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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

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

PROCEEDINGS: LAKE WORTH SERVICE HEARING

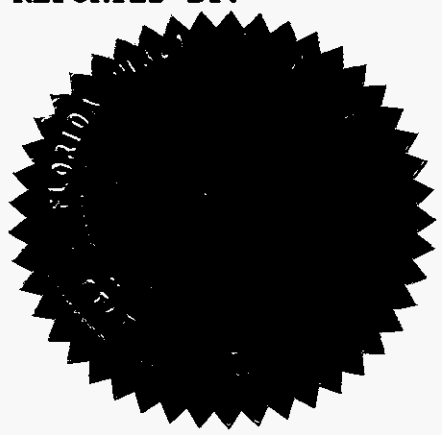
BEFORE: J. TERRY DEASON, CHAIRMAN
COMMISSIONER JULIA L. JOHNSON

DATE: Wednesday, December 1, 1993

TIME: Convened at 6:02 p.m.
Concluded at 8:45 p.m.

PLACE: Palm Beach Community College
Watson B. Duncan Theater
4200 Congress Avenue
Lake Worth, Florida

REPORTED BY: SYDNEY C. SILVA, CSR, RPR
Official Commission Reporter



DOCUMENT NUMBER - DATE

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FPSC-RECORDS/REPORTING

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4 1910, 150 West Flagler Street, Miami, Florida 33130,
5 Telephone No. (904) 347-5561, appearing on behalf of
6 BellSouth Telecommunications, Inc.

7 TONY LOMBARDO, Southern Bell Telephone
8 Company, 150 South Monroe Street, Suite 400,
9 Tallahassee, Florida 32301, Telephone No. (904)
10 224-7798, appearing on behalf of Southern Bell
11 Telephone and Telegraph Company.

12 ROBERT J. PIERSON, FPSC Division of Legal
13 Services, 101 East Gaines Street, Tallahassee, Florida
14 32399-0863, Telephone No. (904) 487-2740, appearing on
15 behalf of the Commission Staff.

16 JACK SHREVE, Office of Public Counsel, c/o
17 The Florida Legislature, 111 West Madison Street,
18 Tallahassee, Florida 32399-1400, Telephone No. (904)
19 488-9330, appearing on behalf of the Citizens of the
20 State of Florida.

21
22 ALSO PRESENT:

23 BEVERLY DEMELLO, FPSC, Office of Public
24 Information.

25

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P R O C E E D I N G S

(Hearing convened at 6:02 p.m.)

CHAIRMAN DEASON: Ladies and gentlemen, may I have your attention, please? Thank you.

I'm officially calling this hearing to order at this time. We will begin the hearing by having the notice read. Counselor?

MR. PIERSON: Pursuant to notice, this time and place has been set for hearing --

UNIDENTIFIED SPEAKER: Can't hear you.

MR. PIERSON: Pursuant to notice, this time and place have been set for a service hearing in Dockets Nos. 920260, 910163, 910727, 900960 and 911034, the consolidated rate application of Southern Bell Telephone and Telegraph Company.

CHAIRMAN DEASON: Thank you. Take appearances?

MR. SHREVE: Jack Shreve, Public Counsel, Claude Pepper Building, Tallahassee, Florida, on behalf of the Citizens of the State of Florida in opposition to Bell. (Applause)

MR. PIERSON: I'm Robert J. Pierson, 101 East Gaines, Tallahassee, on behalf of the Commission Staff. (Audience response.)

MR. BEATTY: My name is Robert Beatty, I'm a

1 general attorney with Southern Bell --

2 UNIDENTIFIED SPEAKER: Can't hear you.

3 MR. BEATTY: My name is Robert Beatty, I'm a
4 general attorney with Southern Bell, BellSouth
5 Telephone -- (Audience response.)

6 CHAIRMAN DEASON: Ladies and gentlemen, I
7 understand you have a great deal of enthusiasm and I
8 appreciate that, believe me. But this is an official
9 hearing, it's being taken down by a court reporter,
10 every word that's being said will be recorded, but,
11 unfortunately, all of the applause and the boos and
12 hisses will not be a part of the official record. So I
13 do respectfully request that you keep that down because
14 we have a lot to cover here this evening and I think it
15 would speed things along. I would certainly understand
16 you keeping that in mind. Thank you.

17 I want to take this opportunity to introduce
18 myself. My name is Terry Deason, I'm Chairman of the
19 Public Service Commission. To my left and to your
20 right is Commissioner Julia Johnson. We will
21 constitute the panel which will be hearing this hearing
22 this evening. There is another hearing taking place
23 this evening in Riviera Beach, and that hearing is
24 being conducted by Commissioner Susan Clark and
25 Commissioner Luis Lauredo.

1 We have a number of individuals from the
2 Staff of the Public Service Commission here this
3 evening. You may have already met some of those
4 individuals out in the foyer, who are handing out
5 information pamphlets. With us this evening is -- and
6 if they are in the main room here, I would ask them to
7 stand or else waive their hands. Ms. Bev DeMello, with
8 our Public Information Office. She's over to my left,
9 to your right. I believe Ms. Shirley Stokes with the
10 Consumer Affairs Division is here this evening. And
11 sitting at the front is Mr. Ralph Widell with the
12 Division of Communications.

13 If any of you have any questions, if you have
14 the opportunity to get the attention of any of these
15 individuals, I'm sure they will be glad to give you
16 assistance.

17 I want to take this opportunity to welcome
18 each and every one of you to this hearing this evening.
19 This is your opportunity to express your opinions, your
20 concerns about the pending dockets involving Southern
21 Bell and about the quality of service which is provided
22 by Southern Bell to you.

23 The procedure which we will be following this
24 evening is that when I've concluded these
25 preliminaries, we will have brief opening statements,

1 one by Southern Bell and one by the Office of Public
2 Counsel, which is Mr. Jack Shreve, who is here this
3 evening.

4 At the conclusion of the opening statements,
5 all of those individuals from the public who wish to
6 make a statement here this evening, I will ask that you
7 stand and that you be sworn in as a witness.

8 As I indicated to you earlier, this is an
9 official hearing of the Public Service Commission.
10 It's being recorded by our official court reporter. It
11 will become part of the record in this docket and will
12 be relied upon by the Commission in making the final
13 decision in these pending dockets.

14 For those individuals who do wish to testify,
15 it will be necessary for you to sign a form indicating
16 your desire to speak. Mr. Shreve will be maintaining
17 those forms and I believe Ms. DeMello also has forms
18 that she may distribute to those who wish to testify.

19 Mr. Shreve will call those individuals' names
20 who wish to testify. And when your name is called, if
21 you will please come forward to one of the microphones
22 at the front of the auditorium. If you will give us
23 your name and your address; and if you think the court
24 reporter may have trouble spelling your name, I'm sure
25 she would will appreciate your giving the spelling of

1 your name also. After you give your name and address,
2 you may then proceed to give your statement.

3 I am not at this time imposing any time
4 limits on the presentations. But please be mindful
5 that there's a large number of individuals here this
6 evening. I understand there are many individuals who
7 wish to testify. I also understand and I will make
8 this announcement right now, that the buses for Lakes
9 of Delray and Kings Point will be leaving this evening
10 at 8:00 p.m. So please be mindful of your friends and
11 your neighbors, of the people that are here this
12 evening. There are a large number of people who will
13 be departing at 8:00 p.m. So if you can get right to
14 the point, make your points known and be brief, it will
15 facilitate everyone having the opportunity to address
16 the Commission this evening.

17 If it appears that we're running short on
18 time, I may have to ask persons to abide by a time
19 limit. I do not wish to do that, so please be mindful
20 of the time you take.

21 Also, for those individuals who do not wish
22 to come forward and make a statement, there is a form
23 attached to the back of the blue information pamphlet
24 which may be detached and it will give you an
25 opportunity to make your comments. You may write them

1 down and mail this in to the Public Service Commission.

2 This is an option that you also have.

3 I believe that concludes all the
4 preliminaries. We will begin with opening statements.

5 I believe the Company will go first. Mr. Lombardo.

6 MR. LOMBARDO: Prior to commencement, with
7 the Chairman's permission, I would like to place on the
8 record as an exhibit in this proceeding the proof of
9 publication of the notice of public hearing.

10 CHAIRMAN DEASON: That will be identified as
11 Exhibit No. 5; and if you will provide that to the
12 court reporter, that will be appreciated.

13 (Exhibit No. 5 marked for identification.)

14 MR. LOMBARDO: Additionally, we have been
15 asked by the president of this august university to
16 mention the fact that this is a no smoking building and
17 it would be greatly appreciate if the smokers would
18 step outside, please.

19 Good evening. I'm Tony Lombardo and I am
20 representing Southern Bell this evening. And I want to
21 just say thanks for all of you coming out; because
22 that's what this evening is about, is to hear from you
23 and what you think of our plan and what you think of
24 our Company. Thank you.

25 Before we reach that part of the agenda, I

1 would like to discuss a few issues. Most of you know,
2 because you've read it in the newspapers, you've heard
3 it on television, that the world in which Southern Bell
4 operates is changing tremendously. The
5 telecommunications environment is moving and changing,
6 evolving and revolving very, very rapidly.

7 Let me give you an example, a quote from a
8 local newspaper recently. The quote said, "In Florida,
9 the merger of Bell Atlantic and TCI may challenge
10 Southern Bell's dominance that they have had for
11 decades of local telephone service." End of quote.

12 It is their intent to compete with us for
13 telephone service, for telecommunications services.
14 And they are just two of the many corporate giants that
15 are entering this world to compete. They include
16 people like AT&T, MCI, Sprint, IBM, and the list is
17 endless.

18 And we welcome that, it's good. It's good
19 for the state, it's good for this country. It's
20 exciting. It's going to offer more choice, it's going
21 to improve the quality of life, it's going to bring
22 many, many, new services, for residents, for
23 businesses. It's going to help us solve many of
24 society's problems in crime, in education, in business.
25 It's going to bring new entertainment advantages that

1 you have never seen before. And that's all great, and
2 we welcome that.

3 We welcome the evolving telecommunications
4 marketplace and we welcome competition. But we also
5 want to be able to compete ourselves in this new
6 marketplace. We don't want to become the dinosaurs in
7 the telecommunications world. We don't want to become
8 the Penn Central Railroad that thought that they were a
9 railroad company and didn't realize that they were
10 providing transportation.

11 We want to be able to emerge in this new
12 marketplace and to continue to provide to you high
13 quality telecommunications service at affordable rates.
14 What you have come to expect from us for many years
15 past. And that's what I want to do is to bring you
16 today's proposal, what we have on the table. And I'm
17 going to be very, very brief with it. The details you
18 have read, and your bill inserts in your telephone
19 bills, there's a Commission leaflet that outlines it,
20 it's been outlined in the newspaper, but I just want to
21 hit on a few points.

22 First, it's a rate reduction proposal. We
23 are proposing rate reductions of some \$26 million.
24 That's in addition to the \$49 million rate reduction
25 that's already been scheduled to be implemented, and

1 that's in addition to the some \$1.4 billion worth of
2 rate reductions and refunds that have emerged from our
3 current plan that was implemented in 1988. So it's
4 rate reduction proposal, No. 1.

5 No. 2, it's really an extension of our
6 existing plan. We're simply asking to extend what we
7 have today. A plan that gives us the flexibility that
8 we need to be able to continue to compete in this new
9 competitive marketplace.

10 Another thing that it is is a plan that's
11 been designed with many options. Those options have
12 been tailored for the kinds of things that our
13 customers have asked us for. For individuals who take
14 advantage of those options, there are particular
15 individuals and a great many of them, who, if they
16 select the options available in this plan, will save
17 significant amounts of money.

18 What it is not, it is not a mandatory change
19 of anything that deals with your local telephone
20 service. Your local telephone service in West Palm
21 Beach today is at a rate of some \$10.05. And that rate
22 has not been increased since 1979, and we don't intend
23 to increase it now. And there is no plan to ask for
24 mandatory local measured service, as some have alleged.
25 There is no current plan and there's none that I

1 know of.

2 So what we have provided in this plan are
3 options. And there are many other beneficial features
4 in this proposal. But I promised to be brief. If
5 you've got any questions, we have Southern Bell
6 employees throughout the audience; if you've got any
7 questions of any detail, they will be glad to
8 answer them.

9 So, we do, this evening, want to hear from
10 you. Thank you very much. (Applause)

11 CHAIRMAN DEASON: Thank you. Mr. Shreve?

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

13 And I will be brief because we're here to
14 hear from you tonight. And I want to tell you what a
15 pleasure it is to come and see a turnout like this.
16 You don't know how great it is. So many places we go
17 we really feel alone. But when we come down here, like
18 last year and all of you turned out and you were here
19 for us to represent you in this case, I really
20 appreciate it. And I just think it's really great what
21 you do here and the interest you have. (Applause)

22 Just a couple of points on what Mr. Lombardo
23 made. First of all, Bell had filed the plan that they
24 have filed because they were ordered to do so. They
25 fought us for two years while we were trying to get

1 them back in, and it was delayed by the Public Service
2 Commission for two years and rates should have been cut
3 a long time ago. (Applause)

4 And they did oppose it, they didn't want to
5 come in to this one, they were brought in for a rate
6 reduction. The \$26 million they're talking about
7 reducing rates is peanuts. That is not what it should
8 be, it should be a great deal more than that. The \$49
9 million that he's talking about as a rate reduction, we
10 have already won. We won that three or four years ago,
11 it just hasn't been put in the rates. They've already
12 lost that, they don't have any choice, and they fought
13 us on it.

