of
5 a discount on hook-up fees.

6 And as you know, Mr. Clark, you are absolutely right,
7 the PSC partners with the Office of Public Counsel and various
8 state agencies across the state to make sure that as many
9 people as possible know about the Lifeline program. And I am
10 so pleased that the Council on Aging has assisted in that
11 effort. Every service hearing we have been to there has been a
12 representative from the Council on Aging that is willing to
13 assist in that effort.

14 And, Mr. Beck, this is when I usually ask you to give
15 out your 800 number, as well, because the Public Counsel -- as
16 part of this legislation, the Public Counsel officially
17 received the responsibility of trying to administer and enroll
18 as many people, eligible people as possible. And, Mr. Beck,
19 you have an 800 number for them?

20 MR. BECK: Yes. This is a perfect time to plug it,
21 it's 1-800-540-7039. And we have a number of people dedicated
22 to not only just providing information about it, but signing
23 people off and getting the applications out. And we have seen
24 a tremendous increase in our calls since August 1st of this
25 year. It has gone up five or six fold, and so we are really

1 pleased.

2 MS. CLARK: We would like to see, if possible, for
3 consideration of expansion of that program.

4 CHAIRMAN JABER: Absolutely. And for those of you
5 that are interested, at the back of the room you will find a
6 brochure like this that has the PSC's contact information, as
7 well. And, of course, please call your local telephone company
8 if you feel like you are eligible. Please call -- I guess here
9 it would be BellSouth -- so that you may be enrolled. Thank
10 you, Mr. Clark, for your testimony. Mr. Twomey.

11 MR. TWOMEY: Thank you, Madam Chairman. Mr. Clark,
12 good evening. Mr. Clark, you realize that the expansion to the
13 125 percent for Lifeline was, one, previously agreed to by
14 BellSouth prior to the passage of this law?

15 MS. CLARK: No.

16 MR. TWOMEY: Okay. And, two, that the 125 percent
17 availability is in no way dependent upon the rate increases
18 being granted.

19 MS. CLARK: Right.

20 MR. TWOMEY: Okay. Thank you. And, lastly, do you
21 have a position on whether you think that these rate increases,
22 if granted by the Public Service Commission, will generally
23 harm or generally benefit your clients?

24 MS. CLARK: Well, harm is a pretty strong word. I
25 don't know if -- it will be hardship on some people, obviously,

1 because when you take low income people who have very limited
2 income, Social Security does not go up that much every year, as
3 you are aware, so that when they do get any kind of increase,
4 whether it be phone, utilities, it's a hardship. I wouldn't
5 say that -- I cannot say intelligently how many people would
6 lose their service because of it because I don't know.

7 MR. TWOMEY: I think you're right, then, I shouldn't
8 use the word hardship. Thank you.

9 CHAIRMAN JABER: Mr. Clark, thank you for your
10 testimony.

11 MS. CLARK: Thank you.

12 CHAIRMAN JABER: Mr. Beck, the next witness.

13 MR. BECK: The next witness is William Goggins.

14 WILLIAM GOGGINS

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. GOGGINS: I'm Bill Goggins, and I'm representing
19 myself. I felt appalled when I read this previously, and was
20 anxiously looking forward to the time the Public Service
21 Commission would come into the area and I would be able to talk
22 to them. Each one of our utility services in the past two
23 years has increased their basic rates, and considerably. I
24 don't know the percentage, but it is a lot; gas, electric, and
25 now telephone.

1 I feel that nobody with a single-line phone and a
2 home phone is going to benefit from the basic rate change. No
3 individual. Businesses, people that have two lines in their
4 home possibly, but I don't know where the basic math is coming
5 from. I know what I pay every month, and I don't make that
6 many long distance phone calls, and I'm sure there is a lot of
7 other people that don't. There is a lot of people that do, I
8 understand, and they spend an hour on the telephone and they
9 put \$300 charge on their cell phone before they realize they
10 are doing something. But if anybody can explain to me what
11 increasing the basic rate is going to do for the individual, do
12 anything but neutralize these other changes that they want to
13 decrease. And that is the only thing it's doing. I don't see
14 where -- and I think basic rate in itself is explanatory when
15 you can talk about basics. What it costs, not how you are
16 involved in the competition of the hours that other people put
17 on the phone. And that is the way I feel about it. And I
18 think anytime you can collect from the individual consumer on a
19 regular basis, regular monthly basis whether they are using the
20 phone or not, I think you are in their pocketbook. I will be
21 very truthful with you. Thank you.

22 CHAIRMAN JABER: Thank you, sir.

23 MR. TWOMEY: Madam Chair.

24 CHAIRMAN JABER: Mr. Twomey.

25 MR. TWOMEY: Yes, ma'am. Thank you. Yes, sir, one

1 question. Are you interested in paying \$46.32 more a year even
2 if you do get more competitive choices, if all those choices
3 cost you \$46, or roughly 46 more a year?

4 MR. GOGGINS: No. \$46 for a basic phone rate?

5 MR. TWOMEY: More.

6 MR. GOGGINS: No. If I want to look for competition,
7 I will go out and find it. I will get up on the Internet and
8 find it. That is what the energy code is. Buy a phone card,
9 do whatever you want. But as far as the basic rate increase,
10 it doesn't make any sense to me. The program -- the program as
11 it is stated in that law, I know -- maybe the law needs
12 changing, I don't know that, but when you have to use the basic
13 rate to neutralize your competition in other areas, I think
14 that is ludicrous.

15 MR. TWOMEY: Thank you.

16 CHAIRMAN JABER: Thank you, sir. Mr. Beck.

17 MR. BECK: The next witness is James Allen.

18 JAMES ALLEN

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

21 DIRECT STATEMENT

22 MR. ALLEN: Good evening, everyone. My name is James
23 Allen. I'm retired and on a fixed income, and I expect
24 approximately next year we are going to get about a 1.4
25 increase in our retirement, Social Security, things like that.

1 which when you look at it is not a lot.

2 The basic telephone bill for the phone itself is
3 about \$9.50, but the end of the bill is about 25 bucks. You
4 add on what they want just for this basic stuff, it is going to
5 be about 35 bucks, about \$10 a month. And guys on retirement,
6 women on retirement, families on retirement -- not families,
7 man and wife, that is pretty steep. And apparently when people
8 think about this they don't go to the grocery store. For
9 example, we had gas prices going up here all summer. For what
10 reason, I don't know, but finally the gas prices went down.
11 The price of milk goes up. And, you know, one outbalances the
12 other. Well, this so-called thing which I don't understand
13 myself, one balancing the other, I don't get it. And like the
14 man said before, we can't afford it. We are not getting that
15 kind of money. We are not a business, we are individuals. We
16 are retired. And that is about all I've got to say.

17 MR. TWOMEY: Madam Chair.

18 CHAIRMAN JABER: Thank you, Mr. Allen. Mr. Twomey,
19 you have a question?

20 MR. TWOMEY: Yes, ma'am. Mr. Allen, I will ask you
21 the same question I asked Mr. Goggins, and that is even if you
22 were to get actual competition, not just the promise of it, if
23 you were to get extra competition from two or three companies
24 at prices that range roughly \$46 more per year for those
25 competitive choices, would you want competition under those

1 circumstances?

2 MR. ALLEN: No. A thousand times no. I don't think
3 that is the right way to go about it to start with.

4 MR. TWOMEY: Thank you.

5 CHAIRMAN JABER: Thank you, Mr. Allen.

6 MR. BECK: The next witness is James Sideris.

7 MR. SIDERIS: Sideris.

8 CHAIRMAN JABER: Mr. Sideris, can you spell your last
9 name for us?

10 MR. SIDERIS: Yes. My name is James S-I-D-E-R-I-S,
11 resident of Escambia County, State of Florida.

12 CHAIRMAN JABER: Thank you, sir.

13 JAMES SIDERIS

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. SIDERIS: Madam Chairman and members of the
18 Commission, and others of interest. First, I want to ask you
19 to please turn down these petitions or requests by these
20 telephone companies. They are excessive as they are now. They
21 are the intricate -- I'm falling away from my outline here, but
22 I will say one thing -- they have intricate corroboration with
23 other companies in which they provide the services needed by
24 the citizenry. They advertise many billions of dollars through
25 all media and that is where they should provide a savings to

1 them if they don't want to spend money, but raise rates on us,
2 which is ludicrous and it is unfair.

3 Now, it would hurt the following people: Low income
4 persons, part-time workers, fixed income workers, elderly
5 persons, indigent persons, disabled persons. 35 percent of the
6 State of Florida population are in these class categories. If
7 the Public Service Commission approves any of these so-called
8 requests, which I hope that you will turn them down
9 unambiguously, because it is unnecessary and burdensome on us.

10 These people who are asking for this will not give us
11 the necessary competition needed, they will set up oligopoly.
12 We don't need any more user fees or charges. We are paying at
13 the present time three taxes or fees on our electric bills, and
14 one of them is local, which is a franchise tax. We are paying
15 three on the telephone bill that we get, plus we do have a
16 private or separate company which underlies with these other
17 national companies, BellSouth, Sprint, Verizon, et cetera, that
18 you don't know about, but they do have their license through
19 you in order to cut rates foreign and domestic in which we are
20 accessible to them, we use them, utilize them. That is why we
21 don't need no more local competition.

22 So, therefore, the telephone bill, there is a federal
23 charge, a state charge, and a county charge. We have taxes on
24 gasoline. We have taxes on purchases. We have taxes direct
25 and indirect by the federal and the state government. We have

1 insurance rates just recently by Mr. Gallagher, who he better
2 give another thought about that because reelection is coming
3 up. Insurance rates which is terrible. School board taxes.
4 We have a local and a state millage to pay, and we are not
5 exempt on the local millage yet, but we are going to present a
6 petition to the school board for that. The county commission
7 has a millage on house. That is another tax burden.

8 So, therefore, there is taxes upon taxes, fees upon
9 fees, user fees unnecessarily burdensome to us, the 35 percent
10 of the State of Florida population. Where are we going to get
11 all of this money? Have these companies asked, or the electric
12 companies asked, or any others under your auspices asked us
13 where we are going to meet these higher rates of charges that
14 they impose on us? We are subsidizing the electric companies
15 for their new plants. They are private companies. Why don't
16 they go get bond money from New York, Wall Street? Why don't
17 they get preferred stock. Why don't they sell common stock?
18 They are on the market, why burden us? But you people endorsed
19 it. We are paying more on our electric bills in order to
20 subsidize the new plant in Panama City, Florida, for Gulf Power
21 Company. That was wrong. I don't know whether you can change
22 it or not. I hope you can, but someone needs to petition to
23 you do that. Taxes upon taxes. Where are we going to get that
24 income? It is a big burden to us. You are the ones that can
25 put a stop to these utilities, these other companies coming

1 before you and asking for rates. Put a stop it and don't
2 burden us, the taxpayer, and the citizens of Escambia and the
3 rest of the State of Florida.

4 If they want to save money, let them cut on
5 advertising. I noticed that they have advertising in national
6 magazines, national TVs, local TV, local newspapers. They have
7 burdened us with advertising for South Bell, for Verizon, and
8 for Sprint. I think it is high time that they start cutting
9 down on their advertising and quit asking you to increase their
10 rates and stop competition which they already have. We don't
11 need any more. There will be no new competition locally. Turn
12 them down. Those that will increase our rates and put a burden
13 on us, turn them down. And definitely there is no benefit to
14 the local community or to the State of Florida other than you
15 and the rest of the state legislature can impose more taxes on
16 any of these utility bills, which we have asked the legislature
17 to put a stop to that. Thank you very much for listening to
18 me.

19 CHAIRMAN JABER: Thank you, Mr. Sideris. May I ask
20 you a quick question?

21 MR. SIDERIS: Sure.

22 CHAIRMAN JABER: You said early on in your
23 presentation there was a phone company you could ask that if
24 you wanted to. What was that?

25 MR. SIDERIS: Yes. I won't reveal who that company

1 is, but I have two sources. I use this is one company for my
2 foreign long distances, which are cheap. They are licensed by
3 you. You have given them authority to operate in the State of
4 Florida. Now, Southern Bell with AT&T has conspired and they
5 are using this 10-10 and 5 cents foreign which we utilize and
6 we are taking the advantage of since it is much lower than the
7 other company. And what they are trying to do is set up
8 oligopoly. Put a stop to these big large companies. Stop them
9 from advertising and wasting our money. Keep our rates down
10 and low where it should be. Thank you very much.

11 CHAIRMAN JABER: Thank you. Mr. Sideris, Mr. Twomey
12 has a question.

13 MR. TWOMEY: Yes, sir. I will be brief. Mike Twomey
14 again from the AARP. I want to ask you the same question I
15 asked the previous two gentlemen. And that is are you willing
16 to pay \$46.32 --

17 MR. SIDERIS: I'm not willing to pay one red cent
18 more than what I am paying now for any of the utilities in the
19 State of Florida asking for more rates from these people here.
20 Now, one thing about these people, we don't put them there. We
21 don't have the right to elect them. The legislature appoints
22 and recommends and the governor puts these people in office. I
23 have tried many times to get on there, but because I am
24 consumer-minded I would not get on that board, because I hope
25 you are not for these industries and biased for these

1 industries, and you will be biased for us consuming public.
2 That is one reason I haven't been able to get on that board.
3 Thank you.

