

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

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 In the Matter of :
 : DOCKET NO. 920260-TL
 Comprehensive review of the :
 revenue requirements and rate :
 stabilization plan of SOUTHERN :
 BELL TELEPHONE AND TELEGRAPH :
 COMPANY. :

 Show Cause proceedings against : DOCKET NO. 900960-TL
 SOUTHERN BELL TELEPHONE AND :
 TELEGRAPH COMPANY for misbilling :
 customers. :

 Petition on behalf of Citizens : DOCKET NO. 910163-TL
 of the State of Florida to :
 initiate investigation into :
 integrity of SOUTHERN BELL :
 TELEPHONE AND TELEGRAPH :
 COMPANY'S repair service :
 activities and reports. :

 Investigation into SOUTHERN : DOCKET NO. 910727-TL
 BELL TELEPHONE AND TELEGRAPH :
 COMPANY'S compliance with Rule :
 25-4.110(2), Florida Adminis- :
 trative Code, Rebates. :

 PROCEEDINGS: WEST PALM BEACH SERVICE HEARING

BEFORE: CHAIRMAN J. TERRY DEASON
 COMMISSIONER SUSAN F. CLARK
 COMMISSIONER LUIS J. LAUREDO
 COMMISSIONER JULIA L. JOHNSON

DATE: Wednesday, February 24, 1993

TIME: Commenced at 6:30 p.m.
 Concluded at 10:55 p.m.

PLACE: John I. Leonard Adult Community
 High School Auditorium
 4701 10th Avenue, North
 Lake Worth, Florida 33463

REPORTED BY: JOY KELLY, CSR, RPR
 Official Commission Reporter

FLORIDA PUBLIC SERVICE COMMISSION

DOCUMENT NUMBER - DATE

02525 MAR-5 93

FPSC-RECORDS/REPORTING

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19 appearing on behalf of the Commission Staff.

20 ALSO PRESENT:

21 KEN WOLF, Florida Consumer Action Network.
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NUMBER:

IDENTIFIED ADMITTED

8 (Southern Bell) Proof of
Publication

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CERTIFICATE OF REPORTER

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P R O C E E D I N G S

(Hearing commenced at 6:30 p.m.)

CHAIRMAN DEASON: Ladies and gentlemen, if I could have your attention, please. If I could have your attention.

First, is the audio system working so everyone can hear?

THE AUDIENCE: Yes.

CHAIRMAN DEASON: Yes. Very good. Thank you.

UNIDENTIFIED SPEAKER: The air conditioning system isn't working.

CHAIRMAN DEASON: Ladies and gentlemen, I'm calling this hearing to order. The first order of business would have the counselor read the notice of this hearing.

MR. ADAMS: Pursuant to proper notice this time and place has been set --

THE AUDIENCE: Louder.

MR. ADAMS: Pursuant to proper notice this time and place has been set by the Florida Public Service Commission for the purpose of holding a public hearing in the following dockets: Docket No. 920260-TL, comprehensive review of the revenue requirements and rate stabilization plan of Southern Bell Telephone and Telegraph Company; Docket No. 900960-TL, Show Cause

1 proceedings against Southern Bell Telephone and Telegraph
2 Company for misbilling customers; Docket No. 910163-TL,
3 petition on behalf of Citizens of the State of Florida to
4 initiate investigation into integrity of Southern Bell
5 Telephone and Telegraph Company's repair service
6 activities and reports; and Docket No. 910727-TL,
7 investigation into Southern Bell Telephone and Telegraph
8 Company's compliance with Rule 25-4.110(2), Florida
9 Administrative Code, rebates.

10 The purpose of this Public Service hearing is
11 to permit customers to be heard on any and all issues
12 in these dockets.

13 CHAIRMAN DEASON: Thank you. We'll take
14 appearances of counsel.

15 MR. LACKEY: Mr. Chairman, my name is Doug
16 Lackey. I'm appearing on behalf of Southern Bell in
17 this proceeding.

18 THE AUDIENCE: Boo! Boo! (Laughter)

19 CHAIRMAN DEASON: Please, ladies and gentlemen,
20 we're going to be here for a long time this evening and we
21 need to proceed as expeditiously as we can.

22 Please, Mr. Adams.

23 MR. ADAMS: John Adams on behalf of the
24 Florida Public Service Commission Staff.

25 MR. SHREVE: Jack Shreve and Charlie Beck,

1 Office of the Public Counsel on behalf of the Citizens
2 of the State of Florida. (Applause)

3 MR. TWOMEY: Mr. Chairman, I'm Mike Twomey.
4 I'm here on behalf of Attorney General, Bob Butterworth.
5 (Applause)

6 CHAIRMAN DEASON: Thank you.

7 At this point, I'd like to take just a few
8 moments to make a few announcements.

9 First, we'd like to thank the school here
10 which has allowed us to use these facilities. The
11 school officials have asked me to make an announcement
12 that no smoking is permitted either inside this
13 building or on the school grounds. (Applause)

14 I also wish to announce, for those of you who
15 came early and may not be aware, that at this moment we
16 have people who are outside who are not able to enter
17 the building because of fire marshal codes. We are at
18 capacity in this building at this time. This is fairly
19 unprecedented for a Public Service Commission hearing.
20 We appreciate you coming, and we appreciate your
21 interest in this matter.

22 The only thing we wish for you to keep in
23 mind is that there are other people who are outside at
24 this moment. Now, they are able to hear the proceedings.
25 They have arranged for a speaker to be placed outside.

1 However, they do not have the convenience of having places
2 to sit, and so they are waiting patiently.

3 The only solution to the problem we have is
4 to proceed with the hearing, and those individuals who,
5 after they give their testimony, or after they have
6 heard someone else's testimony, when you leave, well,
7 that will permit other people to come in.

8 Now, I'm not asking anyone to leave early. I
9 want you to stay as long as you will. But please keep
10 in mind there are other people who are waiting.

11 We apologize. We had no idea that there
12 would be this much interest in this hearing. We looked
13 for a large facility. This was the largest facility
14 that we had made available to us on the short notice
15 under which we were working. So I think that if we all
16 cooperate, we can proceed and have everyone that wishes
17 to participate in the hearing tonight be heard.

18 I'd like to also make a few brief
19 introductions. My name is Terry Deason I'm Chairman of
20 the Commission. To my left is Commissioner Susan Clark
21 and to her left is Commissioner Julia Johnson, and to
22 my right is Commissioner Luis Lauredo. You have heard
23 the other persons identify themselves. For those of
24 you who did not hear that, to any extreme left are the
25 officials of the Company. The attorney to my immediate

1 left, Mr. John Adams, he's with the Staff of the Public
2 Service Commission. To my near right is Jack Shreve
3 and Charlie Beck with the Office of the Public Counsel,
4 and to Mr. Beck's right is Mr. Mike Twomey who is with
5 the Attorney General's office, and to his right is the
6 court reporter.

7 This proceeding is being recorded by an
8 official court reporter. It will become part of the
9 official record in this docket. It will be evidence
10 upon which the Commission can and will utilize in
11 making the final decision in this docket.

12 We will begin this evening by having brief
13 opening statements given by Southern Bell, by Public
14 Counsel, and by the Attorney General. After those
15 opening statements are given, we will swear all of
16 those witnesses who wish to make a statement this
17 evening, and then we will begin hearing those
18 individuals who wish to make those statements. At this
19 point, we'll begin with opening statements. Mr. Lackey.

20 MR. LACKEY: Mr. Chairman, Mr. Lacher is
21 going to make our opening statement, but could I give
22 the court reporter the proof of publication at this
23 time?

24 CHAIRMAN DEASON: Yes. The proof of
25 publication will be identified as Exhibit No. 8, and

1 that will be provided to the court reporter.

2 (Exhibit No. 8 marked for identification.)

3 MR. LACHER: Good evening. My name is Joe
4 Lacher. I am the President for Southern Bell of
5 Florida, and I am responsible for the Company's
6 operations in the state. And I really do appreciate
7 the opportunity to be here to speak to you tonight.

8 At these service hearings I normally review
9 Southern Bell's proposal in some detail. However,
10 tonight, in light of the recent publicity, I would
11 prefer to address some concerns that have been raised
12 about particular aspects of our proposal. I'd like to
13 take a few minutes to speak directly to some of the
14 questions that have been raised about Southern Bell's
15 proposal in this case.

16 Specifically, there is a concern with the
17 expanded local service plan we've proposed.

18 This is a result, I believe, of either
19 confusion or misinformation on what the plan does and
20 does not do.

21 What the plan does do is to provide an
22 option, and I want to underscore the word "option."
23 This service would benefit those customers who either
24 use their telephone very little or who make a lot of
25 long distance calls to the nearby areas. The customer

1 benefits I'm talking about are a reduced basic local
2 access rate and a reduction in the charge for long
3 distance calls to the expanded calling area. For
4 example, from West Palm Beach to Belle Glade, Boca
5 Raton, Coral Springs, Deerfield Beach, Delray Beach,
6 Pompano Beach and Stuart.

7 Now, the plan does include a per-minute
8 charge for local calls, and that's why it may not be
9 for everyone, but remember it is an option. If you
10 don't want it, you don't have to take it.

11 Yesterday's editorial in the Palm Beach Post,
12 I believe, got it right. It said, and I quote, "Hold
13 the phone. Bell's plan could help some." It went on,
14 "Many people don't want measured service but others may
15 save money by using it."

16 That takes me into what the plan does not do.
17 The plan does not eliminate the existing local and long
18 distance options you have today. It also does not lead
19 to runaway bills for our customers.

20 I say this because there is a cap on the
21 local usage charge. Additionally, if you try this plan
22 and you don't like it, you may change back to your
23 present plan at no charge.

24 As a simple illustration, I read in a recent
25 newspaper article about a West Palm Beach customer who

1 calls four friends in his neighborhood everyday to make
2 sure they are okay. Quite honestly, this plan may not
3 be for that customer and that's why it's an option.
4 That customer shouldn't take this option.

5 However, it is possible that some or all of his
6 friends who have a telephone so that they can receive
7 those calls and make calls only in emergencies, those
8 customers could benefit from the optional expanded local
9 service plan because they could subscribe to a local line
10 at a rate 25% lower than what they're paying today.

11 Again, our proposal is an optional service
12 that allows you a choice to pay for service as you do
13 today or on a usage basis.

14 I've heard predictions that measured service or
15 an usage option would lead to an increase in flat rate
16 services and, therefore, become economically mandatory to
17 customers. Now, that's curious to me that another
18 optional but similar service, the local message rate
19 service has been viable to our customers throughout
20 Florida for over two years, or almost two years, and
21 currently more than 175,000 customers subscribe to that
22 service, including 30,000 or so in the Palm Beach area.
23 And it's created none of that pressure.

24 In addition to the expanded local service plan,
25 Southern Bell has proposed changes in new programs which

1 we believe will directly benefit our customers and our
2 state. Our proposal includes a Lifeline program, which
3 will assist low income customers in obtaining telephone
4 service by providing a \$7 credit on their monthly
5 telephone bill. We've also proposed reductions in service
6 connection charges. In addition, we've proposed an
7 economic development tariff which supports the enterprise
8 zone program established by the State of Florida. This
9 program encourages economic development and
10 revitalization.

11 Now, in closing, Southern Bell believes that
12 customer satisfaction is of the utmost importance. By
13 offering you more choices in the services that are
14 available and more options in the way that you pay for
15 those services, we believe that you would be better
16 served.

17 We also believe that it's critical to support
18 our community, both through economic development
19 initiatives and by making it available for more people
20 to obtain local service. We want to provide you with
21 quality service, and we really do want to hear from you
22 tonight.

23 We appreciate your business and we thank you
24 to being here. We will do our best to ensure that your
25 service is nothing less than excellent. And that's the

1 only thing I mention tonight that's not an option: our
2 commitment to excellent service.

3 Thank you, and we look forward to hearing
4 from you. (Applause)

5 CHAIRMAN DEASON: Mr. Shreve.

6 MR. SHREVE: Thank you, Mr. Chairman.

7 And I'd like to thank everyone for coming
8 tonight. This is really what we're here for. I'm here
9 to serve you the citizens, we represent you. The
10 Public Service Commission is here to hear from you and
11 they set this hearing tonight, and we appreciate your
12 interest. I think it's about the best hearing I have
13 been to in 15 years that I've been doing this. And I
14 think we owe you our thanks. (Applause)

15 I'm not going to take much time because we
16 have a lot of people to hear from, but there are a
17 couple of quick points I want to make.

18 One, Bell isn't in here out of the goodness
19 of their heart. They're required to come in because
20 they're earning more money than they should. They want
21 the incentive regulation because they want to be able
22 to keep more of the money than they would be allowed to
23 keep under the plan that has always been in existence
24 and they've always used when they wanted a rate
25 increase. The Attorney General's office, AARP and our

1 office petitioned to bring them in and lower their
2 rates. That's why the Public Service Commission told
3 them to come in and file a plan. (Applause)

4 In these hearings, we've heard from people
5 who, I think, were very sincere, but came in endorsing
6 the Bell plan overall. Now, there are some good things
7 in the plan.

8 One that Mr. Lacher mentioned was a low fee
9 for a small number of calls. That's a very good
10 program. It's a shame that Southern Bell opposed that
11 when the Staff of the Public Service Commission asked
12 them to put it in. The Public Service Commission
13 ordered them to put it in. They did not do it on their
14 own. It is a good plan and it should be kept, but it
15 should even be at a lower rate. (Applause)

16 We should really hear from you on the
17 optional measured service. Everybody wants lower rates
18 and we know where to go on that. Southern Bell should
19 not be tying the optional local measured service to
20 this break in the long distance calls as a gimmick to
21 get you to move over to it. (Applause)

22 Let's go ahead and take the reduction in the
23 long distance calls, and then let you make the
24 decision, the Public Service Commission make a decision
25 separate from that on the local measured service, which

1 is where they want to go anyway. (Applause)

2 We're going to ask that this hearing be
3 delayed until we get the information that we need from
4 Southern Bell. You've seen reported in the press where
5 there has been delay after delay after delay. The
6 delays are delays that Southern Bell is entitled to
7 take; they have their legal rights. We have a legal
8 right to have all of the information at the time we go
9 to a hearing so that we can properly represent you and
10 we're going to continue to push until we get it.

11 (Applause)

12 A large part of the information that we're
13 going after is in investigatory dockets. In the
14 manipulation of telephone records, in the scam sales
15 docket, those are the things that have to be brought
16 out because they impact incentive regulation. It goes
17 to -- it points out how should the telephone company be
18 regulated? Should they have less regulation and allow
19 to commit the things that have been going on in the
20 past? No, they shouldn't and we want that information
21 and evidence to put in to represent you. (Applause)

22 In this case Bell has asked in their program
23 to keep rates the same, the local rates. That should
24 not be the case. Their rates should be lowered by well
25 over \$200 to \$300 million. They are not entitled to

1 earn between 13% and 14% with the economic conditions
2 the way they are today. How many of you on your CDs
3 are getting 12%, 13% and 14%? (Applause)

4 In addition to that return or profit that
5 they're asking for, you're paying the taxes. So if
6 they are given 13% to 14%, then you're paying
7 effectively 20% to support their profit on their
8 investment. And that's not right. (Applause)

9 I'll quit now. We're here to hear from you,
10 particularly on the measured service and what your
11 thoughts are on that.

12 One question Bell has not answered, do they
13 have it in their plans or programs to raise the flat
14 rate service so that it is prohibitive and there is no
15 longer an option? That's something they should answer.

16 Thank you very much. (Applause)

17 CHAIRMAN DEASON: Mr. Twomey.

18 MR. TWOMEY: Thank you, Mr. Chairman.

19 Ladies and gentlemen, I would start by
20 adopting everything that Mr. Shreve just said with
21 regard to this case. In addition, I'd like to share a
22 few concerns that Attorney General Bob Butterworth has
23 about this rate case.

24 First of all, he would support Public
25 Counsel's motion to delay this case until all the

1 necessary information is forthcoming from Southern
2 Bell.

3 Mr. Joe Lacher has recently filed testimony
4 admitting that some of his employees, a small number
5 admittedly, but some of them have cheated on repair
6 records, some of them have ordered services for some of
7 you folks where you didn't request it.

8 Now, the Company has prepared an internal
9 investigation, as Mr. Shreve has said, to determine the
10 extent of this cheating and this fraud and it is not
11 willing to share this. The Public Service Commission,
12 to its credit, has ordered the sharing. Southern Bell
13 has a right to appeal that and they may. But until
14 such time as that information is forthcoming, we agree
15 with the Public Counsel that the case should be
16 continued.

17 Now, with regard to some of the particulars.
18 Southern Bell is asking, in this case, to earn up to a
19 maximum of 16% return on its equity. As Mr. Shreve has
20 said that's too high. It's entirely too high. They
21 promise in return for that they will give you increased
22 services, more efficiency. I would ask you what new
23 services have you received in the last couple of years?

24 THE AUDIENCE: None. It's a lot of baloney.

25 MR. TWOMEY: Now, there is another aspect of

1 this. The proposal that Southern Bell is asking for
2 would allow them, if it's granted, to increase your
3 rates, or to increase the rates of any classification
4 of customers, up to 5% per year, pretty much on
5 automatic pilot, as opposed to the current situation
6 which they have to come before the Commission and ask
7 for a specific rate increases and have the Commission
8 rule on it after an examination of the facts.

9 The business on the local measured service
10 the Attorney General is opposed to that because he
11 thinks it's the first step in the door for mandatory
12 local service although this, admittedly, is an optional
13 service. (Applause)

14 Thank you very much. That's all I have.
15 (Applause)

16 CHAIRMAN DEASON: I have been advised that
17 there is a representative here this evening from the
18 Florida Consumer Action Network who also wishes to make
19 an opening statement; is that correct?

20 MR. WOLF: Yes.

21 CHAIRMAN DEASON: Okay. I just request that
22 you keep your statement brief like the other parties
23 have kept their statements brief.

24

25

1 MR. WOLF: Okay. Real brief, my name is Ken
2 Wolf. I'm the President of the South Florida Board of
3 the Florida Consumer Action Network. We are
4 headquartered in Ft. Lauderdale and we're happy to see
5 the big turnout from all over South Florida. Nobody
6 can say that apathy exists in South Florida when you
7 look at the number of people here, and we appreciate
8 that.

9 In the fall of 1991, Consumer Action joined
10 with the Public Counsel, Attorney General and AARP to
11 win more than \$1 million in refunds of accumulated
12 overcharges for Southern Bell customers. This action
13 also forced Bell into a full rate hearing to examine
14 all of its rates and charges for telephone charges.

15 In July of 1992, Southern Bell filed for a
16 \$13 million decrease in overall rates, but with Bell it
17 seems there's many times a catch. In this case, there
18 were many catches. In exchange for a few cents per
19 month, Bell wants four concessions from us. Number
20 one, they want to be able to increase rates in the
21 future without any hearings whatsoever by up to 5% each
22 year despite the fact that telephone service is
23 basically a declining-cost industry.

24 Number two, they want to begin local measured
25 service, which bills you by the minute for local calls

1 the way long distance calls are billed now.

2 This amounts, in effect, to putting a pay
3 phone in your living room. However, we are not opposed
4 to the proposal for Lifeline service.

5 Number three, they want to further shift
6 costs onto the backs of basic ratepayers to benefit
7 select customers who make local long distance calls.

8 Finally, number four, they want to make
9 ratepayers subsidize the cost of replacing perfectly
10 good existing phone lines with fiberoptic cable so that
11 Bell can enter into new nonregulated enterprises and
12 enhance future profits. We believe that Bell's rates
13 should be cut by a lot more than the \$13 million a year
14 they're offering consumers. (Applause)

15 Despite today's dismal economy, Southern Bell is
16 earning a 13.75% rate of return at a time when their
17 ratepayers are lucky to be earning 4% on their investments
18 in CDs. Instead of smoking mirror incentive plans their
19 rates should reflect only reasonable and prudent costs,
20 plus a fair rate of return on investment.

21 We have five points that we'd like to
22 emphasize today and I'll state them briefly. These
23 points are number one, please don't let Southern Bell
24 open the Pandora's box to putting a pay phone in your
25 living room which will bill us by the minute for local

1 calls.

2 Number two, if Southern Bell wants to install
3 fiberoptic cable, they should pay for it by themselves.

4 (Applause)

5 Ratepayers should not -- we do not believe
6 that ratepayers should be forced to cross-subsidize
7 Bell's potential competitive ventures.

8 Number three, we want to put a stop to
9 Southern Bell's quote, "incentive rate plan," which
10 never shared a penny of profit with ratepayers --
11 (Applause) -- now that they want the right to
12 automatically increase your rates up to 5% each year
13 without even holding a hearing.

14 Number four, and second to last, we believe
15 that a fair rate of return instead of 13.75% a year
16 would be more around, 6, 7, 8, maybe 9%, but that 13,
17 14% is excessive.

18 Finally, we'd like to urge Southern Bell to
19 end this Touch-Tone scam. I don't know about you, but
20 who has a rotary phone that they still use? I'd like
21 to point out to Southern Bell that these are what
22 phones look like in every living room in all of our
23 homes. And we do not need to pay a dollar a month for
24 Touch-Tone service when we all have that, and we all
25 expect it. (Applause)

1 In conclusion, we'd like to say that we're in
2 a period in this country where we're all asked to make
3 sacrifices. I, personally, am making sacrifices in my
4 job. I know that many people in there room are making
5 sacrifices on fixed incomes. We ask that Southern Bell
6 share in that spirit and make a little bit of sacrifice
7 in these hard times taking the lead of our President
8 and not insist on having 14, 15% profits every year at
9 the expense of all of us in here.