14 Local measured service, as Mr. Lombardo
15 described, they have been trying to get it to you for
16 15 years. The only difference is this time it's even
17 worse because what they have done is tied it to a
18 discount on long distance. Everyone knows that
19 economically -- you may call it optional but
20 economically local measured service groups only become
21 mandatory because it becomes prohibitive when the cost
22 is passed on. And that's the direction they're going.
23 They have document to show they want to move everybody
24 they can over to local measured service.

25 I will be brief. I want to tell you they're

1 Now, if it's competition they're worried
2 about, competition is supposed to produce lower rates.
3 So let's lower their rates where they can get out there
4 and compete with the other players.

5 Thank you very much. We're looking forward
6 to hearing from you. (Applause)

7 CHAIRMAN DEASON: Thank you. Mr. Shreve, you
8 may call your first witness.

9 MR. SHREVE: Thank you, Mr. Chairman. Mr. Gibbs.

10 CHAIRMAN DEASON: While he's coming forward
11 -- he's already at the microphone. What we normally do
12 as a measure to save time, all the individuals who wish
13 to testify, we swear in at one time. So all the
14 individuals who plan to testify this evening, if you
15 will please stand and raise your right hand.

16 (Witnesses sworn collectively.)

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1 LAWRENCE GIBBS

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: May I proceed?

6 CHAIRMAN DEASON: Yes, sir, you may.

7 WITNESS GIBBS: My name is Lawrence Gibbs, I
8 speak as legislative chairman of the Lake Worth West
9 Democratic Club, and as president of the Palm Beach
10 Mid-County Council, which represents 20 communities and
11 some 30,000 residents in the West Lake Worth/Green
12 Acres/Lantana area.

13 At the outset I want to thank Jack Shreve,
14 Public Counsel, for the splendid task performed by him
15 these many years, for protecting the public interest in
16 matters before the Commission. Thank you, Mr. Shreve.

17 (Applause)

18 I would also like to thank college president
19 Edward Eissey for his gracious and generous donation of
20 the use of the Duncan Theater for this evening. Thank
21 you, Dr. Eissey. (Applause)

22 Now, to get to the matter before this
23 meeting. Southern Bell proposes to reduce short
24 distance call rates to eight cents per minute for calls
25 up to 40 miles. A welcome relief for customers who

1 have been subjected for many years to high charges for
2 short distance calls between West Palm Beach and Boca,
3 Delray, Miami, et cetera.

4 Now the gimmick. The proposal is tied in
5 with the customer use of local measured service,
6 entailing a charge of two cents per minute for local
7 calls. The end result will be that the customer will
8 be paying a greater phone bill than under the present system.

9 While Southern Bell has been using the word
10 "optional" with respect to its tie into the standard
11 short distance area service with local measured
12 service, we feel that such optional proposal is but the
13 first step of a program toward local measured service
14 generally -- a service which we as phone service
15 customers have made clear in the past we do not want, a
16 service which we believe will end up costing us
17 substantially more than the present local unmeasured
18 phone service.

19 We respectfully request this Commission to
20 abide by the wishes of the consumer public and reject
21 any Southern Bell proposal which may lead to local
22 measured service, notwithstanding such proposal may
23 have a sweet-coated base in the form of a reduced short
24 distance phone charge.

25 A few pertinent comments. As we see it,

1 Southern Bell desires to retain its existing annual
2 earnings of some 13.5%, with an opportunity to earn as
3 much as 16% under its new proposed regulation plan.
4 This, at a time when CD rates are below 4% and mortgage
5 rates are at 7%.

6 Moreover, we respectfully request the
7 Commission to examine closely Southern Bell's current
8 charges, based on its procedures and bookkeeping, and
9 ascertain whether its customer charges should not, in
10 fact, be reduced.

11 Few items are worthy of being specially
12 examined. A: Southern Bell plans to reduce 10,000 of
13 its job force in the next two to three years.

14 Question: Why does it only include the cost of the
15 program and not the dollar benefits in its statements
16 rendered to the Commission?

17 B: Southern Bell has refinanced its debt
18 application to take advantage of today's lower interest
19 rates. When the interest rates were climbing in the
20 1960s and 1970s, the customers were asked to pay higher
21 phone charges for the higher cost of doing business.

22 Question: Why shouldn't the situation operate in the
23 reverse, by Southern Bell reducing customer rates at
24 this time?

25 C: Electronic companies throughout the world,

1 including Southern Bell, are enjoying cost reduction
2 due to new technology. Question: Why haven't Southern
3 Bell customers been given the opportunity of enjoying
4 the benefit of some of these lower costs?

5 In addition, the following allegations by
6 Public Counsel, Jack Shreve, are worthy of proper
7 consideration by this Commission. One: Southern Bell
8 has used an improper procedure in connection with its
9 debt refinancing, causing an overstatement of expense
10 with the resultant profit statement impact of \$10
11 million per year.

12 Two: Southern Bell has booked excessive
13 accruals, thus overstating its depreciation expenses,
14 the resultant profit statement impact totaling \$20
15 million dollars per year.

16 Three: Southern Bell has shifted its profits
17 from its yellow pages operations to affiliated
18 companies, which resulted in lower profits and higher
19 expenses for its regulated operations, causing a profit
20 statement impact over \$100 million per year.

21 Public Counsel contends that Southern Bell is
22 guilty of mismanagement of their sales and repair
23 operations, billing customers for services which they
24 did not operate and filing false and misleading repair
25 reports with the Commission with an impact on its

1 profit statements of \$20 million dollars per year.

2 Regarding Southern Bell's plan to
3 significantly reduce its work force from the period
4 1993 to 1996, the company excludes the expense due to
5 early retirement -- or includes the expense due to
6 early retirement but excludes savings therefrom, with
7 the resultant profit statement impact of some \$10
8 million per year.

9 The five mentioned contentions of the Public
10 Counsel constitute a total impact to the tune of \$243
11 million annual benefits to Southern Bell and constitute
12 a detriment to the fixation of lower customer rates.
13 In the light of the situation, it is only equitable
14 that Southern Bell should reduce its customer phone
15 rates.

16 As to its proposed tie-in sales of short
17 distance rates and local measured service, we seriously
18 question the propriety of such a tie-in sale and urge
19 that the proposal be rejected by the Commission.
20 Southern Bell customers dislike the proposition of any
21 local measured service, and the Company should abandon
22 its efforts to introduce it directly or indirectly.

23 In conclusion, it would appear that the
24 Company is seeking to first take care of the
25 stockholders and only then concern itself with the

1 interest of its customers. We say that, as in any
2 modern good business operation, its motto should be,
3 "The customer comes first." Southern Bell's proposal
4 pertaining local measured service is neither reasonable
5 nor fair. It should be relegated to traditional
6 regulation, and its rate of return reduced to a level
7 reflective of today's economic climate.

8 Thank you. (Applause)

9 MR. SHREVE: Thank you, Mr. Gibbs. And I
10 would also like to thank Mr. Gibbs and Dr. Eissey for
11 taking care of providing an additional spot for this
12 meeting. I know there was a lot of controversy and a
13 lot of concern, and they were the two that solved the
14 problem. Thank you very much.

15 (Witness Gibbs excused.)

16

- - - - -

17 MR. SHREVE: Mr. John Jordan.

18 JOHN JORDAN

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 JORDAN: My name is John Jordan,
23 J-O-R-D-A-N. I live at 1407 Lucerne Avenue, in Lake
24 Worth.

25 I want to thank the Chairman and Commissioner

1 Johnson for coming down here, and it's nice to see Mr.
2 Shreve after all these years. Because I'm a former
3 member of the legislature and it's nice to be a part of
4 government in action.

5 I come representing 2.5 million members of
6 AARP. (Applause) And when we speak, we poll all our
7 people. So I don't speak for myself, but I speak for
8 the organization.

9 What's happened is that the counsel of
10 Southern Bell has spoken very well. But you all know
11 that this is a very complex rate structure and it takes
12 a lot of time for the Staff to ferret it out. And 2.5
13 million people of AARP and a lot of people who are
14 younger are definitely against limited service, because
15 limited measured service is just a foot in the door.

16 If you look at all these people, they have
17 one thing in common tonight and that is fear. Fear is
18 a terrible thing; and I don't even like to talk about
19 fear, but these people, as we all go to the grocery, we
20 all get involved in buying things every day, these
21 people know that they're dealing with a huge
22 organization that has a lot of power and a lot of
23 money. So the only thing that I ask is that you be
24 fair, you Commissioners, when you consider this.

25 The AARP people, and I think people of

1 America and this state, are not against a profit.
2 We're not against Southern Bell making a profit. But
3 it's very obvious they're making a nice profit; because
4 we look at the financial pages, they're involved in
5 bidding for Paramount and things like this. They're
6 involved in all kinds of involved structure and we are
7 the -- this is where the money is coming from. It's
8 like McDonald's, it's a huge, huge, business, we are a
9 part; and that small little bill goes up every month,
10 it threatens all of us.

11 So I'd just like to say one thing. All of
12 you consider this when you go back to Tallahassee. And
13 I want to thank you for coming here tonight, all of you
14 and the Staff.

15 I want you to consider very strongly that
16 you're affecting each and every person who is here
17 tonight that has a telephone. That telephone means
18 almost more than food because whatever happens in their
19 health, what happens in the joy of their life, what
20 happens to their family, if we are forced to have
21 limited measured service, this strikes fear in
22 everybody's heart.

23 A lot of these people tonight come from a
24 state where it's slipped over on them and they have had
25 to live with it. We ask you only one simple thing.

1 All these options seem so sweet and wonderful. We have
2 learned through the years as we get older, if something
3 looks so sweet and wonderful and it's offered to us
4 free, you'd better step back. (Applause)

5 So I just want the Commissioners and the
6 Staff to think of only one thing. That you consider
7 this, you're deeply affecting people's lives. Because
8 they are fearful, as I am, as all of us are, that we
9 cannot lose our telephones, which is our lifeline to
10 the world. It's a lifeline if we get sick as we get
11 older, it's a lifeline to our friends. Anyone will
12 tell you, if you can't call your friends, then life
13 isn't very important. And this is extremely important.

14 Thank you. (Applause)

15 MR. SHREVE: Mr. Chairman, I've got a
16 question. I think it would be good for everyone to
17 know -- and, Mr. Jordan, we really appreciate your
18 coming in and representing AARP so eloquently. AARP,
19 the Attorney General, FCAN, you'll hear from in a few
20 minutes, and our office, went together to file the
21 original petition to bring this case in to lower the
22 rates and to get a refund back of \$100 million, which
23 we got about two years ago. I just want you to know
24 how great it has been to work together, and we look
25 forward to that complete cooperation in the future.

1 Thank you very much for coming. (Applause)
2 (Witness Jordan excused.)

3

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4

MR. SHREVE: Mr. James Williams.

5

JAMES WILLIAMS

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 WILLIAMS: Thank you, sir.

10

My name is James A. Williams. My address is

11

221 Alameda Drive, that's in Palm Springs. And I was

12

born and raised in West Palm Beach, went to work for

13

Southern Bell when I got out of high school, worked

14

there a little over 30 years. And it gives me great

15

distress to be here tonight to talk about what I am

16

about to talk about. And I will try to be brief. I

17

saw everyone raising their hands.

18

You know, we mentioned customers and

19

competition and choices and commitments, that's what I

20

wanted to talk to you about in just a second. And

21

about that article here, and it seems like '91, from an

22

ex member of the Commission, his name was Michael

23

Wilson, he's not with you anymore. And he says, "One

24

of the most critical things in America's free market

25

economy is that the consumers have the opportunity to

1 make choices." Does that not sit right with all of us,
2 we want to make choices in the economy?

3 And this article is talking about the
4 cheating that went on and they were going to have an
5 investigation on this where we took technicians and put
6 them in a boiler room and asked them to call our
7 customers and illegally assigned certain features that
8 they did not ask for, they made no choice; and we know
9 about that and that's going to be investigated. What a
10 choice that was.

11 I have another article, "Ex employees say
12 they were just following orders" to falsify the
13 records. "State investigating Southern Bell for
14 allegedly falsifying records," the Associated Press.

15 They are asked to falsify records, I was
16 asked to falsify records. I was in management for the
17 entire decade of the '70s; and when we broke up in '84
18 from AT&T, it was an entirely different ballgame. We
19 couldn't find out how to run the telephone company
20 efficiently, so we started fudging with a pencil.