4 MR. TWOMEY: Thank you.

5 CHAIRMAN JABER: Mr. Beck.

6 VICTOR KULMETZ

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. BECK: The next witness is Victor Kulmetz.

11 MR. KULMETZ: My name is Victor Kulmetz, and I came
12 down from Crestview. I hope to -- I know you all are going to
13 be over in Fort Walton, but I didn't want to miss you, and it
14 might work that I couldn't get to come over there. The man
15 listed a few people that it is going to hurt, the rate
16 increase, and he failed to name city workers, and county
17 workers, and state workers, because they are going to hurt.

18 When I was in Atlanta, Georgia, I could pick up the
19 phone and call anywhere in the City of Atlanta. It covered 17
20 counties. Now, their counties are smaller than ours, but the
21 land mass of Atlanta, the City of Atlanta is equivalent to
22 Escambia, Santa Rosa, Okaloosa, Walton, Holmes, and Washington
23 Counties. So you can pick up the phone and use it all over.

24 Now, I live in Crestview and the phone company there,
25 Sprint, I have a phone in Crestview, if I pick that phone up

1 and I call Eglin, which runs right up to the city limits of
2 Crestview, it is 20-cent toll call. I might as well have a
3 payphone in my house. And half my bill is 20 cent toll calls
4 going to Eglin, or Fort Walton, or Destin, anywhere within the
5 county. So, basically Sprint is just making a killing being a
6 local carrier, because they can charge us this. There is no
7 fairness in the long distance phone calling when we look at the
8 land mass of the bigger cities. And we have been growing and
9 growing and growing with more population, so they have got a
10 bigger base than they have ever had before.

11 Another thing that they are making money off, and
12 with the phone company is they just turn you off with a little
13 old button, it's called a reconnect fee. I haven't dug in to
14 see how much money they are making on reconnect fees or how
15 many they turn off and on. I did a little study on Gulf Power,
16 and Gulf Power cuts off 600 people a day at \$16, and we are
17 talking millions of dollars and they have never sold a drop of
18 electricity. And I know the phone company is doing the same
19 thing. So they don't need the money.

20 And another thing, right now our local politicians
21 are just strapped. They are broke. They need more money, you
22 know, for whatever infrastructure needs to be done in our
23 community. One of these days our local politicians, whether it
24 is the city or the county, our local community is going to wake
25 up and say we don't need to contract these utilities out to the

1 phone company because we allow them just to tax our people and
2 we can keep the tax at home. They signed the contract when
3 they first came in and put up the telephone poles and the
4 contract reads that whenever that contract is up, they are just
5 leasing the property and that all the infrastructure, and they
6 have to maintain it, belongs to the city or the county. And we
7 can take over and have our own infrastructure, and like some of
8 the counties, we can make all of our revenue off of utilities
9 such as our phone company, be our own phone company, be our own
10 cable company, be our own power company. And when our local
11 politicians wakes up and we are being taxed to death by these
12 for-profit corporations, we don't need to. And that is the
13 crux of it.

14 Right now Okaloosa County could take over Sprint and
15 it would take them about seven years. Doubling these rates
16 they could pay for it in three years and all the local workers
17 that is working these lines is local younguns here. Somebody
18 needs to wake up. And you all don't need to be asking for this
19 because you are cutting your own throats. Any questions?

20 CHAIRMAN JABER: I think Mr. Twomey has a question.

21 MR. TWOMEY: Yes, sir. I want to ask you the same
22 question I asked the other gentlemen, although I want to change
23 it a little bit because your service is with Sprint, right?

24 MR. KULMETZ: Yes.

25 MR. TWOMEY: Okay. So my question would be changed

1 to say are you willing to pay \$82.32 more a year on the promise
2 that you will receive a couple more competitors at roughly that
3 same rate?

4 MR. KULMETZ: The promise is a dead promise. There
5 is no competition. They have only that line and they are not
6 offering, so why would I want to give them more money on a
7 promise that is a lie. You know, there is no other competition
8 in there. They have the sole right with their contract to be
9 my provider.

10 MR. TWOMEY: Well, actually, no, sir, that is not
11 quite true. But my question is --

12 CHAIRMAN JABER: Mr. Twomey, let's let witnesses
13 testify. But I will let you ask a question, okay?

14 MR. TWOMEY: Okay. Then maybe the chair can tell him
15 that these people are not monopolies.

16 CHAIRMAN JABER: Well, let me interrupt you and ask
17 my question and maybe that will give you an opportunity to
18 formulate yours. In Crestview, do you ever receive any
19 advertisements from other telecommunication providers? Do you
20 ever see ads on TV from other phone providers? Do you get
21 anything in the mail?

22 MR. KULMETZ: Oh, all the time. This poor fellow, he
23 missed the one, the mail. I get them, too, by Sprint about
24 cutting down on advertisement. But --

25 CHAIRMAN JABER: Are they always from Sprint, though,

1 or do you get --

2 MR. KULMETZ: No. But now that is for my long
3 distance, and it is for intrastate and interstate. Intrastate
4 and interstate. And I just tell them I don't want none, and
5 then I drop that 5.95, because I really don't use that much.
6 And 5.95 a month, ten months, that is \$50. I don't have that
7 much phone calling, you know. I don't have many friends, so --

8 CHAIRMAN JABER: I don't want to put words in your
9 mouth. In terms of your local service you feel like you don't
10 have competition?

11 MR. KULMETZ: No, there is no competition for local
12 service. And if there is any local competition for my local
13 service, nobody has told me about it. And they was talking
14 about a Lifeline, I have never been told about a Lifeline,
15 either. I have had open-heart surgery twice and I am just a
16 struggling out here. And I am a senior citizen now, I finally
17 made it. But when I was 24 I flat needed a Lifeline. They say
18 there is a safety net, but I missed it. So I am still mad at
19 the world. Go ahead.

20 CHAIRMAN JABER: Mr. Twomey?

21 MR. TWOMEY: Yes, ma'am. Thank you, Madam Chair.
22 Mr. Kulmetz, again, the question is even if they could promise
23 you that you would have three companies, local companies --
24 forget the long distance -- three local companies that could
25 serve you in Crestview, but it would cost you from all of them

1 roughly \$80 more a month, would that make any sense to you?
2 Would you want that?

3 MR. KULMETZ: I don't want the one I've got. No.
4 You know, right now -- I just told you that in Atlanta they
5 cover five counties. I can't even call out of Crestview
6 without it being classified a long distance phone call. Now,
7 that is the grip that Sprint has on this little community in
8 Okaloosa County. And I'm not telling you all something you
9 don't know.

10 MR. TWOMEY: Okay. Part of the -- Mr. Kulmetz, part
11 of the deal here is that these companies have to lower the
12 access fee rates they charge the long distance companies, and
13 the long distance companies in turn have to lower their long
14 distance rates within the state. Now, if you accept that as
15 true for purpose of my question, do you think that you can make
16 enough in-state toll calls at lower rates to exceed the \$82.32
17 more a year that Sprint is going to charge you if they approve
18 these petitions?

19 MR. KULMETZ: No, sir. I won't be making any phone
20 calls, and so -- but all they are doing is running my basic
21 rate up and they don't need to. And they are driving us all to
22 cell phones once the cell phones come down.

23 MR. TWOMEY: Thank you very much.

24 CHAIRMAN JABER: Thank you, sir.

25 MR. BECK: Thank you. The next witness is Roger

1 Fortune. Fortner.

2 ROGER FORTNER

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

5 DIRECT STATEMENT

6 MR. FORTNER: Good evening, ladies and gentlemen. My
7 name is Roger Fortner. I'm a resident of Escambia County.
8 Just another peasant, but I am glad you all had this meeting
9 tonight. This is the first time I've ever gotten to attend
10 one. I have been a BellSouth customer for like 16 years now.
11 I brought some former phone bills with me. I want to go over
12 some itemized -- some items on one of the phone bills itself,
13 and then two items in particular I want to give you some
14 figures on for the last four years.

15 Keep in mind when I give you these figures that I
16 have an account with the phone company that allows me 30 calls
17 per month at a reduced rate and anything over those 30 calls I
18 am charged like 10 cents apiece. So I have this for a reason.
19 I wanted the economy there. Okay. I want to take a copy of
20 this phone bill and I want to go over these items, and then on
21 two of them I want to go over some figures with for the last
22 four years.

23 Number one, the federal universal service charge.
24 This is a per line charge to recover the amount
25 telecommunications providers must contribute to the federal

1 universal service fund which helps keep local phone rates
2 affordable for all Americans. Number two, FCC local number
3 portability line charge. A charge to recover the cost of
4 technology that makes it possible to change your local
5 communications provider and keep the same telephone number.
6 Number three, residential line charge. Number four, emergency
7 911 charge. Number five, FCC charge for network access. A
8 charge to recover cost associated with connecting to a
9 telecommunications service provider interstate network, and
10 number six, Telecommunications Access System Act charge. A
11 surcharge to fund the relay center that assists the hearing and
12 speech-impaired communicate with telecommunications providers.
13 Okay.

14 I want to go over the number -- the residential line
15 charge and give you some figures for the last four years on
16 that, and then I want to go over the FCC charge for network
17 access. Go back to 1999, May of 1999. The residential line
18 charge, \$6.30. September of '99, \$6.77. Go to '01.
19 July, \$7.38. December, \$8.36. February '02, 8.36. August of
20 '02, 9.45. February of '03, 9.45. October of this year, my
21 recent bill, 9.49. A difference of \$3.19 in the last four
22 years for the residential line charge.

23 Okay. Now, let's go to this FCC charge for network
24 access. A charge to recover costs associated with connecting
25 to a telecommunications service provider's interstate network.

1 I want to read that again. A charge to recover cost associated
2 with connecting to a telecommunications service provider's
3 interstate network. Okay. FCC charge, May of '99, \$3.50.
4 September of '99, 3.50. July of '01, 4.35. December of '01,
5 \$5.00. February of '02, \$5.00. August of '02, \$6.00.
6 February of '03, \$6.00. October of '03, recent bill, \$6.50.
7 This charge continues to go up. Now it says FCC charge. Is
8 that a charge that the FCC charges the phone company, or is
9 that a charge that the phone company is making. If it is a
10 charge that the FCC is making, then it's a tax. It ought to
11 say tax. Otherwise it is a charge, and it continues to go up.
12 In fact, it has gone up \$3.50 in the last four years. So, I
13 wanted to bring those figures to you.

14 Now, as far as this offsetting long distance charges,
15 I am just myself concerned about basic phone service. I don't
16 make that many long distance phone calls. A phone, it has been
17 said tonight, it is kind of like a necessity for most people.
18 It's not a luxury anymore. Long distance charges are a luxury.
19 I have Caller ID. I could add -- you know, I could drop that
20 to offset the cost of these increases, but, number one, I don't
21 want to have to do that. But if I have to, I may have to. But
22 these rates in the last four years alone, the total basic
23 service charge in 1999 was \$10.33. This is before taxes,
24 before Caller ID. And now today it is 17.59. And I don't
25 think you all regulate this FCC charge for network access. If

1 this is a charge by the phone company, then the word FCC needs
2 to be dropped from the bill. It needs to say charge. If it is
3 a charge that is paid to the Federal Communications Commission,
4 then it is tax, it is a government tax. I don't which it is.
5 I don't know what all of this means, but I know it keeps going
6 up, and that's hurting people.

7 Let you show you something here. This is what a
8 phone bill looks like today from BellSouth. This was what it
9 looked like in 1999, okay. You see this? This says Page 5 of
10 6. There are two other pages like this. Look at all of that
11 blank space. Look at the blank space on that page. Blank
12 space on that page. Page 3 of 6. This is what we got in 1999.
13 This is an envelope that it comes in today. That's a lot of
14 paper. That is a lot of money right there in itself. This is
15 a Gulf Power bill. I know we are talking about phones today.
16 This is a Gulf Power bill. This is their bill. This is the
17 payment coupon, this is the bill. There is not much paper
18 there. You get a little envelope, you know, just like that.
19 Trim the fat.

20 One other thing I want to cover. I wonder did the
21 phone companies lobby the state legislature for this bill? Did
22 it ever make you wonder why they did? Is it so they can have
23 more competition? They said it will increase competition to
24 raise rates on your basic service. Who wants to raise -- I
25 mean, if I am in the business of doing something, do I want

1 more people out there doing the same thing? And then I'm going
2 to go lobby the legislature so, you know, I can have more
3 competition. You all pass this bill so I can have more
4 competition. I want more people out there doing what I'm doing
5 so it will take more money out of my pocket.