10 Thank you very much. (Applause)

11 CHAIRMAN DEASON: Ladies and gentlemen, we're
12 having to change microphones at the podium so that
13 there's a microphone which will transmit the audio
14 outside to the individuals who are waiting out there.
15 So if you'll just be patient for a moment. (Pause)

16 Okay. We've reached that portion of the
17 hearing which is the main focus of the hearing this
18 evening and that is to hear from you, the customers of
19 Southern Bell.

20 As I indicated to you earlier, this hearing
21 is being recorded by an official court reporter. It
22 will become part of the official record of this docket
23 and will be utilized by the Commission in reaching a
24 decision in this case.

25 Therefore, it is necessary that for all of

1 those individuals who wish to testify, that you rise
2 and be sworn in as a witness to this proceeding. So
3 all of those individuals who wish to testify this
4 evening, to make a statement to the Commission, if you
5 will please stand and raise your right hand.

6 (Witnesses collectively sworn.)

7 CHAIRMAN DEASON: As Mr. Shreve calls his
8 first witness, let me take just a moment to give you
9 some instructions. When you come forward, please give
10 us your name and your address so the court reporter
11 will have that correctly on the transcript in this
12 case. If you believe your name is difficult to spell,
13 it may help the court reporter if you give the spelling
14 of your name also. Thank you.

15 Mr. Shreve, your first witness.

16 MR. SHREVE: Yes, Mr. Chairman. Ms. DeMello
17 is still out there somewhere taking names from people
18 who would like to speak. She is keeping them in order
19 of the way of the -- of when they signed up. She's
20 given these to me in that order and that's the way we
21 will be calling them.

22 The first speaker will be Mr. Gibbs.

23 Mr. Lawrence Gibbs.

24

25

LAWRENCE GIBBS

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

5 WITNESS GIBBS: Good evening, Mr. Chairman
6 and members of the Commission. My name is Lawrence
7 Gibbs. I reside the 7710 Bentway, Lake Worth, Florida
8 33467.

9 I speak as President of the Palm Beach
10 Mid-County Council which represents 16 communities in
11 the West Lake Worth-Green Acres City area and some
12 30,000 residents.

13 I have a few pertinent comments with respect
14 to the pending Southern Bell applications under
15 consideration.

16 One, among other things, Southern Bell has
17 applied to this Commission for approval of a proposed
18 optional expanded service, together with a discount
19 service designated as Discount Option Number One,
20 applicable to residential customers.

21 The Mid-County Council is concerned that the
22 grant of the optional service requested by Southern
23 Bell is but the first step by it toward a change in the
24 present basic unlimited service rendered to residential
25 customers. The Council urges that if the mentioned

1 requested optional service applications be granted,
2 such grant shall be conditioned on a stipulation by
3 Southern Bell that it will continue to render to
4 residential customers the same basic unlimited service
5 as heretofore, at the same or reduced prices, as a
6 condition to said optional grant. (Applause)

7 Two, the Council opposes Southern Bell's
8 requested release from the traditional rate of return
9 regulation, a situation which would permit Southern
10 Bell to be regulated on an incentive regulation basis,
11 a more flexible regulatory process. However, this
12 flexibility may well end up as an expense for basic
13 taxpayers, the residential customers.

14 While Southern Bell may agree to hold its
15 toll revenue stable, it also seeks permission to
16 increase the same when inflation, depreciation, taxes
17 or other regulatory changes exceed 4% per year. In
18 which event Southern Bell would be authorized to
19 automatically increase its rates without the
20 Commission's review and approval. We object to this.
21 (Applause)

22 To put it another way, it appears that
23 Southern Bell desires free rein as will enable it to
24 increase individual basic call rates by up to 5% per
25 year and optional service rates by up to 20% per year.

1 If granted, basic local call service residential
2 customers could reasonably expect that their rates
3 would rise automatically by 5% per year without the
4 Commission's review and approval. Our Council strongly
5 objects to the granting of Southern Bell's request in
6 this connection. (Applause)

7 Three. Our Council is of the strong opinion
8 that the documents requested of Southern Bell by the
9 Commission relating to the upcoming March 17th rate
10 review should be promptly turned over to the Commission
11 so as to disclose Southern Bell's actual potential
12 ventures and thus enable the Commission to ascertain
13 whether Southern Bell's customers are unwittingly
14 subsidizing Southern Bell's nonregulated business
15 ventures.

16 It is reported in the press that Southern
17 Bell has refused to cooperate with the Commission in
18 this regard, notwithstanding the Commission's some 44
19 requests. This appears strange, to say the least. It
20 is reported that Commissioner Lauredo -- I hope I
21 pronounced your name right -- Commissioner Lauredo has
22 characterized such conduct as, quote, "childish," and
23 warns Southern Bell against being, quote, "cute." It
24 is submitted that both the phone customer and the
25 Commission are entitled to better behavior from a

1 public utility which has been granted a monopoly to
2 render telephone service to some 5 million customers in
3 the state of Florida.

4 It is earning a bit more than the 13% return.
5 A return which in today's economy is too high at a time
6 when its customers earn 3% on bank deposits. This high
7 rate of return should be cut.

8 Four. Our Council pleads with the Commission
9 to have basic local call service extended to Delray
10 Beach, only 5 miles beyond Boynton Beach, the present
11 southern boundary -- (Applause) -- the present southern
12 boundary for basic local call service. A very
13 substantial number of area residents, as well as the
14 many thousands of other residents of Palm Beach County
15 have family and numerous friends in Delray Beach. Many
16 of the callers, as well as call recipients, have
17 illnesses or infirmities necessitating daily phone
18 calls to check on the health of one another. These
19 calls are presently surcharged at the rate of 18 cents
20 per minute and constitute a financial burden on the
21 many senior retirees with fixed incomes.

22 Interestingly, it costs 20 cents a minute to
23 call New York or New Jersey from Palm Beach County at
24 the same time as compared to the 18-cent per minute for
25 a call to Delray Beach, some five miles beyond -- (Applause)

1 -- as a call to Delray Beach only five miles beyond the
2 basic call boundary.

3 The telephone is a Lifeline for numerous
4 central Palm Beach residents; a vital link to families
5 and friends in Delray Beach. We respectfully request
6 this Commission to intercede on behalf of the numerous
7 concerned citizens on the grounds of compassion,
8 necessity and fairness.

9 Thank you for affording the Mid-County
10 Council the opportunity of bringing -- (Applause) --
11 thank you to affording the Mid-County Council the
12 opportunity of bringing the mentioned matters to your
13 attention.

14 CHAIRMAN DEASON: Thank you very much.
15 (Applause)

16 Thank you. I have been asked to announce
17 that the air conditioning has been turned up to the
18 maximum level. It may take a little while to cool the
19 building given the number of people that are here, but
20 we're working on that problem and, hopefully, it will
21 cool off shortly.

22 The next witness please, Mr. Shreve.

23

- - - - -

24 MR. SHREVE: Mr. Louis Fagon, F-A-G-O-N.

25

1 LOUIS FAGON

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

5 WITNESS FAGON: My name is Louie Fagon. I
6 live at North Hampton, E96 in Century Village in West
7 Palm Beach.

8 Five years ago I came here and spoke because
9 Southern Bell wanted to introduce local measured time.
10 At that time I explained that this operation of local
11 measured time was comparable to a person going into a
12 restaurant, the waiter gives them a menu, the man
13 orders the meal and then says to the waiter, "There are
14 no prices on this menu, what will this meal cost?" And
15 the waiter replied, "I don't know, but we charge by the
16 bite." (Laughter) (Applause)

17 At that time, the Public Service Commission
18 rejected Southern Bell's request and did not allow it.
19 Now, five years later, they've come up and now the menu
20 calls for 2 cents a minute. But I happen to have the
21 real menu in my pocket. It's my bill, and which I will
22 introduce in evidence, in addition to the petitions of
23 senior citizens in Century Village, more than 1,000
24 signatures on these petitions.

25 I'm also speaking on behalf of between 4

1 million and 5 million people who use telephones under
2 Southern Bell's greedy management, to say the least.

3 Now -- (Applause)

4 If you will bear with me, let's assume that 4
5 million phone users, in the course of one year, before
6 they pick up one -- utter one syllable of a call for 2
7 cents a minute, they will have paid \$11.15 a month, a
8 monthly charge. Now, these four million users, I'm not
9 using the larger number for convenience, amounts to
10 over \$500 million that Southern Bell bills its
11 customers before they spend 2 cents for one minute. In
12 addition, there is a \$1.50 charge for plant maintenance.

13 Now, unfortunately for Southern Bell, I
14 happen to know that plant maintenance has already been
15 included in cost of operations, which is part of the
16 basis for granting Southern Bell its rates. Therefore,
17 they are getting back \$62 million that have already
18 been included in the rates.

19 Now, on top of that, there's a ridiculous
20 charge of \$3.50 a month for the Federal Communications
21 Commission granting access to interstate lines, which
22 means that you're paying \$3.50 in order to make a toll
23 call when as a matter of fact, you're also being
24 charged -- the money for your toll calls is being
25 forwarded to AT&T despite the fact that Southern Bell

1 hasn't spent one cent for access to these interstate
2 lines. They were always there and are still there.

3 (Applause)

4 This \$3.50 charge for only four million
5 people amounts to another \$168 million, with the result
6 that Southern Bell gets almost three-quarters of a
7 billion dollars, about \$750 million, before a person
8 picks up the telephone to utter a syllable at 2 cents a
9 minute. Now, as far as I can see, it is the intention
10 of Southern Bell to wait another five years and then
11 come back and ask you for permission to let them charge
12 -- now that they've offered a menu with 2 cents a
13 minute -- to ask you to allow them to charge 2 cents a
14 syllable. (Applause)

15 CHAIRMAN DEASON: Next witness, Mr. Shreve.

16 MR. SHREVE: Mr. Gold, Mr. Lester Gold.

17 LESTER GOLD

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

21 WITNESS GOLD: My name is Lester Gold, I live
22 at 425 Lake Helen Drive in West Palm Beach. I want to
23 thank the Chairman and the Commission for giving me
24 this opportunity to talk.

25 I'd like to lay a little groundwork, some of

1 which has been already spoken, and that is that we're
2 talking about millions upon millions of dollars. And
3 we're talking about getting it from a group that really
4 shouldn't be paying it.

5 Last week President Clinton spoke to the
6 combined Senate and House and gave an economic program,
7 in which he said he was going to raise the rates for
8 income tax to 36%, and if you look out at this audience
9 I doubt -- in fact, I know, there's nobody here who is
10 going to pay a 36% income tax, with the exception
11 possibly of somebody from Southern Bell. (Applause)

12 I read the report that's here that the Public
13 Service Commission has printed up, and this is the report
14 that was submitted by Southern Bell, and if it was written
15 any sweeter, I don't know what we're doing here.

16 They are so magnanimous, there's no need for
17 the public to be here. Everything that they say here
18 is so good for the general public, then I don't know
19 why the Public Service Commission has to be here, and
20 to listen to the complaints from the ordinary citizen.

21 I would like the Public Service Commission
22 here to take a good look at this audience and again, as
23 I said before, I doubt very much whether there is anybody
24 in the 36% bracket or 31% bracket, some in the 28%
25 bracket, but again I haven't polled this audience, but I'm

1 sure that most of us, many of us, are in the so-called 15%
2 bracket. And to allow Southern Bell to put their hands in
3 our pockets and actually steal from us would be
4 reprehensible. And that's all I have to say. (Applause)

5 And I think you should deny their option for
6 local measured services. And thank you very much.

7 CHAIRMAN DEASON: Thank you. (Applause)

8 (Witness Gold excused.)

9

10 MR. SHREVE: Mr. Kessler.

11 EMANUEL KESSLER

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

15 WITNESS KESSLER: Good evening, gentlemen and
16 ladies of the Public Service Commission, and the others
17 who are here. My name is Emanuel Kessler,
18 K-E-S-S-L-E-R, and I reside at 380 Sheffield P., in
19 Century Village of West Palm Beach.

20 I speak for approximately 13,000 people who
21 live in Century Village. Retired citizens all. And
22 I'm sure that if and when Mr. Shreve and his people can
23 get the information that they are looking for, and
24 absorb it for us, they will find plenty to find fault
25 with so far as the numbers are concerned that have been

1 included in this report today.

2 I want to make one specific observation, and
3 this was touched on by the last speaker: The
4 unmeasured local call plan that they now have, is a
5 lifeline for the people in Century Village. Without it
6 they can't live. (Applause)

7 To give them an option which they must
8 exercise doesn't impair the fact that having once been
9 installed everyone is at the mercy of the additional
10 charge, which many of them will not be able to pay. Maybe
11 this isn't the right place to talk about things that are
12 other than financial, but I beg you, Commissioners, to
13 keep that in mind. Thank you. (Applause)

14 CHAIRMAN DEASON: Thank you.

15 (Witness Kessler excused.)

16

17 MR. SHREVE: Mr. Bob Ljunggren.

18 BOB LJUNGGREN

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

22 WITNESS LJUNGGREN: Bob Ljunggren, Jupiter,
23 Florida.

24 I come as one who appreciates what this
25 council is doing, what brother Deason is trying to do.

1 I'd like to ask my friends from Southern Bell, how many
2 employees do you have in Southern Bell, my brother?

3 MR. LACHER: About 18,000.

4 WITNESS LJUNGGREN: 18,000 people make a
5 living with this Company. I'm very thankful for
6 America having a place where folks can work. I think
7 we forget that without these folks having a corporation
8 to make America, with their car or anything else, we've
9 got to allow them to make a profit. And to compared it
10 to a CD kind of threw me a curb.

11 I'm an immigrant kid from South Chicago, we
12 really appreciate -- my daddy won a car in 1936, we
13 didn't have 12 cents a gallon to buy gas. I don't want
14 to go back to that again, you hear? I really don't.

15 But I come to ask you one thing. I have an
16 unanswered -- I remember when telephone calls were a
17 nickel a piece; they're now 25 cents, that's 500%. My
18 base rate in Jupiter, Florida, which I'm very glad to
19 live in, is \$9.80. So when I pay you that dollar for
20 Touch-Tone every month, you make \$4.6 million. Is that
21 right, 4.6 million users? I believe, sir? I thought
22 that's what the figure said there.

23 My long distance rate as you all have touched
24 on, I feel if they want to give us back some of our
25 money -- I know there are some folks in this room who

1 don't use long distance. I'd like to recommend that
2 you take and make that \$1 a month, because that's the
3 instant it takes to access the lines. That surely
4 would be worth it.

5 The other is I use their service, and I've
6 seen their paper and I want to thank you for offering
7 to reduce -- I use call waiting, call forwarding and
8 all the things you fellows furnish, and I hope some day
9 soon we'll be able to buy that like we can now, caller
10 identity, so we'll each own our own.

11 But I do appreciate Corporate America and
12 what it's done for me. I'm one of these fellows that
13 reads this guy's writing, as you can see. So with that
14 one thing this mind, I would just ask you to please,
15 keep in mind, we're all ordinary people. I'm just an
16 old, like I said, immigrant's kid who's very grateful.
17 I've lived here in Florida for 29 years, paid taxes
18 every one of those years, and all I ask you to do is to
19 be considerate of one another. God bless you.

20 (Applause)

21 CHAIRMAN DEASON: Thank you, sir.

22 (Witness Ljunggren excused.)

23

24 MR. SHREVE: Sally Korher. (Applause)

25

SALLY KORHER

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

5 WITNESS KORHER: Thank you very much. I have
6 quite an audience here, and I'm very thrilled to say
7 that I live in Lakes of Delray and I appreciate every
8 person here. (Applause)

9 A I have petitions here that I was told to give
10 to somebody, and this is one batch of what you're going
11 to get tonight. Do I hand this to somebody? Nobody
12 looks like they want it. I worked very hard to get it.
13 But you're from Southern Bell, I don't know if you
14 wanted this.

15 I live at 15054 Ashland Way in Delray Beach.
16 And I would like to know, I am No. 6, you have a lot of
17 people that are coming up here to speak. I think it's
18 important not only to say where you live. I would like
19 to know how many people that are going to speak here,
20 are Southern Bell connected? Because if they are,
21 they're bias, and this is supposed to be an unbiased
22 Commission.

23 I just want to review something. About eight
24 years ago Southern Bell came to us and asked us for a
25 lot of money. And Jack Shreve, God bless him, he came

1 and he explained to Southern Bell after the break up of
2 AT&T, that you have to go to AT&T and not the retired
3 senior citizens. We won and we're going to win
4 tonight. Thank you very much. (Applause)

5 MR. SHREVE: Thank you. I've also been asked to
6 say that there is another group of petitions from Sally
7 here, too, that we're going to put with the others.

8 (Witness Korher excused.)

9

10 MR. SHREVE: Elaine Usherson.

11 ELAINE USHERSON

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

15 WITNESS USHERSON: For the record, Elaine
16 Usherson, East Court, Royal Palm Beach. Please bear
17 with me, I have a disability.

18 CHAIRMAN DEASON: Ladies and gentlemen, she
19 asked to bear with her. She has a slight disability in
20 her speaking, so please just be patient and quiet and
21 everyone can hear.

22 WITNESS USHERSON: I bring with me many pages
23 of signatures of citizens of Royal Palm Beach. We
24 affected persons urge that you do not permit Southern
25 Bell to charge for local calls. That burden could put

1 at risk the health and safety of the disabled and/or
2 elderly people who are on a limited budget and do not
3 make many or any calls out of the local area for
4 financial reasons. Please reduce our rates.

5 The burden should fall on the shoulders of
6 the users, and not the people who control their charges
7 by making charged calls.

8 We do not wish optional expanded rates.
9 Please approve the Lifeline rate.

10 Would you put people at risk and charge for
11 911 calls? Would you charge housebound people when
12 their only human contact with others is their
13 telephone? Would you do that to their quality of life?
14 The phone service is a necessity to many. Would you
15 force them to discontinue service by putting additional
16 economic burden on the affected people in the service
17 area? Would you add to pollution and road traffic by
18 discouraging the unemployed from using their phone instead
19 of motor vehicles to search for jobs? They won't let
20 their fingers do the walking, they'll drive. The above is
21 just a tip of the iceberg. We respectfully request that
22 you do not approve any kind of an increase. Approve a
23 decrease on local calls. Anything not optional put people
24 at risk. Thank you. (Applause)

25

1 (Witness Usherson excused.)

2

3 MR. SHREVE: Thank you. Mr. Ben Marcus.

4

BEN MARCUS

5 was called as a witness on behalf of the Citizens of

6 the State of Florida and, having been duly sworn,

7 testified as follows:

8 WITNESS MARCUS: Ladies and gentlemen up on

9 the stage, and my many friends behind me. I've got a

10 few papers here, a nice blue one that Jack Shreve has

11 his name on. He's proud of the work he's done and he

12 let's us know he has taken care of this.

13 This is legalese that the telephone company

14 has given to the Public Utilities Service Commission,

15 and I can actually understand some of it. (Laughter)

16 This white paper, somebody likes Ma Bell a

17 lot, Southern Bell, but they didn't sign their name. I

18 wonder who put this in the newspaper?

19 It seems that Southern Bell has some things

20 -- when I moved down here from up north, Southern Bell

21 has something, extended area -- what is it, a long

22 distance call within 40 miles? I don't know, up north

23 a long distance call was long distance.

24 The gentlemen before me said something about

25 Southern Bell wants to steal more money from us. No,

1 they're too smart for that. They want to make it
2 legal, so they can steal legally.

3 And two cents a minute? I'm a member of the
4 Board of my association. I make a lot of phone calls
5 for my association, two-cents a minute, that would add
6 up awfully fast. I'm a member of the Board of the
7 Lakes of Delray, Board of Directors. I make a lot of
8 calls for that; those two-cents a minute are going to
9 add up awfully fast.

10 I'm retired from working up north all my
11 life. My wife is retired with me. Most of our friends
12 have retired and moved down, close by to where I live
13 in the Lakes of Delray. We don't need this 40-mile
14 long distance call. We don't call anybody more than 10
15 miles from our house, unless we're calling our children
16 who are a couple of hundred miles away from the house.
17 So it's long distance within 40 miles. That's a real
18 gimmick. I wish I could have thought of something like
19 that when I was in business a couple of years ago.

20 But, I just wish that the Public Service
21 Board would have the interest of us at heart, and
22 remember -- you know, when my wife wants to arrange a
23 mah-jongg, it takes her a half hour of calling five
24 women to get them together. At two cents a minute,
25 adds up awfully fast. She plays mah-jongg three times

1 a week and boy, does that add up fast. Thank you
2 ladies and gentlemen. (Applause)

3 (Witness Marcus excused.)

4 - - - - -

5 MR. SHREVE: Thank you. Mr. Jerry Marshall.

6 JERRY MARSHALL

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

10 WITNESS MARSHAL: Good evening,
11 Commissioners. My name is Jerry Marshall, and I'm the
12 president of the Atlantic Democratic Club of West
13 Delray. (Applause)

14 I'm a resident of an adult community called Palm
15 Greens, 13737-A Via Aurora, Delray Beach, 33484. I think
16 you have my telephone number.

17 I want to thank you for holding a hearing in
18 Palm Beach County, to give the residents the
19 opportunity to express our concerns, misgivings and
20 opposition to Southern Bell's proposed changes. The
21 proposals are voluminous, technical and
22 incomprehensible to the ordinary subscriber. We do
23 understand, however, that when inflation, depreciation,
24 tax and regulatory changes exceed 4%, Southern Bell
25 will automatically increase its rates, thus the Company

1 wants an open line to increase individual basic rates by
2 up to 5% per year, and optional services by up to 20% per
3 year automatically, on 30-days notice, without PSC review
4 and approval. We call those wrong numbers. (Applause)

5 We also urge you to reject the optional
6 expanded local service plan. I live in Rate Group 8,
7 Delray Beach, which would carry an expanded local rate
8 of \$6.80, which would include a \$3 usage allowance for
9 calls at two cents a minute with a usage cap of \$10 for
10 calls in the basic calling area. That would be a
11 capped amount of \$13.80 rather than my current
12 unlimited rate of \$9.80 in my basic local calling area.
13 I assure you, in one day I can reach the cap.