21 You talk about choices, let's talk about the
22 customer. The first value that Southern Bell has is
23 the customer first. And that's odd to me. It says
24 that one promise given by any of us, that, commitment
25 will be met by all of us.

1 And I'm here to talk about my neighbor, my
2 neighbor, who lives in the same building that I live
3 in; who has made almost, I think, ten trouble reports
4 to the Maintenance Department. Customer first, she has
5 been promised ten times, she's been given ten
6 commitments that her telephone service would be
7 repaired. I have personally written to Joe Walker, the
8 president, asking him, "What gives? This is bothering
9 me. I'm retired, I have been out here since '88 and
10 I've got ten telephone men coming to my protector
11 working on my neighbor's phone." And this is what I'm
12 complaining about now. I don't know what the rate is
13 going for a telephone man to come to your house
14 anymore; \$70 an hour, the charge for the labor cost and
15 so forth. And, you're right, they're going to reduce
16 some I don't know how many more employees.

17 Ten telephone men come. You know what
18 they're asked to do? Fix her telephone line. They're
19 going to find out if it's in the house, is it in the
20 drop wire or is it in the cable. How do you find that
21 out? Do you start digging it up? That's a waste of
22 labor.

23 One out of nine telephone men elected to take
24 a measurement. They've got the most sophisticated
25 computer test sets than any telephone industry has in

1 the entire world. One telephone man took one
2 measurement, he measured 3,200 feet down the road;
3 consequently, he did not dig up the drop, he had
4 already verified the cable was down the road. I give
5 him credit.

6 I want to know what happened after that man
7 took that measurement. We got another report. She
8 kept coming to me, "What's wrong, Jimmy?"

9 "I don't know, Kathy. They'll get to it."

10 Here comes the third telephone man, digging
11 up the drop. No one has yet taken a measurement. Now,
12 I complained this to Joe Walker at Southern Bell. This
13 bothered me.

14 He was kind enough -- I asked him to come
15 talk to me. That's gall, asking the president to come
16 talk to me, but I took a chance. He sent a
17 representative of his from Miami, I believe, Ft.
18 Lauderdale. And he also sent another representative
19 locally who is in charge of the Maintenance Department,
20 that cable that has the water in it, they told me.

21 So they come to my house. I tell them the
22 problem, a customer first, commitments, appointments,
23 let's clear the trouble. They tell me that down the
24 road about the distance that the first man measured,
25 there was a section of cable that had water in it.

1 I spent my entire life with Southern Bell
2 since the age of 19, I know from what I speak. I'm not
3 in there anymore, but I know from what I speak. From
4 the measurements from what the customer tells me, from
5 what we test, from what we're measuring, what is wrong
6 with the telephone plant.

7 I'm told by these two representatives that
8 they're going to replace a section of cable 200 feet
9 long that is full of water. All along I'm suspecting,
10 hum, that doesn't sound right. The measurement is down
11 by the splice about 3,000 feet from me. So I saw them
12 place new cable in the ground. I saw them dig it up,
13 replace the new one, cut the old one off, put in the
14 new one. And guess what, my neighbor's customer phone
15 is still service-affected.

16 The tip splice -- I know that doesn't mean
17 anything to you, it's a splice; you have to have a
18 splice to get from the office to your house about every
19 600 feet, the splice that was at the cross-box, the
20 connection, was full of water.

21 It went on, they replaced the cable, they did
22 a lot of other end work, routine work. Finally, they
23 replaced the splice that's in the ground that caused my
24 neighbor to go out again because she had been
25 transposed flip-flopped.

1 So I go to Mr. Walker again, telling him that
2 I didn't think that the cable that they said was full
3 of water is full of water. I know that they installed.
4 I would like to know how the Commission, you have
5 leeway that you can test this cable, what it cost, what
6 it costs ten telephone men.

7 Do ten television men come to your house?
8 It's unheard of. You would hope that it's unheard of.

9 Then the representative comes to speak to me,
10 telling me that he has 200 more cases of cables full of
11 water. I still maintain that the cable isn't full of
12 water, that the trouble was in the one splice that's
13 full of water because of the poor quality. Instead of
14 going into this splice and correcting it about six
15 months ago, they elected to go outside the splice, open
16 up the cable, flip-flopped it and spliced it over here
17 and it gave service until the water got into the cable
18 a little more. (Audience response.)

19 I know, one more second, one more second.

20 They talk about commitments and customer
21 service and customers first. And I think Joe Walker
22 wrote an article -- this is really what precipitated me
23 to write Joe Walker. I'm reading an article in one of
24 the magazines and he talked about choices. My neighbor
25 doesn't have a choice. She is fed by the copper that

1 comes out of Southern Bell's central office. She has
2 no choices.

3 So I want to know what is it Southern Bell is
4 going to do to run the business more efficiently?
5 Where you have one telephone man come out and fix your
6 line and take that money, literally hundreds of
7 thousands of dollars, and give it over there and quit
8 asking these retirees out here to give you more money.
9 Run your business more efficiently. (Applause)

10 Thank you.

11 MR. SHREVE: Thank you, Mr. Williams.

12 (Witness Williams excused.)

13

14

JEANETTE SLAVIN

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 SLAVIN: My name is Jeanette Slavin,
19 S-L-A-V-I-N, and I live at 2601 Northwest 10th Street,
20 in Delray Beach. I am a member of the Florida Silver
21 Haired Legislature, which is a network across Florida
22 of people over 60 who advise and advocate the regular
23 legislature on various new laws that we think they
24 should take up.

25 Good evening, Commissioners. I would like to

1 review with you for a few moments the record of
2 Southern Bell in certain areas. The first record I
3 would like to remind you of is that Southern Bell
4 customers have been billed for the past six or seven
5 years for an insurance fee. The fee varies from \$1 a
6 month to \$2.50 a month. The insurance is on your
7 telephone bill as insurance for work on internal
8 wiring.

9 I don't know if you residents have ever
10 examined your bill; but according to our State Attorney
11 General, Bob Butterworth, whose department made a study
12 of internal wiring service repairs, in 18 months that
13 the study examined those people who have this insurance
14 -- and it's practically every subscriber of Southern
15 Bell -- they have found rarely a case where inside
16 wiring was needed to be repaired. So Mr. Butterworth
17 ordered Southern Bell to refund the money from day one
18 for those people who have internal wiring insurance if
19 they do not want it, if they do not need it, and to add
20 12% interest to the refund.

21 There is one kicker to this: if you don't
22 request the refund, Southern Bell is not required to
23 give it. As of this date, those of you who have been
24 made aware of the refund have gotten it; but hundreds
25 of thousands of people, subscribers, are paying for

1 this insurance which is completely profitable at no
2 cost whatsoever to Southern Bell except putting it on
3 the bill every month. (Applause)

4 And that I want to point out to you,
5 Commissioners, I want to point that out as a profit
6 which cannot be compared. There is no profit like
7 insurance which is never called upon to be used.

8 Next: Every single subscriber of Southern
9 Bell has \$1 a month added to their bill for Touch-Tone
10 dialing. (Applause) Just a moment, neighbors. This
11 \$1 a month has been on the bill for years. The
12 equipment long in place, long paid for, and still we
13 pay \$1 a month for Touch-Tone dialing.

14 So, Commissioners, while you are reviewing a
15 rate decrease, I urge you, number one, to take that \$1
16 off the bill; two, to take that insurance policy for
17 internal wiring off the bill.

18 Next: While you are examining and
19 determining those two things, as well as the rate
20 decrease that Mr. Shreve reminds you of, I would like
21 to point out something very fair -- unfair and very
22 discriminate to the people who live in the southern
23 part of Palm Beach County. Our geographic area for
24 local calls is so narrow and so limited it doesn't
25 compare to people who have local call service in other

1 parts of Southern Florida.

2 If you live in Delray Beach, you may call
3 from Boynton Beach to Deerfield Beach, and that's it.
4 And that's very unfair. I wish you would examine the
5 geographic area. (Applause) I wish you would
6 re-examine the geographic area so those of us who live
7 in Deerfield and Boca and Delray Beach may call to West
8 Palm Beach within our local call. (Applause)

9 I'm not finished. (Laughter) I just don't
10 want you to miss anything, Commissioners. And if you
11 would like verification of what I have said, I have it
12 in my folder from Mr. Butterworth's office, and I will
13 be glad to give you a copy. (Applause)

14 The last time I looked in the Wall Street
15 Journal, which was last week, I read that the profit
16 rate for Southern Bell is allowed to be from 10% to 14%
17 and they showed it as 13.3%. I think that's a very
18 fair profit for this time -- for these times.

19 I have one last comment to make in
20 conclusion: I have lived in Delray Beach for 15 years;
21 and I have always been an active advocate, consumer
22 advocate, and I think I've been very fair. I would
23 never have picked on Southern Bell if it wasn't so
24 blatant and so unfair.

25 I think everybody is entitled to a good

1 living and everybody is entitled to good service. But
2 I really think that -- excuse me -- that in the 15
3 years that I have lived in Delray Beach Southern Bell
4 has -- I want to use a polite word -- Southern Bell has
5 tried this escapade of metered service three or four or
6 five or six times. I want it stopped, sir. And let me
7 tell you why.

8 It is not easy for us to constantly battle
9 Southern Bell. We don't have the staff they have; we
10 don't have the attorneys they have; we have to climb on
11 buses and come here and again and again and again to
12 tell you that we don't want it. (Applause) I would
13 like the Public Service Commission to tell Southern
14 Bell to cease and desist so we don't have to fight them
15 anymore.

16 Thank you. (Applause)

17 CHAIRMAN DEASON: Mr. Shreve, you may call
18 your next witness.

19 MR. SHREVE: Thank you, Mr. Chairman. Thank
20 you, Mrs. Slavin.

21 (Witness Slavin excused.)

22 - - - - -

23 MR. SHREVE: Murray Flax.

24

25

1 MURRAY FLAX

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 FLAX: Thank you. It may be a little
6 difficult to follow such an eloquent speaker. However,
7 I'll try.

8 Good evening, Commissioners, ladies and
9 gentlemen, and to you, Jack Shreve, a special thank
10 you.

11 My name is Murray Flax, and I'm president of
12 the Lakes of Delray Association of Directors, Inc., in
13 Delray Beach. And my address is 15456 Pembridge Drive.

14 I represent approximately 2400 residents.
15 Ours is a senior citizen community composed of persons
16 mostly living on fixed incomes. The telephone is our
17 lifeline, and tampering with our rates is
18 unconscionable. Many of our residents must use the
19 phone several times a day to order prescriptions,
20 secure transportation, for shopping, and to communicate
21 with their neighbors because of disabilities, et
22 cetera.

23 A very devoted group of people called "We
24 Care" constantly use the phone to provide services for
25 their neighbors who cannot fend for themselves. The

1 unlimited local service that we now have enables this
2 work to continue. The telephone service should not be
3 discontinued.

4 As for Southern Bell's claim that they are
5 not discontinuing the present service but offering
6 others as options, this is a ploy. We know from
7 previous experience that Southern Bell uses deceptive
8 devices and statements to cause their customers to
9 subscribe for services that they did not understand nor
10 need. If given the opportunity, they will again use
11 the same tactics in getting groups of people to
12 subscribe to what they call "local optional services,"
13 to drop their unlimited service. And once that is
14 done, unlimited local service is dead. And that would
15 be a catastrophe.

16 On another note, the extra \$1 per month
17 charge for Touch-Tone service should be eliminated.
18 With today's digital phone network, it is actually no
19 cost involved in having Touch-Tone service.

20 Southern Bell is earning approximately 13.5%
21 rate of return or more, and where most of our taxpayers
22 are lucky to earn perhaps 3% to 4%.

23 We urge the Public Service Commission to give
24 careful consideration to these facts and to help us in
25 preventing Southern Bell from using their methods.

1 Thank you for allowing me to address you.

2 (Applause)

3 MR. SHREVE: Thank you, Mr. Flax.

4 (Witness Flax excused.)

5 - - - - -

6 SALLY KORBER

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

10 WITNESS KORBER: Is this okay? Can you hear
11 me?

12 I just want to tell you, it's such a thrill
13 to be here with Mr. Shreve and with Jennie Slavin. And
14 I just had this gentleman tell me I'm cool, so my night
15 is made, okay? When a young man tells this old lady
16 she's cool, -- okay, back to the -- first of all --

17 CHAIRMAN DEASON: Ma'am, could you give us
18 your name and address?

19 WITNESS KORBER: My name is Sally Korber,
20 K-O-R-B-E-R, 15054 Ashland Way, C87, in Delray Beach.
21 I represent the wonderful Lakes of Delray residents
22 that came here, six buses, we could have used more, and
23 I'm very proud. (Applause)

24 most of what I'm going to say has been said.
25 But the only thing I want to say is that ten years ago

1 when Southern Bell broke up with AT&T, the people of
2 Lake Delray and Delray Beach were very upset, and I was
3 told by some wonderful person about Jack Shreve. That
4 was a wonderful day in my life and Jack Shreve came
5 down to talk to us. And we had a gentleman from
6 Southern Bell, Mr. Bergson (phonetic); he will never
7 forget us and I'll never forget Mr. Shreve.

