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August 14, 1996

Blanca S. Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

Re: Case No. 920260-TP

Dear Ms. Bayo:

ACK \_\_\_\_\_  
AFA 1 \_\_\_\_\_ Enclosed for filing in the above-referenced docket are the  
APP \_\_\_\_\_ original and 15 copies of the Direct Testimony of James A. Garver  
CAF \_\_\_\_\_ on Behalf of the Citizens of the State of Florida.

CMU Norton Please indicate the time and date of receipt on the enclosed  
duplicate of this letter and return it to our office.

CTR \_\_\_\_\_

EAG \_\_\_\_\_

LEG 1 \_\_\_\_\_

LIN 57-Orig \_\_\_\_\_

OPC \_\_\_\_\_

RCH \_\_\_\_\_

SEC 1 \_\_\_\_\_

WAS \_\_\_\_\_ CJB:bsr

OTH \_\_\_\_\_ Enclosures

Sincerely,

Charles J. Beck  
Deputy Public Counsel

DOCUMENT NUMBER-DATE

08536 AUG 14 1996

FPSC-RECORDS/REPORTING

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Comprehensive review of )  
the revenue requirements and )  
rate stabilization plan of )  
Southern Bell Telephone and )  
Telegraph Company )  
\_\_\_\_\_ )

Docket No. 920260-TP  
Filed: August 14, 1996

DIRECT TESTIMONY

OF

JAMES A. GARVER

On Behalf of the Citizens of The State of Florida

- ACK \_\_\_\_\_
- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
- CTR \_\_\_\_\_
- EAG \_\_\_\_\_
- LEG \_\_\_\_\_
- LIN \_\_\_\_\_
- OPC \_\_\_\_\_
- RCH \_\_\_\_\_
- SEC \_\_\_\_\_
- WAS \_\_\_\_\_
- OTH \_\_\_\_\_

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Attorney for the Citizens  
of the State of Florida

**DIRECT TESTIMONY OF JAMES A GARVER  
ON BEHALF OF THE CITIZENS OF FLORIDA  
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION  
BELLSOUTH TELECOMMUNICATIONS, INC.  
DOCKET NO. 920260-TL**

1 Q. Please state your name, business address and title.

2 A. My name is James A. Garver. I am President and Chief  
3 Executive Officer of the Broward Economic Development  
4 Council, 200 E. Lasolas Blvd., Suite 1850, Ft.  
5 Lauderdale, Fla., 33301.

6 Q. What is the purpose of your testimony?

7 A. The purpose of my testimony is to propose that the  
8 Commission establish funding to insure that business  
9 customers are not adversely affected due to a requirement  
10 to change their telephone numbers as a result of area  
11 code changes. It is the intent of my testimony to  
12 encourage the Commission to set aside an emergency source  
13 of funding to be available for use at the discretion of  
14 the Commission in the event BellSouth business customers  
15 are adversely impacted by the addition of new area codes.

16 Q. Why are business customers subject to adverse  
17 consequences due to the addition of new area codes?

18 A. Because of the expanding need for new telephone numbers,  
19 it has been necessary for the telephone companies to  
20 begin to assign new area code number utilizing area code  
21 number having a middle number that is not a "1" or a "0".  
22 The Commission dealt with the complexities of this issue

1 in Docket No. 951160-TL. Basically, customers who are  
2 assigned area codes having a 0 or 1 as a middle number  
3 are at risk of losing incoming calls from domestic PBX  
4 systems and international calling from systems that  
5 recognize only 3-digit area codes with 0 or 1 as the  
6 middle number. Thus, unless these old telecommunications  
7 systems are upgraded, a local business customer in an  
8 area code area having no 1 or 0 as the middle number is  
9 at risk of losing business. The impact on individual  
10 customers relates to the amount of incoming traffic the  
11 customer may receive from either domestic or  
12 international callers whose equipment is not compatible  
13 with the more recent numbering plans.

14 **Q. Hasn't the Commission already dealt with this issue?**

15 **A.** Yes, in Order No. PSC-95-1507-FOF-TL, the Commission  
16 ordered an interim relief plan in connection with the  
17 implementation of the 954 Area Code in Broward County.  
18 However, it was not until August 1, 1996 that incoming  
19 calls to Broward County customers were rejected when the  
20 dialing party used the old 305 area code prefix. It's  
21 far too early to determine the effectiveness of the  
22 measures adopted by the Commission in the above  
23 referenced docket. In the meantime, it would be prudent  
24 for the Commission to establish a fund in the event the  
25 steps that have been taken by the Company and the  
26 Commission to date are not effective in solving the  
27 problem. By a simple review of the action plans of the  
28 Commission and the Company in Docket No. 951160-TL, it is  
29 very apparent that all parties appreciated that there was

1 a real potential for severe economic harm to certain  
2 business customers as a result of the adoption of new  
3 area codes such as 954. It is far too early to declare  
4 that this potential is not real or that the problem has  
5 been resolved. Today we can only begin to understand the  
6 potential adverse impact that Broward County businesses  
7 may experience. Beginning in August incoming calls for  
8 Broward that are routed through the 305 area code will be  
9 blocked.

10 Q. Hasn't BellSouth also filed a tariff to provide remote  
11 call forwarding at a reduced price of \$12.00 per month?"

12 A. Yes it has. However, this is an interim tariff that is  
13 scheduled to expire at the end of this year. The  
14 Commission and the Company are assuming that the problem  
15 will be resolved by the end of this year. I am concerned  
16 that we have no way to know that business customers  
17 served by these new area codes, such as 954, will not  
18 continue to be disadvantaged by the change. Under no  
19 circumstances should these business customers be required  
20 to pay higher rates to receive the same level of service  
21 they enjoyed prior to the implementation of the new area  
22 code.

23 Q. What do you propose in the way of funding to insure that  
24 business customers are not penalized by the new area code  
25 changes?

26 A. It is my recommendation that the Company should be  
27 required to withhold \$2 Million in annual rate reductions  
28 until the company, the Commission and the customers can  
29 be certain that this problem is resolved without the need

1 for additional funding. If, after an appropriate period  
2 of time, no further actions are required, then the  
3 Commission would have the flexibility to designate the  
4 final recipient of the \$2 Million rate reductions. The  
5 advantage of my proposal is that if the PSC and the  
6 Company are wrong in their evaluation of this problem  
7 that there will still be adequate funding to quickly  
8 develop a solution that will work to the benefit of the  
9 customers who are at risk.

10 Q. Then is it your proposal that the disposition of the \$2  
11 Million in rate reductions will be held in abeyance until  
12 the area code problem is fully resolved?

13 A. That is correct. While we would designate the \$2 Million  
14 reduction for area code relief, no tariff reductions  
15 would be implemented, unless the Interim Relief Plan  
16 adopted in Docket No. 951160 is ineffective in resolving  
17 the problem. Once all the parties are comfortable that  
18 the area code problem no longer exists, the Commission  
19 would be free to designate the final recipient of the  
20 rate reduction that BellSouth is obligated to make.

21 Q. Does this conclude your testimony?

22 A. Yes, it does.

**CERTIFICATE OF SERVICE  
DOCKET NO. 920260-TL**

I HEREBY CERTIFY that a copy of the foregoing has been furnished by U.S. Mail or hand-delivery to the following parties on this 14th day of August, 1996.

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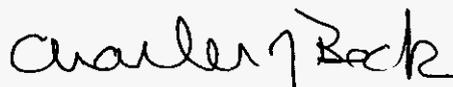
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