14 Additionally, this proposal would provide a
15 discounted rate of eight cents per minute for calls
16 outside the current local calling area, out to 40 miles
17 within the calling zone. Permit me the specificity of my
18 last bill, \$9.80 for unlimited calls, plus \$8.60 for
19 outside the unlimited area, mostly West Palm Beach, for a
20 total of \$18.40.

21 Under the proposed optional plan, \$13.80,
22 plus 101 minutes at eight cents per minute for a total
23 the \$21.88, which is \$3.48 more than presently.

24 I received my Southern Bell bill today and I
25 lowered that 101 minutes at eight-cent a minute to 99

1 minutes, which is about my average. So that eight-cent
2 per minute is no inducement for me. And please keep in
3 mind, that as the total rises, so does 13% in federal,
4 state and county taxes. (Applause)

5 It has been my experience that no business,
6 large or small, ever offers a major proposal unless
7 some time in the future it will result in an increase
8 in profits. (Applause)

9 What we're really talking about is the
10 necessity for Southern Bell to return 47.5 million as
11 ordered by the PSC. Forget the overblown proposal.
12 Give us the cash or a credit. (Applause)

13 Despite Southern Bell's protestations to the
14 contrary, please don't permit the optional expanded local
15 service proposal to become a window of opportunity for the
16 eventual elimination of local unlimited service.

17 (Applause) I'll hang up now. Thanks for listening.

18 (Applause)

19 CHAIRMAN DEASON: Thank you.

20 Ladies and gentlemen, we've been going now for
21 about an hour. As I indicated earlier, we have a court
22 reporter who is recording every word that's spoken. We
23 need to break and give her a small rest.

24 Now this is very important, so please listen.
25 There are still individuals who are outside waiting to

1 come into the auditorium. They are congregated at the
2 back to my right, to your left. So if during this break
3 you wish to leave the building, I would request that you
4 use the exit to my left or your right, or the exit here
5 close to the stage.

6 Please be advised that other people are waiting.
7 We don't want to have a large traffic jam. Okay. We're
8 going to take a ten-minute recess. We'll reconvene at
9 that point. Thank you.

10 (Brief recess.)

11

- - - - -

12 CHAIRMAN DEASON: If I could have your
13 attention please, we're going to call the hearing back
14 to order. Could I have your attention please? (Pause)

15 Ladies and gentlemen, if I could have your
16 attention, please.

17 Mr. Beck, would you call your next witness,
18 please.

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

20 Mr. Chairman, we have been asked, we have a
21 petition with over 2,000 signatures from Century
22 Village West Democratic Club, and Ms. Ronnie Loeb has
23 asked to come up and present the petition.

24

25

1 RONNIE LOEB

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

5 WITNESS LOEB: Very good, very good. Thank you.

6 Ronnie Loeb. I'm President of the
7 thousand-member Century Village West Democratic Club in
8 Boca. And I speak for them.

9 We have 10,000 village residents, and we have
10 turned in several thousand signatures so far in a
11 petition opposing the Southern Bell hike increases. I
12 also represent those 10,000, most of those 10,000
13 residents in Century Village.

14 Good evening. As I mentioned, my name is
15 Ronnie Loeb. I'm President of the Century Village West
16 Democratic Club. And I told you I do represent many
17 others in the village.

18 I and many of our people are here to protest
19 those increases and charges that Southern Bell is
20 requesting.

21 The supposed optional measured time
22 per-minute charge for local calls is like the
23 introductory offers companies use to hook customers at
24 cheap rates only to soak them later. Eroding unlimited
25 local service customers will end attempts to end

1 unlimited service because they will claim it's not
2 effective due to the drop in customers.

3 Unlimited local service meets our needs. It
4 permits people to keep in touch with the sick and the
5 elderly. Many of these people would have no contact
6 because they are housebound, if it were not for
7 unlimited service. It permits organizations that
8 function like We Care, and take people to hospitals and
9 provide other services for the homebound. It's the
10 lifeline of the community organizations: charitable
11 ones, civic ones, et cetera. If anything, we feel
12 there should be an unlimited -- larger unlimited areas.

13 I ask you why Boca Raton -- (Applause)

14 I ask you why Boca Raton, in the southernmost
15 point in Palm Beach County, which is our local area,
16 all of Palm Beach County, if we want to call up
17 Commissioners or fire rescue service, any part of the
18 County government, it's West Palm. We are cut off.
19 There were people here who in Boynton were expressing
20 dismay because they are cut off from Delray. Boca
21 Raton is cut off from everything but Delray. The
22 entire central and northern part of Palm Beach County.
23 In truth, I can make a call to Coral Springs; I can
24 call Pompano Beach in Broward; I can call Deerfield
25 Beach. I can call many of these communities; they are

1 in my local area. But my home county of Palm Beach
2 County is out of bounds to us.

3 I don't know. It sounds like the changes
4 that were made in the voting lines in this past
5 election; completely without rhyme or reason.

6 (Applause)

7 We need extended service but not at the cost,
8 not at the cost of charging us for every two minutes
9 we're on the phone.

10 I'm here to demand not hikes but deep cuts in
11 Southern Bell rates. There is much talk, and I'm sure
12 you're not so isolated on the Commission that you
13 haven't heard it -- there is much talk about the
14 unconscionable pharmaceutical rates, charges, profits
15 made by the pharmaceutical companies, and there is a
16 lot of talk about doing something about that.

17 Ladies and gentlemen, their unconscionable
18 profits are 14%. Southern Bell is a monopoly, just
19 like our pharmaceutical companies have a monopoly on
20 our health care and our drug needs.

21 This 14% -- and after I spoke to -- well,
22 after I spoke to Mr. Shreve, he tells me that in
23 addition to that there are superprofits where Southern
24 Bell now gets 40% of the superprofits above 14%. Not
25 content with that is asking to share with us those

1 superprofits above 14% on a 50/50 basis. Why, when you
2 have a limit, 14% already unconscionable, why do you
3 permit superprofits in addition to that?

4 The automatic 5% rate hike on services
5 without applying to you for those raises,
6 unconscionable. Certainly they should apply to you;
7 certainly the public should be consulted and not given
8 5% rate increases on top of already unconscionable
9 rates.

10 We are here not only asking you to deny
11 Southern Bell the local option extended area phone
12 calls, we're asking you to retain unlimited service
13 which truly is an essential service to our people.

14 (Applause)

15 But we are here demanding a rollback in
16 rates; a rollback, not an increase.

17 The people are willing to sacrifice to help
18 our economy. The newspapers have said that 79% of the
19 American people will make sacrifices and take a tax hit
20 in order to help this economy move.

21 Although many of the people I represent are
22 seniors who are making that 3 or 3.5% on their CDs, I
23 ask Southern Bell to help our economy and help the
24 people of this country also by agreeing to a reasonable
25 -- a reasonable rate rollback. And I think that you

1 Commissioners must consider our needs. I think Ms.
2 Johnson is our new Commission member.

3 Some of us heard that we have consistently --
4 we have also consistently asked that there be consumer
5 advocates on the Public Service Commission. And we
6 have seen one who left last year go right into FPL. We
7 know that there is at least one member at present who
8 has worked with Southern Bell. I think that you really
9 must consider who it is, who it is that you represent.
10 I would hope that you represent the consumers of
11 Florida.

12 I urge you to consider rollbacks. Put an end
13 to that 5% increase without coming in for a request --
14 (Applause) -- and please put aside the idea of charging
15 for local calls. Thank you.

16 CHAIRMAN DEASON: Thank you.

17 Appreciate those comments. I sincerely do.
18 I think there's some concern there was a statement that
19 one of the Commissioners has previously worked for
20 Southern Bell. I'm not aware of that being the
21 situation. I just wanted to set the record straight.

22 None of the Commissioners, to my knowledge,
23 and I believe I know all the Commissioners fairly well,
24 none of the Commissioners that are sitting on the
25 Commission has ever been employed by Southern Bell. I

1 wish to assure everyone that that is the situation.

2 MR. SHREVE: Commissioner, could we take just
3 a minute at this point?

4 I've discussed this with several people in
5 the audience and some people would at least like to
6 have a notation made as to their feelings and position
7 in the testimony.

8 If it would be okay, if we could allow anyone
9 that would like to just come up, give their name and adopt
10 the testimony of anyone that has been given before this,
11 just give their name so that we don't -- and then leave if
12 they have to go, that might be good. We usually do that
13 in hearings. And if we can do that without taking any
14 time but just go ahead give someone the opportunity to
15 adopt the testimony of someone else, then I think we can
16 go ahead and eliminate some speakers.

17 CHAIRMAN DEASON: Let me further explain.

18 Mr. Shreve, I think that's an excellent
19 suggestion. I know that there have been announcements
20 made where there are going to be buses that are going
21 to be leaving. I know there are probably individuals
22 who want to have their name in the record as opposing
23 some of the proposals.

24 So those individuals who wish to come
25 forward, just state your name for the record, and state

1 that you agree with the testimony of previous witnesses
2 within those individuals that have an opportunity to
3 have their name in the record.

4 Sir, is that what you wish to do?

5 CHAIRMAN DEASON: Okay, please do that.

6 WITNESS BRAVERMAN: Yes. My name is Abe
7 Braverman. I'm a Director at the Poinciana Country
8 Club. I represent 1400 families, and we wish to adopt
9 the measures against Southern Bell that have been
10 brought up by other speakers. We're against their
11 proposal and we will adopt, and I have about 700
12 petitions here.

13 MR. SHREVE: Thank you, sir. We'll take
14 those petitions.

15 (Witness Braverman excused.)

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17 MR. SHREVE: All right. If we can do this
18 very briefly. This will enable some of the people that
19 are further down the line to testify earlier.

20 UNIDENTIFIED SPEAKER: Good evening
21 Commissioners. This is not the first time that I am
22 appearing before the Public Service Commission. This
23 is the second time.

24 CHAIRMAN DEASON: Ladies and gentlemen, please,
25 please. We need quite.

1 UNIDENTIFIED SPEAKER: This is the second
2 time that Southern Bell is coming before the
3 Commissioners to deprive the people of unlimited
4 service. I have appeared before the Commissioners some
5 years ago when Public Service Commissioners, Paula
6 Hawkins and Ernest Bevins was at the Commission.

7 CHAIRMAN DEASON: Ladies and gentlemen,
8 please. What we're proposing to do, and for those
9 individuals who just wish to state their name and adopt
10 previous testimony --

11 MR. SHREVE: Mr. Chairman, I think we just
12 better go back to the list.

13 CHAIRMAN DEASON: Mr. Shreve has proposed --
14 we've tried this. Apparently it is not working; we try
15 to accommodate people whenever we can. I understand
16 that this is presenting a problem. We will go back to
17 the old procedure. (Applause)

18 UNIDENTIFIED SPEAKER: You don't want me to
19 talk? Do you want me to identify myself?

20 THE AUDIENCE: No.

21 CHAIRMAN DEASON: Ma'am, Mr. Shreve is going
22 to call the names. We've tried this procedure. It is
23 not acceptable to the majority of the people. We're
24 going to go back to the old procedure.

25 MR. SHREVE: The next speaker I'm going to

1 call Mr. Gerbush.

2 SIMON GERBUSH

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

6 WITNESS GERBUSH: My name is Simon Gerbush. I
7 live in Delray Beach, and I endorse everything that Mr.
8 Jack Shreve said and the other speakers.

9 I'd like to say, for a change, instead of me
10 reaching out to the telephone company, I hope they
11 reach out to the legally blind, and give us a break and
12 really help us get in touch with each other.

13 Thank you. (Applause)

14 CHAIRMAN DEASON: Thank you, sir.

15 (Witness Gerbush excused.)

16 - - - - -

17 MR. SHREVE: Mae Yates.

18 MAE YATES

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

22 WITNESS YATES: I want to thank Jack Shreve
23 for requesting this hearing here in Palm Beach County,
24 and I want to thank the Commissioners for coming to
25 Palm Beach County so that we may talk to you and give

1 us this opportunity to hear us.

2 My name is Mae Yates. I live at 157 Capree D
3 in Kings Point in Delray Beach.

4 This is a community of about 14,000 people.
5 We already have, with Southern Bell, an option called
6 measured rate where people can have limited calls per
7 month for a cheaper rate. They want it, let them have
8 it. It just so happens in 15 years only 1800 people
9 signed up for it. So you can see in Delray Beach it's
10 not a popular thing.

11 I'm speaking for the thousands of people who
12 don't want measured service extended in any way.

13 Southern Bell is sweetening the pot to entice
14 people who might make a few phone calls outside of
15 their local calling area so that they can come back to
16 you later and say, "See how popular measured service
17 is? We'd like to put it through the entire system," as
18 some companies have done in other cities in other parts
19 of this country.

20 This proposal is ludicrous. You just have to
21 pass first grade arithmetic in elementary school to
22 know that no one makes more calls outside their local
23 area within a 40 mile range to compensate what the
24 increased costs would be for their local measured
25 calls. No one would benefit from this plan except

1 Southern Bell. It's a terrible plan.

2 In their packet to you was also a request for
3 a 5% increase to be used at their discretion. That's
4 pure chutzpah. They already enjoy a 14% net profit
5 which can go to 16%, and my concern is we don't have
6 access to their books to know if there are additional
7 hidden profits that cannot be monitored. Do you have
8 access to this information? I don't know.

9 Do we just accept the numbers they give us on
10 pure faith? I don't know the answer.

11 We don't know what other gimmicks or other
12 undesirable requests may be in their six-inch packet to
13 you because we have made many phone calls, many
14 attempts to learn more what was in that complete
15 package. I spoke to many people in their company who
16 know nothing about their proposed plans.

17 I have here over 9,000 signatures, people in
18 my community and surrounding area who want unlimited
19 local calls. They do not want measured service
20 extended. (Applause)

21 We urge you, we plead with you to please turn
22 down this request by Southern Bell. Thank you.

23 (Applause)

24 CHAIRMAN DEASON: Thank you.

25 (Witness Yates excused.)

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MR. SHREVE: Thank you. Ada Vladimer.

UNIDENTIFIED SPEAKER: These are people who came on the bus from Kings Point and the bus is getting ready to leave now.

MR. SHREVE: Thank you very much. Ada Vladimer.

CHAIRMAN DEASON: Mr. Shreve, we're going to take just a moment. I think there are a number of people leaving the auditorium, and we're requesting that people exit up here close to the stage, to my left.

Ladies and gentlemen, please, if you desire to exit the auditorium, please come forward and exit close to the stage to my left, to your right.

ADA VLADIMER

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

WITNESS VLADIMER: My name is Ada Vladimer. And I don't come here with figures, but all I can say is that I represent a certain amount of people who have been deprived of leaving their homes because they are physically incapacitated. And the only means they have of contacting anybody outside of their home, their loved ones, friends and neighbors, is through the telephone. To

1 deprive these people of using the telephone means that you
2 are sentencing them to death by isolation.

3 Do not deprive these people to get in touch
4 with their loved ones through their telephone. I have
5 been before this Public Service Commission once before,
6 many years ago, when Paula Hawkins was at the head of
7 it and Ernest Bevins, and they voted down the Southern
8 Bell from limiting the public service and our
9 telephones to the people.

10 So, once again, I'm appealing to you, do not
11 deprive these people from contacting their loved ones,
12 by depriving them of using the only means that they can
13 contact their friends and neighbors and relatives. Let
14 Southern Bell know that, once again, they cannot come
15 to the Public Service Commission, who is known as a
16 Public Service Commission, and they are going to vote
17 for the public and not for Southern Bell and not for
18 the shareholders and do it once again. Deprive them.
19 (Applause)

20 As the Public Service Commission, I urge you
21 to deprive Southern Bell from taking away the means of
22 us from using our unlimited service.

23 Thank you very much, and I hope you do the
24 right thing for the people.

25 CHAIRMAN DEASON: Thank you.

1 (Witness Vladimer excused.)

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3 MR. SHREVE: Thank you. Thank you very much.

4 May Mazur, M-A-Z-U-R.

5

MAY MAZUR

6 was called as a witness on behalf of the Citizens of

7 the State of Florida and, having been duly sworn,

8 testified as follows:

9 WITNESS MAZUR: My name is May Mazur. I live
10 at 208 Lake Francis, West Palm Beach. (Applause)

11 And I am just an ordinary housewife. I may
12 represent some of the people whom this has happened to.

13 I have a little story to tell.

14 About two weeks ago I got a call from my long
15 distance carrier, AT&T, and asked me to come back to
16 them. I said, "I never left, what do you mean come
17 back? I have never left."

18 "Well, we were notified by your local carrier
19 that you requested to be changed to --" I said, "Who?"
20 They said, "Metromedia." Metromedia somebody. I said,
21 "Who are they? I don't know who they are. And I'm an
22 AT&T loyal customer and I want to stay that way."

23 "Well," she said, "in that case, we'll put
24 you back, but we now charge to being changed and in
25 order to facilitate that, we're going to send you a

1 coupon to cover the charge." I said, "I never asked to
2 be changed. Why should I be charged?" She said,
3 "Well, this is the situation." I said, "Does it happen
4 to many people?" She says, "Everyday."

5 Now, I don't know. I don't know if it's
6 happened to others, but you better check your telephone
7 bills. Because I was charged \$1.49 plus tax to be
8 changed to Metromedia when I never wanted it to begin
9 with. And then I said, "Well, I'm going to take it off
10 my bill." She said, "Oh, well, if you take it off your
11 bill, you're going to have a balance on which we charge
12 interest. So you better keep it on your bill because
13 it will take two months to find out if you didn't
14 really want this. If you never authorized this. Then
15 we'll give you back your money."

16 So, now, I had to go back to AT&T to be sure
17 that I have AT&T, and they are going to give me a coupon
18 to pay to the change that I never wanted to begin with.

19 Now, I feel that -- now, we have no choice.

20 You see, I had a choice to go to AT&T because
21 they broke up the long distance. But you can't have a
22 choice with Southern Bell. If I got mad at Southern
23 Bell I couldn't say, "Well, I'm changing. I'm going
24 from Southern Bell to someone else." I can't go to
25 anybody else. I either have Southern Bell or I don't

1 have telephone service. (Applause)

2 So I feel that this is a necessary utility
3 that has been allowed to be a monopoly, and I really
4 resent that. We broke up the long distance companies
5 and we have a choice now. Now, I can only say there
6 are a lot of people said to me, "Well, it's not going
7 to help." Well, people-power helps and I'm very, very
8 glad to see that we have people-power here. And they
9 are going to listen to us -- (Applause)

10 -- because if they don't, what's going to
11 happen is Southern Bell is going to say, "Now, you take
12 it or leave it because there you have no option. We're
13 here and you've got us and you're stuck with us." So
14 please, I hope you take this into consideration.

15 Thank you. (Applause)

16 CHAIRMAN DEASON: Ma'am, ma'am. Ma'am, could
17 you -- Ms. Mazur, ma'am. Could you come back? I have
18 a question.

19 You indicated that -- I'm right here, ma'am.
20 Yes, ma'am, right here. Do you now have the long
21 distance carrier of your choice?

22 WITNESS MAZUR: Yes. I called back.

23 CHAIRMAN DEASON: Okay. Were you in any way
24 charged extra for you losing that and then having to
25 get that carrier back again?

1 WITNESS MAZUR: Yes, I came back. And what
2 I'm telling you is that they said to me that -- they
3 said that "Because you're coming back, and because you
4 say that you never authorized the change, we're going
5 to send you a coupon," which I have not received yet,
6 "that will cover the cost of coming back."

7 So I'm supposed to be getting a coupon for
8 that. But I could not take the \$1.49 plus tax that was
9 put on my bill until -- they said it would take two
10 months to find, to make sure that I never authorized
11 the change. So now I paid my bill because I don't want
12 to have interest put on a balance because I think they
13 charge 1.5% or something like that. So I'm paying the
14 bill and I'll probably have to pay another \$1.49 and
15 maybe they will send back the money they owe me. But
16 this is how it happened. And I don't know how many it
17 happened to, but I hope everybody looks at their bill
18 real hard and finds out that they have the long
19 distance carrier that they want.

20 CHAIRMAN DEASON: Thank you, ma'am. Let me
21 tell you that this is a problem the Public Service
22 Commission is extremely concerned about. And if you
23 don't mind, I would ask you to get with Ms. DeMello,
24 who is on the Public Service Commission Staff. If you
25 could give her the details of the problem, we will have

1 Staff persons investigate that and make sure that does
2 not happen to other customers. If it has happened to
3 other customers, the Commission may take action against
4 any responsible party. (Applause)

5 WITNESS MAZUR: Thank you. Thank you very
6 much. (Applause)

7 (Witness Mazur excused.)

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9 CHAIRMAN DEASON: Thank you very much.

10 MR. SHREVE: Priscilla Rogers, Executive
11 Secretary to Ron Klein, Representative Klein.

12 PRISCILLA ROGERS

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

16 WITNESS ROGERS: Good evening. My name is
17 Priscilla Rogers, and I'm here at the request of
18 Representative Ron Klein as an official representative
19 of the office. Representative Klein wants everyone to
20 know that he is very concerned and has been following
21 this issue and working closely with the Public Counsel,
22 Jack Shreve, and Southern Bell to be sure that the
23 outcome is fair and equitable for everyone.

24 We also want you to know that we're very
25 concerned with the present size and shape of the local

1 calling area and feel that there is a need to expand it
2 and are looking to a way to do this, if possible.

3 Finally, we urge all of our constituents to
4 call us -- the number is 482-8560 -- to express their
5 opinions and concerns on this issue, and to keep in
6 touch and share with us any rumors or information they
7 may have heard or received. Thank you.