8 Southern Bell came down to plead their case
9 that they wanted to take away our limited service
10 because they weren't making any money because of AT&T.

11 Well, this gentleman right over here went
12 back-to-back with Mr. Bergson about the figures. And
13 it ended up that Mr. Shreve told Southern Bell, "Go
14 back to AT&T to get the money that they didn't give you
15 and leave our unlimited calls as they are now." And
16 now we are back again.

17 I just am going to make it very short. We
18 know about the money that Southern Bell can make. I
19 wish that one-tenth of this audience was allowed to
20 make half that amount of money. (Applause)

21 And I want to say that again. I know that
22 you people from Southern Bell were mandated to give us
23 back money. I'm getting 55 cents every month. I go
24 out and buy myself, you know, an extra soda.

25 (Laughter) Somebody asked me what would I do if they

1 take away local measured service, and I said, "Shoot
2 myself."

3 But what I'm trying to say is -- the
4 gentleman from Southern Bell is looking at me and
5 smiling. What I'm saying is take those 55 cents and
6 expand our local calling service and leave our
7 unmeasured service alone. (Applause)

8 MR. SHREVE: Thank you, Ms. Korber.

9 (Witness Korber excused.)

10 - - - - -

11 MR. SHREVE: Do we have Jean Slavin? There
12 is no Jean Slavin, right? There are two cards.

13 John Machnic?

14 JOHN MACHNIC

15 WITNESS MACHNIC: Thank you very much.

16 My name is John Machnic. That's

17 M-A-C-H-N-I-C. I am the director of the South Florida
18 Office for The Florida Consumer Action Network. I live
19 in Fort Lauderdale, and I represent over 40,000 members
20 throughout the state that have been involved in the
21 Southern Bell rate case since it first developed.

22 This rate case has changed little from the
23 first time we were here back in the wintertime and we
24 still oppose it. We're here to tell you what consumers
25 want. We've heard consumers so far but they want to

1 speak a little bit more.

2 Consumers, first of all, want a phone
3 service, a phone company that provides them quality
4 service, flat rates, unlimited calling within a large
5 local calling area. Is that right? (Applause)

6 They don't want you to take a carrot and put
7 it on the end of a stick and say, "Look, we'll give you
8 that local calling area, but first you have to sign up
9 for local measured service."

10 The argument that Southern Bell uses that it
11 is just an option is an illusion. In many areas where
12 it started off as an option, once that pool of
13 customers decreases, phone service goes up, rates go
14 up, and it no longer is an option. It will become
15 mandatory. It has done it in other states, look at New
16 York, look at New Jersey, for example, it started out
17 as an option; it is mandatory. So don't say it is an
18 option. It may be now, but tomorrow we may not be able
19 to tell, it may not be an option. (Applause)

20 Second, we've heard some customers speak
21 tonight. They don't want the \$1 privilege charge that
22 we give you for our Touch-Tone service. Is that right?
23 We don't want \$1 on there. Take that \$1 off that phone
24 bill right now. Take it off every month. It's \$12
25 that can go to citizens that can use it a lot better

1 than Southern Bell.

2 Right now Southern Bell is earning up to
3 close to 14% on their rate of return and that's
4 obscene. We want a company that has a rate of return
5 in the 10% range, not 14%. Take the 14%, bring it down
6 to 10%, give the money back to the consumers. That's
7 where it belongs. Not in your pockets, not so you can
8 compete in the future.

9 Southern Bell, finally, is a monopoly, if I'm
10 not correct on that. Southern Bell is a monopoly.
11 They have the monopoly for providing phone service to
12 many consumers in this state. Monopoly means one, one
13 company. There is no competitor to Southern Bell for
14 providing monopoly service of phone service. So don't
15 say you have to compete. If you want to compete, get
16 out of the telephone service and go into another
17 company, another industry. Leave phone service alone.

18 You've heard from the consumers tonight, and
19 we're going to do this everywhere. We're going to be
20 there from now until the spring time when the decision
21 is made.

22 Southern Bell does not need to bring local
23 measured service. We want it banned. We will take it
24 to the legislature if we have to. We want the \$1 back
25 and we want the rates down at 10%, not 14%.

1 Thank you very much. (Applause)

2 MR. SHREVE: Thank you.

3 (Witness Machnic excused.)

4 - - - - -

5 MR. SHREVE: Mr. Albert Erdmann.

6 ALBERT ERDMANN

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 ERDMANN: I'm Albert Erdmann,
11 E-R-D-M-A-N-N. I'm at 6114 Seashore Drive in Lantana.

12 I came here tonight to talk about this, and I
13 feel that Southern Bell's request is being a bit unfair
14 in a lot of ways.

15 First of all, I'd like to speak in favor of
16 the county-wide local calling plan that's on Docket
17 921193. It doesn't seem to be on the agenda for
18 tonight but it ought to be. That would allow most
19 customers or everyone in this county to call everyone
20 else in this county without incurring a toll charge.
21 From what I calculate, the people will incur an
22 increase in their rate but they will gain a lot more
23 numbers that they can call for free. The highest
24 increase, of course, would be in Belle Glade and
25 Pahokee where they can only call about 12,500 customers

1 now, and they would be able to call 667,000; and that
2 would be for \$2.35 more a month. And I think the
3 Commission should adopt that.

4 Having adopted that, it doesn't make any
5 sense to go for the 40-mile local measured service plan
6 because most of the 40 miles will now be within the
7 local, plain old local calling area.

8 This affects us in other ways besides just
9 our telephone rates. As many of you are aware, our
10 county government spends a lot of money on FX service
11 and another product called Uniserve, which is the 930
12 numbers that the county has. They pay long distance
13 rates to Southern Bell for this service, and we're all
14 paying for it so that the residents in the south part
15 and the west part of the county can call the local
16 government offices without a charge. In addition to
17 saving money on our own phone bills by reduced toll
18 charges, we're going to be able to save some money
19 possibly on our taxes and maybe some of our business
20 costs will come down and maybe bring some prices along
21 with them.

22 In regard to proposed increases and decreases
23 in the service charge, I don't think it's fair that
24 Southern Bell is selecting where it wants to apply the
25 cuts. It appears to me that the Southern Bell plan

1 applies their cuts in areas that they face a lot of
2 competition in, things like PBX trunks and other
3 business type services. They're going to take the \$48
4 million pool that the Public Counsel has already won
5 and try to apply that to these cuts, meaning that the
6 average residential customer who doesn't have any
7 custom calling features, such as Call Waiting, Call
8 Forwarding, Caller ID, et cetera, is going to end up
9 paying for this. They're not going to get their share
10 of the refund. It would seem to me, Commissioners,
11 that the most logical way to apply this refund is
12 simple.

13 Number one, the idea of getting rid of the \$1
14 Touch-Tone would probably come a long way to bringing
15 down their profit margin. But if it is necessary to
16 reduce rates further, it's a very simple mathematical
17 question to determine how many dollars need to be -- to
18 determine how many of your rates have to be -- or how
19 many dollars need to be decreased divided by the number
20 of customers, and divide everyone's local service bill
21 by that amount and that would be the fairest way to
22 apply it.

23 Another item being changed from its current
24 price of free to a new cost of \$10 is a fee being
25 proposed to change your telephone directory listing.

1 Currently, if you change your telephone directory
2 listing, you call them up and tell them, "I don't want
3 to be in the book," or "Yes, I do want to be in the
4 book," you are not charged anything for that. However,
5 they propose to charge you an additional \$10.

6 Basically, I think it's to discourage persons
7 like myself, who call up Southern Bell immediately
8 before the book is published, tell them to remove my
9 name from the book; and then as soon as this directory
10 deadline has passed, call up Southern Bell tell them to
11 put me back in, saving me 80 cents a month.

12 And I often question why is the 80 cents a
13 month being applied in the first place? They're
14 charging me to save money. The only difference on a
15 nonlisted number -- between a nonlisted number and a
16 listed number is that it is not appearing in the
17 printed telephone directory, not to be confused with a
18 nonpublished number which, of course, is not available
19 through directory assistance, but a nonlisted number
20 is. The only difference is it is not appearing in the
21 printed telephone directory.

22 So, obviously, the more numbers that you omit
23 from the telephone directory, the fewer pages it
24 contains and the less money it costs to print. So, in
25 effect, they're charging us 80 cents a month for this

1 service to save them money. So they're not only
2 getting the 80 cents, they're also benefitting from the
3 additional money they're saving for each and every page
4 of telephone listings that had been omitted from the
5 directory.

6 If this countywide local calling plan is
7 approved, I anticipate very few people are actually
8 going to take the plan. From what I can see, the only
9 thing of benefit might be the unlimited \$20 plan where
10 you could pay \$20 extra to place an unlimited number of
11 calls within a 40-mile radius. Now, if you place more
12 than three hours of calls a month to an area within the
13 40-mile radius, that might make sense to you. But if
14 you don't, it's cheaper to go out and subscribe to an
15 interexchange carrier that does.

16 On a related note, the Public Service
17 Commission has before it a proposal to allow
18 presubscription within the LATA, that's Docket
19 930330-TP. What that proposal is to do is to allow
20 people to choose another long distance carrier besides
21 Southern Bell to carry their calls within the LATA. So
22 if I want to use a different carrier which has a
23 cheaper rate from, say, West Palm to Boca Raton, I
24 would be able to do so And I would not have to dial an
25 additional five digits like I currently have to do now

1 to use this special service. I feel the Commission
2 should be highly in favor of that.

3 And so we ask the Commission to approve the
4 countywide calling plan and modify its rate cuts so
5 everyone gets a piece of the pie. It is not fair to
6 let Southern Bell collectively choose who gets a rate
7 cut and choose those rate cuts in a fashion that
8 benefits them in conjunction with their competitors.

9 What I feel is going to happen with the
10 optional rate plan is that slowly the rates for
11 unlimited service will rise higher than rates for
12 measured service to the point that they become
13 unaffordable. What good does it do if local unmeasured
14 service is available if it costs \$50 or \$100 a month?
15 It is obviously out of the reach of the average
16 consumer, and it becomes, in effect, unavailable even
17 if on paper it supposedly is available.

18 So if this Commission is going to approve the
19 Southern Bell optional rate plan offer, they should
20 make them stick by what they say here in this little
21 pamphlet -- which basically says it is not mandatory
22 measured service; it is not part of a plan to be
23 mandatory measured service, you have our word on that.
24 They can put the word in writing and tie the two
25 together. They can't raise local unmeasured service

1 without raising commensurately the measured service as
2 well. And I think that that would eliminate the
3 problem. If you're going to approve it, tie it
4 together so the local customer is protected.

5 And thank you very much. (Applause)

6 MR. SHREVE: Thank you, sir.

7 (Witness Erdmann excused.)

8

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9 MR. SHREVE: Ms. Ronnie Loeb.

10

RONNIE LOEB

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

14 WITNESS LOEB: My name is Ronnie Loeb. I'm
15 president of the Century Village West Democratic Club
16 in Boca Raton. Our club has, as a matter of fact,
17 members but we are looked to for leadership in matters
18 such as this by all 11,000 residents of the village.

19 I want to greet the Commissioners and our
20 dear, esteemed friend, Jack Shreve, whom we have
21 trusted to represent us in matters like this all along.

22 We urge you to turn down Southern Bell's
23 request for measured time calls. Past experience --
24 and I will say there are a lot of gray hairs in the
25 audience and we earned every one of them. So our

1 wisdom tells us that this service costs more to
2 subscribers in the long run and will undoubtedly lead
3 to the loss of unlimited local calls in the future.

4 We know Southern Bell is calling this only a
5 voluntary option. You and I know better. The
6 thousands of seniors I represent need unlimited local
7 calls to phone doctors, to phone the security gate, to
8 check on sick and frail housebound neighbors. For our
9 people, so far from family and most of us here in
10 Florida in this area -- I remember when there were cows
11 in Boca Raton when we went to look at property there --
12 for people here so far from family, the phone keeps
13 them in touch with the outside world, including
14 cultural activities, social services, et cetera.

15 Also, let us not forget that all of our
16 community organizations, civic, fraternal, charitable,
17 political, rely on phone outreach to the public.

18 Please do not endanger the lifeline for us
19 privately and for our organizations. If anything, the
20 geographical area of unlimited calls -- I know you have
21 heard that but I don't mind reiterating that -- we feel
22 that the geographical area should be extended. We
23 heard originally that there were not enough people to
24 warrant extending the geographical area. Well, we've
25 grown by leaps and bounds. We have the people now, so

1 that is no longer an excuse.

2 The \$1 Touch-Tone has been touched on. We
3 feel also that this charge is ridiculous. Most phones
4 are Touch-Tone. The machinery is in place and this is
5 one of the unnecessary charges which bring up the cost
6 of monthly service.

7 And you start with a fairly reasonable rate
8 and then everything gets added to it, including that
9 inside wiring which we pay every month. We urge you to
10 insist that Southern Bell charge for local long
11 distance calls in per-second or ten-second increments.
12 Nobody has mentioned that. At present, if you talk for
13 one minute and ten seconds, the charge is for two full
14 minutes. Businesses are already charged for portions
15 of each minute; the technology exists and the consumer
16 should receive this benefit.