6 I guess that's about all I had to cover. I don't
7 want to keep us too long. Anybody have any comments?

8 CHAIRMAN JABER: Mr. Fortner, I wanted to thank you
9 for your testimony. And with regard to some of those charges
10 that you articulated in the bill, you have given me an
11 opportunity to address some of your concerns. You're right,
12 some of those charges were approved by the FCC. And the ones
13 that reference the universal service fund, you're absolutely
14 right, those were -- it is a federal program with the
15 philosophy that everyone was entitled to a phone. So when you
16 hear us talking about Lifeline, or schools and libraries being
17 wired, or the health -- the telemedicine, telehelp, all of
18 comes from the universal service fund program. So you are
19 right, those are federally imposed charges. And, you know,
20 philosophically I have to tell you I agree with --

21 MR. FORTNER: Yeah. Well, then that's something we
22 need to talk to our congressman about to get -- because that in
23 itself is -- you have to pay it every month.

24 CHAIRMAN JABER: Yes, sir.

25 MR. FORTNER: It adds to your phone bill in case

1 anybody didn't know. If you ever look at your phone bill, look
2 at the details. You need to lobby your congressman for that,
3 because that continues to go up. It just will not stop.

4 CHAIRMAN JABER: Yes, sir. The second thing I wanted
5 to bring to your attention, because of the number of pages now
6 in the phone bill, again, perhaps well-intentioned, it was to
7 separate out the individual charges that used to be grouped in
8 basic service so that the consumer would know what exactly they
9 were paying and for what. It was under the Truth in Billing
10 Act. I think it was 1997, maybe, '97 or '98. So that is why
11 you started seeing the longer phone bill. Because of that,
12 though, the PSC has come up with a brochure a few years back
13 navigating the phone bill.

14 Those are federal charges, you are absolutely right,
15 but nevertheless we want our Florida consumers to understand
16 what those charges are. So if you didn't pick one of these up,
17 I would encourage you to do that. Mr. Fortner, you read what
18 those charges are, so I won't repeat any of that, but you are
19 absolutely right, the bill has gotten longer. It was done in
20 the effort of explaining to customers what was buried in the
21 charges before. And Mr. Twomey --

22 MR. FORTNER: Well, in reaching the conclusion, I am
23 not in favor of this, their proposal. And if anybody wants to
24 keep these phone bills, the Commission can.

25 CHAIRMAN JABER: If you don't mind, Beth Salak here

1 from our staff will come and look at those phone bills. If you
2 have any questions of us, we do have staff that can answer more
3 specifically questions from your bill. Also, I think BellSouth
4 has a representative here that can do the same. Mr. Twomey, do
5 you have a question?

6 MR. TWOMEY: Yes, sir. Two questions, very quickly.
7 Did you say you are paying that level of rates for just 30
8 calls a month?

9 MR. FORTNER: Yes, that was my residential line
10 charge. It was -- today it is -- I'm only allowed 30 calls a
11 month to get a reduced rate. The residential line charge on
12 the recent bill is \$9.49.

13 MR. TWOMEY: That is for unlimited local calls or 30
14 calls?

15 MR. FORTNER: Thirty calls.

16 MR. TWOMEY: Okay. And, secondly, the same question
17 as to the other gentleman, even if we got more competition, or
18 you got more competition from BellSouth in the area, would it
19 be worth it for you to pay in excess of \$30 more per year?

20 MR. FORTNER: Well, yes, it would be in excess to
21 pay. I am worried about basic phone service. I'm not worried
22 about -- I mean, like I say, I've got Caller ID, it is a
23 luxury. I would like to have it, I don't want to have to drop
24 it because of other rate increases that keep coming in. I
25 mean, I have seen it crept up. But, I don't know how you

1 really could increase competition on something that -- this
2 network is prewired, it was established by one phone company,
3 if another phone company takes over it, it is still wired. You
4 have got to come in and run a new wire, or how are you going to
5 do that? That could be expensive in itself.

6 MR. TWOMEY: Yes, sir. Thank you.

7 MR. FORTNER: The phone system is not -- it makes it
8 sound like somebody is constantly having to flip switches and
9 do this and that. Most of it is electronic today. You know,
10 it is all prewired. It sits there stuck in a building. It's
11 not out on the streets other than the phone lines. You know,
12 what is going on that causes it to be so expensive, to keep
13 going up?

14 MR. TWOMEY: Thank you.

15 MR. FORTNER: Okay.

16 CHAIRMAN JABER: Thank you for your testimony, sir.

17 MR. BECK: I think that is one of the best
18 explanations I have ever heard of how rates are going up while
19 someone is trying to keep their prices down.

20 MR. FORTNER: Okay. Thank you.

21 MR. BECK: The next witness is Charles Carlan,
22 Pensacola Area Chamber of Commerce.

23 CHARLES CARLAN

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

DIRECT STATEMENT

1
2 MR. CARLAN: Madam Chairman and ladies and gentlemen,
3 I'm Charles Carlan. I'm the president of the Pensacola Area
4 Chamber of Commerce. The chamber of commerce is the leading
5 business organization in the Pensacola Bay area. Our mission
6 is centered around the community's economic prosperity and job
7 creation. Eighty-seven percent of our members are firms that
8 employ less than ten employees.

9 It is never easy to consider adjustments or
10 increases, however, we looked at the issue carefully by asking
11 ourselves several questions. First, what is the responsibility
12 of the business community? Is it fair to say that businesses
13 have paid their fair share? Residential rates in Florida have
14 virtually remained unchanged, even though the gentleman prior
15 to me pointed out they have gone up \$3, or whatever the case
16 might be, but nothing in comparison to what businesses are
17 paying now as far as increases.

18 The cost of a business line is at least three times
19 that of a residential line. There is an obvious gap between
20 commercial rates and residential rates. This gap will continue
21 to grow unless changes are made to the rate structure.

22 The second question we ask is how will the money from
23 a rate adjustment be used. The creation of jobs is first in
24 our minds. The business sector must continue to grow, to
25 reinvent itself, and respond to customers. We are going to

1 have to allow the telecommunications companies the opportunity
2 to obtain a reasonable rate of return on the dollars in order
3 that they may turn the money around and make the business
4 investments necessary to grow the economy and provide job.
5 Without continuous improvement and business investment in this
6 innovative technology, we will not be able to sustain our
7 community's future needs.

8 Finally, our message. The proposal is reasonable for
9 business and industry. The proposal will make business and
10 residential rates more equitable and contribute to a more of a
11 level playing field. We need to work together to make our
12 community successful and competitive in the economic
13 development arena. Thank you very much for the opportunity to
14 speak to you.

15 CHAIRMAN JABER: Thank you. Is it Mr. Harlan?

16 MR. CARLAN: Carlan, C-A-R-L-A-N.

17 CHAIRMAN JABER: Thank you.

18 MR. TWOMEY: Madam Chair.

19 CHAIRMAN JABER: Hang on, Mr. Twomey. Mr. Carlan,
20 you said the members of the chamber of commerce, or 87 percent
21 of them employ less than how many?

22 MR. CARLAN: Ten employees.

23 CHAIRMAN JABER: And you are the president of the
24 Pensacola Chamber of Commerce?

25 MR. CARLAN: That's correct.

1 CHAIRMAN JABER: How many members total, give me an
2 idea of your membership?

3 MR. CARLAN: We have 1,600 members approximately.

4 CHAIRMAN JABER: Okay. One of the things as we have
5 been going around to the public hearings, I have been thinking
6 a lot about the Lifeline program and maximizing the public
7 awareness about the program. And just putting in perspective
8 the number of members you have, it occurs to me that perhaps
9 another area the state agencies, Public Counsel, the PSC can
10 partner in terms of getting the word out on the Lifeline
11 program would be through chambers of commerce. And my question
12 to you is would you be willing to take these brochures and help
13 us disseminate the information, or put a presentation together
14 for the local communities so that more and more people are
15 aware of the Lifeline program? It is going to take everyone in
16 the community and I am asking for your help.

17 MR. CARLAN: Certainly. We would be happy to.

18 CHAIRMAN JABER: Thank you. Mr. Twomey, you've got a
19 question?

20 MR. TWOMEY: Yes, ma'am, I do. Thank you, Mr.
21 Carlan. Let me ask you first, is BellSouth a member of your
22 chamber?

23 MR. CARLAN: Yes.

24 MR. TWOMEY: Is it the largest member of your
25 chamber?

1 MR. CARLAN: It is by far not the largest, no.

2 MR. TWOMEY: Okay. You testified that you thought
3 that business rates were currently three times more than the
4 residential rate, is that correct?

5 MR. CARLAN: That is correct.

6 MR. TWOMEY: Do you have the numbers you are basing
7 that comparison on?

8 MR. CARLAN: I don't have them with me. Our staff
9 has developed those numbers, and certainly I will place the
10 faith in our staff to say that they are reasonably accurate.

11 MR. TWOMEY: Okay.

12 MR. CARLAN: I can tell you that I am a business
13 person myself and ours are significantly higher than
14 residential.

15 MR. TWOMEY: What kind of business are you in, sir?

16 MR. CARLAN: We are architects and engineers.

17 MR. TWOMEY: Do you place a high value on the
18 telephone service that BellSouth provides you?

19 MR. CARLAN: BellSouth doesn't provide ours.

20 MR. TWOMEY: I'm sorry, who is it?

21 MR. CARLAN: Network Telephone.

22 MR. TWOMEY: Network telephone is your local
23 telephone?

24 MR. CARLAN: That is correct.

25 MR. TWOMEY: And you are in Pensacola?

1 MR. CARLAN: Yes, sir.

2 MR. TWOMEY: Is that a competitor to BellSouth?

3 MR. CARLAN: Yes, sir.

4 MR. TWOMEY: So we have -- you're testifying, if I
5 understand it, we have competition for local service at least
6 at the business level here in Pensacola without -- at current
7 rates without rate increases, is that correct?

8 MR. CARLAN: We have competition. I don't know of
9 the variance of the competition, but we have more than one
10 choice.

11 MR. TWOMEY: Okay. But my question -- let me change
12 the BellSouth part. Do you find that the telephone service is
13 valuable to you in conducting your business as an architect?

14 MR. CARLAN: Is it a value to our service?

15 MR. TWOMEY: A value, yes, sir.

16 MR. CARLAN: Yes, sir, very definitely.

17 MR. TWOMEY: Basically, it is essentially, is it not?

18 MR. CARLAN: Yes, it is definitely essential.

19 MR. TWOMEY: Last couple, sir. You say you are in
20 favor of the -- the chamber is in favor of the rate increases
21 and you think -- or I think I heard you say that you believe
22 that the rate increases on the backs -- on the residential and
23 single-line business customers will benefit your members. And
24 my question is if that is true, how do you see raising the
25 rates on the residential customers as benefitting your members?

1 MR. CARLAN: Well, to start with, all of these
2 members of our chamber have people that work for them,
3 obviously. And the business is supporting those people, and
4 without the telephone companies getting a reasonable rate of
5 return, they are not going to provide the technology that we
6 need to expand the businesses in your region. I think the
7 employees will have an indirect benefit from the growth in the
8 business community. But, again, I don't see the rate increase
9 that significant.

10 MR. TWOMEY: Yes, sir. And I apologize, but what I'm
11 trying to understand is have you been told by the phone
12 companies or others that business will benefit financially by
13 the residential customers rates going up?

14 MR. CARLAN: I haven't been told anything by the
15 phone companies.

16 MR. TWOMEY: Okay. And so you are willing for the
17 residential -- is it true then that you are willing for the
18 residential rates to go up without you being aware of any
19 corresponding savings to business or anybody else?

20 MR. CARLAN: You know, I'm a residential customer
21 also.

22 MR. TWOMEY: Well -- okay, sir. Do you see that you
23 are going to save as a residential customer?

24 MR. CARLAN: I haven't done an analysis of it, but as
25 we you understand the issue, there is an offsetting amount in

1 the long distance rates.

2 MR. TWOMEY: Okay, sir. The last question, you have
3 spoken at least twice that you thought it was important for the
4 telephone companies to earn a reasonable rate of return on
5 their investment. And my question to you is have you been led
6 to believe that these companies, any of them are asking to
7 increase the residential and single-line business rates because
8 they are not making a fair profit?

9 MR. CARLAN: I'm not that familiar with the profits
10 that are currently being made by the telecommunications
11 companies. Again, I think that the rates if they are -- and I
12 know it is a guaranteed rate, just like the other utilities.
13 Or maybe it's not a guaranteed rate, but they have got to
14 dollars built in to do research and so forth to upgrade the
15 types and levels of services, and I think that is important.

16 MR. TWOMEY: Thank you very much, Mr. Carlan.

17 CHAIRMAN JABER: Mr. Carlan, thank you for being
18 here. Mr. Beck.

19 MR. BECK: The next witness is Donna Fassett.

20 CHAIRMAN JABER: Spell the last name.

21 MR. BECK: Fassett, F-A-S-S-E-T-T.

22 CHAIRMAN JABER: Thank you.

23 DONNA FASSETT

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

DIRECT STATEMENT

1
2 MS. FASSETT: Good evening. I'm Donna Fassett, and I
3 am executive director of ARC Gateway. It is a large nonprofit
4 organization that provides services to people with
5 developmental disabilities. That includes people who have
6 mental retardation, Down's Syndrome, cerebral palsy, spina
7 bifida, and a number of other lifelong disabilities.