8 MR. SHREVE: Thank you.

9 (Witness Rogers excused)

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11 MR. SHREVE: Rose Lennett. Rose Lennett. (No
12 response) Dr. Newsome. Dr. Newsome. Dr. Newsome.

13 EMANUEL NEWSOME

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

17 WITNESS NEWSOME: My name is Emanuel Newsome.
18 I'm a resident of Boca Raton. My address is 1501
19 Southwest 21st Lane.

20 I'm pleased to be here to speak before the
21 Commission tonight. I am an employee of Florida
22 Atlantic University serving in the capacity of Vice
23 President for Student Affairs.

24 I'd like to let everyone know that I'm here
25 speaking in behalf of Southern Bell. Southern Bell has

1 provided the university and numerous students with a
2 lot of scholarship money for the last five years that I
3 have been associated with the university.

4 In addition, they have helped tremendously with
5 a lot of community endeavors. I would hope whatever
6 decision you would make, it would certainly enable them to
7 continue their efforts in working in the community and
8 helping out with scholarships for students. And I
9 certainly feel that you are a reasonable body, and after
10 you've heard everybody tonight, that you will create a
11 situation whereby the senior citizens here and everybody
12 else represented can come out in a win-win situation.

13 THE AUDIENCE: Boo. (Applause)

14 (Witness Newsome excused.)

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16 MR. SHREVE: Thank you, sir. Sally Kanter.

17 CHAIRMAN DEASON: Ma'am, ma'am, I hate to
18 interrupt, but I need to make an announcement. Excuse
19 me, I need to make an announcement.

20 The Kings Point bus driver says there's one
21 person that is missing from the bus. And if you're
22 that individual, if you're on the Kings Point bus,
23 please let me announce that the bus is waiting, but
24 they are not going to wait much longer so please be
25 advised. Thank you.

1 SALLY KANTER

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

5 WITNESS KANTER: Thank you. My name is Sally
6 Kanter. I represent areas of Golden Lakes Village.
7 (Applause)

8 We had a big turn out here from Golden Lakes.
9 If anybody had been around from Southern Bell or the
10 Public Service Commission, they would have seen hardly
11 a person walking around without a petition to get
12 signed. And I think it was a beautiful sight, and that
13 speaks louder than words, folks.

14 Let me just also thank the Public Service
15 Commission for cooperating to arrange this place, which
16 is much, much larger than the one they had originally
17 gotten, and it gave all of us an opportunity to get in
18 here.

19 I think Southern Bell -- I met some of the
20 Southern Bell gentlemen outside. I think they are very
21 polite, very polished, very well trained and really
22 smooth talking, and they can sell you a Brooklyn Bridge.

23 Anyway, let me -- I don't want to get into
24 any figures because I think a lot of it has been
25 mentioned here and you could have taken computers and

1 add and add. I don't want to deal with that. I want
2 to deal with the human aspect of it.

3 And my concern is the whole madness approach
4 to the changes in the telephone usage and its rates.
5 And, you know, as I was preparing these notes at home,
6 I was staring at my little bedside telephone. And I
7 keep thinking "Gee, some wicked old scheme is coming up
8 and Southern Bell's CEO wants to replace it with a
9 stopwatch meter." And I said, "Oh, no, we're going to
10 have a hearing. We're going to stop that."

11 In the meantime, behind closed doors,
12 gentlemen, you've counted up your dollars, I mean
13 millions of them, and you come up with a scheme to
14 quadruple your gold mine. Why, I don't know, but
15 somebody's got a bright idea and the people don't like
16 it. And I think, from what you have seen here tonight
17 and the people outside -- and incidentally, there are
18 thousands of people in this community who cannot drive
19 at night anymore when it gets dark, and the place would
20 have been flooded from here to Boca Raton if it had
21 been held earlier. (Applause)

22 One Southern Bell CEO said let's give the
23 people options, a couple of options. So by the time
24 they do some math and they unscramble all of the
25 options and they get all wound up, we'll be able to

1 sell them the whole big new package. Just get your
2 foot in the door. That's the way a salesman works, and
3 I think that's the way Southern Bell is trying to
4 approach it. Give them a whole bunch of options to
5 look at and the people have been studying them and
6 studying them. "Well, gee whiz. Do I want this? Do I
7 want that? What on earth are all these options for?"
8 And these options have been around for a long time.
9 They are nothing, right? You've just added some
10 gimmicks to them.

11 Incidentally, let me mention that I spoke
12 about the well-trained, well-polished Southern Bell
13 gentlemen. I think they deserve their money. These
14 employees are well protected with a health care plan,
15 with hospital coverage, with nursing home care, with
16 pension plans which we, the phone users, help to
17 subsidize, incidentally, with our rates. Southern Bell
18 should really give us a bonus to being such good
19 customers.

20 Despite repeated requests, I'd like to know
21 why Southern Bell still refuses to surrender their
22 financial records for perusal? I think the Public
23 Service Commission should not agree to any of Southern
24 Bell's requests affecting the people unless their books
25 are open and unless our Public Counsel, Mr. Shreve, has

1 access to them. After all, we know that a statewide
2 jury did find Southern Bell guilty of fraudulent
3 practices in the past to the tune of \$15.2 million.
4 And they were fined for it, and nearly 4 million
5 Floridian customers were overcharged in the past and
6 the practice still seems to be continuing.

7 Incidentally, Mrs. Mazur, who was here before
8 talking about her bill, mentioned it the other night at
9 a meeting that I chaired. And after she got through, a
10 half a dozen people jumped up -- there was a meeting of
11 200 people -- and they said, "The same thing happened
12 to me. The same thing happened to me."

13 I think Mrs. Mazur walked out, but I didn't
14 get the names. One after the other said, "Yes, I got
15 that on my bill. I have been calling. Nothing's being
16 done." So the practice is continuing, and I think it's
17 something very, very serious. (Applause)

18 I think the Public Service Commission must take
19 into account Southern Bell's past record of overcharges
20 and double billing. This should not continue. Yet, with
21 Southern Bell's stocks and dividends climbing, they still
22 have the audacity to turn to us as subscribers demanding
23 that we shell out more and, in many cases, plainly rob
24 some of the poor.

25 You know, five or six years ago people

1 mentioned, and I remember it, I was part of it, the
2 same game was played. This time, however, new gimmicks
3 and new trimmings are being thrown in to confuse the
4 people. And we have to remember that in this present
5 period of economic decline hundreds of thousands of
6 people have been terminated from their jobs in Palm
7 Beach County and they have families to support and
8 nowhere to turn. Now, along comes this kind of a
9 cutthroat proposal from Southern Bell. It's very much
10 out of line. Absolutely.

11 Of course, now when unemployed must turn to
12 the phones to find other means of subsistence, along
13 comes this deal. Got to worry about paying more.

14 (Applause)

15 It amounts to a Catch 22, be penalized for
16 being terminated from your job, and then pay through
17 the nose to let the telephone help you find other
18 employment. Isn't it a disgrace? That's no way of
19 dealing with human beings. (Applause)

20 Isn't it common knowledge that the telephone
21 is the Lifeline to survival, especially during
22 joblessness?

23 CHAIRMAN DEASON: Ms. Kanter. Ms. Kanter. I
24 want to ask you to please conclude your comments. Many
25 people are waiting.

1 WITNESS KANTER: I will another one minute.

2 Let's deal with the options. What's new
3 about options? They have been around for years. You
4 didn't have to take them and then at that time and you
5 don't have to take them now. Only now the difference
6 is the gimmicks are attached to confuse us. You can
7 chose from Column A -- (Applause)

8 CHAIRMAN DEASON: Please, please. If we
9 could have quiet.

10 WITNESS KANTER: -- and you can just -- and
11 one from Column C or two from Column B and one from
12 Column C or just stay with Column Zero, and where do
13 you end up? With chop suey at a higher rate.

14 THE AUDIENCE: Sit down. Sit down.

15 WITNESS KANTER: So we do not want any
16 options. We want to stay the way we are. And I'm
17 sorry that I can't finish my talk, but let me just end
18 up with a paragraph.

19 And that is that. Again, I must reiterate
20 that due to the economic crisis, thousands are living
21 on very limited financial reserves. And Southern
22 Bell's greed should not endanger their lives. We call
23 upon the Public Service Commission who represents and
24 governs utility rates in the state of Florida to
25 unequivocally reject this attack on the lives of the

1 people of Florida. Thank you. (Applause)

2 (Witness Kanter excused.)

3 - - - - -

4 CHAIRMAN DEASON: Could I have your attention
5 please. I've been asked to announce that the Century
6 Village bus is boarding. Century Village bus is
7 boarding.

8 COMMISSIONER LAUREDO: Could you identify the
9 speaker of your group to Jack Shreve, the name?

10 CHAIRMAN DEASON: Sir, if you could come
11 forward please.

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

16 WITNESS HONIG: My name is Emil Honig. I
17 live at 248 Dorchester K of Century Village in West
18 Palm Beach, which like many other condo complexes is
19 the home of the "chronologically gifted," otherwise
20 known as "senior citizens."

21 I will say this: That in view I'm speaking
22 so late, I have stripped practically every bit of
23 statistics from what I have to say. I must also apologize
24 if I may repeat some of the things that have been said
25 before, because I feel they are very important.

1 Now, what you have heard from Southern Bell,
2 what you have read of Southern Bell would make it
3 appear that they are giving money away; they are not
4 making any profit. That's a lot of bunk.

5 I have never heard of a utility that was
6 listed as being an organization giving money away.
7 There are 7,854 units in Century Village, and I have
8 yet to meet any resident who approves of Southern
9 Bell's rate change proposals. Not one of them ever has
10 agreed to the proposed options. Many residents live on
11 fixed income; some not much above the poverty level.
12 With each year's increase in the cost of living, the
13 true purchasing value of their income decreases. And I
14 am not exaggerating when I say that an increase in
15 phone will strike them in a very bad way.

16 As mentioned before Southern Bell is asking
17 the right to increase standard rates up to 5% per year
18 and also special service rates up to 20% per year.
19 This without needing the approval of any government
20 agency or Commission.

21 It appears that Southern Bell has a
22 superabundance of chutzpah, as has been mentioned
23 before. To those unfamiliar with the word "chutzpah,"
24 it may be described in very polite terminology as
25 having brazen arrogance. Regarding the several options

1 offered, they are of benefit, particularly to
2 commercial and industrial organizations, not to
3 residents.

4 Now, many of the people in Century Village of
5 West Palm have come from New York. They remember that
6 when the sales tax was introduced in New York it was
7 described as being the temporary one-half of 1% sales
8 tax. Now you find out now it's not temporary and it's
9 now about 8%. Our people feel that optional choice
10 will become no choice.

11 One aspect that hasn't been brought out is
12 the matter of the profit cap, the net profit cap. These
13 caps have been set in all utilities throughout the
14 country. But there have been, through what is called
15 "creative accounting," they have found many ways to evade
16 these caps. One of the latest that I read about in one of
17 the magazines was the practice of taking income, not
18 including it as part of the income to be capped and using
19 it to purchase, in entirety or in part, industrial
20 companies entirely divorced from utilities.

21 What happens is that they get the approval of
22 their stockholders, because the stockholders, in most
23 instances, are given shares in the new company and
24 they're going to get dividends there. I don't think
25 there are very many stockholders who would object to

1 that. Now, even though I'm a Bell stockholder, I don't
2 welcome this unexpected windfall because it is at the
3 expense of the residents of the county and I feel that
4 the Commission should deny their request. (Applause)

5 MR. SHREVE: Thank you, sir. And if we could
6 get a copy of --

7 WITNESS HONIG: I deposited close to 9,000
8 petitions.

9 MR. SHREVE: Signatures. Sir, I know you cut
10 your remarks down, if you would leave a copy of that we'll
11 put that in the correspondence side of the record, if you
12 could.

13 WITNESS HONIG: I don't understand.

14 MR. SHREVE: We'll talk to you in just a
15 minute.

16 WITNESS HONIG: My notes.

17 MR. SHREVE: Yes. We're be glad to put them
18 in the record if you want us to.

19 Mr. Mike Arts.

20 CHAIRMAN DEASON: I need to make an
21 announcement. As I indicated earlier there was one
22 person missing. The bus is still waiting. They have
23 identified that person as Stella Rosen, so if Stella
24 Rosen is in the auditorium or if anyone knows Stella
25 Rosen, would you please advise her that the bus is

1 waiting in the parking lot. Thank you.

2

- - - - -

3

MIKE ARTS

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

7 WITNESS ARTS: Good evening, my name is Mike
8 Arts. I'm from Boca Raton, Florida, 1800 North Dixie
9 Highway. I am the president of the Greater Boca Raton
10 Chamber of Commerce. Tonight I'm here to speak to you
11 on the subject of the incentive-based regulation.

12 We've been very fortunate in Boca Raton
13 through the years. We've had the IBM presence there,
14 that has helped us establish a very strong high tech
15 image. But we've also been very proud recently of some
16 new companies, W.R. Grace Corp., Sony, Seimen, Kraft,
17 Boca Research, Sidos, just to mention a few names. And
18 these companies are in Boca Raton for several reasons:
19 Quality of life, tax structure, work place, work force,
20 but also our infrastructure. And when I say
21 infrastructure I'm talking about roads, city services
22 and utilities. Yes, utilities.

23 How fortunate we have been in Boca Raton.
24 Southern Bell has installed in our community a very
25 extensive fiberoptic system, a fiberoptic ring; a

1 self-healing network in our community is in place.

2 I had the opportunity yesterday to attend a
3 meeting in Washington, D.C., where the president of the
4 United States talked, talked about the need for
5 research and development partnerships between
6 government and business.

7 Southern Bell has been a great partner in
8 Boca Raton in our economic development. An economic
9 development success. They were willing to put money
10 into new technology, such as fiberoptics, technology
11 that has helped us attract new jobs for that community.

12 If this state is going to compete in the
13 world markets it's going to need companies such as
14 Southern Bell to have the flexibility to put money back
15 into our infrastructure, back into new technology.
16 Incentive-based regulation will encourage new
17 technology.

18 Fiber optics in the future will be
19 equivalent, I believe, to our interstate highway
20 system. Don't stifle Southern Bell's effort to invest
21 in that much needed infrastructure and technology of
22 the future. It will be through companies such as
23 Southern Bell and the investment they make in Florida,
24 that we will be able to provide the jobs that will be
25 so needed in this state in the future. Thank you.

1 THE AUDIENCE: Boo! Boo!

2 (Witness Arts excused.)

3 - - - - -

4 MR. SHREVE: Thank you, sir.

5 Mr. Honig. Mr. Aig.

6 HERBERT I. AIG

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

10 WITNESS AIG: Now, first, let me say to you
11 young people, do you see what made America great?
12 People like us. Do you see what you have to look
13 forward to? Okay. It's a great life ahead of you.

14 THE AUDIENCE: Use the microphone.

15 WITNESS AIG: I say to the young people around
16 me, you see what made America great? People like this.

17 Let me get back to the point of this discussion.

18 My name is Herbert I. Aig, I'm retired. A
19 unit owner of Golden Lakes Village, a condominium
20 situated west of the turnpike on Okeechobee Boulevard
21 in West Palm Beach. And I love, love being a
22 Floridian. In fact, in my next life I'm going to start
23 working at eight and retire at 40, and I'm going to
24 move to Florida when I'm 40 years of age. I love this
25 state.

1 I was introduced to this entire situation
2 about measured service about two months ago, through a
3 neighbor of mine who had a petition from his union.

4 Now, I learned a long time ago that when you
5 read any legal thing or any contract that the big
6 things giveth and the small words taketh. So what I've
7 learned over the years, before I sign anything I'd like
8 to make sure of what I'm signing.

9 He didn't have enough information so
10 naturally I called my friend, Southern Bell. And I get
11 this story about, well, you know, it's going to be
12 optional. I'm worried about that word "option." On
13 one or two occasions when I bought a new car, I was
14 told there were certain options, I didn't want to buy
15 those options. Would you believe it, when I finally
16 got the car the options were there. They weren't
17 options, they were standard.

18 Options are a tricky word. That means that,
19 try it for a while; if you don't like it I'll take it
20 back. But this doesn't work, because you try it for a
21 while and then you seem to forget, what did they say in
22 the contract? I can give it back. You try and give it
23 back. You'll never give it back. Let us leave things
24 at a status quo.

25 Now, I was troubled again about why I said

1 don't I look into this even further? I asked around
2 and I asked around and I'm what they call a fireman in
3 my community. When there's a fire they call Herb Aig
4 to put it out. As a matter of fact, I've accepted that
5 most wonderful job as the garbage man, or better still,
6 the environmental committee man. I love doing the job
7 because we have had a very big interest in the
8 environment. Fortunately all of this came to light
9 about two weeks ago when Sally Kanter, the president of
10 our local Democratic Club, for some reason she has some
11 respect for my ability and my opinions, called me to a
12 meeting of some of the local people that are in charge,
13 so to speak, in Golden Lakes.

14 At that meeting I was able to read a
15 document, a four-page document, from Southern Bell.

16 This business of this needed service was just
17 a camouflage, just a small little thing. It's
18 important. There's no question about it. But this one
19 wasn't a full text of what they proposed.

20 I'm here today, as are the overwhelming
21 majority of concerned people in the assembly, to
22 contest and defeat the tyrannical high-handed attempt
23 by Southern Bell to cut a very essential service
24 without any real justification, but rather to further
25 increase their even now obscene financial rate of

1 return. That financial rate of return is obscene.

2 Southern Bell intends to measure or
3 drastically cut out unlimited phone calls that have
4 been of some importance and a very necessary lifeline.
5 And you've heard this before, and it is a lifeline to
6 many of the homebound, bedridden, the handicapped
7 elderly to whom it has given a much needed sense of
8 security in time of need.

9 I, for one, and there are many like me, call
10 four or five, sometimes more of my less fortunate
11 neighbors who are all alone. And like so very many of
12 us whose families and friends are many miles away to
13 let them know that Herb is around and cares. I try my
14 very best to help them face the new day.

15 In addition, I make inquiries as to what they
16 may need at the food market or the pharmacy. My dear
17 wife who is not here tonight, has been ailing with a
18 condition that we still can't find out what it is but
19 we're on the verge. For the past nine months, how very
20 comforting it has been to her to day after day to
21 receive so many calls from concerned friends and
22 neighbors, and for her to return these calls. As a
23 matter of fact, everytime she's goes to the doctor,
24 which is two or three times a week, when we get home we
25 have on our answering machine, eight or nine calls and

1 she makes sure she answers everybody. Concerned.
2 Concerned.

3 Now, Southern Bell wants us all to pay
4 additional high rates if they wish to consider these
5 kindly and much needed gestures of charity and
6 compassion. Is this the appreciation that Southern
7 Bell is showing to so many customers who need the
8 unmeasured service, who migrated to Florida these past
9 20 years and made it one of the more important companies,
10 rather than a little more than a rural phone company.

11 In addition, Southern Bell through devious
12 means is asking to become self regulating; self
13 regulating; free from the consumer safeguards of the
14 Public Service Commission. We all are aware of the
15 debacle that has resulted in the federal deregulation of
16 the airline and the trucking industries. Higher prices,
17 less service, bankruptcies and loss of thousands of jobs
18 because those industries were permitted self regulation.

19 Please, I address myself to the members of
20 the Public Service Commission. Do not permit Southern
21 Bell unrestricted access to our incomes by permitting
22 it to determine its future rates and levels of service
23 on figures that they would be permitted to present to
24 justify them. I appeal to the Public Service
25 Commission. Please, I most humbly and sincerely appeal

1 to you. Please do not let the insane run the asylum,
2 and please don't give the keys to the chicken house to
3 the fox. And to the members of Southern Bell who I
4 have had the pleasure of speaking to, buddy, you know
5 you're fighting a lost cause. Let's be friends. Let's
6 cut out this animosity. Let me get a couple of hours
7 sleep. Concede now. Withdraw all your proposals. Let
8 us all go home friends. Thank you. (Applause)

9 (Witness Aig excused.)

10

11 MR. SHREVE: Thank you. Mr. Babich.

12 Mr. Babich. (No response.)

13 UNIDENTIFIED SPEAKER: He left.

14 MR. SHREVE: Ms. Theresa Hichins.

15 Lucille Schein. Lucille Schein. Lucy

16 Cooper. Lucy Cooper. Ms. Brock, Dorothy Brock.

17 (No response.) Murray Flax.

18 MURRAY FLAX

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

22 WITNESS FLAX: Good evening, ladies and
23 gentlemen, and thank you for your indulgence. I know
24 when it gets this late your patience becomes a little
25 leery. However, I will to stick to the facts.

1 My name is Murry Flax. I am the president of
2 the Lakes of Delray Association of Directors. I live
3 at 15456 Pembridge Drive, Delray Beach.

4 I represent approximately 2,200 residents in
5 the Lakes of Delray. We reside in a middle class
6 senior citizens community, basically living on fixed
7 incomes. The telephone is our lifeline, and the mere
8 idea of tampering with the rates sends shivers down our
9 spines. Allowing Southern Bell to set their own rates
10 could be residential -- I'm sorry, increasing their
11 residential rates to 5% or more would be very bad for
12 us. A fact worth remembering is that the senior
13 citizen cost of living adjustment for the last year,
14 1992, was a mere 3%.

15 Southern Bell's proposal to offer a measured
16 service is totally unrealistic. Many of our residents,
17 due to one form of disability or another, must use the
18 telephone for ordering prescriptions or other medical
19 reasons. Still others, including some of our
20 association, use the phone to see if their neighbors
21 are well and if assistance is needed. Many are single
22 without spouses and need the telephone for other
23 communications, for asking for assistance for
24 transportation, et cetera.

25 I could go on and on, but it all comes down

1 to one thing: The telephone is our lifeline, and a
2 large percentage of calls are made within our immediate
3 area. Not greater than a few miles.