17 Further, Southern Bell is now committed -- I
18 don't know if it's 13 or 14, they're both obscene, net
19 percent net profits, which is unconscionable, since
20 most of America's larger companies do not have this
21 profit structure, except for the companies like the
22 pharmaceutical companies. (Applause) And I think the
23 -- and with those people, I think the Committee on the
24 Aging in the Senate said that the pharmaceutical
25 industry is a prescription for profits, okay?

1 So, as I said -- and even the pharmaceutical
2 industry is watching its step, taking slower increases
3 and I fully expect it to be more regulated. They have
4 a monopoly; so does Southern Bell.

5 Seniors are getting 2% or 3% bank interest.
6 Every time I look at the newspapers on Monday, the
7 Business Week section, the interest goes lower. And
8 they're having a hard time living on this money which
9 supplements the really meager Social Security income
10 they receive.

11 Southern Bell is profiting from the low cost
12 of borrowing and the low inflation rate in costs of
13 materials. Technology and the current economy allow
14 them to hold down labor costs. Like all other major
15 companies, they are becoming slim and mean, okay; and,
16 therefore, those costs are low, too.

17 Now, you, too, should seek to have this
18 monopoly limited to only 9% or 10%, at the highest, in
19 profit while basing their rates. Anything more, I'm
20 talking about -- well, anything more is unconscionable.
21 We urge you to consider your role in serving the public
22 and should roll back the committed profit percentages.

23 Finally, I urge you to consider that
24 telephone service is a monopoly. The consumer has no
25 choice of phone service locally as it does with long

1 distance phone service. It can, therefore, operate on
2 a lower profit structure since its customer base is
3 guaranteed and is ever-growing.

4 We urge you to consider the public you serve
5 with regard -- I speak here to the Commissioners of the
6 Public Service Commission I urge you to consider the
7 public you service with regard to the aforementioned
8 items.

9 Thank you. (Applause)

10 MR. SHREVE: Thank you very much, Ms. Loeb.

11 (Witness Loeb excused.)

12 - - - - -

13 MR. SHREVE: Mr. Louis Fagon.

14 LOUIS FAGON

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

18 WITNESS FAGON: My name is Louis Fagon. I
19 live in Century Village in West Palm Beach at North
20 Hampton E-96. I am here to speak on behalf of the
21 senior citizens of Century Village. We want you to
22 understand the colossal gall of Southern Bell. I must
23 use a Jewish word called "chutzpa." (Laughter) I want
24 you to understand what this word means. Picture this
25 situation: A man murders his father and mother; and

1 when he appears before the judge, he pleads for
2 clemency on the grounds that he's an orphan.

3 (Laughter) that's chutzpa. (Laughter)

4 Southern Bell came to you a couple of years
5 ago with this measured local time and was turned down.
6 And at that time, I said that Southern Bell would be
7 back one day to ask for local measured time, but this
8 time not measured in minutes but measured by syllables.
9 I was wrong, they came back and wanted local measured
10 time measured by minutes.

11 CHAIRMAN DEASON: Ladies and gentlemen.

12 MR. FAGON: Once again, they are trying to
13 get local measured time so that they can build up their
14 profits, which they admit amounts to at least 13% a
15 year.

16 They have a territorial monopoly. They have
17 no competition whatever. General Motors, which has
18 competition, is happy to make 5% a year. But Southern
19 Bell is not satisfied with 13%; they want more, so
20 they're back with local measured time. But, then,
21 there is a new wrinkle. They suddenly decided that
22 Palm Beach County has very wealthy people here, despite
23 the fact that most of the people in Florida, including
24 Palm Beach County, are retirees who are living on fixed
25 incomes and who support the economy of Florida.

1 Without them, Florida would be a desert. (Applause)

2 So we have this picture of Southern Bell
3 wants to not only use local measured time to produce
4 more profit, but they are looking at the income of the
5 people who use the telephones. Carried to a logical
6 conclusion, this is what's going to happen next if you
7 allow them to get away with this.

8 A housewife will go to the market to buy a
9 head of lettuce. And when she picks up a head of
10 lettuce and walks up to the grocer and says, "How much
11 is this?" He will say to her, "Where is your income
12 tax return?" (Laughter) And based on the income tax
13 return, the same head of lettuce will go for 89 cents
14 to this woman or \$1.50 to that woman and \$3.50 to
15 another woman, because they will all have to produce
16 their income tax returns.

17 Now this colossal chutzpa of Southern Bell
18 cannot and should not be tolerated, and I urge the
19 Public Service Commission -- (Applause) -- to protect
20 the people of Florida who are supporting the economy
21 and keeping the state alive. (Applause)

22 MR. SHREVE: Thank you, sir.

23 (Witness Fagon excused.)

24

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25 CHAIRMAN DEASON: Mr. Shreve, before you call

1 the next witness, if I can have everyone's attention,
2 please. I have been requested by the court reporter to
3 request that you all keep your applause down while the
4 witness is testifying because she cannot hear the
5 witness. If you must applaud, please wait until the
6 witness has concluded his or her testimony. And then
7 try to keep that at a minimum, please.

8 Mr. Shreve?

9 MR. SHREVE: I have two names on the next
10 form. Ms. Klausun and Ms. Ashen.

11 (Audience response.)

12 MR. SHREVE: We'll move on to Mr. Herbert
13 Aig.

14 HERBERT I. AIG
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 MR. AIG: Good evening. I, too, would like
19 to thank all the wonderful people who showed an
20 interest and are here tonight. I'm a firm believer --

21 COMMISSIONER LAUREDO: Could you give me your
22 name and address?

23 MR. AIG: I thought everybody knew me. My
24 name is Herbert I. Aig, A-I-G. I live at 150 Lake
25 Nancy Lane in West Palm Beach. That is Florida.

1 I, for one, am a firm believer that American
2 business should be permitted to make as much money as
3 it can legally. But this axiom doesn't hold for a
4 public, a public utility. The first concern of a
5 public utility should be the convenience, the comfort
6 and service to the people they serve. There is no
7 question about it, they should have some profit, enough
8 to satisfy, very reasonably, those people who invest in
9 that public service so they have the money to operate
10 and to enlarge their services.

11 To reinforce what I'm saying about public
12 service, I have researched three legal definitions that
13 it seems that Southern Bell has completely forgotten
14 about. And if I may, I'd like to read those to make
15 sure that it is as accurate as can be. Let me get my
16 glasses on.

17 The first is, "Public service:" A term
18 applied in modern usage to the objects of enterprises
19 of certain kinds of corporations which especially serve
20 the needs of the general public or conduces to the
21 comfort and convenience of an entire community, such as
22 railroads, gas, water, electric lights," and I may add
23 "telephone companies."

24 "Two, A public service or quasi-public
25 corporation is one private in its ownership but which

1 has appropriate franchises, appropriate franchise from
2 the state to provide for the necessity or convenience
3 of the general public incapable of being furnished by
4 private competitive businesses and dependent for its
5 exercise on eminent domain by government legacy.

6 "Three: It is one of a large class of
7 public-corporations which on account of special
8 franchises conferred to them owe a duty to the public
9 which they may be compelled to perform."

10 Actually, Mr. Lombardo and the other
11 members of Southern Bell, you are public servants in
12 the true sense of the word. You are public servants as
13 much as our police, our fire and our sanitation.

14 There's no question about it, you should make
15 certain types of salaries. But I would go into the
16 extravagances of those salaries. I could not get a
17 statement, a financial statement, of Southern Bell but
18 I did get one from the parent company, BellSouth.

19 BellSouth's president in 1992, J. L.
20 Clendenin, his salary, bonuses and all percs was
21 \$1,800,000. That is 18 times more, 18 times more than
22 those nice young people sitting on our Public Service
23 Commission. If 40 of you men made \$45,000 a year, you
24 could accumulate \$1,800,000 and the obscenities is it's
25 5.5 times as much as our President makes with all of

1 his percs. Five and a half times as much as the
2 President of the United States.

3 Again, we'll go to BellSouth. BellSouth, the
4 parent company, it is largely because of contributors
5 like Southern Bell who prey on people like us. The
6 stock this morning paid 4.8%. How many of you are
7 getting 4.8% for your money? The stock, I believe,
8 went to a low this year of \$46, and it's up to \$58.
9 And they have a right to cry "poverty"? I don't
10 understand what their figures are based on.

11 Let's go a little bit further. Southern Bell
12 has more options than Florida has lotteries and they
13 don't give any prizes. Let me read a few of the
14 options that they are picking up profits in: Call
15 Waiting; Three-Way Calling; Three-Way Calling on a
16 Per-Call Basis; Speed Calling 8; Speed Calling 30; Call
17 Forwarding, Busy Line; Calling Forwarding, Don't
18 Answer; Customer Control of Call Forwarding, Busy Line;
19 Customer Control of Call Forwarding, Don't Answer;
20 Touch-Tone Service; 976 Service; Blocking Calls to Area
21 900 Numbers; RingMaster Service; TouchStar Service;
22 Call Return; Repeat Dial; Call Tracing; Call Selection;
23 Call Block Referred; Call Forwarding; Caller ID;
24 Anonymous Call Rejection -- and with your latest bill,
25 "Stand out in the crowd with Designer Listening."

1 Mr. Lombardo, how many people ask for
2 Designer Listening when they pay for the phone?
3 (Laughter)

4 And there's another thing they just came out
5 with. It's called ID Calling and it shows you a name.
6 This is an invasion of your privacy. Just last week I
7 had the unfortunate incident of making a call to the
8 wrong number. Very indignantly, somebody got on the
9 phone and said, "Who are you? How come you got my
10 number? Why did you call me?" I said, "Sir, all I did
11 was call your number. It was an unfamiliar name, so I
12 just hung up." He thought I was committing some kind
13 of obscene gesture on the phone.

14 So, I say a lot of these options I'm sure a
15 lot of people have on their bills, just like
16 Touch-Tone, we don't even know about. But, you know,
17 the phone bill comes, how much of us actually read it?
18 Which is an unfortunate thing. We should all learn to
19 read our phone bills. We should all learn to read our
20 phone bills. You will find errors. The computer is
21 still not a human brain and the computer will make
22 errors. And sometimes, who knows how many of these
23 errors are committed? Hey, the poor schmucks out
24 there, they'll never know the difference.

25 Let's go to something else. Oh,

1 incidentally, Mr. Clendenin, I don't know how many tens
2 of thousands of dollars in stock options he's got.

3 Okay. Now, all this wealth by a corporation
4 whose primary obligation by legal definition is to
5 serve us, the public, who now have the audacity, the
6 effrontery, the temerity to ask for an increase,
7 whether optional or not, for a service which should be
8 part of our unlimited service throughout the county of
9 the inception.

10 Mr. Lombardo, you want to keep competition
11 off your back? Let's make some of these optional
12 things standard equipment. Seven years ago your seat
13 belts were optional equipment. Then all of a sudden
14 companies were putting them in as standard equipment;
15 so to meet the competition, it was standard equipment.

16 Again I say, let's work with what you have
17 now. Be satisfied with the profits you're having now.
18 Let's not continue this continuous hassle with the
19 people of this county. Take what you have, be happy
20 with your profits and let us continue our lives the way
21 they should be led.

22 Thank you. (Applause)

23 MR. SHREVE: Thank you, Mr. Aig.

24 (Witness Aig excused.)

25

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1 MR. SHREVE: If I could, I would like to take
2 one minute to introduce somebody. This is Charlie
3 Beck. He just came in from the Riviera Beach area. I
4 get to meet with you all the time, we have met together
5 over the years, but Charlie is an attorney and the
6 Deputy Public Counsel who is handling this case, and
7 you wouldn't believe the amount of time he has put in
8 and the job that he's doing for you, and I'm really
9 proud of Charlie. (Applause)

10 May Yates.

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

15 WITNESS YATES: Good evening. My name is Mae
16 Yates. I live in Delray Beach, 157 Capri-D, in Kings
17 Point. I'm on the governing board in Kings Point; and
18 we have 7,200 units there and I'm representing their
19 voice and their opinion. 7,200 units means anywhere
20 from 12,000 to 14,000 people.

21 You had a public hearing just last February
22 and you filled the auditorium to overflowing. And we
23 told you then that we did not want measured service.
24 And so here we are again urging you please, we do not
25 want measured service.

1 I'm not going to repeat the many things that
2 have already been said before because you do understand
3 what our complaints are and what our problems are, and
4 so, again, we're urging you to turn down this request.

5 We do in Delray Beach have the option if
6 someone wants to get measured service. I know a woman
7 who lives in Kings Point and she did avail herself of
8 that; but the reason she chose it was because she's on
9 a very limited income, a very small income, and her
10 bill was smaller. But she never calls anybody in West
11 Palm Beach and Jupiter. That's not the purpose. She
12 didn't want measured service to have an expanded area,
13 and she probably would never use this meaningless
14 service for her. So to sweeten the measured service of
15 expanded area, the people who would choose measured
16 service wouldn't want the expanded area, it wouldn't go
17 together.