8 We are currently serving over 900 people in Escambia
9 and Santa Rosa County. I'm not here tonight to speak to the
10 issue of the rates or the petition, but to give support to the
11 Lifeline services that are provided to these individuals. It
12 is a vital link to these people. One of our roles is to help
13 them to be more independent, to be part of the community. That
14 means having access to support 24 hours a day. That access
15 translates into having a telephone where they can call someone
16 and someone else can be on the line to provide that support.

17 These individuals also have limited income, which
18 means that if they didn't have the access to Lifeline, they
19 would be making choices between having the availability of a
20 bus pass, which is their only means of transportation, or it
21 could mean utilities, or it come mean other critical things
22 that are in their life. It is a choice they would have to
23 make, and I can't tell you the number of benefits and the
24 number of people that it is providing that support to.

25 Previously, John Clark from the Council on Aging told

1 you that not only is this important to the seniors in our
2 community, obviously it is important to the people the I serve.
3 So much more effort needs to go into publicizing the service so
4 many other Floridians can benefit from it.

5 I want to express our appreciation for Lifeline and
6 the incredible difference it has made for our people. And
7 hopefully that it can be promoted so other people can benefit
8 from it. Thank you.

9 CHAIRMAN JABER: Thank you, Ms. Fassett. Mr. Twomey,
10 do you have a question?

11 MR. TWOMEY: Yes, ma'am. Ms. Fassett, a couple of
12 questions. Are you aware that if the petitions these companies
13 have before the Public Service Commission are denied, that all
14 residential rate increases will be limited to the rate of
15 inflation minus one percent, and that Lifeline recipients will
16 not be subject to rate increases of the large amounts being
17 requested. Are you aware of that?

18 MS. FASSETT: That Lifeline recipients would not have
19 the large increase, yes.

20 MR. TWOMEY: Okay. And that on the other hand, if
21 the increases being sought are granted by the Public Service
22 Commission, the Lifeline recipients won't receive those larger
23 increases the first two or four years, but thereafter they
24 will. Are you aware of that?

25 MS. FASSETT: No.

1 MR. TWOMEY: Okay. Thank you.

2 MS. FASSETT: Thank you.

3 CHAIRMAN JABER: Thank you, Ms. Fassett.

4 MR. BECK: The next witness is Rosemary Bonifay.

5 ROSEMARY BONIFAY

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

8 DIRECT STATEMENT

9 MS. BONIFAY: I'm Rosemary Bonifay. I am actually
10 just a resident of Pensacola speaking for myself primarily.

11 First of all, I want to say that I'm very grateful
12 that if this rate increase goes through it will not be a
13 hardship for me. I don't want to do it, but I will. These
14 things just sneak in and you just pay whatever the bill says as
15 long as you can afford to do that. And I am very grateful that
16 I can do that. My concern is those who can't. And it is not
17 altogether just the ones that John Clark mentioned, or the ones
18 that Donna Fassett mentioned. There are just infirm elderly
19 who are not under Lifeline.

20 I didn't know anything about Lifeline until I came to
21 this meeting tonight, and I am a reasonably well-informed
22 person. Not the best, but I usually know a little bit about
23 what is going on, and I had never heard of it. So I think it
24 is important that that has been brought out here. I think it
25 is a tremendously important program. But even for some of

1 these elderly poor, although I think you said \$13 of their bill
2 is paid by Lifeline, and I think the basic phone bill without
3 long distance is \$19-something. That is what it was for my
4 aunt when she was in a nursing home, assisted living, and I got
5 a phone for her so that she could feel help was right there at
6 her fingertips. That they didn't always come to the bell, you
7 know. So, anyway, I know a little bit about that. And she
8 didn't have long distance because she didn't need to make long
9 distance call. I took care of all of her business for her.

10 So, it wouldn't be much, but when people already are
11 having to decide which prescription to have filled this month,
12 because that's the difference, that is the amount of money --
13 it makes a difference. So for them, \$5 a month that they would
14 additionally have to pay for the basic rate over and above the
15 Lifeline could very well mean they didn't have a phone. It
16 could very well mean that they would go without the 911 that
17 would save their lives. And the thought of that is just
18 horrendous. And that is really mainly what I have to say.

19 And so it is not going to effect me, it is not going
20 to harm me, it's not going to be a hardship. I am already
21 anticipating one question, Mr. Twomey. What is the other?

22 MR. TWOMEY: The other, and I feel compelled to ask
23 this of everybody, is are you willing to pay substantially more
24 for your local phone service for the prospect of having more
25 competitors at a higher rate? Does that make sense to you?

1 MS. BONIFAY: I think the reasoning is faulty. I do
2 not -- I'm like one of our former speakers, I really do not see
3 how going out and drumming competition is going to be an asset
4 to the companies. That doesn't seem logical to me. Of course,
5 I'm no great brain, but then it just doesn't make sense. And
6 I'm not going to be very happy about it, that's true. I won't
7 have my phone taken out, and I will pay it under duress, but I
8 won't be happy.

9 MR. TWOMEY: Thank you, Ms. Bonifay.

10 MS. BONIFAY: You're welcome.

11 CHAIRMAN JABER: Thank you, Ms. Bonifay.

12 MR. BECK: The next witness is Susan Senkarik.

13 MS. SENKARIK: Yes, he pronounced it right.

14 CHAIRMAN JABER: Let me ask you to spell it for me.

15 MS. SENKARIK: S-E-N-K-A-R-I-K.

16 CHAIRMAN JABER: Thank you.

17 SUSAN SENKARIK

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. SENKARIK: I am Susan Senkarik. I am director of
22 community impact for United Way of Escambia County. I would
23 like to say to those of you who are on the Public Service
24 Commission, I do not envy you one little bit in the decision
25 that you will have to make for this. We have had -- on a

1 regular basis as we have -- as United Way has people requesting
2 funds from us, we have a finite amount of money, and there are
3 always more people requesting funds than there are dollars to
4 go around and there are very, very difficult decisions to be
5 made.

6 For all of those that are here this evening, I think
7 it has become quite clear to everybody that this is an
8 incredibly complex issue. It is not cut and dried, and it is
9 clearly not as easy as either competition is good or
10 competition is not good. Because there are times when
11 increased competition is very good. There are times that --
12 and I don't mean to imply that this is one of those times, Mr.
13 Twomey, I am simply making a general statement that there are
14 times when competition is good and prices in general can come
15 down because people get a little sharper and they get a little
16 better at what they are doing. And if they don't come down,
17 maybe they won't increase at the same level. So, there are
18 times, and this may or may not be one of those times, and I
19 cannot respond to that.

20 But I, like Mr. Clark, and like Ms. Fassett, am here
21 to support the Lifeline. And I am not surprised that most of
22 the rest of the audience is not aware of it. It really
23 reinforces one of the other reasons that I was coming this
24 evening is to ask the Public Service Commission to assist us
25 here in northwest Florida as we attempt to implement the 211

1 program here in northwest Florida. As we have heard and as
2 recent community needs assessments continue to tell us, lack of
3 information about services available is the number one issue.
4 And we feel that 211 will enable us to do that. And I will not
5 go into specifics about this evening, but you all will be
6 hearing from me, because northwest Florida is the only
7 populated part of the state that is not covered by 211. For
8 those in the audience, it is similar to 911. You hit 211 and
9 you are able to access information about social services. And
10 when there are emergencies in your life that don't require you
11 to call 911, but it is nonetheless an emergency for you. And
12 we feel that would be a very definite benefit to the citizens
13 of the Escambia County. Well, of northwest Florida.

14 But Lifeline is crucial. Lifeline is crucial. I
15 believe it was Mr. Carlan that made the statement about the
16 chamber of commerce members here and 87 percent of those had
17 employees of ten or less. Another interesting bit of
18 information is almost 40 percent of Escambia County's
19 population is making an income of less than \$25,000 a year.
20 Don't go looking at our median income, looking at almost 40
21 percent of our population making less than 25,000 a year. That
22 is a very, very substantial number of our residents. And with
23 the new Lifeline -- with the new Lifeline enhancements, with
24 the expansion of eligibility, almost all of those people will
25 come very, very close. It is my understanding with the 125

1 percent of poverty line that is being put in, a family of four
2 could have an income of up to about \$23,000 a year, so we are
3 coming real close to being of assistance there.

4 Again, I am not here to speak either for or against
5 the increase. That is for you all decide. And good luck,
6 Solomon. However, I am here very much on support of -- in
7 support of the Lifeline program, and we will do everything that
8 we can do, and we have been trying to get the word out, but we
9 would certainly appreciate and we understand that there is a
10 provision for increased marketing efforts, and that will be a
11 requirement that will be coming up to make people in the
12 community aware of Lifeline so that more people will be able to
13 access it. So we do appreciate that piece being a component of
14 it. Thank you very much.

15 CHAIRMAN JABER: Let me get some ideas from you.
16 Even before the bill passed, the companies were required to put
17 a bill insert in their bills letting people know about
18 Lifeline. And, BellSouth, I have forgotten how often you are
19 required to do that, but I know that --

20 MR. CRISER: Once a year.

21 CHAIRMAN JABER: I know that once a year they are --
22 I'm a Sprint customer, for example, and I just got another
23 announcement from Sprint reminding us about Lifeline. And I
24 personally have done public service announcements, and I know
25 my colleagues have, as well. We produced the brochures. Our

1 website has information on Lifeline. As I go to the individual
2 service hearings, I'm asking people for more ideas, and I will
3 take an opportunity to ask you what more, tell me what more we
4 can do, because I am very interested in pursuing those ideas.

5 MS. SENKARIK: Notices in the telephone bills are not
6 going to have any effect whatsoever. You can save that piece
7 of appear, other than the fact that you are required to do it.
8 That definitely, definitely will not do it. When people are in
9 a day-to-day survival mode, I'm not talking month-to-month
10 survival mode, I am talking a day-to-day survival mode, and
11 they get a telephone bill, all they know is either I can pay it
12 or I can't pay it. Reading the fine lines as the other
13 gentleman -- my hat is off to you, sir. You know, it is either
14 there, you can either pay it or you can't.

15 And you go into this semi-crisis mode and you start
16 the prioritization of what I can pay and what I can't pay. And
17 I can float this one for a little while, and if I pay this now
18 and then I can pay -- what it is going to take is a very, very
19 grassroots effort in order to make people aware of the
20 Lifeline. It is going to have to be in -- I know you have you
21 heard, or you may have heard and many people have said that it
22 is going to take through the churches, through the community
23 centers, through the establishments that are already providing
24 assistance to these individuals.

25 But, again, when you are in crisis and you are in an

1 emergency situation and you are asking for help, and our first
2 call for help always, always provides the information about
3 Lifeline. If you can't pay your power bill, let me tell you
4 about Lifeline which will help you reduce all of your other
5 bills that maybe you can pay your power bill, but when you are
6 problem is paying the power bill, you go, yeah, right, fine,
7 okay, I wrote it down. But you go pay the power bill and then
8 you say where is that number that they gave me for that
9 telephone bill? So it is going to be on a whole another -- it
10 has to be on a whole another level for that be effective.

11 CHAIRMAN JABER: Thank you, Ms. Senkarik.

12 MS. SENKARIK: Yes, Mr. Twomey.

13 CHAIRMAN JABER: Commissioner Deason has a question
14 and then Mr. Twomey.

15 MS. SENKARIK: Thank you, Mr. Deason.

16 COMMISSIONER DEASON: You mentioned 211 service in
17 northwest Florida. What is the status of that at this point?

18 MS. SENKARIK: We are in the exploratory phase.

19 United Way of Escambia County has reserved the number. We are
20 planning to -- we are planning to go forward with the
21 implementation of 211. United Way of Okaloosa/Walton County
22 and United Way of Bay County have also reserved the 211 numbers
23 for their areas, as well. But those two areas are not even as
24 far in the exploratory stages as we are. In our last
25 conversation we are looking at implementing at a regional

1 level. Regional I, I mean Panama City west.

2 The expense -- we do not already have a 24/7
3 operation that very easily dovetails as they have had in
4 Tallahassee, as they have had in Jacksonville, the Tampa area,
5 other parts of the state. We do not have an easily merged
6 system with that 24/7 operation, so we will have the expense
7 not only of the equipment and the gearup for the PBXs and the
8 switching lines and all of that, we will also have the expense
9 of the 24/7 staffing. So we have some challenges, but we are
10 looking at regional implementation. We have received -- the
11 state has received a United Way of America grant for \$50,000
12 which will help us with a statewide implementation. Here in
13 northwest Florida, we do not want to be the only populated part
14 the state that is without 211, and so we are looking for
15 creative ways to make that happen, sir.

16 COMMISSIONER DEASON: The 211 number has been
17 reserved in all three areas, Panama City, Fort Walton, and in
18 Pensacola, is that correct?

19 MS. SENKARIK: It has.

20 COMMISSIONER DEASON: You have received the necessary
21 cooperation from the local telephone company in doing that, or
22 how did you go about reserving that number?