4 Our residents cannot afford measured service
5 even as an option. And we know from experience, the
6 high pressure tactics and other means that Southern
7 Bell employees have used to sell options that customers
8 don't need or understand.

9 In closing, I must reiterate, there is
10 absolutely no choice. Senior citizens must have the
11 present services without additional cost, but rather a
12 reduction without loss of services.

13 I thank you for the opportunity. I hope you
14 will recommend and so on. Bye now.

15 (Witness Flax excused.)

16

17 MR. SHREVE: Thank you, sir.

18 Dr. Anderson. Dr. David Anderson.

19 DR. DAVID ANDERSON

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

23 WITNESS DR. ANDERSON: Good evening. I'm
24 David Anderson, a member of the Martin County School
25 Board. And I'm here to read a letter for Dr. Frank

1 Brogan, Superintendent of Schools for the Martin County
2 School system.

3 As the Superintendent of Schools in Martin
4 County, I would like to take a few moments of your time
5 to express my feelings concerning a proposal submitted
6 to the Commission by Southern Bell.

7 The proposal before you will ensure that our
8 phone service will keep up with the rapid advances in
9 technology. Southern Bell's proposal will allow both
10 residential, business and governmental users the
11 flexibility it will need to stay abreast of these
12 latest technological advances. By not allowing
13 Southern Bell to respond to the competitive challenges
14 of technology, the Commission will be limiting Southern
15 Bell's ability to provide education with many of the
16 new and innovative techniques available. Distant
17 learning is a prime example of a program that can bring
18 new and challenging curriculums to the schools in
19 remote areas. Southern Bell's proposal will also
20 enhance the educational process and provide much needed
21 expertise in the area of technology.

22 One of the features in Southern Bell's
23 proposal that reinforces my opinion that Southern Bell
24 gives back to the community it serves, is the Lifeline
25 program. This program is for lower income customers

1 and their monthly bills will be credited \$7. As
2 Superintendent in a county that educates over 12,000
3 students and employs almost 1,600 people, we're
4 constantly looking for ways to save money.

5 Southern Bell's proposal will benefit both
6 the individual customer and the communities by leaving
7 the decision up to the customer to tailor their phone
8 usage so that they can save money. Saving money is a top
9 priority in today's society and I know that we as a
10 district, and I as an individual, are always looking for
11 the best deal.

12 In closing, I would like to reemphasize my
13 position that Southern Bell's proposal is optional.
14 Those users who do not wish to add any additional
15 service and wish to maintain basic services will
16 continue with the same rate schedule.

17 I urge you to take all of these factors into
18 consideration when making your decision.

19 And as a member of the Board, I endorse the
20 position of Frank Brogan. Educational innovations is a
21 big and upcoming aspect of the school system. And with
22 low budgets, no tax dollars, increased tax dollars to
23 hire additional personnel, the sharing of human
24 resources become imperative. Rather than duplicate the
25 classroom, we can share the classroom to distance

1 learning and this is where the school system will greatly
2 be enhanced. We beg you to give this proposal the utmost
3 considering. And as for the record I wish to submit Mr.
4 Brogan's letter. Thank you. (Applause)

5 CHAIRMAN DEASON: Certainly.

6 (Witness Flax excused.)

7

8 MR. SHREVE: Thank you, sir. Mr. Barry Keim.

9

BARRY KEIM

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

13 WITNESS KEIM: Good evening. My name is
14 Barry Keim, I live at 5103 Palco Pines Circle, Ft.
15 Pierce, Florida 34951.

16 I would like to speak to you tonight on just
17 two points. First, the Southern Bell's ability to
18 continue to provide the highest technology options
19 available. And number two, the now infamous local
20 measured service option.

21 I am the president -- I'm sorry, I'm the vice
22 president of Administration and Finance for Indian
23 River Community College and I'd like to present a
24 perspective from that institute.

25 Southern Bell and the college has enjoyed a

1 good working relationship for a long time. Southern
2 Bell has always been responsive to our current needs,
3 as well as working with us on our long range plans.

4 First, let me explain that we depend on
5 Southern Bell for much more than dial tone. As the
6 college moves forward into state-of-the-art technology,
7 the transmission devices and lines associated with our
8 communication system will be an intricate part of our
9 data systems, video and audio transmissions, automated
10 systems such as facilities and energy management,
11 telephone registration, just to name a few. IRCC will
12 be very dependent on Southern Bell providing
13 state-of-the-art technology, which will be the
14 backbones for the systems I just mentioned.

15 Therefore, it is in my best interest to
16 support Southern Bell's efforts to remain on the
17 cutting edge of technology. And their ability to
18 provide and implement innovative technology to
19 institutions like IRCC.

20 The other point is a more tangible position I'm
21 more comfortable in as a business officer. IRCC serves
22 the geographical service district of four counties. St.
23 Lucie, Indian River, Martin and Okeechobee counties.
24 Okeechobee County is on United Telephone and, therefore, I
25 guess it's not an issue here unless you want to get me on

1 another whole soap box.

2 Our main campus is in Ft. Pierce and most of
3 our administrative functions are there. We feel very
4 strongly that we should provide toll free telephone
5 service to people who need to call the main campus.

6 Currently, we have 930 service. This service
7 is very limited, however, due to our financial
8 constraints. We have many callers using a few lines which
9 makes it difficult for them and we are incurring the cost.

10 I would like to see measured service become
11 an option to the people in our service district. And
12 frankly, I hope it becomes a very popular choice. I
13 don't know if it will. But you see a 40-mile radius
14 would cover a very significant portion of our service
15 district. If many people could use the local service
16 to call the main campus, that traffic would be taken
17 off the 930 lines, making them more accessible to the
18 individuals that chose not to have the optional
19 expanded local service. And, of course, since we pay
20 the toll for the 930 calls our expense would go down,
21 saving tax revenue dollars.

22 I'd like to reiterate that from everything I
23 have read and understand this is an option, and is
24 obviously not an advantage for some. Now I think you
25 heard a lot of those people tonight.

1 I do speculate, however, that it would be an
2 advantage to others in different situations, and,
3 unfortunately, you haven't heard from them at all tonight.
4 So with that I'll leave you. Thank you. (Applause)

5 (Witness Keim excused.)

6

7 MR. SHREVE: Mr. Greenfield. Mr. Greenfield.

8 (No response.)

9 Mr. Leo Noble.

10 LEO NOBLE

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

14 WITNESS NOBLE: My name is Leo Noble. My
15 address is 1685 Woodbridge Lake Circle, West Palm
16 Beach, Florida. And I just want to say that I'm not
17 going to spend a lot of your time. I agree with all
18 the rest of the suits here. We're pretty much in favor
19 of all of these things.

20 I think the incentive-based regulation, from
21 a businessman's perspective is really the only way to
22 get service, that we see it. I would love to have the
23 option to look at all the options as a businessman, to
24 see where I could save the most money. And I think
25 that a lot of these people here, the older people,

1 would probably feel the same way if they had the
2 opportunity. Thank you. (Applause)

3 (Witness Noble excused.)

4

5 MR. SHREVE: Anita Fishman. Anita Fishman.

6 Libbie Galkin. Libbie Galkin.

7 Mr. Jack Bruin. Jack Bruin.

8 Murray Neale. Murray Neale. (No response.)

9 Mr. Abe Braverman. Mr. Braverman. (No
10 response.)

11 UNIDENTIFIED SPEAKER: He already spoke.

12 MR. SHREVE: Okay. Thank you.

13 Mr. Migdol. Mr. Bernard Migdol.

14 Norma Roberts. Norma Roberts.

15 Carolyn Bacharach. B-A-C-H-A-R-A-C-H,
16 Bacharach. (No response.)

17 CHAIRMAN DEASON: Perhaps we could expedite
18 this. Those individuals who are still present who wish
19 to testify, if you could raise your hands, please.
20 There's still quite a few. Mr. Shreve, you still have
21 to go by the list.

22 MR. SHREVE: I'd say just let them come one
23 at a time.

24 CHAIRMAN DEASON: Well, the problem -- we
25 tried that before Mr. Shreve -- is that some people get

1 to the line first and some people are at the end and
2 they think that's unfair. The only fair thing I know
3 to do is call the names as they are on your list. It
4 may be slow, but perhaps that's the fairest way.

5 UNIDENTIFIED SPEAKER: May I suggest you call
6 ladies first. Why not?

7 CHAIRMAN DEASON: Well, sir, before it was
8 mainly the men that were complaining.

9 UNIDENTIFIED SPEAKER: Yes, sir. May I make
10 a further suggestion, any written speech be accepted as
11 turned over to your --

12 CHAIRMAN DEASON: I appreciate that
13 suggestion. Mr. Shreve, if you could continue to read
14 the list and we're going to take it in order, and we'll
15 stay here as long as necessary. Thank you for your
16 suggestion.

17 MR. SHREVE: Mr. Liftman. Mr. Liftman.

18 UNIDENTIFIED SPEAKER: Would you spell that
19 please?

20 MR. SHREVE: L-I-F-T-M-A-N.

21 DAN LIFTMAN

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

25 WITNESS LIFTMAN: My name is Dan Liftman. I

1 live at 10308 Heritage Farms Road in Lake Worth. I'm
2 here for two reasons tonight.

3 First, I'm representing my boss, Congressman
4 Al C. Hastings. For everyone's benefit I want everyone
5 to know that he is a consumer-oriented Congressman.
6 That he will always be on the side of Jane and John Q.
7 Public. And that when the public are being set upon by
8 a corporate bully such as Southern Bell, that he will
9 never fail to rise to their defense and take up the
10 cudgels for them.

11 With that said I would like to say that I'm
12 here to represent myself tonight, too, as a Southern
13 Bell subscriber.

14 Southern Bell is a monopoly, an evil
15 monopoly. They have used and abused us many times over
16 the years. A brief picture of their view of the world,
17 they see us -- they see the world as a stagecoach with
18 themselves as the drivers and us as the horses, and
19 they're constantly whipping us at our backs. And the
20 fact is they're always asking for more, in this case
21 more money. And the fact is that we ought to stand up
22 on our hind legs and tell them just exactly what the
23 story is here. That we're the bosses, that we pay the
24 bills, we pay their salaries, we're in charge and we're
25 not going to take any more of this. They're back --

1 after all of this use and abuse they're back to us
2 again, this time with more flimflam, asking us for
3 measured service. And they're assuring us that, oh,
4 it's not going to hurt us, and that some of us will
5 actually be helped by this. And after what we've seen
6 from them over the years, the way they have taken
7 advantage of us and the things that they've pulled
8 behind the scenes, and they expect us to believe them.
9 Let me remind you ladies and gentlemen that Neville
10 Chamberlain (ph) believed that of Adolf Hitler and we
11 all know the results of that one. I'll just sum up my
12 remarks by saying, "Southern Bell, hang it up."

13 (Witness Noble excused.)

14

15 MR. SHREVE: Mr. Asofsky. Mr. Asofsky. (No
16 response.)

17 Mr. Clayman. Mr. Clayman.

18 DAVID CLAYMAN

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

22 WITNESS CLAYMAN: My name is David Clayman.
23 I reside as 5801-D Areca Palm Court, Delray Beach,
24 Florida 33484. I am the president of probably the
25 largest Democratic Club in the state of Florida. The

1 West Delray, Democratic Club.

2 Before I go any further I want to say, I
3 think it's great that Southern Bell pays for some
4 scholarships. Well, it's good tax deduction. Why
5 shouldn't they spend some of their money on things like
6 scholarships? And I think it's great too that they do a
7 lot of work on fiber optics and all kinds of new
8 technologies. But that's included in the money that they
9 take off, when they give a report of how much they make.

10 Now, let me get into what I prepared to say.
11 For many years Southern Bell has endeavored to convince
12 the residents in South Palm Beach County that it would be
13 monetarily beneficial if they took advantage of the
14 utilities optional offer of measured service. While
15 a few customers accepted the offer, the vast majority
16 turned it down.

17 I present to you, Mr. Shreve, petitions
18 containing the names of over 5,000 residents who are
19 unalterably opposed to measured service, and emphatically
20 desire to continue their current program of unlimited
21 local calls. For several years Southern Bell has enjoyed
22 excessive profits, even with unlimited local calls.

23 When this Utility was directed to reduce
24 their rates and/or refund some of these profits, they
25 came up with an ingenious proposition: They agreed to

1 reduce the cost of long distance calls within a
2 specified area.

3 However, they had the unmitigated gall,
4 chutzpah as it was described before, to tie this offer
5 to a requirement that the subscriber must agree to accept
6 measured service in order to receive the reduced long
7 distance rates. By wrapping both items into one package,
8 Southern Bell is attempting to breach the solid wall of
9 opposition by appearing to sweeten the pot. The reduced
10 long distance rates represents their Trojan horse to
11 invade the benefits we now enjoy.

12 We urge this Commission to direct Southern Bell
13 to comply with the directive to refund a portion of their
14 excessive profits without any unwanted, unwarranted and
15 unnecessary preconditions. Thank you. (Applause)

16 (Witness Clayman excused.)

17

18 MR. SHREVE: Thank you, sir.

19 CHAIRMAN DEASON: Thank you. Ladies and
20 gentlemen, we've been going now for a little over
21 two-and-a-half hours.

22 The court reporter has been working steady.
23 We're going to have to take a short break for her to be
24 able to take a little bit of a rest. So we're going to
25 take a recess for five minutes. Those of you still

1 wishing to testify, it may be helpful if you could
2 identify yourself to Mr. Shreve. It may speed up the
3 process of calling those individuals. Thank you.
4 We're going to stand and recess for five minutes.

5 (Brief recess.)

6

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7 CHAIRMAN DEASON: Ladies and gentlemen, if you
8 could start taking your places again, we'll begin
9 shortly.

10 MR. SHREVE: Okay. We had a meeting up front
11 and everybody would just like to quickly go through the
12 names. The people that are here, please come forward and
13 speak. Mr. Pelton. Mr. Pelton.

14 LARRY PELTON

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

18 WITNESS PELTON: Larry Pelton, my address is
19 2396 South Shore Drive, Palm Beach Gardens. I'm
20 President of the Business Development Board of Palm Beach
21 County and I'm here representing that organization. We
22 are the economic development organization for the county.
23 We're a membership-based organization; we have 300
24 corporate members, approximately 1,100 participating
25 members.

1 And I'm here to tell you that we strongly
2 encourage incentive-based regulations for the following
3 reasons: The communications computer industries in
4 Palm Beach County have helped drive this economy for
5 over 20 years, and the communications technologies that
6 we have will continue to drive this economy into the
7 next century. In fact, communications technologies are
8 so vital to Palm Beach County, our organization is
9 presently designing a communications technology
10 transfer center, which will help incubate, we hope,
11 whole new industries within our county into the near
12 and long-term futures.

13 And the question, is that important to us?
14 The response is very, very much so.

15 The downsizing of industries in this market
16 have necessitated that we adopt a strategy that somehow
17 stimulates economic growth, despite the structural changes
18 that we face in the market today. Communication
19 technologies, in our opinion, will underwrite those
20 strategies.

21 What we need in this county, and in South
22 Florida, are Southern Bell's state-of-the-art
23 equipment; we need Southern Bell's state-of-the-art
24 service, and we need Southern Bell's state-of-the-art
25 technologies. Those technologies need to be

1 downstreamed to the business community in this area,
2 and especially to the small business community, if
3 we're to prosper as a county.

4 I will vouch for Southern Bell's role in the
5 economic development process of this county; not only
6 are they giving us a leadership role, but they're so
7 critical to what presently is going on in the
8 relocation and the expansion of industry in this
9 county. Our manufacturing employment in Palm Beach
10 County has shrunk from about 15% down to 8% today.
11 Fortunately, that's been replaced in the service
12 sector, which is endemic in the state of Florida
13 economy. But what's critical in that service sector is
14 the need for state-of-the-art technologies and
15 state-of-the-art communications. Today's corporate
16 relocations and expansions in Palm Beach, in fact, tend
17 to be corporate back office operations -- operations
18 for whom fiberoptic relays, quality of service and
19 state-of-the-art equipment are essential. And you've
20 heard about W. R. Grace's location here, which is a
21 living, breathing example of that.

22 Our need in Palm Beach County, and our appeal
23 to you is for an expanded presence of Bell's
24 technologies and expertise in Palm Beach County.
25 Without an incentive to invest, this Commission could

1 inhibit the renewed economic vigor that the economy of
2 Palm Beach County very seriously needs. Thank you very
3 much. (Applause)

4 (Witness Pelton excused.)

5

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6 MR. SHREVE: Thank you, sir. Mr. Rosenberg.
7 Mr. Nat Rosenberg. Mr. Allen Baron. Mr. Baron. Mr.
8 Romanoff. Mr. Romanoff. Mr. Lipiner. Mr. Walter
9 Lipiner. Mildred Golden. Mildred Golden. (No response.)
10 Mr. Nicholas Rucci. Mr. Rucci.

11 NICHOLAS RUCCI

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

15 WITNESS RUCCI: Good evening. My name is
16 Nicholas Rucci, I live at 5112 Ashley Lake Drive in
17 Boynton Beach. I have a Boynton Beach address but, in
18 fact, I live in an unincorporated part of Palm Beach
19 County.

20 I am an anomaly standing here before you
21 tonight. I have no petitions. I represent no one but
22 myself and no one here has spoken for me, even those
23 that claim to speak to 5 million subscribers or 15,000
24 residents of here, there or anywhere. I speak to you
25 as a personal subscriber, as a business professional,

1 and I would like to take off from that point.

2 I'm here to talk to you about one issue, and
3 that is the issue of choice.

4 As I have read the various articles and
5 statements and White and Blue Papers that everyone has
6 put out, one thing has meant more to me out of all of
7 that than anything else, and that is the potential lack
8 of choice. And I'm here to talk to the Commission and
9 ask you to allow me to make my decisions about what
10 service and what options are good for me and my
11 communication needs.

12 When I was a little kid, I asked my
13 grandfather why he had left the old country to come to
14 America? And he told me that it was because of
15 freedom. But I was a little kid, and I didn't
16 understand what that concept meant. And he told me
17 that it meant that you have the freedom to choose. You
18 can choose where you live, you can choose to be
19 whatever you want to be. And in America, he told me,
20 you don't need anybody else to help you make those
21 decisions. You can choose for yourself.

22 I've always remembered that and I have
23 perfected the art of choosing for myself, and I don't
24 need anybody else to help me make my choices. I don't
25 need, shall we say, politicians who are pandering to

1 their constituency, who have been inflamed, in my
2 opinion, by the very people who are supposed to be
3 represented, by the very person who is supposed to
4 represent the consumers' interests, by somebody who
5 either has been, in my opinion, too long in the job to
6 continue to be objective, or dancing to some tune that
7 I don't care to listen to.

8 The consumer advocate, or whatever it's
9 called, doesn't seem to represent my interest. And I
10 don't want politicians who are opportunists -- or
11 regulators or public advocates or ombudsmen -- to in any
12 way stand between me and my opportunity to make choices.

13 Now, I didn't say it in the beginning but
14 somebody earlier said, "Well, I hope that everybody
15 identifies themselves." I should have said earlier
16 that I'm not being paid to be here. I'm representing
17 myself. I don't even own stock in the Company, and I'm
18 truly independent and objective. I will go on.

19 Southern Bell has offered me, as a consumer,
20 a number of choices. I can have one telephone number
21 in my home or I can have two maybe more. I can have
22 Call Waiting or Call Forwarding or Call Block or
23 20-some-odd choices, and now they stand on the
24 threshold of offering me some more. And I say, let
25 them offer them to me. I will make a decision. I'm

1 intelligent; I will study the options and I will
2 determine whether they are good for me and whether they
3 are not; and I don't want anybody else making that
4 decision for me.

5 So I ask the Commission to sincerely think
6 about those people who are not here tonight. Look at
7 the demographics of Florida, not only just this little
8 geographic piece. And maybe I do represent a lot of
9 people that aren't here tonight. But I say in terms of
10 my personal interest, let me make that choice. I don't
11 want anyone to make it for me. I don't want anybody
12 steamrolling the situation. I will make that
13 decision for myself.

14 If Southern Bell -- one other last point.
15 Many people here tonight expressed a fear, and I
16 believe it was genuine in their minds, that if this
17 optional service is allowed to be put into play, that
18 somehow Southern Bell will then snooker the entire 5
19 million subscribers through some other subterfuge.

20 I think that is an insult to the Commission.
21 That indicates that either you are unintelligent, have
22 no common sense, are without the facts, or don't care,
23 or all of those.

24 My choice, the word I started with, my choice is
25 to leave that decision with the Public Utility Commission.

1 Let them give me my opportunities to make choices; and
2 then you, in conjunction -- or in concert, rather -- with
3 your charter, provide the proper oversight and make sure
4 that Southern Bell doesn't do anything like that.

5 So just let it flow. Let the market make the
6 decision. Let me make the decision. And I want to
7 thank you very much for allowing me this opportunity to
8 express my opinion. Thank you very much. (Applause)

9 (Witness Rucci excused.)

10

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11

MR. SHREVE: Thank you, sir. Mr. Jack

12

Kiprats, K-I-P-R-A-T-S. (No response.)

13

Barbara Childers-Hogan.

14

BARBARA CHILDERS-HOGAN

15

was called as a witness on behalf of the Citizens of

16

the State of Florida and, having been duly sworn,

17

testified as follows:

18

WITNESS CHILDERS-HOGAN: I'm Barbara

19

Childers-Hogan, at 5143 Southeast Blue Heron Lane, Ft.

20

Salerno, Florida.

21

Ladies and gentlemen, as a working member of

22

the agricultural and real estate community, and not a

23

stockholder or employee, I would like to be afforded

24

the option of having a measured rate available to me.

25

My phone is a tool that I use hourly. It would not affect

1 anyone choosing the standard flat rate and would be a
2 service needed by those of us not so fortunate as to be
3 retired.

4 I would not favor anything that would put an
5 additional burden on the retired community. But I
6 would appreciate the same option -- and the operative
7 word is "option," shown to me, the working public.

8 Thank you. (Applause)

9 (Witness Childers-Hogan excused.)

10

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11 MR. SHREVE: Thank you. Mr. Herb Kerner.
12 (No response.) Mr. Negron, N-E-G-R-O-N. Mr. Negron.

13

JOE NEGRON

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

17 WITNESS NEGRON: Good evening. My name is
18 Joe Negron. This is the first meeting I have been to
19 in my life where I got here 35 minutes early, barely
20 got a seat, and I'm the 51st speaker.

21 I'm also a member of one minority, I think,
22 tonight, and that's that I was born here in West Palm
23 Beach. (Applause)

24 Born in West Palm Beach, and I've lived in
25 Palm Beach and Martin Counties all my life, and I'd

1 like to make three points tonight.

2 Point number one, it's been my experience
3 that Southern Bell has been a good corporate citizen in
4 its public service to the community, in its reputation
5 for prompt and reliable service to customers, and
6 especially important to me is its fair treatment of
7 employees. I'm not an employee of Southern Bell, I'm
8 not related to any employees, but I can count. As I
9 was driving down here from Stuart, I counted two dozen
10 friends of mine or parents of friends of mine who are
11 employees of Southern Bell.

12 And my experience is that they are very
13 loyal, that they are treated well, that when they
14 retire they have enough money to live on, and I think
15 that speaks well for a company and how they treat their
16 employees. Southern Bell has invested and will
17 continue to invest tens of millions of dollars into our
18 community.

19 And one point that I would have preferred to
20 make earlier when there are more people here is there's
21 been a lot of discussion tonight about Southern Bell
22 making money. Well, Southern Bell is owned by the
23 shareholders and I would suspect that there were
24 several hundred Southern Bell shareholders out here
25 tonight. So the benefits to Southern Bell ultimately

1 will go to the people who own the Company, and I
2 suspect that the majority of those people would be
3 people over the age of 50.

4 My second point is the measured service; and
5 that's been beaten to death tonight and I'm not going
6 to talk about that. But I think it's an amazing thing
7 in our culture and in our country, when you think about
8 it, that for \$10 a month you have a telephone. I mean
9 cable is twice that and involves, in my opinion, a lot
10 less service coming into a person's house. For \$10 a
11 month you can be connected to the rest of the world,
12 and I think that's one of the best values we have.

13 And the third point that I'd like to make is,
14 as a lawyer, I'm concerned when the Attorney General's
15 Office steps into what, in my judgment, is essentially
16 a consumer utility matter. I thought that's what the
17 Public Service Commission's General Counsel was. And
18 obviously, Mr. Shreve is a very energetic and
19 passionate spokesperson for consumers, and I don't
20 think we're being at all short-shrifted by having him
21 represent our views. He has educated people and
22 obviously through his efforts a lot of people appeared
23 tonight.

24 I just get a little queasy when the Attorney
25 General's office has a representative -- and with due

1 represent to the Attorney General and his assistants --
2 but, being quoted in my Palm Beach Post and being
3 pictured with political entities saying he thinks 11%
4 would be a good return.

5 That's not the Attorney General's job. The
6 Attorney General is a chief law enforcement officer of
7 the state of Florida; and I think the Attorney
8 General's office should stay out of politics and let
9 the system here work and let Mr. Shreve continue to
10 represent the public.

11 So in conclusion, I think we need to allow
12 the system, the marketplace and the current safeguards
13 that are in effect work to provide the best for the
14 consumers and for the Utility. Thank you. (Applause)

15 (Witness Negron excused.)

16 - - - - -

17 MR. SHREVE: Thank you, sir.

18 Mr. Robert Crowder. Mr. Crowder.

19 ROBERT CROWDER

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

23 WITNESS CROWDER: My name is Robert Crowder,
24 and I reside at 2885 Southeast St. Lucie Boulevard in
25 Stuart, Florida. I have been a resident of the Martin

1 County area since 1959, and I'm currently the Sheriff
2 of Martin County.

3 In the many years that I've been involved in
4 law enforcement, I've come to work with Southern Bell
5 on a professional basis. And we've heard them called a
6 corporate bully and a lot of other names tonight, but
7 I've got to tell you that, over the years, many
8 investigations that we were involved in of a very
9 complicated and protracted nature required the
10 assistance of Southern Bell, the technology that they had
11 available to them. And many of these -- and I'm talking
12 about statewide drug trafficking investigations,
13 interstate gambling and organized crime investigations --
14 would not have been successful without their assistance.

15 Even though certain individuals in their
16 Company have embarrassed them in recent months or over the
17 last couple of years, I still see credibility with this
18 Company and still consider them to be a friend of law
19 enforcement.

20 As someone who is involved in the community,
21 I also see Southern Bell as a good corporate neighbor,
22 a good corporate citizen in the community through their
23 charitable and benevolent activities, and I think we
24 need to give attention to that and appreciate that.

25 I don't really see a lot of fault with an

1 organization, a company such as Southern Bell, making a
2 profit. And I wonder how many people in this room who
3 might be in business for themselves would continue to
4 operate a business that only provided a 3% or 4% margin
5 of profit. I don't think you can stay in business very
6 long like that. So I don't know that we can compare
7 the rates on CDs and savings accounts with the return
8 of a business.

9 I don't know that I will change my choice
10 should you approve Southern Bell's proposal. I have
11 two teenage children still at home and two off in
12 college; and with the amount of time they spend on the
13 telephone, I think I'm going to leave my rates just
14 like they are. I'm not going to opt for one of the
15 options, but I would appreciate having that choice made
16 available to myself and others who may find it to their
17 advantage.

18 So in brief, I'll just cut my remarks short,
19 that I would encourage you to approve Southern Bell's
20 request. I think it's to the benefit of those of us
21 who are their subscribers. And I thank you very much
22 for this opportunity to speak. (Applause)

23 (Witness Crowder excused.)

24

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25 MR. SHREVE: Thank you, sir. Andrea Semels.

1 Andrea Semels.

2 ANDREA SEMELS

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

6 WITNESS SEMELS: I'm Andrea Semels, and I
7 reside at 10742 Grey Heron Court in Port St. Lucie.

8 And I'm here tonight to speak as another type
9 of residential customer, one that was alluded to by a
10 gentlemen just a few speakers ago, who really wants to
11 speak to the issue of choice.

12 My husband and I have lived in Port St. Lucie
13 now for two years, having moved there from Palm City,
14 where we developed business associations and personal
15 friends, and where I work part-time, and where I sit on
16 the board of two fund-raising organizations. So I use
17 my telephone a lot.

18 I reside in Port St. Lucie, but I reside on
19 the western side of I-95, and that puts me in a Ft.
20 Pierce exchange. Therefore, all of my calls that I
21 make to Palm City and Stuart are long distance calls.

22 I was very heartened by the move that Southern
23 Bell is making toward accommodating a customer like me,
24 who will now have an option. I've done the numbers and it
25 works for me, and I really urge you to allow this to go

1 through so that I might stem my phone bill.

2 Thank you very much. (Applause)

3 (Witness Semels excused.)

4

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5 MR. SHREVE: Thank you. Mr. Lee Miner.

6 M-I-N-E-R-S, I believe, from Boynton Beach. (No

7 response.) Virginia Foot.

8

VIRGINIA FOOT

9 was called as a witness on behalf of the Citizens of

10 the State of Florida and, having been duly sworn,

11 testified as follows:

12 WITNESS FOOT: Good evening. My name is

13 Virginia Foot. I reside as 2400 Southwest First

14 Street, Boynton Beach.

15 I own and operate a small business in

16 Boynton. I opened my business 11 years ago; and since

17 that time, any free time I've had I've been very

18 active, trying to help in any way I can for economic

19 development -- whether it's through the city and being

20 a member, or chairing committees or Boards of the city,

21 or with my activity with the Chamber of Commerce.

22 Three years ago I served as President.

23 So for 11 years I've had this concern and this

24 interest in the economic development of this county.

25 We need a broader tax base to support and

1 maintain the lifestyle that we so enjoy here. We need
2 to have existing businesses expand and new businesses
3 relocate to our area. We need more businesses like
4 Motorola, IBM, Grace, and the supporting businesses
5 that come along with them.

6 This is a world of competition. For us to
7 compete, we need to offer the latest in telecommunications
8 technology. As a business owner, I realize that we need
9 for Southern Bell to have the opportunity and the means to
10 maintain and improve their product and service for the
11 benefit of economic development in this area.

12 I have been hearing a lot tonight about
13 option, an option plan for our telephone use. I truly
14 believe that economic growth in our county and the need
15 for Southern Bell's input is not an option.

16 Thank you. (Applause)

17 (Witness Foot excused.)

18 - - - - -

19 MR. SHREVE: Ruth Rossnick. Ruth Rossnick,
20 R-O-S-S-N-I-C-K. Mr. Leo Deutsch. Mr. Deutsch. Mr. Abe
21 Fine. Mr. Abe Fine. (No response.) Lynne Matson.

22

23

24

25

1 LYNNE MATSON

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

5 WITNESS MATSON: Honorable Commissioners,
6 Honorable Counsel, panel members, I'm Vice Mayor Lynne
7 Matson. I live at 1 West Chesterfield Drive in Boynton
8 Beach. I'm here on behalf of the City of Boynton Beach,
9 representing 50,000 residents. And I'm here to address
10 something that hasn't been brought up yet this evening.

11 The City of Boynton Beach has within its
12 municipal boundaries a severe disparity. We have two
13 pockets -- one in Northeast Boynton in an old section
14 and one in Northwest Boynton consisting of Boynton
15 Lakes, Boynton Lakes North and the Meadows -- annexed into
16 the City and disregarded by Southern Bell since September
17 17th, 1974. These two pockets consist of 7,500 people,
18 which is over ten percent of our population.

19 These two pockets are operating off cables
20 installed in the 1930s out of West Palm Beach and Green
21 Acres City. These residents in these two pockets can
22 call all the way to Jupiter free of charge, yet cannot
23 call the next town or the next town after that of
24 Delray and Boca Raton without it being a long distance
25 telephone call. If I call my sister in Boca -- we're

1 sisters, we like to talk for an hour -- the calls range
2 from \$5 and \$17 apiece.

3 The City of Boynton Beach is opposing
4 measured message units. We're hoping that if it's
5 given as an option, that it will remain an option.
6 We're a little bit afraid, sometimes things that are
7 optional at one time become mandated in the future.

8 We feel that measured service is archaic and
9 it's out of the 1950s. We have many residents on fixed
10 incomes and the telephone is their lifeline. We have a
11 lot of people such as myself, who are dedicated to
12 public service; and if this option becomes mandated,
13 eventually we will suffer.

14 My City business, Chamber of Commerce
15 business, Kiwanis and Homeowners Association business,
16 causes me to make between 20 to 40 telephone calls a
17 day. What option will I then have?

18 We also feel that this will hurt the business
19 community, because people looking to save money within
20 their homes are going to be making their telephone
21 calls from their offices, wasting time and wasting
22 their employer's money. We feel that measured
23 services, rape and pillage the middle class.

24 We in Boynton Beach feel that if you oppose
25 something you must also offer a solution; to oppose

1 without a solution is not very bright. We're offering
2 our own 40-mile plan which will allow us to call free
3 of charge the first ten miles in our calling area, and
4 the remaining 30 miles to be billed at a flat rate of
5 25 cents per call.

6 The City of Boynton Beach passed a resolution
7 which I will pass on to the Commission. And the
8 resolution states in part: "The City Commission of the
9 City of Boynton Beach strongly urges the Public Service
10 Commission to deny Southern Bell's proposal of measured
11 message units. The City Commission of the City of
12 Boynton Beach, Florida strongly urges the Public
13 Service Commission to deny Southern Bell's proposal of
14 their 40-mile plan with measured units. The City
15 Commission of the City of Boynton Beach, Florida urges
16 the Public Service Commission to compel Southern Bell
17 to utilize a portion of the \$3 million in set-asides,
18 which are being held in escrow, to be used to upgrade
19 Southern Bell's communication cable within the
20 municipal boundaries of Boynton Beach. This upgrade
21 should be mandated to correct the disparity of billing
22 classifications within the municipal boundaries of the
23 City of Boynton Beach. The following Green Acres City
24 and Lake Worth exchange is being utilized by the
25 residents, should be incorporated into the Boynton

1 Beach billing classification.

2 I wont read them their 17 exchanges, you'll
3 see them in the resolution. And then we also address
4 in the resolution our 40-mile plan.

5 I leave this with you. And I also wish to
6 say that I sit on several committees at the Chamber of
7 Commerce with employees from Southern Bell. And they
8 have truly been very good to the City of Boynton Beach.
9 They've been very instrumental in a lot of our chamber
10 programs. This should in no way cast aspersions on
11 them; but we do need this disparity addressed, and we
12 hope the Commission will look at it. Thank you very
13 much. (Applause)

14 (Witness Matson excused.)

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16 MR. SHREVE: Thank you.

17 Mr. Larry O'Steen.

18 LARRY O'STEEN

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

22 WITNESS O'STEEN: Larry C. O'Steen, 1440
23 Northwest Lakeside Trail, Stuart, Florida. I am the
24 Tax Collector in Martin County.

25 I have with me a letter I would like to leave

1 and have entered into the record from Laurel Kelly, my
2 colleague, who is Property Appraiser in Martin County
3 as well. Her letter is brief but in the interest of
4 time, I'll not read it.

5 Suffice it to say, she, as I, are in support of
6 the options that are being proposed by Southern Bell. Now
7 I have a couple of personal reasons that have nothing to
8 do with her comments, but then I have an official
9 statement I'd like to make.

10 In 1933, in August, at Good Samaritan
11 Hospital, I was born. My parents lived 30 or 40 miles
12 south of Palm Beach. They used the Southern Bell
13 telephone to call the doctor to say that I was on the way.

14 I have lived and worked in Florida all of my
15 life. I am now in public service as Tax Collector in
16 Martin County, and have some responsibilities there for
17 watching and protecting its tax base.

18 Some few weeks ago we ran into sick building
19 syndrome in Martin County. The news has made it across
20 the state. All of the people in the constitutional
21 office building and the county courthouse had to move
22 out, and we're presently housed in the Quonset hut
23 behind the courthouse. My staff is scattered to the
24 four winds, as are all of the judges and other
25 constitutional offices.

1 We had a state of emergency, particularly
2 with regard to computers and telecommunication. We
3 called Southern Bell. They said, "We will put you the
4 highest priority in the state." Telephone calls were
5 made and literally within hours there was magnificent
6 response to our needs.

7 Now, I have listened for two or three hours
8 as Southern Bell has been vilified as almost a criminal
9 corporation, mainly because they have been profitable,
10 competitive and inventive. I'm here to say, just out
11 of personal experience, that they have been a good
12 neighbor, they have been a good friend and they have
13 been an excellent taxpayer in Martin County.

14 If the state of Florida did not have a
15 Southern Bell, Tallahassee would be buzzing to get them
16 here. If Martin County did not have a Southern Bell --
17 which, it has been published, is prepared to spend \$91
18 million along the Treasure Coast and nearly \$30 million
19 in Martin County alone enhancing our eroding tax base
20 -- we would be spending hundreds of thousands of
21 dollars and calling on whatever telephone line we could
22 find to get Southern Bell to come into Florida.

23 They are a clean industry. They are one of
24 the oldest and, in my view, one of the best. And I
25 have no self-serving interest whatsoever in Southern

1 Bell, except they helped me come into the world.

2 So you can see that I'm very much in support
3 of their options. I can't imagine why anyone would
4 object to the choice that they are offering, along with
5 the enhancements, the economic development issues,
6 which, of course, are utmost in my interest.

7 Thank you so much for your time. (Applause)

8 (Mr. O'Steen excused.)

9

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10 MR. SHREVE: Mr. Samuel Sinnreich.

11 Mr. Sinnreich. (No response.) Jane Rowley. Jane

12 Rowley.

13

JANE ROWLEY

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

17 WITNESS ROWLEY: Good evening, ladies and
18 gentlemen. I'll be brief. My name is Jane Rowley,
19 8019 South US 1, Port St. Lucie, Florida.

20 For years I've worked with Southern Bell.
21 Been in Florida for 15 years. I am Past President of
22 the Chamber of Commerce and on the Board of Directors
23 of the Economic Development Council.

24 Southern Bell has been very effective in St.
25 Lucie County in instituting the Phone Book, which has

1 saved small business, especially, a lot of money by not
2 having to double advertise. They have extended our
3 calling area, which has saved us a considerable amount of
4 money. And I would like you to look favorably upon them
5 for your choice, the people's choice, to make the choice
6 that they want to save them money. Thank you very much.

7 (Applause)

8 (Witness Rowley excused.)

9

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10 MR. SHREVE: Thank you. Mr. Charles Grun.
11 Mr. Grun, G-R-U-N. Joanna Grun. Roslyn Goldberg.
12 Roslyn Goldberg. Mr. Mike Goldberg. Esther Ginsberg.
13 Esther Ginsberg. Betty Siegel. Betty Siegel. Hilda
14 Cohen. Hilda Cohen. Mayes Behrman. Mayes Behrman.
15 Dorothy Isman. Dorothy Isman. Andra Karp. K-A-R-P,
16 Andra Karp. Norton Tyson. Norton Tyson. Stephen
17 Heller. Stephen Heller. Max and Shirley Weiss. Max
18 and Shirley Weiss. (No response.) Frank Basile.

19 WITNESS BASILE: Yes.

20 MR. SHREVE: Yes sir.

21

22

23

24

25

FRANK BASILE

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

5 WITNESS BASILE: Good evening, panel,
6 gentlemen, ladies, my name is Frank Basile. I live in
7 a small community called Royal Palm Beach, which is now
8 becoming a big community. In the last few years it has
9 grown by leaps and bounds. It's in the western
10 communities west of West Palm Beach.

11 And there is something I feel is
12 unconstitutional, and I think that Southern Bell's four
13 lawyers sitting there ought to think very carefully
14 about this. I have relatives and friends living in
15 Delray Beach, Florida, and I live in Royal Palm Beach.
16 For the past three years, I have been calling Public
17 Relations at Southern Bell complaining about the fact
18 that people can call me from Delray Beach on their
19 unlimited calls; and whenever I call Delray Beach from
20 the same phone that they call me in Royal Palm Beach, I
21 am charged for a long distance call. Now that,
22 gentlemen, is unconstitutional.

23 It is not for the public, and it should be
24 looked into. And I hold Southern Bell for three years
25 neglectful. I have been calling constantly, asking them

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1 to do something about it and I get the answer for three
2 years, "We're working on it."

3 Now, it may sound insignificant because it's
4 a small item compared to the fiber optics of the
5 corporate people that have been here tonight, late
6 tonight, we had Superintendents of Education, and we
7 had people of high esteem.

8 Now, how about the buses that came here with
9 people from Century Village, King's Point, and
10 surrounding areas -- people, users of the system who
11 are affected by the proposals of Southern Bell? These
12 are the people that are on the opposite fence.

13 So I say to the Public Service Commission
14 representatives, there are two sides to this: The
15 corporative side, I'm sure Southern Bell does a great
16 job with their corporative side. But how about the
17 people who are retired on small living budgets.

18 There are two sides to this picture. I don't
19 think you ought to treat the people on the bus side
20 that came in groups of 30 the same as you treat the
21 Superintendent of Schools or the lady that spoke before
22 as being head of the Chamber of Commerce. Thank you
23 very much.

24 (Witness Basile excused.)

25

1 MR. SHREVE: Thank you, sir. (Applause)

2 MR. SHREVE: Mr. Irvine Weingrod. Mr. Weingrod,
3 Delray Beach.

4 Elinore Rothschild. Elinore Rothschild.
5 Yetta Kailes. K-A-I-L-E-S, Yetta Kailes. Florence
6 Levine. Florence Levine. Rosalind, is there a
7 Rosalind here? Ms. Young. Ms. Harley Young. William
8 Gordon. William Gordon. Harry and Ruth Haftn. Harry
9 and Ruth Haftn Mr. Herb Cooper. Mr. Herb Cooper.
10 Marion Cooper. Marion Cooper. Sidney Gittleman.
11 Sidney Gittleman. Rosalyn Weingrod. Rosalyn Weingrod.
12 Mrs. Zeldin. Mrs. Jean Zeldin. (No response.)
13 Reverend James Nicholls. Reverend.

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

18 WITNESS NICHOLLS: I'm Reverend James David
19 Nicholls, I live at 120 North E Street in Lake Worth,
20 Florida. And I first would like to say I agree in
21 whole pretty much with a lot of the comments made
22 tonight, in particular as this relates to the elderly.

23 I am worried also, as was the Vice Mayor of
24 Boynton, that this measured call option, as it is now
25 called, will at some point become a standard part of

1 the service and no longer an option. And my biggest
2 problem with it is an issue dealing with the United
3 States Constitution and my rights to privacy.

4 If we allow measured calls, where they will
5 measure us per minute the way they do for long distance
6 calls, it will mean that they will create and be able
7 to maintain a paper trail which will keep track of
8 every personal phone call you make to whomever you make
9 it to, and it will allow into public record that
10 knowledge of who you call in your local area on a
11 personal basis.

12 I feel this is an invasion of my privacy. I
13 feel it is an invasion of privacy of attorneys who have
14 confidentiality principles to respect with their
15 clients. It is an invasion of privacy for people in
16 fields such as private investigation and so forth. As
17 a minister, it is also an invasion of privacy in the
18 realm of if I am speaking to people or counseling
19 people, be it for marriage or whatever reason, to have
20 a paper trail that becomes available as part of public
21 record of every call that I make is an invasion of my
22 privacy. And that is my biggest concern.

23 The money issue is important, but our
24 Constitutional rights in this country are being eroded
25 slowly but surely to where we will eventually, if this

1 kind of thing continues, have a totalitarian government
2 in this country and it will no longer be of the people,
3 by the people and for the people. Thank you very much.

4 (Applause)

5 (Witness Nicholls excused.)

6

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7

MR. SHREVE: Mr. Richard Schwarcz.

8 Mr. Schwarcz. Florence Soshnick. Florence Soshnick.
9 Marilyn Wortzman. Marilyn Wortzman. Benjamin Sherzer.
10 Benjamin Sherzer. Dave Perloff. Dave Perloff. Edna
11 Sherzer. Edna Sherzer. Seena Perloff. Seena Perloff.
12 Mrs. Kreisler. Mrs. Kreisler. Mr. Martin Summer. Mr.
13 Martin Summer. Abby Weisberg. Abby Weisberg. Norman
14 Goldman. Norman Goldman. Mr. Harry Bernbach. Mr.
15 Harry Bernbach. Dorothy Bernbach. Dorothy Bernbach.
16 Bernice Goldman. Bernice Goldman. Dorothy Pincus.
17 Dorothy Pincus. Mr. Alvarez. Mr. Alvarez. Louise
18 Miller. Louise Miller. Phil Leslie. Phil Leslie.
19 Mr. Bill Stevenson. Mr. Bill Stevenson. Rosa
20 Phillips. Rosa Phillips. Shirley Barochs. Shirley
21 Barochs. (No response) Mike Dan. Mike Dan.

22

MIKE DAN

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

1 WITNESS DAN: Mike Dan, 1551 Northeast 167th
2 Street, North Miami Beach, Florida.

3 Honorable members of the Florida Public
4 Service Commission.

5 MR. SHREVE: I can you're going to have to
6 speak closer to the mike.

7 WITNESS DAN: Sure. Thanks.

8 Honorable members of the Public Service
9 Commission and Mr. Jack Shreve, Office of Public
10 Counsel and the Attorney General's office, Mike Twomey,
11 and Southern Bell, I thank to the opportunity to appear
12 before you again.

13 I'd like to -- I won't make this long, I'll
14 make it brief. It's a couple of important points that
15 should be brought out.

16 Southern Bell has already proven through
17 deceptive marketing tactics that they can, unfortunately,
18 not be fully trusted to lead the public in the right
19 direction when it comes to the options. They have already
20 demonstrated in the past to millions of ratepayers
21 throughout the state, and probably other states, too, that
22 what appears to be good winds up costing the public a lot more.

23 A lot of these options have strings attached.
24 If Southern Bell wants to offer a long distance
25 reduction, let it be, but don't have a string attached

1 where for every minute that you save on long distance,
2 you pay more for every ten minutes that you use of
3 local calls.

4 If you need extra funds to float -- to pay
5 for a major fiberoptic cable, float a bond, but don't
6 lead the public to think this is a rate decrease when
7 for businesses, it's really a major rate hike. A rate
8 hike of up to 100% on every business line. A 100%
9 increase per business line because since it's capped at
10 \$30 for the rate hike and the business lines are \$29,
11 that's actually in excess of 100% increase per line.

12 So while businesses may be under the
13 impression that they are saving a dime a minute on
14 their local long distance calls, they are losing what
15 they are saving by paying more for what has been free.
16 And where business people should be able to have the
17 option, supposedly, to know what's right for them and
18 what's wrong for them, unfortunately a lot of people
19 make the wrong choice. And to protect people from
20 being misled from making the wrong choice, separate the
21 options. Separate them. Don't tie them together.

22 And the state of Florida consumes over
23 hundred billion minutes per year. At 2 cents a minute
24 that's a tidy sum of money that Southern Bell is
25 looking to for a rate hike while they're calling it a

1 rate decrease. Which is it?

2 And last but not least, it's also
3 anticompetitive. Southern Bell already has WATS Saver
4 in place for businesses that want to save money on
5 their local long distance, which is, by the way, being
6 misrepresented now. I see so many customers who think
7 they're saving money, and they wind up paying double
8 because they have been sold the wrong program, either
9 unintentionally or maybe intentionally. We don't know.

10 But, again, millions of ratepayers are being
11 misled to this very moment with Southern Bell WATS
12 Saver, which is an option just like this is an option.
13 I don't think we should allow the residential segment
14 of the state, as well as the business segment of the
15 state, to fall prey -- fall victim to misleading
16 advertising touting an option as a saver when it can cost
17 them money.

18 And to sum up, I think that if the -- where a
19 lot of people said it was an economic boon, this will
20 take a lot of funds out of the economy. Will not only
21 be not an economic boon, but will hurt the economy.

22 I think if Southern Bell needs to have a rate
23 hike to pay to a \$2 billion cable investment, which
24 they obviously do need, let me float a bond. Let the
25 bondholders get 12% or 14%, but don't call it a rate

1 hike -- a rate decrease when it's really a rate hike.

2 Thank you.

3 MR. SHREVE: Thank you, sir.

4 (Witness Dan excused.)

5 - - - - -

6 MR. SHREVE: Mr. Gaylord Wood. Mr. Wood.

7 Thank you, sir.

8 GAYLORD A. WOOD, JR.

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

12 WITNESS WOOD: Chairman Deason,
13 Commissioners, Public Counsel, Vice President Lacher,
14 ladies and gentlemen. My name as Gaylord Wood. My
15 address is 304 Southwest 12th Street in Ft. Lauderdale,
16 Florida, and I am attorney for William Markham who is
17 the Broward County property appraiser. With me tonight
18 is the acting Director of Assessment Standards, Mr.
19 Fred Foss. I've asked him to please pass out copies of
20 my remarks.

21 BellSouth Telecommunications, Inc., doing
22 business as Southern Bell, has sued the Broward County
23 Property Appraisers office every year since 1989 to
24 contest the amount of their property taxes. The 1989
25 assessment case resulted in a decision affirming the

1 assessment made by Mr. Markham, which was hundreds of
2 millions of dollars higher than the return filed by
3 Southern Bell, and which resulted in approximately \$2.5
4 million tax dollars being taken from the backs of the
5 homeowners of Broward County and placed where it
6 rightfully belongs, which is to Southern Bell. The
7 final judgment and the copy of it is attached to my
8 remarks.

9 The final judgment affirmed the assessment,
10 which was based on approximately 90% of the net book
11 cost of Southern Bell's property in Broward County.
12 Without deduction for the value of the property bought
13 with deferred federal income taxes and other sources of
14 no-cost capital which Southern Bell enjoys.

15 The problem that you are faced with in this
16 pending rate proceeding is how much money should be, in
17 effect, booked for the payment of property taxes? My
18 estimate is across its system, if Southern Bell were
19 actually filing returns on the value of its property,
20 there would be approximately \$40 million a year in
21 additional taxes that they are not paying.

22 This would go a long way to solving the
23 problems of hiring personnel for the school board in
24 Martin County, which you heard earlier, and for solving
25 the problems in Boynton Beach. Allen Franklin of the

1 state Department of Revenue, in a 1990 memorandum said,
2 and I quote, "Based on the information we have gathered
3 to date and that presented in this report, the
4 taxpayers estimate of value does not reflect the market
5 value of the taxable, tangible personal property of
6 Southern Bell in Florida."

7 What the company does is, in effect, returns
8 the net book cost of its property less the amount paid
9 for with deferred taxes. And I have described the
10 methods that they use in calling it either
11 "obsolescence" in the cost approach. They have call it
12 an "earnings shortfall" in the market approach, and in
13 the stock and debt approach, they don't acknowledge the
14 existence of deferred federal income taxes.

15 They have hired expert witnesses from all
16 over the country at great expense. They have had --
17 they have hired out-of-state attorneys who specialize
18 in helping public utilities achieve lower tax bills.

19 It places a great strain on the resources of
20 the public to fight a multi-billion dollar corporation
21 when it focusing its might on a small county such as
22 Citrus County or perhaps Volusia County where the
23 Company has also sued those property appraisers who had
24 the temerity to not accept their opinion of the value
25 of their property.

1 And in our remarks, we have illustrated the
2 precise way in which Southern Bell does this, but I
3 don't wish to go through it tonight because it is very
4 technical. But we do have some recommendations.

5 First of all, the important thing is that
6 Southern Bell must file accurate returns, as required
7 by the Department of Revenue of Florida, of the
8 property that it has within each taxing jurisdiction in
9 the state. You must insist that the Company does not
10 give an estimate of value based on amorphous so-called
11 system value. But if they have a switching center, if
12 they have an analog center in Lake Worth and a digital
13 switching Center in West Palm Beach, that they be
14 reported where they are and at the amount of what of
15 they are.

16 Secondly, it's come to our attention through
17 this litigation that Southern Bell expenses any item
18 that they have that costs them \$500 or less. What the
19 does this mean? It means it never gets into their
20 books of account and they never return it to the local
21 county property appraiser, thereby depriving the local
22 taxing bodies of more tax dollars.

23 Now, they have told the judge, "Well, we do
24 that because the Public Service Commission of Florida
25 tells us that that is how we have to set up our

1 accounts." They said, "We have to take these \$500 or
2 less items and not return them."

3 And I submit that the Public Service Commission
4 of Florida has never told Southern Bell not to return the
5 property that it has expensed. And we suggest that the
6 Public Service Commission should notify them that they
7 should, indeed, return that property.

8 We further feel that the Commission should
9 advise Southern Bell that the depreciation, which you
10 authorized them, accounts for value losses from all
11 sources, not only physical but functional, as well as
12 economic obsolescence. And they have taken the
13 position that your Commission only grants them physical
14 and functional and that this so-called economic
15 obsolescence, in the approximate amount of 20% of the
16 value of the personal property of the company, has to
17 be considered as obsolescence.

18 Secondly, your Commission has always provided
19 that all regulated utilities do not, quote, "earn a
20 return on their property." They are allowed to meet
21 their operating expenses and to recover their costs of
22 capital. Southern Bell needs to be set straight on this.

23 Third, there is a definite interest that the
24 ratepayers of Florida have in the properties of
25 Southern Bell. And this is reflected and recognized by

1 the fact that should the company earn a return of more
2 than 16% on its equity, you have ordered that 100% of
3 that be given back to the people who have provided
4 those funds.

5 Additionally, the ratepayers have paid all of
6 Southern Bell's federal income tax bill through the
7 rates that they pay. Yet the Company only has to pay a
8 portion of that right now to IRS. This results in
9 lower telephone bills for the people of the state of
10 Florida. And I think that you need to remind the
11 Company of the fact that this cost-free capital is
12 provided by the ratepayers of Florida to invest in the
13 telephone plant in service to result in lower costs to
14 the public. But that doesn't mean that this property
15 doesn't have value. Just because Southern Bell does
16 not earn a recovery of cost-free capital, does not mean
17 that the property so purchased has no value.

18 Finally, we request that the Commission
19 investigate whether it is a proper practice for the
20 Company to expend the extremely high fees for lawyers
21 and appraisers to continue to fight this fight that
22 they lost in Broward County throughout the state of
23 Florida.

24 We think that even though the judgment of
25 Judge Ward, which we'll hand you, is on appeal to the

1 Fourth District Court of Appeals, the logic of it is
2 clear. It is that the property bought with deferred
3 federal income taxes has value, and we agree that is
4 proper for Southern Bell to seek equity between the
5 assessment of its property and other properties in the
6 county, such as the way the railroads receive relief
7 under the 4R Act. We think this is quite proper. But
8 we think that this Commission should be certain that
9 Southern Bell has made adequate provision for the
10 payment of its property taxes everywhere in the state
11 of Florida. And, Mr. Foss, if you'd give those out, I
12 thank you very kindly. (Applause)

13 (Witness Wood excused.)

14

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15 MR. SHREVE: Thank you, sir. Lee Boughner.

16

LEE R. BOUGHNER

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

20

21 WITNESS BOUGHNER: I'm Lee Boughner, a
22 certified financial planner with Payne Weber. I work
23 in Stuart. My home address is 1918 Southwest Crane
24 Creek Avenue in Palm City.

24

25

Just three brief points I'd like to make. I
would like for you to allow me to make the choice.

1 I've analyzed it. It is something of interest to me
2 for a couple of reasons. I continually download data
3 with our mainframe with Payne Weber in Wehawken, New
4 Jersey, on a daily basis. We do this through a hookup
5 through Telenet and the local access to Telenet is in
6 Ft. Pierce. When I'm working in my office during the
7 day, we have a Ft. Pierce line that rings into Stuart.
8 We have no problems with that.

9 My problem is is that I have to come in on
10 weekends and work in my office because I cannot access
11 our mainframe computer by calling Ft. Pierce without
12 paying a very large amount of money due to the fact
13 that it's a toll charge from Palm City to Ft. Pierce.

14 Another is my son is in the 11th grade. He's
15 learning as much as he can as rapidly as he can, and he
16 accesses into a computer net called CompuServ.
17 CompuServ's local access is located in Jupiter. From my
18 house in Palm City that is also another toll call.

19 On the second point, we're starting to see
20 the competition line up already. AT&T has just
21 purchased a third interest in McCaw Communications,
22 which is the Cellular One Network, which is the largest
23 cellular network in the country. And I believe that
24 you will see them trying to access into the local
25 communities through the airwaves. We already have the

1 cable TV companies hooked up, and you can see them
2 lining up to compete as well, too. So let Southern
3 Bell try to compete. That's all they're asking. Let
4 us make a choice.

5 My final point is I fear that if you don't
6 allow Southern Bell to compete, in three to five years
7 from now we might find them in such a financial
8 condition and competitive condition that,
9 unfortunately, we're finding a very large corporation
10 just south of us located in Boca Raton, which has
11 gotten itself in, through its own choice by not
12 competing in the computer area, and that is IBM. And
13 do I not want to see Southern Bell in such a precarious
14 position three to five years from now. Because it will
15 ultimately mean more cost to us rather than allowing
16 them to compete at this time, which ultimately in the
17 long run will allow for lower charges.

18 Thank you very much. (Applause)

19 (Witness Boughner excused.)

20

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21 MR. SHREVE: Thank you. Dotty Eldelson.
22 Dotty Eldelson. Virginia Fernandez. Virginia
23 Fernandez. Betty J. Mintzer. (No response.) Chuck
24 Romp. Chuck Romp.

25

1 CHUCK ROMP

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

5 WITNESS ROMP: My name is Chuck Romp. My
6 address is 153 Ridge Road, Jupiter.

7 It's been a long night for all of us and I
8 had to listen to the opening remarks outside so I'm not
9 too sure who made what statements because there was
10 quite a bit of chatter out there with other people
11 trying to get in.

12 But I think early on Public Counsel stated
13 that the operating company has over 200 to 300 million
14 excess profits that he's trying to get back. And that
15 this proposal, this docket that you're looking at, is
16 the operating company's way of giving it back. Giving
17 it back to who? A limited few that are going to
18 benefit from this?

19 And if, in fact, they do make a profit with
20 measured traffic, what recourse does the Commission
21 have? If they can't get back the excess profits now,
22 how are you going to get the excess profits back that
23 they may make from a tariff like this?

24 This is a dangerous precedent to set.
25 Measured traffic around the country is never spoken of

1 in kind words because it's a springboard on to other
2 tariffs. It's a foot in the door. It leads to other
3 things.

4 Early on when Judge Greene was wrestling with
5 AT&T and finally the consent degree was agreed upon,
6 the operating companies were hung out to dry by AT&T,
7 and it was a mad scramble to try to bolster up the
8 revenue they were losing. There were massive layoffs
9 in the operating company, mostly in the technical areas
10 and the outside plant areas and places like that and
11 some of the operating staff. But I don't think much of
12 the legal department was touched, which puts them with
13 the high-priced guns up against the Public Counsel, who
14 really doesn't have all the resources that the
15 operating company has. The only recourse he has to
16 raise funds to go against them is taxes and you know
17 what an ugly word that is with the voter.

18 There's also an escalator clause that's
19 embedded in here, in this tariff, which talks about a
20 30-day period where the operating Company can invoke an
21 increase for themselves. Early on, someone suggested
22 this was like the fox watching the hen house and it
23 surely is. If there's an escalator clause, why then
24 doesn't the tariff propose if the economy goes down or
25 things are such that they can do it cheaper, they'll

1 automatically lower the rate, like the fixed rate
2 mortgages versus adjustable. We're in an economy now
3 where prices are going down because people are going
4 out of business, they're incompetitive. With the
5 economy the way it is, they've had to do a lot of
6 things and one of the things they've had to do is cut
7 prices.

8 The operating Company enjoys a fixed profit.
9 It's a monopoly. And monopolies always run with fixed
10 profits. You folks fixed the profits for them. We
11 ratepayers pay for that profit. You're our only
12 recourse that we get a fair shake.

13 There's been mentioned this evening about
14 technology developments and the -- principally fiber.

15 Two or three years ago the buzzword was FTC,
16 fiber to the curb, and there was a big to-do about the
17 copper supporting the system at that point in time.
18 And the Commission has allowed the operating company to
19 write off that copper, copper wiring, that is not
20 obsolete yet so they can put fiber to the curb.

21 Now, that's a cost incentive for them to do
22 it, but at the ratepayers' expense. So we are, the
23 ratepayers subsidizing their efforts to put a higher
24 technology in here.

25 I would ask if there were any other agendas

1 for the fiber. It's no really deep secret that the
2 operating companies would like to compete with the
3 cable companies and with fiber to the curb they sure
4 can, and we ratepayers would have paid for it.

5 I'm not a big advocate of the cable
6 companies, I mean, I think they have a few problems of
7 their own and competition would certainly be good for
8 them. But I don't favor starting the operating company
9 out with my rate paying to subsidize any other business
10 ventures they want to get into.

11 I think the Public Counsel made some good
12 points early on. I do think there are excess profits
13 here. The name of the game that the operating company
14 plays with is how can we keep it without giving it
15 back? Several of the ways they do it is they subsidize
16 or make available through educational institutions
17 complete communications systems, and they look like
18 they're great people. These people that were here
19 earlier thanking the operating company for that should
20 also thank the ratepayers because they made that money
21 available for the operating company to do it.

22 That's all the remarks I have, and I thank
23 you for your time.

24 (Witness Romp excused.)

25

- - - - -

1 MR. BECK: Thank you. Helen Erin, Boynton
2 Beach?

3 UNIDENTIFIED SPEAKER: Who?

4 MR. BECK: Helen -- I'm not sure if I'm
5 pronouncing it right. Helen Erin, 3211 A Park.

6 Marvin and Frances Newstock.

7 Harold and Cynthia Kallan from Boynton Beach.

8 Eugene Colin, C-O-L-I-N. (No response.)

9 Thomas Henderson from Lantana.

10 THOMAS HENDERSON

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

14 WITNESS HENDERSON: I'm Thomas Henderson,
15 7802 Metro Drive, Lantana, Florida. Thank you for
16 letting me come up here and speak.

17 I didn't understand when I came in that I was
18 supposed to come in here with a stack of paper; I was
19 supposed to have all of this written down.

20 The letter I got stated that it would give me
21 a chance to ask some questions, give you some answers,
22 as to what could be done to help my service or the rest
23 of the neighborhood's service.

24 To start with, I think you ought to hire
25 somebody that has a head up on their shoulders instead

1 of a hole in the ground. There's 18, according to the
2 people that's doing the work, to take care of the whole
3 of Palm Beach County for troubleshooting.

4 I had a phone for a year. It got stormy
5 weather and it started cutting up. I got one notice
6 after I called, and I didn't find it until it had been
7 there two or three days. It's on a door that's not
8 ever used. And if the people that was servicing had
9 their head on their shoulders, they would have known it
10 was not used. How many people come out to check on my
11 phone, I don't know. Tuesday morning I walked in to
12 Palm Beach before they closed their office downtown.
13 And I had to call upstairs. I got no closer than the
14 phone downstairs, "We'll look after it. It's Thursday
15 morning before I can send anybody out there."

16 So I went on and went about my business.

17 I never found a note on my door. Thursday
18 morning a girl walked in about 9:15, 9:30, I asked her
19 what the problem was that I didn't have a phone. "I
20 don't know, sir. This my first time here."

21 I get a bill, for how many people I don't
22 know, around \$120, \$125 for a service call. She tells
23 me that it was all inside. I knew better because my
24 phone is only two inches from the outside of my
25 trailer. I had pulled everything down to a new wire to

1 the box, it had been on there for over a year. Two tie
2 wraps around it telling me do not open.

3 Come to find out, that while I was in town
4 talking to the girl upstairs, I get somebody out there
5 to put a new box on it. Now, they have put it on,
6 checked everything that's been done for over a year
7 underneath my trailer. Your trouble is in the trailer.
8 There was one wire that run right outside my trailer,
9 back to the back of it, laying across the box that they
10 pulled off that I had just put in -- and there was
11 nothing wrong with the one that was there that I could
12 find -- and I worked electric work all my life.

13 They've got a key that locks the back.
14 They've got a screw in the front that let's me into
15 part of the box. Nobody there to tell me, nobody has
16 left a note that was what -- from there in was my
17 responsibility or how I was supposed to get into it.

18 Now, that to me, with 18 people to take care
19 of the whole county, don't add up. And I don't think
20 that the bill was mine.

21 Now, I've had my phone turned off a month. I
22 don't think that month is going to be paid. It
23 shouldn't be. I haven't had the phone. And if they're
24 waiting on me to draw that \$100 in there to them,
25 they'll get it as I got it.

1 I am not a wealthy man. I'm on a limited
2 income. I need the phone. Mother is ten miles from my
3 place. She's 91 years old. I am her transportation.
4 I have to take her to the doctor. I don't know if
5 she's got an emergency if she has to go, and this comes
6 at me as not being fair nor adjust.

7 I've gone to Lauderdale and talked to them.
8 I've got nothing. But I have gotten a phone box
9 changed before I could get back to the house and it was
10 not -- I was told that it would be Thursday morning
11 before they could get any help. Now, how many have
12 been there in the meantime I have no idea.

13 I thank you for talking to me; letting me
14 talk. On my own, I have no interest in anybody else's
15 problem, except I don't think I need a dog-gone change
16 on my phone. I'll let you all have it.

17 MR. LACHER: Mr. Chairman, if you're
18 agreeable, I'll let some of Southern Bell's maintenance
19 people meet with the gentleman and get a report back to
20 the Commission.

21 CHAIRMAN DEASON: Yes. We would appreciate
22 having that. Thank you.

23 (Witness Henderson excused.)

24

25 MR. BECK: Dan Patterson. Dan Patterson.

1 (No response.)

2 I'm sure I'm going to pronounce this wrong,
3 George de Randich.

4 GEORGE de RANDICH

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

8 WITNESS de RANDICH: Sir, for the benefit of
9 the court reporter, may I spell my last name?

10 MR. BECK: Please, thanks. I apologize.

11 WITNESS de RANDICH: Ma'am, the spelling is
12 lowercase D-E, capital R-A-N-D-I-C-H. My residence
13 address is 5600 North Dixie Highway, Apartment 1102,
14 West Palm Beach, Florida. I'm an owner of a
15 condominium. I'm also a licensed private investigator
16 and certified process server. I'm going to speak to
17 the main question from two positions, if I may.

18 First, as a private investigator. This
19 metered thing would be the absolute most wonderful
20 thing for me. I can go to Mr. Deason's garbage and
21 say, if I'm going a legitimate investigation, or yours,
22 Ms. Clark. When you put your garbage out, I can
23 legally take your garbage and go through it and see
24 what I'm doing.

25 Now, if either one of you happened to have

1 had a traffic accident, God forbid, and your attorney
2 whom you're -- who is working for you, he will tell you
3 several things. He will tell you, "You only talk to
4 me, your doctor, your pastor, or your spouse, or
5 whomever I specifically tell you to talk to."

6 Now, as a private investigator, I've been
7 specifically told that -- people have been specifically
8 told they that can speak to me and they can maintain
9 confidentiality.

10 Now, if I am working the other side of the
11 case, I can go in and look at your telephone bill that
12 you've discarded from a year ago, and say "Ah, yes,
13 here's her telephone bill. This is three days after
14 her accident." She called 588-3203, which is a member
15 of my family's telephone number. And "Oh, yes, Mrs.
16 Caswell, what did Susan Clark talk to you -- did she
17 mention about that accident she had February 22nd,
18 1990?" I've gotten a reaction from Mrs. Caswell who
19 happens to be my mother. "Yes, no, yes she was
20 terribly hurt. No, she wasn't hurt."

21 As an individual and as a private person,
22 don't come up with this metering thing. Southern Bell
23 needs money for expansion. Good heavens, how did they
24 initially put the telephone lines in? They put them in
25 on speculation that they reasonably thought people were

1 going to move into a certain area. They had an idea
2 that these lines would last 10, 20, 30 years whatever.
3 If these lines have lasted that long, fine. They're
4 way ahead of the game. If they haven't, it was a
5 gamble they put in. They lost a little bit, maybe they
6 broke even.

7 I would also like to speak to the fact that I
8 agree in general with Mrs. Foot and I also agree with
9 the Vice Mayor of Boynton Beach. Let's make this area
10 that we have our free local telephone more reasonable.
11 You also have people out in Belle Glade, Clewiston and
12 Pahokee, who have to, for legal reasons, call into West
13 Palm Beach to the courthouse. The courthouse here, for
14 your information, has its own exchange. For God's
15 sake, how much is it going to cost you to add that
16 local exchange for the good taxpayers in Belle Glade,
17 Clewiston, South Bay that have to legitimately call the
18 courthouse maybe once every two or three years.

19 I don't think it would be a great loss to
20 Southern Bell, and I think it would be good public
21 relations to them. For the benefit of this Commission,
22 this county is the second largest county in the state
23 of Florida, and is approximately the size of the state
24 of Maryland. I think that the people in the western
25 end of the county have a reasonable reason to get in

1 touch with their local courthouse.

2 Thank you very much for your time, and thank
3 you for the opportunity. (Applause)

4 MR. SHREVE: Thank you, sir.
5 (Witness de Randich excused.)

6 - - - - -

7 CHAIRMAN DEASON: At this point could I have
8 a show of hands of individuals who are still waiting to
9 make a statement before the Commission? I see four
10 hands, five hands. We may speed things up if those
11 individuals would just come forward and if you could
12 agree on an order; if you can't agree on an order we'll
13 have to call names.

14 SHARON JACKSON

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

18 WITNESS JACKSON: Ladies first. My name is
19 Sharon Jackson. I'm a Senior Planner for the City of
20 West Palm Beach Planning and Zoning and Building
21 Department, and I'm here to talk about the economic
22 benefits concerning the proposed plan.

23 The City of West Palm Beach currently
24 participates in the state of Florida enterprise zone
25 program. The purpose of the program is to encourage

1 employment of persons that live in the enterprise zone
2 and that participate in Aid to Families With Dependent
3 Children.

4 In addition, the program is designed to act
5 as a catalyst for redevelopment by offering corporate
6 income tax credits and sales tax credits. The City of
7 West Palm Beach has designed a bundle of incentives to
8 encourage businesses to locate within the City of West
9 Palm Beach enterprise zone and to expand planned within
10 the zone.

11 In support of this program, Southern Bell has
12 indicated that they are willing to offer concessions on
13 telecommunications to businesses that locate within an
14 economically depressed area or that expand in
15 economically depressed areas which would correspond
16 with the City of West Palm Beach's enterprise zone.
17 Therefore, this is one element of the total proposal
18 that has the potential of providing a significant
19 impact or incentive for redevelopment within an area of
20 the City of West Palm Beach and within enterprise zones
21 all over the state of Florida to cause redevelopment
22 and, hopefully, rehabilitation of areas that are
23 designated by the state of Florida as economically
24 depressed.

25 Those are my comments.

1 (Witness Jackson excused.)

2

- - - - -

3

DENNIS GRADY

4

was called as a witness on behalf of the Citizens of

5

the State of Florida and, having been duly sworn,

6

testified as follows:

7

WITNESS GRADY: My name is Dennis Grady. I

8

live at 1800 Embassy Drive in West Palm Beach. I'm

9

Executive Director of the Chamber of Commerce of the

10

Palm Beaches, the oldest business association in Palm

11

Beach County.

12

In support of what Sharon just spoke to you

13

about with regards to the enterprise zone, I would want

14

to add to that that the Chamber has worked very closely

15

and our over 1600 members have benefited from the

16

cooperation and the initiative and venture that the

17

City of West Palm Beach has undertaken at the

18

initiative and urging of the state of Florida to

19

establish this enterprise zone.

20

The bottom line to this type of an economic

21

development program is that you need a partnership.

22

You need a public-private partnership. Southern Bell

23

is a private entity that has come forward to cooperate

24

with the City of West Palm Beach, to cooperate with the

25

Chamber of Commerce as we pursue economic development

1 and help and join in the revitalization of the City of
2 West Palm Beach.

3 I urge you to approve the case as it stands
4 before you. I'm not going to add any comments with
5 regards to the issue of choice. I think you have heard
6 probably all about choice you want to hear this
7 evening.

8 And in conclusion, I'd just like to thank you
9 and probably should have, if nobody did earlier,
10 welcome you Commissioners to Palm Beach County.

11 Thank you.

12 (Witness Grady excused.)

13 - - - - -

14 LOUISE E. BUIE

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

18 WITNESS BUIE: Good afternoon to all the
19 participants, and when I say "all," I mean all the
20 participants.

21 I have been here since early this afternoon.

22 CHAIRMAN DEASON: Ma'am, could you give us
23 your name, please?

24 WITNESS BUIE: My name is Ms. Louise E. Buie.
25 I live at 1409 West 30th Street, Riviera Beach,

1 Florida.

2 I'm a civil rights activist and I have not
3 heard one person from the City of Riviera Beach.

4 We have poor people, we have elderlies of all
5 races in the City of Riviera Beach and in Palm Beach
6 County. I participate in many organizations. I am
7 President Emeritus of the West Palm Beach branch of the
8 NAACP. I'm a chartered member of the Urban League. I
9 am a District Committee Woman to the Democratic Party
10 and have been through the years. I'm a member of the
11 Silver-haired Legislature, and health is my pet peeve.

12 And when I looked at the letter, and I'm
13 listening to all that has been said, I'm thinking about
14 the senior citizen who don't have means of
15 transportation. And then if you're going to take the
16 telephone away from them, by raising the rates so high
17 that they can't afford to pay for it, what's going to
18 happen to them?

19 I am wondering where is this democracy going?

20 We talk about other countries, but it seems
21 as though America is taking a toe-hold right along with
22 them. And those that are in authority, I'm hoping
23 you're taking a strong, hard look. Those people who
24 are on those little, small, little fixed incomes, some
25 of them doesn't even get \$200 a month. They're waiting

1 on a little -- some food stamps and hoping that someone
2 will give them some place to stay. I'm wondering what
3 is going to happen to those sick people. I'm wondering
4 how will they get communications out? Have you thought
5 about it? The rates will keep going up and up. And we
6 who are living on fixed income, after a while we're going
7 to have to turn this telephone loose also and the way the
8 crime rate is in our communities, what's going to happen
9 to us? How will we get any communications out?

10 I want you to think about it. Maybe you're
11 in your high castles now. But Friday a week ago I was
12 at a meeting and they were telling me how many blue
13 strips was going out to Pratt & Whitney, that when they
14 walked in, they would be handed those strips and the
15 guard would be escorting them out the door.

16 So don't feel so secure that it won't knock
17 on your door. Because we are in a crisis. And, of
18 course, when you've been used to living high up on the
19 hog, it's mighty bad to get down -- that you have to
20 come down. And I want you to think about it because
21 through the years, I have worked to get these doors
22 open. And it looks as though you're trying to take
23 everything away from the little man and the little
24 woman.

25 So I'm here pleading for not just black

1 people but poor people. And when I say "poor people,"
2 I mean poor people because in the organization that I
3 belong to, I see more whites coming in than I do black
4 because there's more of you all than there is of us.

5 And when I listened tonight and heard those
6 two fine gentlemen who are being paid, stating what
7 Southern Bell has done, yes, you've done something, but
8 what about the masses? It's good to give a scholarship.
9 I have no objection to that. But what about that poor
10 little lady who might need to get to the doctor, or need
11 someone to come and turn her over and nobody can get any
12 communications to them? Think about it. It may be their
13 day now, but it might be yours a little later on.

14 Thank you very kindly. (Applause)

15 (Witness Buie excused.)

16 - - - - -

17 ERWIN C. HYMAN

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

21

22 WITNESS HYMAN: Mr. Chairman, Mr. Shreve,
23 members of the Southern Bell Corporation, I speak as a
24 singular citizen responsible to no one.

25 In reading all of this --

1 CHAIRMAN DEASON: Sir, could I have --

2 WITNESS HYMAN: I have come to --

3 CHAIRMAN DEASON: Sir, could you give us --

4 WITNESS HYMAN: I'm sorry. My name is Erwin
5 C. Hyman, H-Y-M-A-N. And I live at 4525 Pandanas Tree
6 Road in Boynton Beach, Florida.

7 My reaction to all of what has been
8 transpiring is as follows: We must recognize certain
9 basic truths.

10 Southern Bell is a regulated monopoly and a
11 profit-making corporation. I want is not a
12 philanthropy.

13 Consequently, these proposals are nothing but
14 unmitigated greed because all of these proposals
15 represent increased profit. You, the Public Service
16 Commission, are charged with the responsibility of
17 approving a fair rate of return. In this economic
18 climate what's fair? Fair must be measured comparatively.

19 For instance, as an active life insurance
20 agent, I know that based on Standard & Poor's reports a
21 great many of America's A+ rated life insurance
22 companies last year averaged 8 to 9% return, profit
23 return, and they're competitive and profitable.

24 So the truth of this disparity is that,
25 quote, "A regulated monopoly protected by law makes 5

1 to 6% more than a competitive business." Furthermore,
2 you, the Public Service Commission, are an outgrowth of
3 the Sherman Clayton Antitrust Act passed at the turn of
4 the century to protect the people from financially
5 strangeling by big business because even Congress was
6 forced to recognize that greed does not have a conscience.
7 Witness Rockefeller-Standard Oil Trust.

8 Also, there is another aspect to this entire
9 proposal. As a reader of the New York Times, they
10 reported a week or two ago that there is an enormous
11 fight going on in Congress by all of the telephone
12 companies in the United States to allow them to
13 transmit television over their lines and break the hold
14 of the cable companies with their enormous profit.

15 The installation of fiber cable by Southern
16 Bell should be at their cost and expense as an
17 investment in future revenue and should not be paid for
18 by its customers. As for Southern Bell, as with so
19 many great monopolies in the United States, it would
20 seem that when it comes to matters of money, too much
21 is never enough.

22 (Witness Hyman excused.)

23

24

25

HAROLD DUREL

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

5 WITNESS DUREL: Good evening. My name is
6 Harold Durel, D-U-R-E-L. I live at 15659 40th Street
7 North in Loxahatchee.

8 The reason I came tonight is I would like to
9 just address one thing that is on the form that
10 everyone got, and it's about the adequacy of the
11 Company's service.

12 I'm not world famous; I'm not internationally
13 known; I'm not good looking; and I'm not fun to be with
14 tonight for sure because I've been arguing with the
15 phone company all afternoon, and finally, thank you Mr.
16 Lacher, the telephone company gave me my \$420 credit on
17 my phone bill because they knew I was coming here
18 tonight. And back until last October, my phone has not
19 worked properly. Ever since one of those boxes that
20 the other gentlemen talked about that was installed on
21 the outside of his house didn't work right mine didn't
22 work right.

23 Your best technician in the state, Anne
24 Horne, appointed that person to come to my home and
25 that person, within five minutes, found the other day,

1 just a few days ago, that the lugs had not been
2 tightened on your side of the box. So I have been
3 doing without my service. Line cards slicks have been
4 put in, all kind of things have been told for me about
5 how telephone communications work, but I failed to tell
6 the people that I'm an operations manager of a
7 telecommunications company who happens to be disabled
8 on leave right now. And I train people to market long
9 distance services and I understand all about
10 telecommunications.

11 Don't let anyone fool you about how technical
12 a piece of fiberoptic cable is, ladies and gentlemen.
13 It's a nothing. All it is is very simple. It just
14 gets installed. You transmit more data, more voice;
15 that's all it is. It's not complicated. It's not
16 sophisticated, it's not that expensive.

17 Thank you very much.

18 (Witness Durel excused.)

19

- - - - -

20

TELISA BRADFORD

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

24

WITNESS BRADFORD: Hi. I'm Telisa Bradford,

25

4663 Cherry Road, West Palm. I'm not dressed for this.

1 I game to go to school tonight, but you're here so I
2 had a few things I wanted to say.

3 The measured rate. We do need a option;
4 that's the long and short of it. I do think that we're
5 going to end up spending a little more money with it
6 for the general "Joe public." And I say this because
7 for a long time we had in business foreign exchanges.
8 You could talk from West Palm Beach to Delray. You
9 paid one flat rate and the price was, what, \$45,
10 depending on which tariff, where you are located, et
11 cetera.

12 Then comes megalink, T-1 service, and if you
13 use the T-1 service, your portion was maybe \$22 for
14 this foreign exchange line. But now we have proWATS.
15 And when you couple it with the 930 numbers, then
16 you're paying capped, for as many calls as you can make
17 on your 930, it caps a the \$60 based on this particular
18 place and rate and time.

19 So tell me that my \$45 foreign exchange line,
20 which is being replaced with my 930 at a \$60 cap, which
21 you're paying your measured rate basically per call,
22 that's a little more. So we do need an option because
23 there are some people that won't make as many phone
24 calls and that cost to them will be less. But you have
25 big business and they make a lot of phone calls locally

1 and you're going to end up -- they're going to end up
2 paying more. Now, we're trying get more business here;
3 we're trying to economically grow. This has got to be
4 an option.

5 Something else that Bell could do locally or
6 in the state of Florida: Train their people. I know
7 that there are marketing people that are carrying
8 around \$5,000 lap-top computers that dock into the
9 station in their office. Yet the fellow that's out in
10 the field, responsible for training or for -- not
11 training -- for taking care of your digital equipment,
12 he's got an old IBM lap-top that the dam thing, excuse
13 my language, is but is falling apart. Half the time it
14 doesn't work. Now why does a marketing staff have the
15 new equipment and your people who are responsible for
16 keeping your, or Southern Bell's, service on a level
17 that is acceptable to the people that are paying the
18 rates.

19 There are a lot of things internally that
20 Southern Bell could do to increase their productivity,
21 lower their operating costs -- do I sound like a
22 president? And save us, save everyone.

23 I'm very proud that Southern Bell has pushed
24 forward and that they have gotten us digital central
25 offices. That we now have our voice mails and we have

1 our call waiting and we have all of these forward
2 thinking Touch-Tone even. I mean, there are central
3 offices out in other cities, other states even, that
4 don't have Touch-Tone. We're light-years ahead. And
5 that's good. That's going to attack business. Let's
6 don't kill the thoughts of business coming in,
7 companies that want to relocate to Florida, because the
8 weather is nice enough that everyone can work a full
9 productive day.

10 Thank you. (Applause)

11 (Witness Bradford excused.)

12 - - - - -

13 CHAIRMAN DEASON: Are there any other
14 individuals who have not made a statement to the
15 Commission who wish to make one at this time? Let the
16 record reflect that there are no individuals indicating
17 that they wish to make a statement.

18 Thank you for your participation in this
19 hearing this evening.

20 This hearing is adjourned.

21 (Thereupon, hearing adjourned 10:55 p.m.)

22 - - - - -

23

24

25

1 F L O R I D A)
2 :
3 COUNTY OF LEON)

CERTIFICATE OF REPORTER

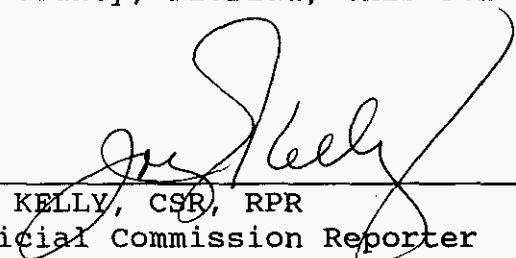
3 I, JOY KELLY, CSR, RPR, Commission Reporter,
4 DO HEREBY CERTIFY that the hearing in this
5 cause, Docket No. 920260-TL, was heard by the Florida
6 Public Service Commission at the time and place herein
7 stated; it is further

8 CERTIFIED that I reported in shorthand the
9 said proceedings; that the same has been transcribed
10 under my direct supervision, and that this transcript,
11 consisting of 164 pages, constitutes a true and
12 accurate transcription of my notes of said proceedings;
13 it is further

14 CERTIFIED that I am neither of counsel nor
15 related to the parties in said cause and have no
16 interest, financial or otherwise, in the outcome of
17 this docket.

18 IN WITNESS WHEREOF, I have hereunto set my
19 hand at Tallahassee, Leon County, Florida, this 5th day
20 of March, A. D., 1993

21
22
23
24
25


JOY KELLY, CSR, RPR
Official Commission Reporter
FPSC Bureau of Reporting
(904) 488-5981

THE PALM BEACH POST

Published Daily and Sunday
West Palm Beach, Palm Beach County, Florida

PROOF OF PUBLICATION

STATE OF FLORIDA

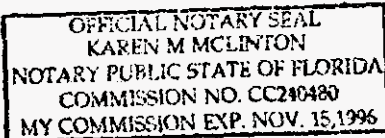
COUNTY OF PALM BEACH

Before the undersigned authority personally appeared Robert A. Berry
who on oath says that ~~she~~/he is Natl Adv. Mgr of The Palm Beach Post,
a daily and Sunday newspaper published at West Palm Beach in Palm Beach County,
Florida; that the attached copy of advertising, being a _____
Notice
_____ in the matter of Southern Bell Telephone Co.
_____ in the _____ Court, was published in said newspaper in
the issues of February 13, 1993

Affiant further says that the said The Post is a newspaper published at West Palm Beach, in said Palm Beach County, Florida, and that the said newspaper has heretofore been continuously published in said Palm Beach County, Florida, daily and Sunday and has been entered as second class mail matter at the post office in West Palm Beach, in said Palm Beach County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement; and affiant further says that she/he has neither paid nor promised any person, firm or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper.

Robert A. Berry

Sworn to and subscribed before me this 16 day of February A.D. 1993



Karen M. McClinton

LEGAL NOTICE NOTICE OF PUBLIC HEARING

The Florida Public Service Commission has scheduled a public hearing in Docket No. 920260-TL. The purpose of this docket is to review Southern Bell's operations under its rate stabilization plan and to consider Southern Bell's proposed price regulation plan and its related rate restructuring, including the proposed optional Expanded Local Service Plan, a reduction in intraLATA access charges and certain custom calling feature rates, a restructuring of service order charges and implementation of a Lifeline Plan.

For the convenience of the public, the Florida Public Service Commission has also scheduled a service hearing as follows:

Wednesday, February 24, 1993 - 6:30 PM
John I. Leonard High School Auditorium
4701 10th Ave. North
Lake Worth, Florida

At the above time and place, members of the public may appear to testify as to their interest in this matter. All persons desiring to present testimony at the hearing should, if possible, bring bills or other documentations regarding their telephone service. Customers are urged to attend on time. If no customers are present, the hearing will be adjourned. The Public Counsel, the citizens' representative in matters before the Commission, will be available at least 30 minutes prior to each hearing in order to meet members of the public who wish to testify. Prior to that time, inquiries should be directed to the Office of Public Counsel, c/o Florida House of Representatives, the Capitol, Tallahassee, Florida 32399-1300.

Exhibit
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