18 This same person, her friends and family know
19 that when the phone rings twice, it's a signal to call
20 her so that she isn't using her precious minutes, and
21 this is the way measured service is used.

22 Since we're talking about measuring precious
23 minutes, why does the Commission permit Southern Bell
24 or any of the telephone companies to go to the next
25 minute after the first second? And I think that that

1 is something that should definitely be checked.
2 Because, as an example, when you speak three minutes
3 and two seconds, it computes to four minutes. It goes
4 up to the next minute.

5 Why isn't the timer set to go to four minutes
6 after 31 seconds? And, you know, if you we just will
7 go to three minutes up to 31 seconds and go from 31
8 seconds up to four minutes, I'm sure that the computer
9 can do that. I definitely think it is something you
10 should consider. Southern Bell is getting a lot of
11 money for words that are never spoken.

12 And I'm going to repeat that an option today
13 will be mandated tomorrow. It has happened in Los
14 Angeles, New York City, Chicago, many, many places in
15 this country. And Southern Bell does have in its
16 interoffice memos, which is very correct, we're all
17 aware of it, their long-range plan is to get everyone
18 on measured service. Please don't let them get through
19 their foot in the door.

20 I want to thank you very much for this
21 opportunity. (Applause)

22 MR. SHREVE: Thank you, Ms. Yates.

23 (Witness Yates excused.)

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25 CHAIRMAN DEASON: Mr. Shreve, before you call

1 the next witness, I see there are a number of people
2 leaving the audience, I assume it's to catch buses. I
3 plan to go for another ten minutes and get a recess and
4 give the court reporter a chance to rest her fingers --
5 she's been going 90 miles an hour here -- and give
6 everyone an opportunity who he needs to catch a bus to
7 catch a bus. We're going to take another witness.

8 MR. SHREVE: Mr. Shubert.

9 MELVIN SHUBERT

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

13 WITNESS SHUBERT: Melvin Shubert,
14 S-H-U-B-E-R-T, 7682 Tahiti Lane, 205, Lake Worth 4267.

15 CHAIRMAN DEASON: As you depart, please be as
16 quiet as possible, realizing there is a witness
17 testifying.

18 WITNESS SHUBERT: Okay, sir? I just would
19 like to say that when the banks made a few little
20 mistakes with the money and a few people were sent to
21 jail and some is wasn't like the Bushes, I noticed that
22 things were taken care of.

23 Now, what happened after the last time? My
24 wife and I looked at our bill and we had Third Party.
25 First of all, we called up, it took two weeks. The

1 woman said, "I'm here to listen to you." I said,
2 "Well, what is Third Party?"

3 "Well, you asked for it, you signed for it,"
4 which we never did. We never signed for anything.

5 Well, anyway, Third Party I found out is if
6 you go to your neighbor, you can transfer your call and
7 they can call you from there. I didn't know what Third
8 Party meant, or Fourth Party.

9 Now, we got back \$1,100, by the way.

10 Now, what I want to know is why the telephone
11 company -- and I'm talking to Ms. Johnson, now,
12 Commissioner Johnson -- why something has not been done
13 to correct all this. Because there are a lot of people
14 -- why aren't they being sued? Why isn't it being
15 taken care of? Instead of them asking for money, let
16 them give back the money that they owe everybody.
17 Thank you.

18 MR. SHREVE: Thank you, Mr. Shubert.

19 (Witness Shubert excused.)

20 - - - - -

21 MR. SHREVE: Sally Kanter.

22 SALLY KANTER

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 KANTER: Good evening, folks, Sally
2 Kanter, K-A-N-T-E-R. My address is 131 Lake Susan
3 Drive, Golden Lakes Village, West Palm.

4 I represent hundreds of people in Golden
5 Lakes. We have a community organization of about 5,000
6 people who support me in what I'm going to tell you.
7 Unfortunately, when it comes down to number 15 or 16 to
8 speak, I begin to feel that you're going to be
9 repetitious and I don't want to do that. So I'll try
10 not to.

11 I think you all remember when we were here,
12 those of you who are on the Public Service Commission
13 remember we were here five or six years ago. We were
14 here less than a year ago, we're coming back again,
15 it's becoming a regular habit, and I hope we won't have
16 to continue to be coming back every year. I hope we
17 can get these things settled and once and for all see
18 eye-to-eye so we don't have the kind of problems that
19 we do have.

20 Yet Southern Bell still is seeming to try to
21 confuse the people with their grievance, so we have no
22 choice but to come back here.

23 Unfortunately, money and enormous profits are
24 a terrific deal by the power-hungry corporations,
25 regardless of the consequences and no matter how the

1 people are being hurt in the process.

2 But someone in Southern Bell has got their
3 priorities mixed up, I'm afraid, and I don't know how
4 we can straighten that out. They seem to feel that
5 Palm Beach County is not really the seat of the wealthy
6 -- or rather it is the seat of the wealthy, excuse me.
7 But despite the fact that there does exist a small
8 elite island strip along the ocean which is lush with
9 riches, that is not typical of all of Palm Beach
10 County.

11 The bulk of the people living here, as you
12 all know and have heard before, are seniors living on
13 fixed incomes or singles who are trying to meet their
14 budgets.

15 And we seniors, you know, have really paid
16 our dues in this state and this county many, many times
17 over. We have helped raise the economy through
18 additional houses, through additional food markets and
19 restaurants and taxes, and our use of through utilities
20 and the taxes on utilities. So I don't know why
21 Southern Bell particularly is trying to penalize us for
22 living in Palm Beach County.

23 When I call my children in Maine or West
24 Virginia, the toll charge to call them there is a lot
25 less than when the call is to Boca and Delray to my

1 family. I just can't figure that out. I don't know
2 who sets these things. But I think once and for all we
3 have to sit down with somebody in Southern Bell who is
4 using computers and arithmetic to give us higher toll
5 rates here in Palm Beach County. Delray and Boca are
6 part of Palm Beach County. How they derive the line
7 and who comes up with this is a mystery to all of us.
8 And I think that mystery has got to be gotten to the
9 bottom of it.

10 Boca and Delray are only a short distance
11 away, and we should be entitled to regular calls as we
12 call all over in West Palm Beach. But yet something is
13 wrong. And I think one of these days the people will
14 come marching down to the Public Service Commission,
15 together with Mr. Jack Shreve, and say, "Let's see
16 these books and let's see how you monitor these
17 things."

18 When I get a call for \$4 for speaking a few
19 minutes to Boca Raton, I'm staggered, I don't
20 understand how this is arrived at.

21 Let me also deal with, if you agree to a
22 change in local rates, Southern Bell, according to what
23 we met with some of your representatives, regular
24 offers a special rate to call Boca and Delray. But the
25 real deal is we're just opening the door for these

1 changes of our local unlimited calls. And we're not
2 going to do that, we're not going to fall for that. I
3 hope nobody here will fall for it and understands what
4 this really means.

5 Are they trying to ring-around-the-rosy with
6 us? I don't know. Offering a piece of candy and
7 taking away the main part of the meal? You can try
8 that with kids but you can't try it with your
9 grandparents. We have been around, we've lived a long
10 time, and we're very, very cautious about what people
11 are trying to do to us to rip us off. (Applause)

12 Incidentally, we had a meeting with several
13 of your original directors. We were a committee of
14 some 10 to 12 people who live up and down that course.
15 And they said to us at our committee meeting, "You
16 needn't bring all those people that you did last year;
17 just bring a few people to the hearing who will give us
18 your views." Well those people are the views are
19 making up the thousands and a lot of them are here.

20 (Pause)

21 So let's bear in mind, Commissioners, that
22 the phone, as everybody has told you, that the phone is
23 the lifeline to survival here. You have heard it over
24 and over again, especially to the widows and especially
25 to the widowers and especially to the families with

1 young children and to single parents. And I think that
2 not only is it a lifeline but I know in many of the
3 areas -- I went to a meeting Monday night in Century
4 Village, and they all have the same kind of system that
5 many of the senior groups have. They call each other.
6 Each one is assigned to call four or five people every
7 day to make sure that their neighbors are okay because
8 they see no people. That's done in most every village
9 and every condominium that has seniors.

10 Can you imagine what would happen if the
11 local limited calls went into effect? You would have
12 people dying in the streets and you would be guilty of
13 murder. (Applause)

14 I want to call upon the Public Service
15 Commission who represents the Governor's race in the
16 state of Florida to unequivocally reject any rate
17 increases but, rather, give us increases which we merit
18 due to the excessive profits that the Public Service
19 Commission is showing.

20 But, in closing, I just want to make one
21 comment: I'm sure you people may not appreciate it but
22 I think the people sitting here will. Because if
23 Southern Bell's greed continues to increase beyond
24 reasonable profits, perhaps it's not so far off for us
25 to take the initiative and appropriate to initiate a

1 program for the State to mandate complete control of
2 these utilities. We've had enough of these
3 million-dollar Southern Bell smooth talkers and it's
4 time we recognize we may have to take matters into our
5 own hands.

6 MR. SHREVE: Thank you, Mrs. Kanter.

7 (Witness Kanter excused.)

8 - - - - -

9 MR. SHREVE: Mr. Friedman.

10 HERBERT FRIEDMAN

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 FRIEDMAN: Ladies and gentlemen on
15 the platform, whatever persuasion needed, my name is
16 Mr. Herbert Friedman. I live at 7137 Golf Colony
17 Court, Apartment 102, Lake Worth, 33467. I am the
18 first vice president of the Lake Worth West Democratic
19 Club. I am also the director of my community. And I
20 speak for both of these areas.

21 I would like to emphasize as I speak that all
22 the areas that have been covered up until now are more
23 than adequately described and suggestions made which I
24 agree with and, thus, I will make this very short.

25 I believe that Southern Bell is using this

1 measure device as a method of getting into the cable
2 service, using the additional funds that will be
3 derived from the measured service. (Applause)

4 Now, that is not a regular business practice.
5 If a company decides to go into another business, they
6 either go through a bond issue or they take the funds
7 out of the existing company. I resent highly any
8 possibility of Southern Bell using additional funds
9 derived from customers to enter a new area.

10 Number two, the monopoly issue is very, very
11 pertinent. I feel strongly that if Southern Bell were
12 to have competition, we wouldn't see any of this. We
13 wouldn't have the numerous meetings that have gone on
14 before and will continue to go on until Southern Bell
15 and its great expectations will finally succeed. That
16 won't happen, at least if we're alive to see it.

17 Gentlemen and ladies, thank you very much.
18 (Applause)

19 MR. SHREVE: Thank you, Mr. Friedman.

20 (Witness Friedman excused.)

21 - - - - -

22 MR. SHREVE: Mr. Gold?

23

24

25

LESTER GOLD

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 GOLD: Thank you for calling on me.
6 My name is Lester Gold. I live at 425 Lake Helen Drive
7 in West Palm Beach.

8 Much of what has been said were going to be
9 my remarks, so I will eliminate them and I will just
10 speak about a couple things that I feel might be
11 repetitive but should be brought to the Commission's
12 attention.

13 In February, at John I. Leonard High School,
14 1200 to 1400 people came to oppose the limited measured
15 service. It was totally opposed, and I was hoping at
16 that time that that would be the end of it. But
17 evidently not so.

18 I am not going to talk to the Commissioners
19 about Southern Bell's bottom line, you probably know
20 the figures better than I do. You have heard tonight
21 from many people here telling about the rate of return
22 that Southern Bell is getting which people feel are out
23 of line. Right now I may be addressing some empty
24 seats; but the people who spoke before, the leaders of
25 organizations and retirement villas, what was

1 represented here tonight does not represent 600 or
2 1,000 people, but actually tens of thousands of people.
3 So what I say to you is this: Capitalism is alive and
4 well in the United States and there is nothing wrong
5 with a company making a profit. But it is
6 unconscionable to allow a greedy, rapacious utility to
7 slip its hand in our pockets and steal from us.

8 (Applause)

9 Now, I cast no aspersions, or maybe I'm being
10 a bit presumptuous to try to tell the Commissioners how
11 to conduct themselves. But what I feel that you should
12 be doing is to do what your title says. A "Public
13 Service Commission" should serve the needs and wants of
14 the public, not the needs possibly of Southern Bell.

15 It goes without saying that these people who
16 are here -- and that includes me -- who live on fixed
17 incomes cannot always be at the mercy of these
18 tremendously large companies who feel that they must
19 come to you every so often to try and gouge money from
20 people who actually cannot afford it and should not be
21 subject to this on a continuing basis.

22 Thank you very much.

23 MR. SHREVE: Thank you, Mr. Gold.

24 (Witness Gold excused.)

25

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1 CHAIRMAN DEASON: Mr. Shreve, I believe now
2 would be an appropriate time to have a recess. We have
3 been going now for almost two hours. We're going to
4 recess until five minutes after 8:00 and we will
5 reconvene the hearing at that time.

6 Thank you.

7 (Brief recess.)