23 MS. SENKARIK: Yes, we have received the necessary
24 cooperation from the local telcos here in Escambia and Santa
25 Rosa County. We are primarily BellSouth in Okaloosa/Walton.

1 They are, I believe, primarily Sprint. And, if I'm not
2 mistaken, Verizon is the primary carrier in Panama City.

3 COMMISSIONER DEASON: I believe BellSouth has it.

4 MS. SENKARIK: Is it also BellSouth? Okay. I don't
5 get to Panama City very often, so I don't know. But, yes, in
6 our interaction we have been -- we have had a great deal of
7 cooperation in making that happen.

8 COMMISSIONER DEASON: Have you been getting any
9 technical assistance, answers to questions of how you go about
10 setting up the system from your local telephone companies? Or
11 how have you been doing that?

12 MS. SENKARIK: I would have to say the answer is yes,
13 we have been getting technical assistance. Where we are right
14 now is going back to -- once we determined that we were going
15 to go forward with a regional implementation as opposed to just
16 an Escambia/Santa Rosa implementation, then we had to say, wait
17 a minute, that changes the parameters of what this thing is
18 going to look like. We have the basic cost down for equipment,
19 we do know that, and we were able to get that from our local,
20 from our local phone providers. We realize it is just a
21 ballpark and then we are going to start shopping from there.

22 COMMISSIONER DEASON: Thank you, ma'am.

23 MS. SENKARIK: Yes, sir, Mr. Twomey.

24 MR. TWOMEY: Yes, ma'am. Are you aware that the 125
25 percent Lifeline eligibility criterion was negotiated by Mr.

1 Jack Shreve, who is in the audience here, when he was Public
2 Counsel and that BellSouth was obliged to honor that level even
3 before the new law. And, furthermore, that the continuation of
4 that level is completely separate from the rate increases?

5 MS. SENKARIK: Part of that I have become aware of
6 this evening because you have made us all aware of that. The
7 part about Mr. Shreve's intervention on behalf of, I became
8 aware of as I did my homework and read clips from the Pensacola
9 News Journal.

10 MR. TWOMEY: Okay. Thank you. Now, are you aware
11 that if the Public Service Commission grants the requested rate
12 increases that the Lifeline recipients will eventually have to
13 be forced to pay those increases, as well, whether it is in two
14 years, three, or four?

15 MS. SENKARIK: It is my understanding that even
16 though it will be at an extended timeline, it will be on out
17 there, it will still be at a rate that will be considerably
18 less than what the standard local rate would be. As the local
19 rate right now is \$19 approximately, and Lifeline credit is
20 \$13, when the local rate goes up to \$20 in three to five years,
21 the Lifeline rate would go up one dollar. That is my
22 understanding, that it would be a dollar-for-dollar comparison.

23 MR. TWOMEY: Now, are you aware that if the Public
24 Service Commission denies these rate increases that no one will
25 experience 35 and more percent rate increases, to include any

1 increases for the Lifeline recipients?

2 MS. SENKARIK: That is the reason that my opening
3 statement was I do not envy the decision that these folks have
4 to make, and that is the reason that I have said and
5 acknowledge that this is quite confusing. And, again, lack of
6 information and lack of understanding about all of this is one
7 of the issues that makes it hard on the general public. And
8 that is why we have to say our appreciation to Mr. Shreve and
9 to the Public Service Commission for their due diligence.

10 MR. TWOMEY: Yes, ma'am. I have one last question,
11 and that is would you agree that the number of people
12 requesting aid from the United Way would likely increase if the
13 phone rates increased, or the phone rate increases requested by
14 Bell of at least 35 percent are granted?

15 MS. SENKARIK: Sir, when you are so far down that the
16 bottom looks like up, an extra dollar over the course of it,
17 you know, it's going to be a fairly insignificant amount for
18 folks who are literally that far down.

19 MR. TWOMEY: A 35 percent rate increase is going to
20 be insignificant for people?

21 MS. SENKARIK: 35 percent -- on the face of it, 35
22 percent, no, is not insignificant. If I understand, if I
23 understand the way this thing is worded, and this is the yellow
24 page that I received as I entered, so I have to assume this is
25 correct, that it would be \$1.39 a month for the first year,

1 \$1.38 a month for the second year, and \$1.09 per month for the
2 third year. Is that correct?

3 CHAIRMAN JABER: Mr. Criser, what were the numbers
4 in --

5 MR. CRISER: That is a correct proposal from us.

6 MS. SENKARIK: Which would be \$42.50 through the
7 course of the year, if my math is correct. And I did that math
8 because the number that I had heard several times was
9 \$80-something a year, and that math didn't work for me, so I
10 multiplied it out myself. And, yes, \$42.50, being a 35 percent
11 increase. 35 percent seems like a lot. My statement was for
12 people who are currently receiving services, for people who are
13 currently in need of emergency services, an extra \$1.39 a
14 month -- these are people that are going to be able to apply
15 for Lifeline. These are people that are going to be eligible
16 for Lifeline. These are people that will have that reduced
17 rate, okay?

18 I do recognize the issue of having to decide between
19 prescriptions and all of that. It is going to be difficult
20 under the best of circumstances. It is going to be difficult
21 under the best of circumstances, but for the most part the
22 folks that are making -- that are in need of emergency
23 financial assistance, whether it be for gas, or electricity, or
24 rent, or, you know, an extra \$1.38 is just going to be like,
25 well, okay. Now, there is that pocket of people that an extra

1 \$1.38 a month over the course of the year could be very, very
2 significant. I cannot argue that.

3 CHAIRMAN JABER: Mr. Twomey, you asked the last
4 question two questions ago, so we are going to move on.

5 MR. CRISER: Madam Chair, I apologize for
6 interrupting.

7 MS. SENKARIK: I apologize for taking so much time.

8 CHAIRMAN JABER: I appreciate your testimony, Ms.
9 Senkarik, and we are going to let you go in a few minutes so we
10 can get to the other customers and participants. But, Mr.
11 Criser, were you going to --

12 MR. CRISER: And I don't have a question. I do have
13 an offer to make to you. I want to make sure you are aware, we
14 have got a commitment to the Office of Public Counsel to do
15 community education on Lifeline, and if you don't mind making
16 sure that either Mr. Beck or I have your contact information
17 afterwards, we have a program that we have trialed in North
18 Florida where we go into the local communities. It is exactly
19 what you are talking about. I believe it fits perfectly with
20 what you described as the right way to educate people about
21 Lifeline by going into senior citizens centers, going into the
22 churches, meeting with people, educating them about the program
23 and trying to sign them up. And if you don't mind passing your
24 information to Mr. Beck or to me, we will make sure that they
25 are in touch with you when they come to this area.

1 MS. SENKARIK: We can certainly make that happen.

2 CHAIRMAN JABER: Thank you, Ms. Senkarik. Mr. Beck,
3 your next witness.

4 MR. BECK: The next witness is Fran Jones.

5 FRAN JONES

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

8 DIRECT STATEMENT

9 MS. JONES: Thank you. I am speaking as an
10 individual. I am a retired educator in Escambia County. I am
11 enough of an idealist to remember government by the people, for
12 the people, and of the people, so I welcome you here having a
13 public hearing to hear what the people are feeling. And we see
14 the grit pretty clearly this evening, and I expect you have
15 heard similar things from around the state.

16 The State of Florida, the economy of the State of
17 Florida has had some hits just as it has in other areas, and
18 one concern of mine, although I'm not an economist, is that the
19 money we have paid when we pay our phone bills goes out of the
20 State of Florida. When I pay my bill, it goes to North
21 Carolina, but I think the BellSouth corporate headquarters are
22 in Atlanta, still another state. Sprint, I believe, is in
23 Kansas City, and Verizon is Washington or New York, somewhere
24 out of the state. But this is a large amount that goes out
25 every months. Millions of dollars go out of the State of

1 Florida that could better be left in the economy of Florida, I
2 would think.

3 In my research I found that BellSouth covers nine
4 states in the southeast. Eight of those states pay two-thirds
5 of the revenue of BellSouth, but Florida pays a third of the
6 revenue of BellSouth. So we do a lot better for BellSouth than
7 the other eight states that they serve.

8 I am very interested in the fact that people are now
9 picking up on Lifeline. I was aware of it because I help an
10 elderly lady whose income is about \$400 a month, and so I have
11 long ago signed her up with Lifeline. It has been in effect,
12 what, four or five years now?

13 CHAIRMAN JABER: Yes, ma'am.

14 MS. JONES: But there has not been the outreach that
15 had been expected when it was put in place a few years ago.
16 But as was indicated by one of the speakers, the average income
17 in this county is very near the poverty level. So, increasing
18 numbers of people as they find out about this will be accessing
19 Lifeline, I would hope, and will be paying a little more
20 reasonable rates for the phone service that they have. But
21 there are those who are just above that level that will qualify
22 for Lifeline, elderly people, employees of some of these small
23 businesses that were mentioned, and young families just
24 starting out to whom this increased rate is going to make a lot
25 of difference. And they will not be eligible for Lifeline

1 because they are not on any of the assistance programs and they
2 are not at the level that would qualify them for Lifeline.

3 You have heard about the elderly problems. I am one
4 of the elderly, of course. And you have heard the confusion on
5 the parts of people that we will benefit by having competition.
6 As someone indicated, his service for his company is with
7 another company here in Pensacola, so we already have
8 competition available. And I fail to see how competition is a
9 value to us anyway. We don't -- you know, I may go to the
10 grocery and make a choice between products, but for phone
11 service you are not going to shop around and move from
12 month-to-month or even year-to-year to a different server for
13 your phone service, I would think. That does not compute as
14 far as I am concerned. It seems illogical.

15 Those are some of the concerns that I had this
16 evening that I wanted to raise with you. I do welcome the fact
17 that you are having these hearings, and I welcome the fact that
18 you are increasing the outreach so that people know about
19 Lifeline. But I would encourage you to do it in some other
20 forms other than just the insert in the bills, or even through
21 the organizations that you have mentioned. Many of the people
22 that would be eligible for Lifeline are people who are
23 illiterate, so you need to address that fact in your outreach,
24 as well. Thank you.

25 CHAIRMAN JABER: Thank you, Ms. Jones. Mr. Twomey.

1 MR. TWOMEY: Yes, ma'am. Ms. Jones, I think one
2 question, although a long one. Do you personally know any
3 people whose ability to pay their electric bills, their
4 mortgages, their prescription medicines, and other essential
5 needs, who will be significantly impacted by having their local
6 telephone rates increased by 46.32 a year if they are served by
7 BellSouth, or as much as \$82.32 a year if served by Sprint?

8 MS. JONES: Personally, I do know some who would be
9 in the category where it would be a significant hardship. As
10 the young lady from United Way indicated, many people have to
11 make choices every month between which bills they will pay and
12 which they will not. And unfortunately food is one of the
13 things that has to be skimped on when they have to pay some of
14 these utilities that are vital. And the telephone certainly is
15 a vital service in our society now.

16 MR. TWOMEY: Yes, ma'am. Thank you.

17 CHAIRMAN JABER: Thank you, Ms. Jones.

18 MS. JONES: Thank you.

19 MR. BECK: The next witness is Evon Emerson from the
20 Pensacola area Chamber of Commerce. Evon Emerson. Ron Melton.

21 RON MELTON

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. MELTON: Madam Chairman, members of the

1 Commission. My name is Ron Melton and I reside here in
2 Pensacola, Florida. And I would like to say to thank you for
3 traveling to Pensacola today to hear our concerns. It is
4 really appreciated.

5 However, I am mad as hell about the proposed rate
6 increases to basic telephone service, and I believe my fellow
7 citizens are as mad as I am. I am so mad at these three greedy
8 telephone giants that I have created three websites to convince
9 consumers to oppose the increase or drop telephone service with
10 these providers and begin cellular service with other
11 companies.

12 I have created DropBellSouth.com. I have created
13 DropVerizon.com, and DropSprint.com to get the message out to
14 consumers. Many of Florida's elderly and sick on fixed incomes
15 who may not use long distance service, but need a telephone for
16 emergency situations will be hurt the worst if the proposed
17 increase is passed. Many seniors and working people may drop
18 their telephone service altogether because of the rising costs.
19 And in an emergency they won't have any means to contact
20 emergency service personnel.

21 Please, deny these greedy giants the right to pick
22 the pockets of Florida's citizens. Thank you very much.

23 CHAIRMAN JABER: Thank you, Mr. Melton.

24 MR. TWOMEY: Mr. Melson, would I be correct in
25 assuming that you are not interested in paying more for

1 possible competition?

2 MR. MELTON: Frankly, I would like to see a rollback.
3 And not only am I a small business person and I pay quite high
4 rates on my business phones, but also we have BellSouth
5 telephone service. We also have some cellular services for our
6 business and for our home. And I am looking very close at this
7 time of cutting back on BellSouth and other services and
8 auxilliary services, and I have already started this past two
9 week cutting back auxilliary services as a business and as
10 residential. And we are going to get away from you. And there
11 is other competition out here, and this will not create
12 competition.