8

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9 CHAIRMAN DEASON: If I could have your
10 attention, please? If I could have your attention, if
11 everyone would take their places, we will reconvene the
12 hearing.

13 I have been asked to make an announcement.
14 There is a blue Camray DX with the lights on, and the
15 license plate number is IHY-15X.

16 Mr. Shreve, you may call your next witness.

17 MR. SHREVE: Thank you, Mr. Chairman. May
18 Mazur? Some of the people may have had to leave. May
19 Mazur, M-A-Z-U-R?

20 Alberta Farina?

21 ALBERTA FARINA

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 FARINA: My name is Alberta Farina,

1 F-A-R-I-N-A. I live at 27 Buxton Lane, and that's in
2 Boynton Beach. I have a Lantana zip code, and I get my
3 mail at Lake Worth.

4 But, anyway, first let me thank you for
5 having this meeting at Palm Beach Community College. I
6 really didn't want to go to Riviera Beach, although I
7 would have went anyway.

8 I was going through my last two months'
9 bills, and on Thursday, September 23rd, at 11:01 p.m.,
10 I made a 14-minute call to my father in Delray, which
11 is about 17 to 20 miles from my house. And the call
12 was \$2.24.

13 On Wednesday, September 29, I made a long
14 distance phone call to New York, which is 1300 miles
15 away. It happened to be at the same time, 11:01 p.m.
16 It was a weekday. It was 14 minutes. I think it just
17 happened like that so I can come to the meeting and
18 tell you about it. It was \$1.82. And I'm a little
19 upset about that because I can call 1300 miles away and
20 it's only going to cost me \$1.82, and 20 miles to call
21 my father is \$2.24.

22 Sometimes I drive to the Boynton Beach Mall,
23 I put a quarter in the phone booth and I'll call my
24 father for 25 cents. I had 66 calls to Delray for a
25 total of \$46.52. If I would have did that, just put a

1 quarter in the telephone, it would have only cost me
2 \$16.50.

3 November's bill was 58 calls to Delray, a
4 total of \$31.29 versus \$14.50 if I would have went to
5 the mall and put a quarter in.

6 I just want to say that 56 cents that we get
7 as a refund is a joke as far as I'm concerned, it
8 doesn't do anything for me.

9 There's another thing that no one mentioned,
10 it's advertising. Southern Bell does an awful lot of
11 advertising; and some of the commercials, they bring
12 tears to my eyes, but so does my telephone bill. Thank
13 you. (Applause)

14 MR. SHREVE: Thank you.

15 (Witness Farina excused.)

16

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17 MR. SHREVE: Kathleen Klee.

18 KATHLEEN KLEE

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 KLEE: My name is Kathleen Klee,
23 K-L-E-E. I live at 2132 Worthington Road, West Palm
24 Beach, Florida, 33409. I really wasn't expecting to
25 speak tonight. And I don't belong to any organized

1 group; but I think, while I'm representing myself, I
2 think I'm representing some other parts of our society.

3 The senior citizen element is very well
4 represented and presented many very well-presented
5 facts. But they're not the only element of this area
6 that would be effected by the measured service that
7 seems to be becoming more and more imminent.

8 I think working people like myself, single
9 parents like myself, parents like myself who have
10 teenaged children -- and we all know what a terror they
11 are when it comes to using the telephone -- I think we
12 would be very severely impacted by this type of a
13 change.

14 And the only other area that hasn't been
15 addressed so far, I think people who are parents and
16 civic-minded individuals become deeply involved in
17 volunteer work. And for anybody who has, you know how
18 many hours you can spend on the phone explaining what
19 needs to be done, setting up meetings, securing help.
20 And I think to people who are donating their time and
21 their energy, if they had to do that under measured
22 rates, they're being penalized for trying to do
23 something that is a contribution to the community.

24 Thank you very much. (Applause)

25 MR. SHREVE: Thank you.

1 (Witness Klee excused.)

2 - - - - -

3 MR. SHREVE: William H. Secker. Mr. Secker.

4 WILLIAM H. SECKER

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 MR. SECKER: I am William H. Secker, spelled
9 S-E-C-K-E-R. I live at 2080 Kudza Road, West Palm
10 Beach 33415.

11 I certainly want to say no, I don't want
12 this. We need rate cuts, not options which result in a
13 doubling of our communications costs. I think you have
14 been very unfair, Southern Bell, in the way you have
15 presented your information. You're not trying to save
16 us money, you're not trying to offer us anything of
17 value, you're trying to gouge us. And I think the
18 Public Service Commission needs to perform a public
19 service in stopping this.

20 I think, Southern Bell, that you are a wolf
21 in a very poor disguise in three-pieced suits. I
22 further think that metered service is limited service,
23 and it is limited service that is going to end up
24 doubling our costs.

25 Somebody mentioned the options sounding sweet

1 and wonderful. They don't sound sweet and wonderful to
2 me.

3 The irony that I see in your deceptive
4 practices is that you're going to undermine the
5 customer base. In attempting to gouge your customer
6 base, in attempting to prepare for the competition that
7 you do see coming down the road, you are undermining
8 your position.

9 Cable communications is right around the
10 corner. Competition is on the way. You are trying to
11 prepare for that, but you're doing it deceptively. And
12 the irony of that, I repeat, is that you are
13 undermining your own customer base.

14 The way that I see, that I perceive that you
15 deal with the public, forces me to the conclusion that
16 any other service, with the emphasis on service, would
17 have to be very seriously considered by myself. And
18 when competition does become available, I will
19 certainly look very closely at it.

20 This rate decrease is baloney. This is a
21 latent increase. It's been spoken many times before
22 that these items that you are calling rebates and
23 services you provide are, in fact, things that you have
24 been already ordered and you are forced to do. You're
25 trying to candy-coat that and turn it around and

1 present it to the public as something you're providing
2 to them because you're such good people.

3 One thing that doesn't appear on the record
4 since the record and since the referral, is, in fact,
5 the emphatic response of the public to all of the
6 rejections, all of the people that have spoken and all
7 the comments that have been negative. I don't think
8 I've heard one supportive comment of this proposal.
9 What does not appear on the record is the applause, the
10 jeering, the reactions of the people who did not get up
11 and speak but were here and emphatically disagree with
12 this proposal. That needs to be part of the record.

13 As for speakers feeling that they are being
14 repetitious, we had some very good speakers early on
15 that made very good points and some of the subsequent
16 speakers, I think, have held back or felt that the
17 points they wanted to make had already been made.
18 That's too bad. I wish they had gone ahead and
19 restated their positions. I think everyone needs to
20 get up and restate those positions over and over and
21 over again that we don't want this.

22 Why do we have to keep going through this?
23 You have been told no before. Accept it, no, we don't
24 want it.

25 Thank you. (Applause)

1 MR. SHREVE: Thank you, Mr. Secker.

2 (Witness Secker excused.)

3

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4 MR. SHREVE: Mr. Mark Willard? Mark Willard?

5

MARK WILLARD

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 MS. WILSON: My name is Mark Willard,
10 W-I-L-L-A-R-D. I'm at 8600 Windy Circle, Boynton
11 Beach. I'm here to talk about the dissatisfaction I
12 have in my phone bill because of the local calling
13 area, the limited local calling area that I have.

14 I've lived in Florida for 25 years. I have
15 probably resided in five or six counties, and Palm
16 Beach County is the one county where people do not get
17 the access like you do in Central Florida or in South
18 Florida. And I thought six months ago when we came
19 here we put this limited or measured service to bed.
20 That's what we need to do tonight, and let's get on
21 with giving the people here in West Palm Beach the same
22 access to their calling area as everybody else enjoys
23 in the state of Florida and in other counties.

24 That's all I want to say. Thank you.

25 (Applause)

1 MR. SHREVE: Thank you, Mr. Willard.

2 (Witness Willard excused.)

3 - - - - -

4 MR. SHREVE: Mr. Leo Wilensky?

5 LEO WILENSKY

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

9 WITNESS WILENSKY: I live in Century Village,
10 and I'm a member of the National Council of Senior
11 Citizens. I have been an officer in Common Cause,
12 Floridian Environmentalists and other environmental
13 organizations.

14 CHAIRMAN DEASON: Sir, could you give us your
15 name, please?

16 WITNESS WILENSKY: Leo Wilensky, Century
17 Village.

18 I want to thank the eloquent speakers who
19 have spoken before, and I just want to mention that
20 over 100 senior citizen groups in Palm Beach County
21 have come out against this measured service, from the
22 National Council of Senior Citizens, to the AARP, and
23 to Jennie Slavin's Silver Haired Legislature Group.
24 And it is a resounding note to the telephone monopoly
25 that most people are against this rate.

1 The other thing is one accountant I
2 understand said that the telephone return is not 13% or
3 14%, it is closer to 16% or 17%.

4 And I want to mention poor repair service of
5 public and private telephones that often require
6 repairs after three or four weeks. I don't think there
7 is any state that has the poor ratio of repair service
8 to the public on public and private telephones as we
9 have right here.

10 I think there should be a reduction in rates
11 and an increase in services. And this disregard for
12 consumer and environmental concerns is against the
13 interests of the people of the state of Florida.

14 Also, this accountant was talking about the
15 financial statements of the telephone utilities
16 mentioned that because of the volume of telephone calls
17 and the advanced technology, the cost of the units of
18 the telephone service should have gone down. In other
19 words, instead of telephones going up -- now, I'm
20 talking public and private telephones -- instead of the
21 rates going up, they should have been reduced. And
22 what we see here is a spiraling increase of the cost
23 and what the public is actually paying.

24 And in Century Village where I live, some
25 years ago a kind of a storm, the telephones were out

1 about a day and a half, two, two-and-a-half days. And
2 the people called in and complained and asked for
3 reductions to give a reimbursement because the phones
4 weren't working. They have never heard from the
5 telephone company.

6 So this is an indication of the response of
7 the telephone company here in South Florida. I think
8 it's really a terrible situation.

9 And the other thing the speakers were very
10 good, one was better than the others, and I think they
11 covered most areas.

12 One other thing. Two years ago, during the
13 election period, BellSouth came out and they put these
14 brochures in the telephone bills in the envelopes. And
15 if ever I saw political partisanship, in this brochure,
16 they were condemning government for -- they're saying
17 that the higher rates, telephone rates, was the fault
18 of government because of taxes and not the telephone
19 company itself. If ever there was political bias of a
20 public utility in any state, it was right here in
21 southern Florida. As we were looking at this brochure,
22 people were saying they had never seen anything like
23 it. These are people that came from northern states
24 and they said, "No northern telephone utility would
25 come out with such a brochure," but here it was in the

1 state of Florida coming out with this antigovernmental,
2 anti -- you know, trying to accuse government for what
3 they themselves were at fault for. (Applause)

4 MR. SHREVE: Thank you, sir.

5 (Witness Wilensky excused.)

6 - - - - -

7 MR. SHREVE: Roz Eisenberg?

8 ROSILAND EISENBERG

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 EISENBERG: Good evening, everybody.
13 My name is Rosiland Eisenberg. I've lived in the City
14 of Lake Worth 36 years, when this area was cow
15 pastures, tomato farms and farmland. There were no
16 condominiums; there was no I-95; there was no turnpike;
17 there was no Bee Line; there was nothing here,
18 two-and-a-half hours to get to Miami on 1.

19 Now, to get down to facts. A lot of this has
20 been said, but here are certain things that have to be
21 brought up again.

22 Promises have been made that costs are going
23 to come down. This was years ago, not so long ago. I
24 had a four-party wire. No problems. Took it away, "We
25 have to take it away; we're modernizing it." So I'm

1 left with two.

2 Two is wonderful. Never had problems with
3 the other people; we had our signals where they wanted
4 to use it, I hung up and vice-versa, never a problem.
5 Along comes the telephone company and says, "You have
6 got to have a private wire."

7 That's not right. It was jammed down my
8 throat just like something else has been jammed down my
9 throat a few months ago. There is no place in the city
10 of Lake Worth to pay the telephone bill, so I have to
11 mail it in. Well, it's going to cost me another \$3.50
12 a month for mailing. I have been taking off the
13 postage, putting across the check and writing a note on
14 it, "I'm taking off the postage," and I'm protesting
15 across the front of the check.

16 This month, I get the bill, they are charging
17 me interest. I have called. The lady says, "Well,
18 I'll take off the interest, pay the amount that you owe
19 for the postage."

20 I says, "I'm not going to do it."

21 This is something that they have an empty
22 building or a building on South K Street, they could
23 use it so the people could pay their bills or pay them
24 at City Hall or pay it someplace in town, like I did
25 for 30-some-odd years. Why should I have to go out to

1 Sears at the mall? So this is something else to work
2 on.

3 They didn't ask. They got the building
4 location; they put a slot in, they put somebody there
5 as a convenience, be good for the citizens. But that
6 doesn't happen. They're more interested in their
7 creative bookkeeping so that they can get these high
8 salaries that somebody previously mentioned.