13 MR. TWOMEY: Thank you, sir.

14 MR. MELTON: You're welcome. And I thank the AARP,
15 of which I am a new member, for being here watching out for us,
16 as well as the Public Service Commission.

17 CHAIRMAN JABER: Thank you, sir.

18 MR. MELTON: Thank you.

19 MR. BECK: The next witness is Ted Advani.

20 CHAIRMAN JABER: Mr. Advani. Go ahead, sir. I just
21 need you to state your name for me one more time.

22 TEO ADVANI

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. ADVANI: Teo Advani. My name is Teo Advani, and
2 I own and manage a men's clothing business in Pensacola since
3 the last 15 years. And I read in the newspaper about this
4 hearing and I decided to attend. I have had telephone service
5 at my home and business for many years, and BellSouth has
6 provided me with good service. Even during storms my phones
7 kept working. And I don't want my rates to go up any more than
8 anyone else, but I don't think BellSouth has increased its
9 rates in the past several years. Everything else has
10 increased. As long as they continue to give me good reliable
11 telephone service, I don't mind a small nominal increase in
12 cost. Believe me, I would not be here even in favor of this
13 increase if I wasn't getting good service from them. Thank
14 you.

15 CHAIRMAN JABER: Thank you, Mr. Advani. Mr. Twomey.

16 MR. TWOMEY: Yes, ma'am. Sir, how long have you been
17 a customer of BellSouth?

18 MR. ADVANI: 15 years.

19 MR. TWOMEY: 15 years. Has there ever been a time
20 that you recall prior to 1995 that your telephone rates were
21 actually going down?

22 MR. ADVANI: I don't recall that, but like I have
23 seen my telephone bills, the increase has been very nominal and
24 not much, you know, in the past seven years probably.

25 MR. TWOMEY: Are you aware that the limitation on

1 rates in the last several years since 1995 as a result of a law
2 passed in 1995 which froze the rates for awhile and then
3 limited their rate of increases?

4 MR. ADVANI: Not much. I'm not aware of that, no.

5 MR. TWOMEY: Okay. And lastly, sir, are you
6 willing -- you are served by BellSouth?

7 MR. ADVANI: Yes.

8 MR. TWOMEY: Are you willing to pay \$46.32 more per
9 year on the chance that you will have phone service from other
10 local providers?

11 MR. ADVANI: I figure that 3.86 a month, which I
12 think is very nominal, but I wouldn't go more than that. I
13 wouldn't pay more than that. 3.86 a month, which sounds like
14 13 to 14 cents a day, you know, which people just throw away
15 \$15 a day, you know. Like throwing away food and stuff like
16 that, you know, wasting food. And so I think 15 cents a day is
17 not much increase in rate.

18 MR. TWOMEY: For the chance of getting competition?

19 MR. ADVANI: Yes, sir.

20 MR. TWOMEY: Okay. Thank you.

21 MR. ADVANI: You're welcome.

22 CHAIRMAN JABER: Thank you, Mr. Advani.

23 MR. ADVANI: Thank you.

24 MR. BECK: The next witness is Mary Andrews.

25 MARY ANDREWS

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. ANDREWS: I also don't want to be here. I am 63
5 years old. 63 years old. I have never in my life lived in a
6 state where they tried to increase my phone rate. Right now I
7 am paying \$20 a month. I am on the Lifeline, okay? \$20 a
8 month for my phone service. All I am getting extra is my
9 Caller ID, and I don't want my number listed in the phone book,
10 and that's it. You know, the minimum. A phone. And if you
11 people raise the rates -- I have here a newspaper article when
12 this first came out, the legislators back in April or May.

13 Some of the people here probably are not aware of the
14 true story of what exactly it is. Now, in the paper that came
15 out yesterday, you made a mistake. The correct amount that
16 they could raise our rates is from \$3 to \$7.25 for local rates.
17 \$7.25, not \$6 and something. Okay, so it's a dollar, but --
18 okay.

19 We probably don't have time for me to read all of
20 this, but I just wanted you to know the people here in
21 Pensacola that voted yes on this rate increase, it was in the
22 Pensacola newspaper, Associated Press. I will just read the
23 first two paragraphs, and then I will read the names of the
24 people that voted yes on this telephone increase.

25 Tallahassee. Governor Jeb Bush said Thursday he

1 plans to sign legislation designed to spur competition in the
2 telecommunications industry. But opponents warned it would
3 lead to record rate increase for local telephone service.
4 Rates for basic service could go up from \$3 to \$7.25 plus tax a
5 month over the next four years after the Public Service
6 Commission, which regulates the phone industry, approves the
7 increases. After that rates could continue to increase by up
8 to 20 percent a year. Okay. They have you tied for the next
9 four years, okay, the rate could go up. Then after that 20
10 percent.

11 Now, if you don't believe this, I have a readout from
12 the St. Petersburg News. I don't know how many of you read the
13 St. Petersburg Times, I mean. This came out, it was on the
14 Internet dated 5/20/03, in which they are saying the bill -- it
15 would increase the average monthly bill for basic phone service
16 by as much as \$7.25 in the next four years according to a
17 report to the House Committee on Business Regulation. After
18 that basic service could increase as much as 20 percent a year.
19 So, this is legal. This isn't -- I didn't make this up.
20 Nobody talks about that. Nobody says, hey, now, just a minute.
21 We have the three greedy corporations. They made up this bill,
22 by the way. This bill that you are looking at was made up by
23 the three corporations. They made this bill up, okay? And
24 they are tying it in to the next four years, \$7.25 a month.
25 Then after that, a 20 percent increase.

1 Now, give me a break. I mean, any other utility
2 company, they go one year at a time. But these people are
3 going four years. A rate increase for four years and then 20
4 percent a year after that. Okay.

5 Now, if you people okay this, I will just -- I do
6 have a cell phone. And like everyone else sitting here, these
7 three phone companies that are doing this, like I say, they did
8 make up the bill. They presented it to the legislators. And
9 they lobbied for it, these big -- three big phone companies,
10 these big corporations paid off the legislators in Tallahassee
11 and Governor Bush, okay?

12 CHAIRMAN JABER: Mr. Beck.

13 MR. BECK: The next witness is Anne Bennett.

14 ANNE BENNETT

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 MS. BENNETT: My name is Anne Bennett. I wanted to
19 thank you for the opportunity to speak. I have a number of
20 different questions that I would like to ask and a couple of
21 statements. First, I would like to ask with this new
22 competition will they still be under your jurisdiction, the
23 Public Service Commission?

24 CHAIRMAN JABER: Let me take those one at a time for
25 you. The legislation calls for relaxed service regulation

1 after a period of time. But, again, that assumes that we grant
2 the petition and other things happen. There are steps in the
3 legislation, but we currently have jurisdiction over the
4 companies for their service and some aspects of rates. For
5 example, the petitions that we are considering right now.

6 MS. BENNETT: So, in other words, within about five
7 to ten years they could be completely laissez-faire.

8 CHAIRMAN JABER: If this petition is granted, if the
9 petitions are granted, there is a provision in the bill that
10 allows them to come under a relaxation of their service.

11 MS. BENNETT: Okay. I don't know how much of this is
12 pertinent, because I tend to stay pretty busy and I just don't
13 always pay attention to other phone companies. I keep swearing
14 I am going to go and get another one, and I did get out of
15 AT&T, but I understand that BellSouth is now charging people if
16 they do not list their home phone in the directory. And I am
17 told that they charge \$5 a month if you do not list a long
18 distance company, is that correct?

19 CHAIRMAN JABER: It is correct that they will charge
20 you to unlist your number. Let me make sure I understand the
21 question.

22 Mr. Criser, do you know what that charge is off the
23 top of your head?

24 MR. CRISER: I don't know the charge off my head.
25 I've got someone in the room that could speak specifically to

1 that.

2 CHAIRMAN JABER: What we will do, Ms. Bennett, after
3 you testify we will make sure that our staff representative and
4 the BellSouth representative takes a look at your bill, your
5 specific bill, and we will get you a better answer.

6 MS. BENNETT: Well, I did not bring my bills, because
7 frankly I save my top page that is, you know, the total bill
8 and my long distance calls, and the rest of them I have been
9 tossing in the recycle.

10 CHAIRMAN JABER: But if you --

11 MS. BENNETT: But I would like to know, because I did
12 not realize that I was paying to not have a long distance
13 company. I have been dialing the 10-10-811, with which I'm
14 none too thrilled, either.

15 CHAIRMAN JABER: You shouldn't be -- Mr. Criser,
16 again, help me answer this, but you shouldn't be paying to not
17 have a long distance company unless you have call block.

18 MR. CRISER: I'm not familiar with that charge, that
19 is why I would somebody to take a look at your account.

20 MS. BENNETT: Well, I pay my bills, and so, no, my
21 phone is not blocked. But I did have AT&T and I removed it.

22 CHAIRMAN JABER: Ms. Bennett, after you are done,
23 though, let's make sure we get your phone number, because I do
24 want BellSouth to follow up with you, but I would also like the
25 answer to that question.

1 MS. BENNETT: Okay. I would like to make the comment
2 that as far as I can see, we already have some competition in
3 the phone service, and I have found it to be unutterable chaos.
4 And I personally rue the day that they split up the phone
5 company umpty-ump decades ago. I do not see it as a real
6 improvement. Of course, I may be old-fashioned, you see.

7 There is one thing that I think is being left out of
8 this discussion, and that is that the young people coming up
9 are being held to pay for the breaks that the senior citizens
10 are getting. And I am one of them. And one of these days I
11 will probably qualify for Lifeline, but they are paying the
12 banking charges, the seniors don't; they pay the movie houses
13 that the seniors don't; they pay the drug stores for the senior
14 citizens discounts; and somewhere along the line somebody needs
15 to speak for the younger people.

16 We have the aging of this planet. The fastest
17 growing percentage of the U.S. population are people over 100,
18 followed by those who are over 80. They are saying that by
19 2025 it will be reasonably expected for a person to live to
20 125. That by 2050 the lifespan is going to be 160. And these
21 poor young people are going to be caught in the middle. And
22 they are having to pick up for Social Security, and for
23 Medicare, and Medicaid, and all of these things that we
24 seniors, some of whom would well afford, are not paying. So
25 while I do suggest that you remember those who are in need,

1 that you also remember that the young people can be placed into
2 a situation of so many burdens that they will be in need.

3 One of the things that I have a question about,
4 especially after glancing over your little pamphlet, is what
5 sort of guarantees are there that Lifeline is not going to a
6 bunch of deadbeats. I am all in favor of helping the needy,
7 but what guarantees do we customers have that we are not simply
8 freeing up the monies to drug persons, alcoholics, smokers,
9 general deadbeats? What kind of guarantees are you giving us?

10 CHAIRMAN JABER: That is an excellent question, Ms.
11 Bennett, and I can tell you that my colleagues and I asked that
12 question of the federal government in looking at changes to the
13 Lifeline program. We have advocated for accountability, not
14 just into the Lifeline program, but all programs under
15 universal service. But to your answer directly, there is now
16 no check, no random check by the companies of people that are
17 on Lifeline. It is sort of an honor system. People that
18 qualify for the program are the only ones that are supposed to
19 be on the program.

20 And when they enroll -- Mr. Criser, you can elaborate
21 on your own company -- but when they enroll those customers are
22 supposed to state that when they are no longer eligible for the
23 program they will come off the program. Is there something
24 more specific that you require?

25 MR. CRISER: There is a regular validation that the

1 people who are Lifeline subscribers continue to be qualified to
2 receive Lifeline, then there is a transition program for when a
3 customer no longer is qualified, they retain the benefits for a
4 period of time, but there is an annual check to be sure that
5 they still qualify.

6 MS. BENNETT: Okay. And so this is based solely on
7 income?

8 CHAIRMAN JABER: Well, now it is. With the expanded
9 eligibility requirement to 125 percent of the income level
10 through the Office of Public Counsel and the companies, they do
11 certify based on income.

12 MS. BENNETT: Okay. I have two other questions. It
13 is my understanding through financial magazines and news
14 magazines and so forth, that it is rather common that in the
15 American business and industry community that our CEOs and
16 upper level management pay themselves on the order of 60 to 70
17 percent over and above what their counterparts in other
18 industrialized countries are paid. And I am wondering whether
19 or not BellSouth -- because that is the one I am with -- but
20 Sprint and these others, are they gouging their companies,
21 gouging the public to pay themselves those kinds of salaries?
22 And if they are, what is the potential that their companies
23 will eternally be we want more, we want more. When is it
24 that -- you know, as far as I can see more is never enough.
25 When do you all declare it enough?

1 CHAIRMAN JABER: The difficulty I am going to have
2 answering your question is, you know, through the changes in
3 Florida law back in 1995, the PSC lost the ability to look at
4 the companies' officers salaries, and we don't do rate cases,
5 per se, for the telephone companies. So we don't look at their
6 individual expenditures pursuant to a law that passed in 1995.

7 MS. BENNETT: And may I ask just very quickly, who
8 sponsored that law? Was this another one that was written by
9 the companies?

10 CHAIRMAN JABER: I don't know. Candidly it was
11 before my time, so I don't recall the legislature that
12 sponsored it. But it was out of changes to the 1995 act. And
13 before I forget, Mr. Beck, I didn't mean to leave you out of
14 the answers to the Lifeline program. Did I misspeak at all or
15 is there anything you wanted to add?

16 MR. BECK: Just on the Lifeline. Under the income
17 eligibility, we require documentation as well as a statement by
18 the person. So that does, as I understand it, provide
19 documentation and we will be reverifying once a year.

20 MS. BENNETT: And may I ask are there any penalties
21 for lying?

22 MR. BECK: Well, it is a misdemeanor to provide a
23 false statement to a government official.

24 MS. BENNETT: It this a government official or is it
25 a company official?

1 MR. BECK: No, it is the government.

2 MS. BENNETT: Thank you. And you were saying, Ms.
3 Jaber?

4 CHAIRMAN JABER: That was it.

5 MS. BENNETT: And then I have one more question. I
6 have seen a listing of U.S corporations that maintain a post
7 office box on the offshore islands in order to claim that they
8 are a foreign corporation and, therefore, avoid paying United
9 States taxes. BellSouth was on that list. I want to know if
10 that is still accurate or have they mended their ways?

11 CHAIRMAN JABER: Ms. Bennett, candidly, I won't be
12 able to speak to that. I will certainly give Mr. Criser an
13 opportunity to comment if he would like, but obviously I can't
14 speak to that. This is not information we are privy to.

15 MR. CRISER: I'm not familiar with the listing that
16 you are referring to. I can tell you that BellSouth is a U.S.
17 Corporation that is registered as a U.S. corporation. We do
18 have businesses in other countries, and we may be registered in
19 those countries for purposes of business that we do there.

20 CHAIRMAN JABER: What do you pay in United States
21 taxes, please?

22 MR. CRISER: I don't know the amount of that. It is
23 a fairly incredible amount.

24 MS. BENNETT: You are sure you do pay United States
25 taxes?

1 MR. CRISER: I'm absolutely sure we pay taxes.

2 MS. BENNETT: I am real happy to hear that. You
3 know, there is nothing I like better than being wrong.

4 UNIDENTIFIED SPEAKER: Excuse me, ma'am, I would like
5 to answer one of your questions --

6 MS. BENNETT: Yes.

7 CHAIRMAN JABER: Excuse me. I'm sorry about that.
8 Ma'am, the --

9 UNIDENTIFIED SPEAKER: (Inaudible).

10 CHAIRMAN JABER: Ma'am, the court reporter can't pick
11 up your statements. What I can do, though, if you want to
12 speak, right after Ms. Bennett is done we will allow you to
13 come back up.

14 UNIDENTIFIED SPEAKER: I just wanted her to know the
15 legislature --

16 MS. BENNETT: Well, please, just come down, because
17 I'm sure there are other people in the audience who would
18 really like to know also.

19 CHAIRMAN JABER: Ms. Bennett, were you done with your
20 testimony?

21 MS. BENNETT: Yes, that was my last.

22 CHAIRMAN JABER: I appreciate your testimony. Thank
23 you for being here tonight.

24 MS. BENNETT: Thank you so much.

25 MR. TWOMEY: Madam Chair.

1 CHAIRMAN JABER: Mr. Twomey, hang on. Tell me your
2 name one more time. Is it Ms. Andrews?

3 MS. ANDREWS: Yes.

4 CHAIRMAN JABER: Go ahead.

5 MS. ANDREWS: When I saw the ads in the paper, the
6 Pensacola newspaper, in April and May about the telephone rate
7 increase up to \$7.50 a month, I got on the phone, and I called
8 Tallahassee. A bill was passed in 1995, the legislators in
9 Tallahassee decided they were going to take over the phone,
10 local phone service. So that is why, according to the paper
11 and according to Tallahassee, we are having this meeting
12 tonight, which I really didn't want to come, because I
13 understood that what happened in '95 the legislators now have
14 full control of the telephone rates in the State of Florida.
15 So these telephone rate increases, the legislators, they did
16 it. They have control over the local phone rates. That is all
17 I want to say.

18 CHAIRMAN JABER: Thank you, Ms. Andrews. Ms.
19 Bennett, Mr. Twomey has something for you.

20 MS. BENNETT: You wanted to ask me a question?

21 MR. TWOMEY: Yes. Thank you for coming back, Ms.
22 Bennett. You have mentioned your concern for the young people
23 vis-a-vis the seniors, and my question to you is with regard to
24 these telephone rates, wouldn't it be fair for people of all
25 ages if this Public Service Commission were to grant no rate

1 increases for anyone?

2 MS. BENNETT: I will have to admit that that sounds
3 awfully good on the surface, but I can't say that I am
4 sufficiently appraised of the issue to just make a cart blanche
5 statement. However, it does seem to me that my phone bill has
6 gone up, what, at least 100 percent within the last decade. I
7 could be wrong. That is just kind of off the top of my head.
8 Of course, it could be that I have two phones. But it seems to
9 me that we keep getting all of these added on costs. And I
10 look at my basic phone service and I look at my bill.

11 Let me give you an example, and I understand you all
12 are talking about local service, but for a long distance call I
13 have Vartech (phonetic). I made one call during the month.
14 The call was \$2.30 and the bill to Vartech was over \$10 because
15 of fees and all of these additional charges. Now, somewhere
16 along the line it needs to stop.

17 MR. TWOMEY: Yes, ma'am. I'm sorry. Do you think it
18 is logical, Ms. Bennett, for you to pay \$46.32 more a year
19 merely for the potential of having some additional local
20 service providers at that higher rate?

21 MS. BENNETT: I don't see any sense in that. We have
22 already got a variety of local providers. I was over in Milton
23 one day, and you all may not know exactly where that is. It's
24 the next little town down on Highway 90, and I wanted to call
25 Cantonment, which is just across the river. And the other

1 company, I don't even remember which one it was, this has been
2 years and years ago, said that it would be a long distance call
3 and that the charge would be over \$6.50. That's competition?
4 I could do without that kind of competition, thank you.

5 MR. TWOMEY: But just to be clear, you are not
6 interested, do I understand you are not interested in paying
7 for more competition?

8 MS. BENNETT: No. Competition is supposed to bring
9 the price down. I have not seen that function in too many
10 areas of the American economy, frankly. I mean, to me things
11 keep going up. And I know there is inflation, but it just
12 seems to me that what we have got primarily in this country is
13 corporations gouging the public. Thank you.

14 MR. BECK: This man is the last speaker.

15 CHAIRMAN JABER: Let me ask at this point are there
16 any members of the audience who wish to testify tonight, but
17 did not sign up? Were you here when I gave the oath?

18 MS. MELTON: I didn't sign up. I was here, though.

19 CHAIRMAN JABER: Okay. Let me ask you to stand and
20 raise your right hand.

21 (Witness sworn.)

22 CHAIRMAN JABER: When you come up to the microphone,
23 just give us your name, spell it for me, spell your last name.

24 SUE MELTON

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 MS. MELTON: My name is Sue Melton. That is
4 M-E-L-T-O-N. And I will be brief. I just wanted to clarify
5 something, because several people here have said tonight that
6 they really didn't know how much their phone bill has gone up.
7 Some said they didn't think it went it up at all, and I do save
8 my phone bills. And in June of -- in June of 2000, our basic
9 phone rate was \$14.12 with all the excise taxes. Last month it
10 was \$20.57, which over three years that is a 45 percent
11 increase. Now, that is without all this other stuff going on.
12 So, I just wanted to clarify that. And I was also wondering if
13 this 35 to 60 percent rate increase included the FCC charges
14 and the taxes and all of that.

15 CHAIRMAN JABER: Ms. Melton, Mr. Criser can correct
16 me if I'm wrong, but it is my understanding that the proposed
17 charges put forth by the companies are only to basic service,
18 so it would not include fees, charges, taxes.

19 MS. MELTON: Okay. So the rates would go up by that
20 percentage plus there would be a percentage tacked on for the
21 excise taxes, and the FCC charges, and all the additional
22 add-ons, such as this other charge that was placed on my last
23 bill that says other charges, work completed on June 30th,
24 2003, charge for an increase in rate for federal universal
25 service charges due to changes in the rules of the FCC.

1 CHAIRMAN JABER: Right. The basic charges, if the
2 petition are granted and there is an increase at all, the taxes
3 associated with that will also increase. It is just associated
4 with the amount of basic service. As it relates to the
5 universal service fund, though, the notice you are reading is
6 completely different. There have been some increases to the
7 universal service amounts that are collected from each
8 customer.

9 MS. MELTON: Also, there have been other speakers
10 this evening who have talked about Lifeline as if it were an
11 excuse to raise our rates. And I was wondering if for the
12 people who do qualify for Lifeline, I don't see where there is
13 any guarantee that the Lifeline is going to stay in effect
14 indefinitely. Is it, is there a guarantee?

15 CHAIRMAN JABER: The program itself, I have never
16 heard any movement at the congressional level that the program
17 itself would go away. I've never heard anything like that.
18 There are always recommendations to modify the program to make
19 it better for the consumer in terms of eligibility requirements
20 and accountability, but I have never heard of a movement in
21 congress to do away with the program.

22 MS. MELTON: Okay. But there is no guarantee. And
23 for people who are just at poverty level, they don't even
24 qualify for that.

25 CHAIRMAN JABER: The eligibility requirements that

1 were modified by the Florida Legislature changed it to 125
2 percent of the federal poverty level.

3 MS. MELTON: Right. So people who are at poverty
4 level don't qualify, and the minimum wage hasn't gone up in I
5 don't know how many years.

6 CHAIRMAN JABER: Well, people that are at poverty or
7 125 percent of the federal poverty level would qualify. Did I
8 not understand your question? Mr. Beck, do you want to
9 elaborate?

10 MR. BECK: It is based on household income. And if
11 your household income is less than or equal to 125 percent of
12 the poverty level then you would qualify.

13 MS. MELTON: Yeah. 100 percent of poverty level is
14 the poverty level. 125 percent of poverty level is what, more
15 money than poverty or less money?

16 CHAIRMAN JABER: More money.

17 MR. BECK: More. Your income can be 1-1/4 times the
18 poverty level, and at the level or lower then you qualify.

19 MS. MELTON: Okay. Well, I guess that's all I had to
20 say.

21 MR. TWOMEY: Madam Chair?

22 CHAIRMAN JABER: Ms. Melton, thank you for your
23 testimony. Mr. Twomey.

24 MR. TWOMEY: Madam Chair, I think I heard another
25 part of a question in Ms. Melton's previous question, and that

1 is -- and I would like to try and address it if I can, and I
2 would like to just -- were you asking, Ms. Melton, if there
3 was -- if the rate increases -- were you asking if the
4 continuation of the 125 percent Lifeline qualification was tied
5 to these rate increases being granted?

6 MS. MELTON: Not tied to it. I was just -- you know,
7 it sounds like people have used that as an excuse to be able to
8 raise the rates. And, you know, things like Lifeline can be
9 dropped overnight. There is no guarantee saying, oh, Lifeline
10 is going to be in effect indefinitely to help these poor souls
11 that are having everything taken away from them.

12 MR. TWOMEY: Madam Chair, if I may, I would like to
13 make a statement and say that -- and I will stand corrected if
14 necessary, that now that the law has been passed, the bill is
15 passed and signed into law by Governor Bush, the entitlement
16 for the expanded Lifeline for the companies that didn't
17 already -- weren't contractually obligated to it before is
18 separate, entirely separate from the rate increases here. That
19 will exist whether or not this Commission increases those
20 rates. So people need to be clear on that and not afraid that
21 they will lose that entitlement if these rates are denied.

22 CHAIRMAN JABER: Ms. Melton, thank you for your
23 testimony. I think I saw one more hand go up when I asked if
24 there was anyone else in the audience that wished to testify.
25 And you weren't sworn, right?

1 MS. COOEY: No.

2 (Witness sworn.)

3 CAROLYN COOEY

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

6 DIRECT STATEMENT

7 MS. COOEY: My name is Carolyn Coeey, and I am from
8 the little town of Milton, which is the next county over, Santa
9 Rosa County. We were just -- we just spent a couple of weeks
10 battling with our county commissioners. They had it in their
11 minds that they were going to collect property taxes from the
12 leaseholders over on the beach. Those people felt that they
13 did not need to pay property taxes. This amount was \$3
14 million. So our county commissioners wanted to go up on
15 ad valorem so that they could raise our property taxes. Well,
16 we spent two weeks battling this. We had three out of five of
17 the county commissioners, three wanted to raise, and we did all
18 we could to try to convince them to lower -- you know, not to
19 go up on our property taxes. I felt like we won the battle
20 because we brought it from three-to-two down to one-to-four.
21 So we only had one commissioner that we could not convince.