9 How else do these geniuses that come up with
10 some of the ideas for raising the rates for this, that
11 and the other thing? I don't even have a push-button
12 telephone. I still use the rotary. Are they going to
13 come along and say to me, "Eisenberg, you have to have
14 a push-button telephone"? I expect it any day.
15 Because that's how the telephone is, they're never
16 satisfied. They're greedy. Everybody knows about it.
17 How many people have the guts to get up and say it, or
18 call Mr. Shreve's office like I have numerous times?

19 I'm not for the measured service because,
20 like so many people mentioned, I have obligations to
21 call different people for different committees. I can
22 make five, eight calls, and then some days not use it
23 at all.

24 The telephone is not a luxury in this day and
25 age. It is a necessity where it links people with one

1 another and through that it keeps them alive.
2 Otherwise, what else do they have to do? They're on
3 the committees; they are doing the work. You saw what
4 happened here tonight. How did we get such a big
5 turnout? Through the telephone.

6 It's the old story, more people are moving
7 into Florida, which means more telephones. Well, it's
8 like any other commodity, the more you sell, it should
9 bring the price down. But not with the telephone
10 company. The more phones they install, the higher the
11 price has been going.

12 When I heard that gentleman read off a list
13 of the different things, transfer this, transfer that,
14 holding, not holding -- and to pay for that? It should
15 be a given.

16 And where can you get the given from? Some
17 of these guys at the top don't have to make over \$1
18 million with their percs and salaries. Here is where
19 the given should come from and give it to these people.
20 They're not living high on the hog. They're not riding
21 around in yachts. Go up to the port there and you'll
22 see all the yacht. Who else?

23 It's not right. But they say, "Well, that's
24 business enterprise." I'd like to know who sits up
25 nights thinking up some of these ideas to screw the

1 public -- and I hate using the words, but this is what
2 they tell me, the word today that's supposed to be
3 acceptable. I can't stand it. It gives me a chills.
4 But I hate to be taken over. But I use the other word
5 that has that zip to it that people know what it means.

6 You have to give us salary cuts to poor Port
7 Salerno. Doesn't cost me anything. It's 40 miles. To
8 call Delray 11 miles, it's a toll charge. I've spoken
9 about it several times over the past years to the
10 meetings that you have held. Nothing is ever done.

11 Why can I call 40 miles and not cost, 11
12 miles and it costs? It's cheaper, like it was brought
13 out, to call New York than to call Miami. I don't call
14 the relatives down there; I go out to the roof.

15 You make promises, you make conditions, but
16 somewhere in the back of the mind you might be giving
17 something, but a couple of years down the line you're
18 punching it to the public again. And that's not right.
19 Because we might be old but, like somebody said, we've
20 been around the block and we can see through a lot of
21 this nonsense that you are trying to pull. I'm using a
22 polite word when I say "nonsense."

23 Again, the telephone should be cheaper.
24 More people moving in, you're installing more
25 telephones. Not to say, "Well, we're using more wire

1 and using more this, that and the other thing, we have
2 training programs." Great. But the bottom line is
3 you're making more money. You can't say you're not
4 because we're not stupid. There's creative bookkeeping
5 going on in the system, 13% that they admit to, which
6 means there's got to be 2% or 3% more somewhere up and
7 down the line, and they'll find the loopholes where to
8 bury it under.

9 I appreciate very much that you had the
10 meeting here tonight because I don't think I could have
11 gone up to Riviera. I mean, I gave up another
12 important meeting to come here, and I wish and I pray
13 that you will do the right thing by the people, reduce
14 the rates, right across the board. If the telephone
15 bill is \$10 and change, make it 8, 9, but reduce it.
16 Show them that you're a mensch. Somebody used another
17 Jewish word and this is a good one. Somebody will
18 translate it for you, I'm sure.

19 Again, I thank you for allowing me these few
20 minutes, and do the right thing. (Applause)

21 MR. SHREVE: Thank you.

22 (Witness Eisenberg excused.)

23 - - - - -

24 MR. SHREVE: Mr. Charles Falana?

25

1 CHARLES P. FALANA

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 FALANA: My name is Charles P.
6 Falana, F-A-L-A-N-A. I live at 1160 West Third Street,
7 Riviera Beach, Florida.

8 I did come from Riviera Beach here to this
9 meeting. I wanted to see the complex and makeup of
10 this meeting to see the difference in it. And as to
11 what I saw, the Commissioners would get the wrong
12 impression that African Americans on the south end of
13 Palm Beach County have no interest in what you're
14 doing, but we have an interest. And don't fool
15 yourselves because we have an interest.

16 I did not see this Palm Beach Community
17 College on my brochure as the place in which you are
18 going to have a meeting. I guess I have to reach down
19 where it says if it is necessary to change time or
20 place in any of the previous listing of the hearings
21 the telephone company will publish a listing to that
22 effect prior to the hearing.

23 I don't know why you moved the meeting to
24 this place. I guess you have a reason.

25 CHAIRMAN DEASON: Sir?

1 WITNESS FALANA: Yes.

2 CHAIRMAN DEASON: The meeting was not moved,
3 it was an additional hearing held. There was a hearing
4 this evening in Riviera Beach.

5 WITNESS FALANA: Yes, I understand that.

6 CHAIRMAN DEASON: But due to public demand,
7 we scheduled an additional hearing at this location to
8 try to accommodate people who were inconvenienced by
9 having to travel to Riviera Beach.

10 WITNESS FALANA: I inconvenienced myself to
11 come here; they could have inconvenienced their selves
12 to be there.

13 I do want you to know that Southern Bell is
14 not to be so big until it cannot fall. Some peoples
15 think when you get so big, you can do anything. But
16 you have to remember that only a few years ago there
17 was Eastern flying the skies, but there is no Eastern
18 now. You happen to know a few years ago there was a
19 country called USSR, but there is no USSR now. You
20 have to always keep people's consideration and listen
21 to their complaints and their praises.

22 Southern Bell is not so large that they can
23 do anything and treat their customers any kind of way.
24 You are appointed by the government to be between us
25 and them, to do the best that you can with your

1 knowledge but never, never let them buy you. Don't
2 sell out to them. Vote your conscious. You're a man,
3 you're a woman, and do what is right and do what you
4 were elected to do or appointed to do.

5 Thank you.

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

7 (Witness Falana excused.)

8 - - - - -

9 MR. SHREVE: Malvin Cutler. (Pause)

10 MALVIN CUTLER

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 CUTLER: Malvin Cutler, 10694 Sky
15 Flower Way, Boynton Beach, 33436.

16 I thank the Commissioners for giving us this
17 opportunity to meet with you and to speak with you.
18 Regretfully, it seems to me each year we come back to
19 speak about the same topics.

20 Somewhere along the line, I guess, being a
21 professor of economics, I look at case studies all the
22 time and this is another one. You know something, you
23 can't keep lying to people. Sooner or later it shows
24 up. Let's look. Can't we learn a little from history?

25 The president of the AT&T -- vice president,

1 I'm sorry, of AT&T, executive vice president, two years
2 ago at a conference down here stated that land-line
3 telephones will be obsolete by the year 2000. So you
4 have to make a profit in seven years to get ready to go
5 out of business.

6 Well, wait a second, don't we learn anything?
7 AT&T never went to court when it came time for its
8 monopoly suit. Instead it made a deal, we'll go into
9 other businesses. If you will let us, we'll split up
10 the monopoly and we'll let everybody into the action
11 providing you let us go into other businesses.

12 Well, AT&T was trying to get together with
13 IBM for a lot of years. They had a conference down
14 here in 1970 on that topic.

15 When are you folks going to learn if you
16 can't rip us off in the next seven years to put you
17 into other businesses? Colonial Penn learned that.
18 Colonial Penn went into the orange juice business; they
19 went into a couple of other businesses; they went
20 broke. They had to sell the company out. What are you
21 trying to do to the consumer? You are trying to use
22 them to go into other businesses.

23 You holler about rates; you want this line
24 individual call rate. That's a subterfuge. You don't
25 care how you get your profit; you don't care how you

1 get more money. You'll come to the Commissioners and
2 say, "Since we didn't get that, we need another 3% on
3 the basic rate." You know that's what you're going to
4 do, you're going to bargain.

5 Commissioners, see through the bargain. We
6 have families down here who can't afford health
7 insurance. Young working people. You have only heard
8 from senior citizens tonight. What about the family of
9 four who's barely making a living and can't get health
10 insurance? They go to the federal government and say,
11 "We need health insurance." Those families all need
12 telephones, too.

13 We know what happens. 15 years ago the welfare
14 system, HRS decided telephones were a necessity for
15 every family. I'm not asking you for charity and I'm
16 not asking you to give charity. I'm asking you to take
17 a fair return on your money. And that should reduce
18 the problem for the purpose of your other business
19 enterprises. You'll be a small unit but it's all going
20 to one company, Southern Bell.

21 Let's look at the profits. If Southern Bell
22 has a profit on its other industries, will it reduce
23 the telephone rates by returning the money to the
24 telephone subscriber? No, it won't. It will just say
25 to the subscriber, "We need more money."

1 I think it's time you realize you're going to
2 be obsolete. You have phone companies coming up with
3 cellular phones. They're getting into the local
4 business shortly. There's radio communications
5 companies right now offering franchises here in
6 Florida, the 22- and 23-mile local services at a flat
7 basic rate for three-minute calls.

8 Ladies and gentlemen, let's not let them use
9 the consumer here to open up other businesses. Let
10 them issue bonds, let them be in competition like
11 everyone else, and let's stop underwriting their
12 follies.

13 Thank you very much for the opportunity.

14 (Applause)

15 (Witness Cutler excused.)

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17 MR. SHREVE: Thank you. That's the last
18 person that signed up. Is there anyone else here who
19 would like to make a short statement that has not
20 signed up? (Pause)

21 That's all we have, Mr. Chairman.

22 CHAIRMAN DEASON: Thank you, Mr. Shreve. I'm
23 going to take this opportunity to thank everyone that
24 came out this evening. It was a large turnout. There
25 are not too many are left, but I appreciate your

1 staying with us. We appreciate your comments. And
2 with that, this hearing is adjourned. Thank you.

3 (Thereupon, hearing adjourned at 8:45 p.m.)

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

CERTIFICATE OF REPORTER

4 I, SYDNEY C. SILVA, CSR, RPR, Official
5 Commission Reporter,

6 DO HEREBY CERTIFY that the Lake Worth Service
7 Hearing in this cause, Docket Nos. 920260-TL,
8 900960-TL, 910163-TL, 910727-TL and 911034-TL, was
9 heard by the Florida Public Service Commission at the
10 time and place herein stated; it is further

11 CERTIFIED that I stenographically reported
12 the said proceedings; that the same has been
13 transcribed under my direct supervision, and that this
14 transcript, consisting of 99 pages, constitutes a true
15 transcription of my notes of said proceedings.

16 DATED this 15th day of December, A. D., 1993.

17 *Sydney C. Silva*
18 _____
19 SYDNEY C. SILVA, CSR, RPR
20 Official Commission Reporter
21 (904) 488-5981

22 STATE OF FLORIDA)
23 :
24 COUNTY OF LEON)

25 The foregoing certificate was acknowledged
before me this 15th day of December, 1993, by SYDNEY C.
SILVA, who is personally known to me.

26 *Evelyn L. Borschel*
27 _____
28 Evelyn L. Borschel
29 Notary Public - State of Florida



EVELYN L. BORSCHEL
MY COMMISSION # CC289265 EXPIRES
May 25, 1997
BONDED THRU TROY FAIR INSURANCE, INC.

5

THE PALM BEACH POST

Published Daily and Sunday
West Palm Beach, Palm Beach County, Florida

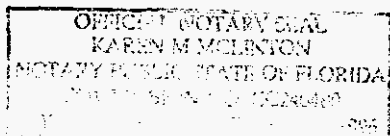
PROOF OF PUBLICATION

STATE OF FLORIDA
COUNTY OF PALM BEACH

Before the undersigned authority personally appeared J.J. Hollenbeck who on oath says that she/he is Class. 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 order no. 3319003 in the --- Court, was published in said newspaper in the issues of November 18, 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.

Sworn to and subscribed before me this 18 day of November A.D. 19 93



Karen M. McLinton
Karen M. McLinton, Notary Public

Personally known XX or Produced Identification _____
Type of Identification Produced _____

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 incentive sharing plan and to consider Southern Bell's proposal for extension of that plan. It will also consider the Company's proposed rate changes, including the proposed optional Expanded Local Service Plan, reductions in intraLATA access charges and certain custom calling feature rates, a restructuring of service order charges and a reduction of certain business line rates.

For the convenience of the public, the Florida Public Service Commission has also scheduled service hearings as follows:

Wednesday, December 1, 1993—6:00 PM
Suncoast High School Auditorium
600 West 28th Street
Riviera Beach, Florida

Wednesday, December 1, 1993—6:00 PM
Watson B. Duncan Theatre
Palm Beach Community College
4200 Congress Avenue
Lake Worth, Florida

At the above times and places, members of the public may appear to testify as to their interest in this matter. All persons desiring to present testimony at the hearings 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 hearings 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.