22 So I am very much against the increase with the
23 telephone bills going up. And tonight this was the first that
24 I heard that you can't check into their records, because I feel
25 that anybody that comes to you wanting a raise should be able

1 to say I did this, this, and this. And we have lowered -- we
2 have tried to cut back, but we still can't make a go of it.
3 Like how many cars do they have? How many automobiles are
4 driven by these people? I know those that come out to work on
5 our telephone lines, or come out to our houses, they need
6 vehicles. But the people that work in offices that work 9:00
7 to 5:00, I don't feel that they need to drive a car.
8 Especially 24 hours a day. And, you know, their little Jeeps
9 that are real nice looking, they have got little painting on
10 them and all, I don't feel that these are vehicles that need to
11 be driven. And I feel that it is wrong that you can't check
12 into see how much of wasteful spending. I feel that if they
13 come to you for a raise they should be able to verify it.

14 The other thing is the salaries that some of them
15 make. You know, the ones higher up, I think it is just
16 ridiculous. The other thing, the other wasteful spending that
17 I see is when they call my house to try to get me to switch
18 over, and I tell them that I have just signed up with somebody
19 and I have made a 12-month commitment. Why do they keep
20 calling my house? You know, they keep calling and calling. I
21 have already said I have made a 12-month commitment. This is
22 wasteful spending. This is somebody sitting on a phone calling
23 my house again to hear me say no, I can't discuss it right now.
24 Why not put me on a list and call me in 10, 11, 11-1/2 months?

25 You know, some of the other sponsoring things that

1 they do with the golf tournaments and things like that, I just
2 think that there is a lot of wasteful spending on these
3 companies, and I really just don't understand, like I said, the
4 logic on why they can come to you and ask for a raise when they
5 can't prove what they have done to try to budget their own.
6 Just like we have to budget our household checkbooks when we
7 don't have enough money coming in for the things that are going
8 out. We have to reevaluate our budget. We have to do it with
9 our county commissioners now. We have to keep an eye on them
10 as to spending.

11 And just like the three million in our county, the
12 property appraiser, I bet it was about 48 hours he came up with
13 \$208,000 that he could lower his budget. Just like that
14 mysteriously. That is a lot of money in 48 hours. So, like I
15 said, I am against this, and I hope that you will take all of
16 this under advisement. Thank you.

17 CHAIRMAN JABER: Thank you, ma'am.

18 MR. TWOMEY: Madam Chair, just briefly. Ms. Cooley?

19 MS. COOLEY: Yes.

20 MR. TWOMEY: Which company are you served by locally?

21 MS. COOLEY: BellSouth.

22 MR. TWOMEY: And you have probably heard this
23 question asked of me earlier, but are you interested in paying
24 \$46.32 more per year --

25 MS. COOLEY: No.

1 MR. TWOMEY: -- in the expectation that you might
2 receive additional local competition?

3 MS. COOEY: No, not at all.

4 MR. TWOMEY: Do you have any way of knowing if those
5 increases are passed, how many long distance calls you might
6 have to make within the state in order to break even so that
7 you have savings that would exceed that \$46.32?

8 MS. COOEY: Well, see, we took care of that. I have
9 a cell phone now and that takes care of all my long distance
10 uses.

11 MR. TWOMEY: Thank you very much.

12 MR. CRISER: Madam Chairman, may I ask a question?

13 CHAIRMAN JABER: Let me ask one more time. Is there
14 anyone else that didn't testify that wishes to testify? Did
15 you sign up, sir?

16 MR. MELTON: No, I did not.

17 CHAIRMAN JABER: I need everyone who intends to
18 testify to stand up at this point so I can swear you in all at
19 once. Okay. You are the last witness. And then, Mr. Melton,
20 I will let you come up and ask that question after the witness
21 testifies.

22 MR. MELTON: Thank you.

23 CHAIRMAN JABER: Come up to the microphone, sir.

24 (Witness sworn.)

25 CHAIRMAN JABER: State your name for me, please.

1 STEVE FERRY

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

4 DIRECT STATEMENT

5 MR. FERRY: My name is Steve Ferry (phonetic), and I
6 am a resident of Santa Rosa County. I have two questions,
7 actually. The first one, I guess, would go to you, Madam
8 Chairman. We have seen all the testimony and we have
9 listened -- I think part of your mission was to see how people
10 felt. If they felt it was a benefit and not, and most of the
11 time when Mr. Twomey asked people if they felt it was a
12 benefit, I think the majority said no. I was wondering how
13 that will affect the process.

14 CHAIRMAN JABER: That's an excellent question. What
15 we have done is we have scheduled 14 public hearings around the
16 State of Florida. This is hearing six, so we have quite a few
17 to go as you can imagine. The standard in deciding the
18 petition, we have to understand if it will result in the
19 promotion of a competitive market for the benefit of the
20 residential consumer. So all of the testimony will go into
21 staff's recommendation on whether, after an evaluation of all
22 14 public hearings, whether there is an effect of promoting the
23 competitive market for the benefit of the residential consumer.

24 What our staff intends to do is compile all the
25 testimony from the customers and prepare a summary, or a

1 matrix, if you will, for us. And it will be evaluated as part
2 of our hearing process. The customer service part is only part
3 one. In Tallahassee on December 10th, I believe, is the first
4 day of the hearing. December 10th we will take evidence from
5 the companies, from Public Counsel, from Mr. Twomey, more of an
6 evidentiary technical nature, and all of that together will go
7 into our decision-making.

8 MR. FERRY: Oh, I also wanted to let you know that I
9 used to pay \$5 a month for not having long distance.

10 CHAIRMAN JABER: Okay.

11 MR. FERRY: And then my next question I think is more
12 towards Mr. Criser. I believe -- I may have my facts wrong, I
13 didn't have time to really research it, but I believe when
14 Governor Bush first moved to Florida he became a partner in a
15 real estate firm with, I believe his name is Mr. Cordoza. Is
16 he not the Chairman of the Board of BellSouth now?

17 MR. CRISER: The chairman of the board of BellSouth
18 is Wayne Ackerman (phonetic).

19 MR. FERRY: Okay. Sorry.

20 MR. TWOMEY: Madam Chair.

21 CHAIRMAN JABER: Mr. Ferry, thank you for your
22 questions. Mr. Twomey. Mr. Twomey. Mr. Twomey, can I ask you
23 to keep your questions short, okay? Go ahead.

24 MR. TWOMEY: Of course, Madam Chairman. Mr. Ferry,
25 did you mean to ask Mr. Criser whether Armanda Cordina

1 (phonetic) was on the board of directors of BellSouth?

2 MR. FERRY: Yes. Can I ask you, ma'am?

3 MR. TWOMEY: Ask the Chairman.

4 CHAIRMAN JABER: Mr. Twomey, are you are clarifying
5 the person's last name, is that all you are trying to do?

6 MR. TWOMEY: Yes.

7 CHAIRMAN JABER: Mr. Ferry, spell your last name for
8 me.

9 MR. FERRY: F-E-R-R-Y.

10 CHAIRMAN JABER: Okay. I understood your question.
11 I knew exact who you were talking to, but for purposes of the
12 record --

13 THE WITNESS: I'm sorry.

14 CHAIRMAN JABER: You're fine. You are absolutely
15 fine. I understood exactly what your question was. But for
16 the record, we will let Mr. Criser respond again.

17 MR. CRISER: And I'm sorry, I can't -- there is a
18 Mr. Cordina (phonetic) who is on the board of BellSouth, yes,
19 sir.

20 MR. FERRY: And how long did Jeb Bush and -- or
21 Governor Bush and him work, how long were they business
22 partners?

23 MR. CRISER: I don't know.

24 CHAIRMAN JABER: Thank you, sir.

25 MR. TWOMEY: Now, my question, Mr. Ferry, is -- if I

1 may, Madam Chair -- you are served by BellSouth?

2 MR. FERRY: Yes.

3 MR. TWOMEY: Are you, Mr. Ferry, interested in paying
4 \$46.32 more a year for your local service in the mere hope that
5 you will find some local providers at that rate?

6 MR. FERRY: No, not at all.

7 MR. TWOMEY: Thank you.

8 CHAIRMAN JABER: And, Mr. Melton, you wanted to ask a
9 question?

10 MR. MELTON: Thank you, Madam Chair. It was raised
11 that BellSouth charges for when you drop long distance service.
12 My question is do they have a right to charge you if you drop a
13 long distance service?

14 CHAIRMAN JABER: I'm sorry, sir, I missed your
15 question. Mr. Twomey was coughing louder than you were asking.

16 MR. MELTON: I'm sorry. I could speak louder,
17 actually.

18 CHAIRMAN JABER: Go ahead.

19 MR. MELTON: Do they have a right to charge a
20 consumer when they drop their long distance service if you do
21 not choose a long distance provider?

22 CHAIRMAN JABER: Mr. Melton, I believe the answer to
23 your question is they shouldn't be charging you for it, but I
24 really need to see the bill and the plan and understand what is
25 on your bill. There is a charge that is allowed for long

1 distance blocking, but what I need you and Mr. Ferry to do, I
2 think Mr. Ferry also made reference to this, Mr. Criser, the
3 five-dollar charge. We need to understand what that is. So if
4 you and Mr. Ferry will give us your phone number, let us look
5 at that.

6 MR. MELTON: May I ask Mr. Criser that question?

7 CHAIRMAN JABER: Sure.

8 MR. MELTON: Do you charge a consumer if they do not
9 choose a long distance carrier?

10 MR. CRISER: I'm not familiar with the charge that
11 has been referred to. As I said earlier, we would be happy to
12 look at the telephone bill and try to better understand exactly
13 what the charge is for.

14 MR. MELTON: Okay. One statement. I have been
15 charged in the past, and recently as I was jettisoning service
16 with BellSouth, as well as a long distance carrier, they told
17 me -- BellSouth told me that I would be paying if I did not
18 choose a long distance carrier. And I do not remember what the
19 price was, but they told me a specific amount of money that I
20 would be basically penalized because I did not choose a long
21 distance carrier.

22 MR. CRISER: Again, I'm not familiar with the charge
23 you are referring to.

24 MR. MELTON: Thank you. Thank you, Madam Chair.

25 CHAIRMAN JABER: I appreciate that you brought it to

1 our attention, Mr. Melton. Commissioner Deason and staff have
2 said different things to me, but for the purposes of the record
3 let me let you know that some companies have assessed a
4 one-time charge for taking long distance off. And, again, I
5 need to understand your specific bill before I can answer that
6 question. But staff is telling me that it shouldn't be a
7 monthly charge. Do you recall if that is a monthly --

8 MR. MELTON: No, it was a few years back when this
9 happened. I believe I was charged monthly. I will look up the
10 bills. Frankly, I thought it was some legal -- another legal
11 way for them to nickel and dime us every chance they got, but
12 based on the questions I have heard tonight and no clarity on
13 this issue, I am starting to wonder if this is just another way
14 of picking our pockets. Thanks again.

15 CHAIRMAN JABER: Thank you for bringing it to our
16 attention. And I have asked BellSouth to get us an official
17 response for the record on that issue. Ms. Bennett, a final
18 question?

19 MR. BENNETT: Yes. I would like to ask -- there was
20 something that occurred to me. I'm not sure I understand.
21 When you are talking about these rate increases, you are
22 talking about of the fundamental bill, but with the fees and
23 the taxes they are, as I understand it, based on a percentage
24 of this bill. So while you are talking about an increase of,
25 what was it, \$3.80 one man said per month, or somebody else

1 said \$1.39 down to \$1.09. Those charges then do not include
2 the fees and taxes, is that correct?

3 CHAIRMAN JABER: That is my understanding, Ms.
4 Bennett. But, Mr. Criser, you are welcome to elaborate on
5 this. Only the taxes associated with the basic rate would
6 increase. But, again, that is if we grant the petition.

7 MS. BENNETT: Okay. Thank you.

8 CHAIRMAN JABER: Thank you.

9 MS. BENNETT: Have a nice evening.

10 CHAIRMAN JABER: Let me take an opportunity to thank
11 you all for being here. Thank you for staying as long as you
12 did. We really appreciate your input. As I said earlier, this
13 is only hearing six out of fourteen total. You can access our
14 website at Florida -- Florida spelled -- PSC.com, and stay
15 apprised of where we are in the process. Again, thank you.

16 MR. TWOMEY: Madam Chair.

17 CHAIRMAN JABER: Good night. Mr. Twomey, do you have
18 a question?

19 MR. TWOMEY: I want to ask you, since you were making
20 a point about the PSC website, if I may have permission to
21 point out to the audience that the AARP website on this issue
22 is on the second page of the blue sheet, the blue handout.

23 CHAIRMAN JABER: The PSC website is FloridaPSC.com.
24 You are welcome to keep up with the process by monitoring the
25 website. Again, if you did not testify but wish to make your

1 comments be a part of our proceeding, feel free to fill out the
2 customer sheet. Good night. This adjourns this hearing.

3 Thank you.

4 (Service Hearing concluded at 8:35 p.m. CT)

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1 STATE OF FLORIDA)

2 : CERTIFICATE OF REPORTER

3 COUNTY OF LEON)

4

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

9

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 said
14 proceedings.

15

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

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DATED THIS 27th day of October, 2003.

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Jane Faurot

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CHAIRMAN JABER: