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P R O C E E D I N G S

1
2 (Transcript continues in sequence from
3 Volume 1.)

4 **MR. BECK:** Commissioner, we were going to go
5 through the preliminaries first on his direct and then
6 rebuttal, or however you want to do it. Do you want
7 to combine his testimony?

8 **COMMISSIONER DEASON:** Well, you're going to
9 do direct and rebuttal while he's on the stand
10 presently, but just do it first direct and then
11 rebuttal.

12 **MR. BECK:** Right. Go all the way through
13 direct?

14 **COMMISSIONER DEASON:** That will be fine.

15 - - - - -

16 **R. EARL POUCHER**

17 continues his testimony under oath from Volume 1 as
18 follows:

CONTINUED DIRECT EXAMINATION

19
20 **BY MR. BECK:**

21 **Q** Would you please summarize your direct
22 testimony?

23 **A** Commissioners, this is the last testimony
24 that you will ever receive regarding EAS, and I'm
25 certain that that makes you happy, because EAS seems

1 to always put the customers on one side and the
2 company on the other side and this Commission in the
3 middle.

4 For the last 40 years this Commission has
5 struggled with the problems of EAS as our state
6 experienced unparalleled growth and once distant
7 communities grow closer and closer together.

8 My testimony outlines the rules that you've
9 established over the years to deal with these
10 difficult issues of EAS, and I've also covered a
11 history of the Commission's approach to the problem.

12 This case is yet another case where the raw
13 traffic volumes are insufficient under the
14 Commission's rules for you to order automatically that
15 the customers be balloted for flat rate EAS. However,
16 your rules also allow you to consider other factors
17 than the raw traffic volumes when you look at the
18 question and a request for EAS and reach your ultimate
19 decision.

20 I've described those other
21 community-of-interest factors that I believe are most
22 relevant, and you've heard about that data from our
23 witnesses in Haines City. I would stress to you that
24 this request is for countywide calling from Haines
25 City to its sister cities in Polk County.

1 This Commission has traditionally dealt with
2 countywide calling as something special, and in the
3 past you've responded to many, many counties and their
4 needs for countywide calling.

5 If you feel that the information that our
6 Haines City witnesses have given you is sufficient,
7 there's nothing in your rules that would prevent you
8 from ordering a ballot for flat rate EAS.

9 Should you determine that their input is
10 insufficient for you to order a ballot for flat rate
11 EAS, then there is ample precedent in your past
12 actions to offer an alternative plan such as a 25-cent
13 calling plan.

14 The Office of Public Counsel supports your
15 decision to order a ballot for flat rate EAS on a
16 countywide basis from Haines City to its sister
17 cities. Just like in Tampa Bay, we would also
18 recommend that you couple the offer that the company
19 should offer a 25-cent calling plan should the ballot
20 fail. That concludes my summary.

21 RE BECK: Mr. Poucher is available for
22 cross-examination.

23 COMMISSIONER DEASON: Ms. Caswell?

24 MS. CASWELL: Just to be clear, is this just
25 cross on his direct at this point?

1 **COMMISSIONER DEASON:** Yes, just the direct.

2 **CROSS EXAMINATION**

3 **BY MS. CASWELL:**

4 **Q** Mr. Poucher, could you look at your direct
5 testimony at Page 5, Lines 10 through 13. At that
6 point you make the statement that "where traffic
7 volumes have been found to be less than 3 MAM, the
8 Commission has approved both flat rate EAS offerings
9 on alternative EAS plans based upon demographic
10 community of interest considerations."

11 Can you tell me where the Commission has
12 approved flat rate EAS where the traffic data have not
13 measured up to the rules?

14 **A** The best example and the one most relevant
15 is Franklin County where all of the traffic on the
16 traffic study between the routes in Franklin County
17 were less than three messages. The Commission ordered
18 a flat rate ballot which failed, and ultimately they
19 ordered 25-cent calling plan for those countywide
20 routes.

21 **Q** Right. And I think what you're telling me
22 is a little different from your testimony. You said
23 they approved flat rate EAS offerings. I'm asking you
24 about where they approved the offerings rather than
25 just the balloting.

1 A Well, that's the same thing. The only
2 decision the Commission makes is whether to offer a
3 ballot, and then the customers make the decision; and
4 that's what we're asking for here is that the
5 Commission order a ballot so that the customers can
6 make a decision, and that's the same thing as happened
7 in Franklin County; and in Franklin county they turned
8 it down.

9 Q Right. There's never been an instance,
10 isn't it true, that where a ballot has failed, EAS has
11 been ordered in any case?

12 A I don't like to say never, because there are
13 very heavy files, but none that I know of.

14 Q Okay.

15 A I -- yes; that's correct.

16 Q And in this case --

17 A I'm sorry. Could I think about that for
18 just a second. (Pause) Your question is, there's
19 never been an order --

20 Q Has there ever been an instance where the
21 ballot, the EAS ballot, has failed yet the Commission
22 ordered in any case?

23 A Flat rate?

24 Q Flat rate -- which is what EAS is under the
25 rules. It's a flat rate, nonoptional service.

1 A I think your question was, has there ever
2 been an instance where the ballot has failed and then
3 they still ordered it?

4 Q Right.

5 A No.

6 Q Okay. And didn't the Commission already
7 find in this case that the routes at issue don't meet
8 the traffic requirements to qualify for even a survey
9 for EAS under the Commission's rules?

10 A In their -- are you asking me about the last
11 decision on this docket?

12 Q Yeah. I'm asking you about the proposed
13 agency action order regarding extended area service
14 issued on May 8th, 1996.

15 A Yes.

16 Q And what has changed since the Commission
17 issued that order to warrant balloting where no
18 balloting was warranted in May?

19 A Well, primarily Haines City appealed that
20 decision, which is their right, and Haines City has
21 then, as is their right, provided all of the testimony
22 that you heard today and whatever testimony you're
23 going to hear tonight regarding those other factors.

24 Q Okay, but aside from the protests, there
25 aren't any factual circumstances that have changed

1 that you're aware of, are you, that should --

2 A As far as I know, the traffic is still the
3 same.

4 Q And, Mr. Poucher, you're aware, aren't you,
5 that GTE submitted a traffic study in the first phase
6 of this proceeding, correct?

7 A That you --

8 Q Submitted a traffic study as required by the
9 Commission.

10 A Yes, and I'm familiar with that traffic
11 study.

12 Q And do you know that the traffic studies
13 customarily contain information about demographic
14 community of interest factors in addition to the
15 numerical considerations?

16 A Yes. I read the two paragraphs that you
17 provided regarding the demographics.

18 Q So isn't it true that the Commission the
19 first time around would have considered the
20 demographic considerations as well in addition to the
21 numbers?

22 A I'm sure they read those two paragraphs.
23 That was the only input that they had, and as far as I
24 know, I'm not sure whether the Haines City
25 representatives were there or not; but certainly there

1 was no substantive community of interest data other
2 than the two paragraphs that you included in your
3 study.

4 Q Do you have the study with you? I'm trying
5 to understand where you're getting the two-paragraph
6 reference.

7 A It's in the room. (Pause) Yes, I have it.

8 Q Maybe I can save us some time here. Is it
9 two paragraphs total or two paragraphs about each
10 exchange?

11 A You basically had two paragraphs on each
12 exchange, but the paragraphs dealing with Haines City
13 were all the same and they were -- they were repeated
14 for each exchange, but the Haines City data consisted
15 of two paragraphs, to the best of my knowledge, but
16 I'd --

17 Q Okay. Let's --

18 A -- be more than happy to look at it. It's
19 not really significant. That's the only point that
20 I'd make.

21 Q Do you think the Commission can ignore
22 traffic criteria and order ECS based just on the
23 testimony we've heard today?

24 A It's clearly within the right of the
25 Commission to recognize the community of interest

1 factors, and the rules clearly provide for that, which
2 gives the Commission the opportunity to either look at
3 the traffic, or look at the community of interest, or
4 logically to look at both; and I think they would do
5 that, also.

6 Q So it is your opinion that they can
7 disregard the numerical criteria and look solely at
8 the demographic community of interest factors; is that
9 right?

10 A Well, they did it in Franklin County, and
11 they've done it in a couple of other places.

12 Q But that was just for balloting. I want to
13 make sure that that's -- that we're understanding each
14 other. That was just for the balloting portion.

15 A And that's all we're asking for here is for
16 a ballot.

17 Q Okay.

18 A Exactly the same thing.

19 Q So that's the only really -- if you won in
20 this case is EAS balloting; is that true?

21 A The Commission ordered a flat rate ballot to
22 be provided for Gilchrist County in the Gilchrist
23 County docket, and I've included that as one of the
24 exhibits in my testimony.

25 That order -- and let me also say that the

1 traffic was similar to all of these small counties
2 such as Franklin and Holmes and Okaloosa and Walton,
3 Volusia County. The traffic was not any more
4 significant or insignificant than the traffic here in
5 Haines City.

6 But they ordered the companies to develop a
7 flat rate, to offer flat rate EAS to Gilchrist County.
8 The County Commission asked that they withdraw that
9 offer because they didn't like the price, and
10 ultimately they ordered a 25-cent calling plan in the
11 Gilchrist County docket.

12 Q Okay. I think my question was a lot simpler
13 than that. I asked you to clarify the relief that
14 you're seeking in this case and whether it is solely
15 EAS balloting.

16 A That's correct.

17 COMMISSIONER DEASON: Well, let me ask you a
18 question because, Mr. Poucher, I thought that in your
19 summary you indicated that if the ballot were taken
20 and it did not pass, that you felt there should be an
21 ECS-type plan implemented.

22 WITNESS POUCHER: Yes. Yes. I didn't mean
23 to avoid the possibility. What our prehearing
24 statement says is we think you should offer a ballot
25 for flat rate EAS. Give Haines City the opportunity

1 to pay more to get more, and at the same time tell the
2 customers that if they don't approve it, that you will
3 implement 25-cent calling on a countywide basis; and
4 rather than to keep it a secret -- which we've
5 generally not done those together in those ballots, we
6 would propose that you do both.

7 Q (By Ms. Caswell) And as a follow-up to
8 that, let me make sure I'm clear on this. You want to
9 tell the customers on the ballot itself that they're
10 going to get ECS if the EAS fails; is that right?

11 A Sure. That's correct. In other words --

12 Q So --

13 A -- you're asking these customers to pay
14 more. I have no idea whether the whole Haines City
15 community would be willing to pay the additional
16 amount that is proposed in this docket in order to get
17 flat rate EAS, but the only way to find out is to send
18 out a ballot.

19 Q Right. But we can find out whether they're
20 willing to pay for the EAS without tacking on the
21 information about the ECS, can't we?

22 A Traditionally that's been the way we've done
23 it, but I see no reason why you don't tell them
24 everything, which is we'll either give you flat rate
25 EAS if you approve it, or if you want 25-cent calling,

1 we'll give you that. Let the customers make the
2 decision rather than us arbitrarily to make it.

3 Q But shouldn't the Commission look at the
4 returns from the ballots before deciding whether any
5 relief, ECS or otherwise, is warranted?

6 A Without any question, I think what they've
7 already heard in terms of community of interest would
8 dictate to me that they should be willing to order
9 25-cent calling on a countywide basis.

10 Q Do you know how many customers are in Polk
11 County?

12 A No, I do not.

13 Q Would you agree that the customers that have
14 testified this morning are a small fraction of those
15 customers in Polk County, a very small fraction?

16 A I certainly would.

17 Q Okay. Going back to your idea of putting
18 ECS right on the ballot, has that ever been done
19 before by the Commission?

20 A Well, as I said, the Commission ordered just
21 that for Gilchrist County, but the County Commission
22 turned it down and asked that they just implement
23 25-cent calling.

24 Q No. What I'm asking you is whether the
25 Commission has ordered that a ballot be issued that

1 included ECS information along with the balloting for
2 EAS itself.

3 A No, that has never been done.

4 Q And if the Commission were to order a ballot
5 like that -- in other words, we're saying in effect
6 that the traffic statistics that come back on EAS are
7 irrelevant because they're going to get ECS in any
8 case; is that true?

9 A Well, I wouldn't consider the existing
10 traffic -- excuse me. Could you ask it --

11 Q Well, let me put it this way. Since you've
12 already told them about ECS, the Commission doesn't
13 have any option at that point not to order the ECS;
14 isn't that true?

15 A Sure. I would make that decision up front.
16 It would be far fairer to the customers to give them
17 their full range of options, since time after time
18 we've traditionally given and offered 25-cent calling
19 when a flat rate EAS ballot failed.

20 I am not aware of any of those cases that
21 are included in my testimony where a flat rate ballot
22 has not resulted that failed, has not resulted in a
23 25-cent calling plan. I may be wrong, but that -- I'm
24 not aware of any.

25 Q In other words, the Commission can make its

1 decision on EAS without even looking at this traffic
2 statistics for EAS; is that what you're saying?

3 A Well, the traffic -- or are you talking
4 about the ballot? Did you mean to say the ballot
5 results?

6 Q No. What I'm asking is, in your view can
7 the Commission make a decision about EAS at this point
8 without even seeing the results of the balloting? I'm
9 sorry if I confused you.

10 A Certainly.

11 Q Okay. Going back to the Commission's
12 proposed order from May, 1996, did the Commission find
13 in that order that the traffic data in this case
14 didn't even warrant consideration of ECS, extended
15 calling service, which --

16 A I'm sorry. What page?

17 Q Do you have the order in front of you?

18 A Which order?

19 Q The Proposed Agency Action from May 8th,
20 1996.

21 A For Haines City?

22 Q Yes. This is where the Commission
23 recommended denial of any toll relief for Haines City.

24 A No.

25 Q Okay. So -- but you're generally familiar

1 with that order, are you not?

2 A Yes.

3 Q And in that order, didn't the Commission
4 find that there was an insufficient community of
5 interest in this case to even consider ECS service?

6 A Yes, that's correct.

7 Q Mr. Poucher, were you or anyone else from
8 Public Counsel involved at any earlier phase of this
9 proceeding?

10 A Before May? Is that the --

11 Q Yeah; before the protest.

12 A I can't answer that question. I'm not sure.

13 Q Isn't it true that one of the things the
14 Commission will need to look at in deciding whether
15 any extended calling is warranted is the effect on the
16 Company's earnings or the Company's revenues?

17 A That's the responsibility -- the question
18 is --

19 Q Is --

20 A -- that's the responsibility --

21 Q Is that one of the factors the Commission is
22 obligated to look at when deciding what toll relief is
23 warranted?

24 A I'm not an expert on the statutes, but I
25 certainly have read them, and that's certainly, as far

1 as I can read, not an issue that the Commission should
2 be concerned about.

3 Q Are you familiar with the extended area
4 service rules, the Commission's rules?

5 A Well, yes, I am.

6 Q Do you think those rules mention effect on
7 earnings as a proper consideration for the Commission
8 in determining whether EAS will be approved?

9 A Two sections of the rules; one that requires
10 the company to do a cost study. That rule has been
11 waived for the past eight or ten years as far as I'm
12 concerned. And the Company did not provide a cost
13 study in this docket.

14 The other rule that has always been waived
15 is a result of a decision on EAS is cost recovery, and
16 there are just numerous examples where the Commission
17 has waived the rule on cost recovery as well as a cost
18 study. And to be fair I need to say it, because they
19 have typically in the past eight or nine years either
20 implemented a 25-cent calling plan which would -- did
21 not require cost recovery, or they have implemented
22 that 25/25 plan which recovered a certain amount of
23 costs and made the company whole.

24 Q Do you have the Commission rules in front of
25 you for extended area service, and specifically

1 Rule 25-4.058?

2 A No, I do not think I have them, but my
3 attorney might. If you'll tell me what it is, I think
4 I can --

5 Q Okay. I can give you a minute to look at
6 the rules and then you can tell me if effect on
7 earnings and the Company's revenues is proper
8 consideration under the rules for the Commission.

9 A 25?

10 Q 25-4 058, Conditions for Approval.

11 A Okay. I'm reading now. What's the
12 question.

13 Q Okay. Look at Section 2 in particular, and
14 does that indicate that the Commission shall consider
15 the effect on revenues and effect on the company's
16 earnings if the proposed EAS is implemented?

17 A I'm sorry. I'm not absolutely certain that
18 this is the paragraph that they have typically waived.
19 It's in my testimony.

20 Q Right; and that's my point, I think.

21 A Is that the one that I referred to?

22 Q I'm not sure. I don't know it that well.
23 I'm sorry. But we can let the rule speak for itself
24 and we can go on.

25 A Well, I can speak to this rule, but --

1 specifically in my testimony I included two of the
2 rules that are waived traditionally by the Company and
3 given a couple minutes I could probably find it if you
4 want to wait.

5 As far as this rule is concerned, I believe
6 also in my rebuttal testimony I mention the fact that
7 should the Commission order a 25/25 plan, for
8 instance, the revenue from 25/25, in my opinion, would
9 probably exceed the lost toll revenue from this case.
10 And we just had a case up in Nassau County where that
11 was the case, also. The lost toll revenue was not
12 even as much as -- the company would have made more
13 with the 25/25 plan, and I think that to be the case
14 here.

15 Q Maybe you can clarify for me, because that's
16 not the way I read your testimony, and I'm looking at
17 Page 10, Line 6; and you talk there about balloting
18 for flat rate EAS, and then you say "In view of the
19 traffic volumes that currently exist between Haines
20 City and its sister cities in Polk County, GTE would
21 probably experience a revenue increase if the ballot
22 should pass based on the past policies of the
23 Commission."

24 So your take about there is a revenue
25 increase for EAS rather than the ECS you were just

1 talking about?

2 A Yes. What I'm talking is the 25/25 plan for
3 flat rate EAS would probably exceed the lost toll
4 revenue.

5 Q So when you say flat rate EAS, do you mean
6 the 25-cent ECS plan, or is it something else?

7 A No. I'm talking about the primary request
8 in this docket that the customers receive flat rate
9 EAS to all of their sister cities.

10 Q Right. And that's something different than
11 the 25-cent plan; correct?

12 A Yes. And I'm sorry. There's a 25-cent ECS
13 plan, and then there is a 25/25 plan --

14 Q EAS plan --

15 A -- for EAS where --

16 Q I see.

17 A -- their rates go up by the amount that we
18 talked about this morning --

19 Q I see. And --

20 COMMISSIONER DEMSON: Counsel, just a
21 second. Let me caution you and the witness not to
22 speak at the same time. It's like you're carrying on
23 a conversation. And you need to ask your question,
24 stop and let Mr. Poucher answer, and when he's
25 finished with his answer, you can ask your next

1 question.

2 MS. CASWELL: Okay. I'm sorry.

3 Q (By Ms. Caswell) So just to make sure I
4 understand what your contention is, you believe that
5 if the ballot should pass and EAS is implemented, GTE
6 would experience a revenue increase; is that right?

7 A Yes. That's just a guess on my part.

8 Q So you haven't done any analysis to back up
9 this statement?

10 A No.

11 Q Does your statement about revenue increase
12 assume GTE's existing toll traffic will be
13 reclassified as local under an EAS approach?

14 A I'm really not sure what you do with EAS
15 now, with ECS revenues. The route is competitive. Of
16 course Tampa Bay is all classified as per the order as
17 local traffic. And from the accounting standpoint, I
18 believe that the companies are booking it as local
19 revenue, but it is still subject to competition.

20 Q I guess what I'm trying to get at is the
21 assumptions that underlie your statement that GTE
22 would experience a revenue increase. Can you tell me
23 what those assumptions were?

24 A Well, it certainly wouldn't take a lot of
25 math, but it would deal with the part of your traffic

1 study that's confidential. The number of messages and
2 the number of revenue losses are identified in your
3 traffic study.

4 All you need to do is add the 25-cent rate
5 and the regrouping rate, multiply that times the
6 number of Haines City customers and you'll get the
7 right amount.

8 Q And are you assuming that GTE will have 100%
9 of the local market?

10 A For Haines City, I believe for the
11 foreseeable future you're going to have 100% of the
12 market in Haines City.

13 Q And what do you base that assumption on?

14 A The fact that I haven't found any
15 competitive threat in Haines City. The competitors
16 are just getting started in Miami and Tampa and
17 Jacksonville, and I think it will be a long time, if
18 ever, before we see a viable competition and
19 alternatives in Haines City.

20 Q Isn't it true that GTE by statute no longer
21 has the monopoly franchise here?

22 A Correct.

23 Q And isn't it true, also, that the City of
24 Lakeland itself is certificated as an ALEC?

25 A I believe you're correct.

1 Q And is it also true that there are about 86
2 entities certified statewide to provide local exchange
3 service in competition with the incumbent LECs?

4 A That's correct.

5 Q So it's your view, based on what you've just
6 told me, that the Commission should not factor in the
7 changes in federal and state law in determining the
8 revenue impacts on GTE in this case if toll relief is
9 ordered; is that right?

10 A As far as the customers in Haines City, I
11 don't believe -- and I think we can speak for them --
12 that they perceive that anything is different today
13 than it was last week or a year ago. They still look
14 to GTE for service. You're their only supplier, and
15 it's a monopoly business.

16 Q Do you think it would be irresponsible for
17 the Commission to ignore the state and federal changes
18 in the law when it's deciding what to do in this case?

19 A Do I think it would be irresponsible --

20 Q Yeah. Do you think it would be
21 irresponsible of them to do that?

22 A I hate to speak for the Commission. It's
23 their decision as to what they want to be concerned
24 about. And I don't think that I'm the person to tell
25 them --

1 Q In your -- I'm sorry?

2 A Certainly the law has changed, and all know
3 that; but it's not real until these people have
4 alternatives, and they don't.

5 Q But isn't it -- isn't the decision the
6 Commission makes in this case going to last
7 indefinitely?

8 A Yes, I would hope so. This is -- it's still
9 a monopoly business. The Commission has to make the
10 right decisions for these customers, and all we're
11 asking is that they be given the choice of subscribing
12 to the service that they want; and that means paying
13 more if they choose to pay more.

14 Q So you would agree, would you not, that the
15 decisions the Commission makes here could in some part
16 determine the contours of the competitive marketplace
17 in the future?

18 A Oh, I think all the Commission's decisions
19 have the same impact, yes.

20 Q And in your own opinion -- and I'm only
21 asking for your opinion -- do you think it's valid for
22 the Commission to consider the changes in the law when
23 deciding this case?

24 A I think that the Commission always has to
25 keep the law and the changes particularly in the back

1 of their minds and ask those questions, but I don't
2 see anything that's happened in the changes of the law
3 that would make this decision -- make anything other
4 than the right decision, and that's to give the
5 customers their choice.

6 Q And might one of those choices be the local
7 calling plan that GTE has offered to provide Haines
8 City?

9 A If the Commission likes that plan, then
10 fine. That could well be their choice. There's
11 nothing wrong with those plans except they've never
12 been successful in the past.

13 Q Are you testifying that GTE has offered such
14 plans in the past?

15 A I categorize them as optional EAS plans,
16 very similar to the optional plans that we implemented
17 in the 1970s and in the early '80s. The problem with
18 those plans is that the company has to offer them to
19 the customers. The take rate per the Commission, the
20 take rate is low, the buy-in is too high, the
21 popularity of those plans is not good, and ultimately
22 I think what happens to those plans is that the
23 company forgets to offer them and they quit selling
24 them, so that the response to those kind of optional
25 EAS plans like the ones you've offered here has not

1 been good in Florida, and there's a rich history of
2 that.

3 Q So if I understand what you're saying, the
4 problem is that it's an optional offering rather than
5 mandatory; is that right?

6 A There's never been one put in voluntarily by
7 a company yet that I'm aware of.

8 Q Okay. And getting back to your optional EAS
9 comparison, do you know if GTE has ever offered these
10 OEAS plans in the past?

11 A No. I'm not an expert on GTE offerings. I
12 know you did a lot in North Carolina a few years ago,
13 but I'm not sure what they were.

14 Q Are you aware that we've offered the -- our
15 local calling plans in North Carolina?

16 A I saw an article the other day about that.

17 Q And do you know what the response has been
18 there?

19 A No, I do not. As far as I know, it hasn't
20 been offered yet.

21 Q And were these OEAS plans route specific; in
22 other words, you just get calling on one route, for
23 instance, Plant City to Tampa Central?

24 A I do not know.

25 Q Okay. How did these rates, the rates for

1 the OEAS plans, compare to GTE's proposed LCP?

2 A Which OEAS plans are you talking about?

3 Q GTE -- well, GTE only had one OEAS plan.

4 A In North Carolina?

5 Q No, in Florida.

6 A Englewood?

7 Q Plant City to Tampa Central.

8 A I'm not familiar with it.

9 Q But can you tell me, under LCP there are
10 more options than there would have been under the
11 optional EAS plan in the past, aren't there?

12 A There are four options. I don't believe
13 that any of them are new. I believe all of them have
14 been tried at one time or another in Florida --

15 Q And do you -- I'm sorry.

16 A -- and equally have not been very
17 successful.

18 Q So is it your testimony that GTE's LCP as
19 proposed, those options have all been tried before in
20 Florida?

21 A I didn't see anything new in those offerings
22 that had not been proposed in other dockets in
23 Florida.

24 Q So you believe that somewhere along the line
25 some company has offered exactly what we're offering

1 now?

2 A Not exactly, but close enough.

3 Q Were those OEAS plans toll discount plans?

4 A Yes, they're all toll discount plans.

5 Q Was there an additive?

6 A Some of them.

7 Q But you can't compare -- since you don't
8 know anything about GTE's OEAS plan, you can't compare
9 that to what we're proposing now, can you?

10 A No, I cannot.

11 MS. CASWELL: I think that's all I have on
12 your direct. Thank you, Mr. Poucher.

13 COMMISSIONER DEASON: Mr. Wahlen?

14 MR. WAHLEN: No questions.

15 COMMISSIONER DEASON: Staff?

16 MS. CULPEPPER: We just have one question.

17 COMMISSIONER DEASON: I'm sorry. I
18 overlooked Mr. Nettleton.

19 MR. NETTLETON: Thank you. I just have a
20 couple of questions.

21

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1 CROSS EXAMINATION

2 BY MR. NETTLETON:

3 Q Mr. Poucher, in your testimony on Page 4,
4 Lines 5 through 10, you discuss the traffic and the --
5 as the most common measurement as the traffic
6 standards that have been accepted by the Commission in
7 determining a community of interest. Are you familiar
8 with the data collected in this docket?

9 A Yes, I am.

10 Q Of course the City has not had access to
11 much of that information because the Commission has
12 ruled it confidential. However, we were told that the
13 data collected pursuant to the Commission order did
14 not include traffic studies on the interLATA routes
15 because GTE Florida no longer performs billing service
16 for AT&T. What does that mean to you?

17 A Within the past 12 months AT&T has taken
18 back its billing for GTE, and there was a general
19 announcement of their intention to do that. I believe
20 it was almost a year ago last May. So that AT&T is
21 now billing its customers, or in the process of
22 assimilating that billing back into their
23 organization.

24 That traffic would not appear in GTE billing
25 records because AT&T is doing the billing, and so to

1 the extent that AT&T's billing for traffic from Haines
2 City to the other locations in Polk County that's
3 intraLATA, I don't believe that would show up on the
4 GTE billing records.

5 Q We have heard several of the citizens that
6 testified here today indicate that they were using one
7 of the other alternate plans, and AT&T's plan has been
8 mentioned by two or three separate witnesses.

9 Are you telling me that the phone calls that
10 these folks are telling us that they made were not
11 counted in this study?

12 A Well, I think there's several ways where you
13 might lose traffic that's not in the study and,
14 therefore, the Commission wouldn't be looking at when
15 they're judging this community of interest. Certainly
16 cellular telephone calling, I don't think you would
17 ever see any of that traffic in the study that was
18 presented by GTE.

19 Secondly, we have in the state of Florida
20 specialized common carriers called alternate access
21 vendors, and these carriers provide alternate
22 facilities between a customer, predominantly a large
23 customer like Publix, and a long distance carrier. If
24 there are any of those services in the Polk County
25 area, then that traffic goes around the GTE switch and

1 it would not appear on the GTE traffic studies.

2 Likewise, if you had a private line or a
3 data line between the Publix store in Lakeland and the
4 Publix store here in Haines City, that private line
5 data would definitely not be shown. Possibly some of
6 the 800 calling might appear in their traffic studies,
7 but there's certainly a question as to whether or not
8 they got all of it.

9 I saw no evidence of FX traffic included in
10 the statistics that were provided by the Company, but
11 we know by our testimony today that there are FXs
12 operational here in Polk County that are used to avoid
13 toll charges, and those traffic -- that traffic was,
14 to the best of my knowledge, not included in the
15 traffic study; and I would welcome GTE to come in and
16 say that FX traffic is in there, but I certainly
17 didn't see it when I reviewed the traffic study.

18 Q So the proposed order, then, that the City
19 is asking --

20 **COMMISSIONER KIESLING:** Could you please
21 speak into the mike? The problem is the court
22 reporter can't pick you up.

23 **MR. NETTLETON:** All right. I'll try and get
24 a little closer. How is that?

25 Q **(By Mr. Nettleton)** The proposed order

1 contains a statement that since the traffic data on
2 the interLATA routes did not indicate a community of
3 interest, we do not believe that additional interLATA
4 traffic information would change this result.

5 But based on the things that have not been
6 included in the study that GTE seems to think is all
7 important, and if it can only cause someone not to
8 believe something, would you say that the study is
9 reliable enough to be the determinative issue or the
10 determinative factor in deciding whether or not the
11 citizens of this area should receive the right to vote
12 on their own future?

13 A The traffic volumes that I saw there are
14 sufficient, as far as we are concerned, to justify a
15 ballot when you couple it with the community of
16 interest testimony that the Commission has heard
17 today.

18 To the extent that there may be more just
19 causes me to be more convinced that the Commission
20 should put it to a ballot.

21 MR. NETTLETON: All right. Thank you.

22 COMMISSIONER DEASON: Staff?

23

24

25

1 CROSS EXAMINATION

2 BY MS. CULPEPPER:

3 Q Mr. Poucher, if I could direct you to your
4 testimony Page 8, Lines 4 through 7, you state there
5 that based on past precedent, the traffic between
6 Haines City and other exchanges in Polk County is
7 consistent with the traffic in other rural counties
8 that has resulted in a approval of alternative plans
9 such as ECS or the 25-cent plan.

10 Would you agree, subject to check, that the
11 Commission has also denied many requests for both EAS
12 and ECS with higher calling rates than those presented
13 in this docket, some of which were countywide
14 requests?

15 A Yes.

16 MS. CULPEPPER: Thank you. That's all.

17 (Pause) I'm sorry. If we could, we do have one more
18 question.

19 Q (By Ms. Culpepper) Mr. Poucher, if I
20 could, this is just to clarify something that you and
21 Mr. Nettleton talked about.

22 Would you agree, subject to check, that the
23 only interLATA traffic not provided or considered was
24 from Haines City to Fort Meade?

25 A InterLATA, yes.

1 MS. CULPEPPER: Thank you. That's all Staff
2 has.

3 COMMISSIONER DEASON: Redirect?

4 MR. BECK: No redirect.

5 COMMISSIONER DEASON: Then the exhibit we
6 identified, that was to the rebuttal testimony, was it
7 not?

8 MR. BECK: No, that was attached to direct.

9 COMMISSIONER DEASON: Oh, it was. Okay.
10 You want to move that exhibit at this time?

11 MR. BECK: Yes, please. Move REP-1 into
12 evidence as Exhibit 4, I believe.

13 COMMISSIONER DEASON: Without objection,
14 Exhibit 4 shall be admitted.

15 (Exhibit 4 received in evidence.)

16 COMMISSIONER DEASON: You may go into
17 rebuttal.

18 DIRECT REBUTTAL EXAMINATION

19 BY MR. BECK:

20 Q Mr. Poucher, did you also prepare rebuttal
21 testimony in this case?

22 A Yes, I did.

23 Q Do you have any changes or corrections to
24 make to your rebuttal testimony?

25 A Yes. On Page 3, Line 2, Line 2 should be

1 corrected to read "provide flat rate EAS between the
2 Orange County pocket in Mt. Dora and all exchanges in
3 Orange County."

4 Line 25; strike "Orange County exchanges in
5 1991". Replace that with "Apopka, Orlando and Winter
6 Park exchanges in 1991".

7 COMMISSIONER KIESLING: Would you repeat
8 that change, please?

9 WITNESS FOUCHER: Yes, ma'am.

10 COMMISSIONER KIESLING: And do you also want
11 to strike the word "all" on Line 24?

12 WITNESS FOUCHER: Yes. Let me rephrase
13 that. Strike "all Orange County," and replace the
14 words "Apopka, Orlando and Winter Park," and I believe
15 it will spell right.

16 Line 25 on Page 4, strike the last phrase
17 "had less than two messages per access line per
18 month," which is on the next page, and replace that
19 with "failed to meet the thresholds. "Failed to meet
20 the thresholds."

21 I have two corrections on Page 10; Line 23
22 which is blank should show "Tampa West to
23 St. Petersburg, 3.66."

24 COMMISSIONER KIESLING: Three point?

25 WITNESS FOUCHER: 3.66 messages per access

1 line per month. And on Line 24, change "25" to "23".
2 And that completes my corrections.

3 Q (By Mr. Beck) Mr. Poucher, on Page 10 that
4 correction you made last, would you also change Line
5 15 where it says there were six routes?

6 A Yes, seven. Thank you.

7 Q And did you also have an exhibit attached to
8 your testimony consisting of REP-2 through REP-19 and
9 also including an REP-14a?

10 A Yes.

11 MR. BECK: Commissioner, I would ask that
12 those exhibits be marked as a composite exhibit.

13 COMMISSIONER DEASON: Composite Exhibit 5.
14 (Exhibit 5 marked for identification.)

15 Q (By Mr. Beck) With the changes you made,
16 Mr. Poucher, if I were to ask you the same questions
17 today, would your answers be the same.

18 A Yes, I would.

19 MR. BECK: I would move Mr. Poucher's
20 rebuttal testimony into the record as though read.

21 COMMISSIONER DEASON: Without objection it
22 shall be inserted into the record.

23

24

25

1 The Commission first reviews traffic volumes to determine if the existing toll traffic
2 between exchanges is sufficient to grant or deny EAS or an alternative plan.
3 Second, the Commission has acknowledged that community of interest between
4 exchanges can also be demonstrated by non-traffic considerations, that I
5 addressed extensively in my direct testimony. It is my belief that the testimony
6 entered in this docket by the public witnesses is sufficient to justify an order by the
7 Commission requiring the company to ballot Haines City customers for flat rate
8 EAS between Haines City and its sister cities based on the Commission's standard
9 25/25 plan. Alternatively, should the Commission decide not to allow the
10 customers to select their preference, there is sufficient public testimony to justify
11 the offering of ECS (otherwise known as the \$.25 calling plan) between Haines
12 City and all of its sister cities in Polk County.

13 **Q. Doesn't the Commission require traffic volumes to exceed 3 MAM before it**
14 **considers offering flat rate EAS or an alternative plan?**

15 **A.** No. The Commission has no standard for countywide calling requests, which
16 have, in the past, been considered to be significantly different than requests for
17 EAS on a route by route basis.

18 **Q. Has the Commission ever ordered flat rate EAS balloting when message**
19 **volumes and/or the distribution of traffic were less than the thresholds**
20 **established in the PSC rules?**

21 **A.** Yes. For instance, the Commission ordered balloting for flat rate EAS for all routes
22 in Franklin County on January 7, 1991, when the traffic volumes on the 10 routes
23 in question ranged from .02 to 2.12 and the distribution fell far short of the
24 Commission's standard. (Exhibit REP-3)

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Again, in Docket No. 900039-TL, the Commission ordered a flat rate EAS ballot to provide flat rate EAS between ^{the ORANGE COUNTY POLICE} Mt. Dora and all exchanges in Orange County, despite the fact that both the traffic volumes and the distribution on all of the routes failed to meet the thresholds established in the Commission rules. (Exhibit REP-4)

Q. Has the Commission ever ordered non-optional ECS (\$.25) calling plans when the message volumes and/or the distribution of traffic were less than the thresholds established in the PSC rules?

A. Yes The list of exceptions is long.

1. The Commission ordered Centel to provide \$.25 calling plans on a countywide basis in June 1991 in Holmes, Jackson, Okaloosa and Walton Counties. The traffic volumes and distribution on most of these routes fell short of the Commission standards. (Exhibit No. REP-2)

2. The Commission ordered St. Joe to provide countywide \$.25 calling throughout Franklin County when the ballot for flat rate EAS failed in 1991. The traffic volumes on the 10 routes in question included six routes with less than 1 message per access line per month. The Commission order mentioned specifically the lack of medical facilities in Alligator Point as justification for its approval. The traffic between Alligator Point and Appalachicola was .19 messages per access line per month with 4.5% of the customers making two or more calls per month. (Exhibit REP-3)

3. The Commission ordered the ECS (\$.25) plan between Mt. Dora and ^{the ORANGE COUNTY POLICE} all Orange County exchanges in 1991 when the ballot for flat rate EAS failed, when

1 both the traffic volumes and distribution failed to meet the Commission threshold
2 levels on all routes. (Exhibit REP-4)

3
4 4. The Commission ordered the \$.25 calling plan on a countywide basis in
5 Gichrist County on November 13, 1991 even though none of the routes in
6 question exceeded the threshold limits established by PSC rules. (Exhibit REP-5)

7
8 5. On November 15, 1991, the Commission ordered St. Joe to implement a
9 countywide \$.25 calling plan in Gulf County in response to a Gulf County
10 Commission petition, even though the traffic on all four of the routes failed to meet
11 PSC EAS thresholds established by the PSC rules. (Exhibit REP-6)

12
13 6. On January 8, 1992, in Docket No. 910022-TL, the Commission ordered
14 ALLTEL, Centel and Southern Bell to implement the \$.25 calling plan on the
15 following routes in Bradford, Union and Alachua Counties: (Exhibit REP-7)

16	Brooker to Starke	Waldo to Starke
17	Keystone Heights to Gainesville	Starke to Gainesville
18	Keystone Heights to Waldo	Ralford to Gainesville
19	Lake Butler to Lake City	Lawtey to Waldo
20	Lake Butler to Starke	Lawtey to Gainesville
21	Lawtey to Brooker	

22 This order implemented the \$.25 calling plan on a countywide basis for Bradford
23 County and also provided \$.25 calling from all Bradford County exchanges to
24 Gainesville. The traffic volumes were confidential, but the Commission order
25 stated that all of the routes in question ~~had less than two messages per access~~ ^{had less than two messages per access}.

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~~Time per month.~~ The Commission order in this docket noted the importance of nearby Gainesville as the largest city in North Central Florida, which offered educational facilities, major medical services, shopping, etc. The longest route in this order was Ralston to Gainesville, which is well over 30 miles. (Exhibit REP-7)

The Commission order in Docket No. 919922-TL emphasized two other important factors. It mentioned that the \$.25 plan had gained favor because of its simplicity and its message rate structure. The order also stated that optional EAS plans are somewhat confusing to customers, that the additves or buy-ins are generally rather high, and the take rates are rather low. (Exhibit REP-7)

Next, the Commission order waived Rule 25-4.061, stating as follows:

"Because the community of interest factors are sufficient to warrant implementation of an alternative to toll rates and the toll relief plan being authorized does not consider costs to set rates, we do not believe it is necessary to require the companies to conduct cost studies on these routes." (Exhibit REP-7)

Finally the Commission waived its Rule 25-4.062(4) which provides for full recovery of costs consistent with its method of treating this issue in numerous EAS cases it has approved in recent years. (Exhibit No. REP-7)

7. On February 5, 1992 the Commission ordered Florida Telephone Company to implement the \$.25 calling plan between Glendale and Paxton, even though only 17% of the customers made two or more calls per month and the MMM's on the

1 route were 1.23. (Exhibit REP-8)

2
3 8. On February 24, 1992 the Commission ordered implementation of the \$.25
4 calling plan on 20 routes between Crescent City, Palatka, Hawthorne, Interlachen,
5 Orange Springs, Keystone Heights, Florahome, Melrose and Interlachen. In its
6 order the Commission stated that none of the routes had sufficient calling volume
7 or distribution to satisfy the Commission's thresholds in rule 25-4.060(2). This
8 request was honored due to a petition from the Putnam County Board of County
9 Commissioners. No hearings were held in this docket and, therefore, the PSC did
10 not have substantial input regarding the community of interest between the
11 exchanges involved, as has been offered by the public witnesses in support of the
12 Haines City request (Exhibit No. REP-9)

13
14 9. On March 9, 1992, the Commission ordered Southern Bell to implement the
15 \$.25 calling plan between the only two exchanges in St. Johns County even
16 though the calling volumes were .40 between St. Augustine and Ponte Vedra and
17 1.29 between Ponte Vedra and St. Augustine. The Commission ordered the
18 alternative EAS plan while noting that Ponte Vedra's economic community of
19 interest was primarily Jacksonville, while its county government community of
20 interest was St. Augustine. (Exhibit REP-10)

21
22 10. On July 7, 1993 the Commission ordered Southern Bell to implement the \$.25
23 calling plan between Green Cove Springs, Julingon and St. Augustine, when the
24 calling volumes were less than the thresholds levels required by the rule.
25 (Exhibit REP-11)

1 11. On November 23, 1992 the Commission ordered the \$.25 calling plan
2 between Cedar Key and Chiefland and Cedar Key and Bronson in view of the fact
3 that the calling volumes on these routes failed to meet the Commission's threshold
4 levels as specified by the rule. The Commission made note of the fact that this
5 decision "is consistent with our actions in similar EAS dockets with rural areas
6 where we have ordered the \$.25 plan. Recent examples include Franklin, Gulf,
7 Jackson, Holmes, Okaloosa and Walton Counties. "(Exhibit REP-12)

8
9 12. On July 20, 1992 the Commission ordered a \$.20 calling plan between
10 Vernon and Bonifay and between Vernon and Westville, when the traffic failed to
11 meet the thresholds established by the Commission. (Exhibit No. REP-13)

12 **Q. Has the Commission approved other \$.25 ECS plans when the traffic volumes**
13 **were less than the thresholds established in the PSC rules?**

14 **A. Yes. The Commission has approved numerous ECS plans in response to EAS**
15 **requests in "pocket areas" where county boundaries are not consistent with**
16 **exchange boundaries. The Commission ordered ECS service on four pocket area**
17 **dockets on November 13, 1995. While the traffic volumes in these pocket areas**
18 **usually exceed the thresholds, the total traffic between the two exchanges rarely**
19 **approaches the thresholds. However, in order to serve the community of interest**
20 **calling needs of the pocket, the Commission has traditionally ignored the fact that**
21 **it's ordering toll relief for the entire exchange. This is yet another example where**
22 **the Commission has disregarded the actual traffic volumes and has acted in**
23 **response to the other community of interest factors as discussed in my direct**
24 **testimony. (Exhibit REP-14)**

25

1 In Docket No. 921194, the Commission approved the \$.25 calling plan for
 2 Eastpoint/Bristol when the calling rate was .39, based on the Sumatra pocket of
 3 56 customers who wanted access to their county seat. Subsequently, based on
 4 petitions from the Liberty County Commissioners, the Commission approved the
 5 \$.25 calling plan for Eastpoint/Hosford route that had the following calling rates:

6	Hosford to Eastpoint	.24
7	Eastpoint to Hosford	.07
8	Hosford to Eastpoint (Liberty County Pocket)	.06
9	Eastpoint to Hosford (Liberty County Pocket)	1.03

10 (Exhibit REP-14a)

11 Q. How would you characterize the actions of the Commission in the preceding
 12 dockets?

13 A. Contrary to what GTE would have you believe, the Commission implemented
 14 numerous \$.25 calling plans that failed to meet the thresholds prior to the time
 15 that it agreed to a moratorium to develop more comprehensive EAS rules in 1993.
 16 The \$.25 calling plans implemented by the Commission during this time period
 17 were generally in response to requests for countywide calling where calling
 18 volumes were **significantly less** than the thresholds established for flat rate EAS.
 19 The Commission has embraced the concept that community of interest may be
 20 quantified by either absolute traffic volumes, or by demographic data including the
 21 factors discussed in my direct testimony. Countywide calling requests have been
 22 subjected to significantly less stringent standards than other routes between
 23 exchanges in other counties. The Commission has placed substantial weight
 24 upon the concept that the needs for countywide calling alone constitute a valid
 25 community of interest that is sufficient to justify the offering of an alternative toll

- 1 plan such as the \$.25 calling plan. (See Ponte Vedra/St. Augustine REP-10)
- 2 **Q. Did the EAS rulemaking result in new rules that would deal with countywide**
3 **calling requests?**
- 4 **A.** No. The Commission decided to deal with requests for countywide calling on a
5 case by case basis.
- 6 **Q. Is GTE's proposal to establish optional calling plans the best way to respond**
7 **to the request of Haines City for EAS?**
- 8 **A.** No. Since 1991, this Commission has continually stated in every single order
9 implementing the \$.25 calling plan that the plan is superior to the old optional
10 calling plans that were in vogue in Florida in the late 1980's. GTE's proposal is
11 inconsistent with the orders of the Commission and its own testimony in Docket
12 910179-TL dealing with the Tampa Bay ECS calling plan and Docket No. 920188-
13 TL, which was the general rate case filed by the company in 1992.
- 14 **Q. What testimony did the company offer regarding ECS in the Tampa Bay ECS**
15 **docket?**
- 16 **A.** The Company's current testimony is inconsistent with its prior positions taken in
17 the Tampa Bay ECS docket. Staff asked the company the following question:
18 "Which of the following factors listed below should be considered in determining
19 the existence of a community of interest?" GTE witness Kissell's response
20 included most all of the factors mentioned in my direct testimony. He added the
21 following: "However, the particular communities of interest between individual
22 telephone users may vary dramatically...For this reason, GTEFL believes its ECS
23 is the most appropriate plan to address the widely varying needs of its customers
24 in the proper 'ECS areas.'" GTE witness Robinson proposes in the Haines City
25 docket the offering of four LCP options that are reminiscent of the EOEAS plans

1 that the Commission has rejected for over five years, in place of flat rate EAS and
2 \$.25 calling plans. (Exhibit REP-15)

3 Q. What did GTE say about the ECS plan in its testimony in Docket 910179?

4 A. Witness Kissel testified as follows:

5 "GTEFL strongly believes that its ECS proposal is the best alternative for
6 meeting the local calling needs of its Tampa Bay customers. First, it is an
7 extremely fair plan in that only those customers who actually make ECS
8 calls pay for them. ECS customers who do not make ECS calls do not
9 incur ECS usage charges. (Exhibit REP-16) The original ECS filing
10 recommended by the company in the Tampa Bay plan was slightly
11 different than the ultimate plan implemented by the Commission, but the
12 advantages for customers were almost identical.

13 Q. Weren't the traffic volumes in Tampa Bay significantly higher than for Haines
14 City?

15 A. Not Particularly. There were ^{Seyon} ~~six~~ routes in Tampa Bay with traffic that exceeded
16 two messages per access line per month. Those routes were:

17 Clearwater to Tampa Central (4.31)

18 Tampa Central to Clearwater (2.47)

19 St. Petersburg to Tampa Central (3.94)

20 Tampa Central to St. Petersburg (2.57)

21 Tarpon Springs to Tampa (2.36)

22 Tarpon Springs to St. Petersburg (2.04)

23 ~~Tampa West to St. Petersburg (3.66)~~

24 The remaining ²³ ~~25~~ routes had traffic volumes consistent with those between Haines
25 City and its sister cities in Polk County and in the other countywide dockets where

1 the Commission has implemented the \$.25 calling plan. Twenty of these routes
2 had less than one message per access line per month. (REP-17) GTE witness
3 Robinson is correct when he contends that the calling rates from Haines City to
4 its sister cities in Polk County do not satisfy the Commission's guidelines for EAS.
5 However the routes included in the Tampa Bay plan failed to meet the
6 Commission's guidelines either, and GTE supported the ECS plan approved by
7 the Commission.

8 Q. How does GTE's current position relate to its proposals in Docket 920188-TL?

9 A. Once again, the company is inconsistent in its positions. In Docket 920188-TL,
10 GTE proposed countywide calling for all of Polk County utilizing the same \$.25
11 plan that was in place for the Tampa Bay area. The company's proposal included
12 implementation of the \$.25 ECS plan for all of its counties. However, the PSC
13 refused GTE's blanket request for countywide calling, stating as follows:

14 "While we have generally responded to countywide needs when requested
15 by a community or government entity, we find a wholesale conversion to
16 countywide calling absent such a request to be inappropriate."

17 (Exhibit REP-18)

18 Q. Did GTE propose ECS for countywide calling in Docket 920188-TL?

19 A. Yes and with enthusiasm. GTE's prehearing statement in that docket includes the
20 following statement:

21 "GTEFL believes that county boundaries in GTEFL's service territory are
22 reasonable determinations for a customer's local calling area. GTEFL
23 believes that ECS is the best method to address customers' needs for
24 expanded local calling. (Kissell)" (Exhibit REP-19)

25

1 Q. Please summarize your testimony.

2 A. I agree with GTE's prehearing statement in Docket 920188-TL, stating that county
3 boundaries in GTEFL's service territory are reasonable determinations for a
4 customer's local calling area. If the Commission determines that it will not allow
5 the customers to vote for or against flat rate EAS, then ECS is the best method
6 to address customers' needs for expanded local calling.

7 Q. Does this conclude your testimony?

8 A. Yes it does.

1 Q (By Mr. Beck) Would you please provide a
2 summary of your rebuttal testimony?

3 A In my rebuttal testimony I've identified for
4 you the significant cases in your files where you have
5 dealt with countywide calling, and especially on the
6 cases that lacked the traffic volumes to trigger an
7 automatic ballot for EAS.

8 I apologise for the quality of some of those
9 exhibits. It's very difficult sometimes to get good
10 copies out of the Commission archives, but I really
11 didn't expect you to read those documents because
12 you're familiar with them. The orders are in your
13 files. Many of you sat on these cases. And I
14 included them just as a matter of reference to make
15 sure that you're aware that those cases are precedents
16 which are compelling in this case.

17 I find it really significant to note the
18 number of times that this Commission has recognized
19 the needs for countywide calling and where you have
20 responded to counties who provided valid and essential
21 testimony on community of interest.

22 I find it also significant that general
23 telephone itself has actively promoted countywide
24 calling in the past, and that it vigorously supported
25 the 25-cent calling plan as the most appropriate

1 solution to the calling needs of its customers.

2 I think it's also significant that the
3 Commission has rejected in literally hundreds of
4 situations since you started utilizing the 25-cent
5 calling plan, proposals or considerations of the
6 optional plans such as GTE has offered in this docket;
7 and the reason that you've done that is because
8 customers really do like the 25-cent calling plan if
9 you select an alternative approach.

10 Public Counsel would hope that the
11 Commission responds to the testimony that you've heard
12 today, that you will order a ballot for flat rate EAS,
13 and give the customers the option of flat rate EAS or
14 25-cent calling, whichever they prefer.

15 MR. BECK: Mr. Poucher is available for
16 cross-examination.

17 COMMISSIONER DEASON: Mr. Nettleton, do you
18 have any questions?

19 MR. NETTLETON: Nona. Thank you.

20 COMMISSIONER DEASON: Ms. Caswell?

21 MS. CASWELL: Yes, I do have some questions.
22
23
24
25

1 CROSS EXAMINATION

2 BY MS. CASTELL:

3 Q Mr. Poucher, at Page 2, Lines 15 to 17 of
4 your rebuttal testimony you state that the Commission
5 has no standard for countywide calling requests.
6 Isn't it true that countywide calling requests are
7 considered under the same EAS rules as apply to this
8 proceeding and every other EAS proceeding?

9 A Correct.

10 Q So what is the basis for your statement that
11 there are no standards for considering countywide
12 calling?

13 A What I'm saying is that the Commission has
14 never established a specific rule that it would
15 utilize to deal with requests for countywide calling;
16 and they have chosen specifically not to adopt a rule,
17 and to deal with those cases on a case-by-case basis,
18 which what they've done since 1988, I would assume.

19 Q Right. And isn't that because it explicitly
20 believes the current EAS mechanism is sufficient to
21 resolve countywide calling problems?

22 A Well, there's certainly room for the
23 Commission to make the right decision to recognize
24 countywide calling, because they've done it so many
25 times in the past.

1 Q But in response to my question, isn't it
2 true the Commission has explicitly found that the
3 current EAS mechanism is sufficient to resolve
4 countywide calling problems?

5 A Certainly.

6 Q Let's look at Page 7 of your testimony now,
7 your rebuttal testimony. On Line 22 -- or starting on
8 21, I think you go into some discussion of pocket
9 areas and then conclude that this is yet another
10 example where the Commission has disregarded the
11 actual traffic volumes and has acted in response to
12 the other community of interest factors as discussed
13 in my direct testimony.

14 Is it your testimony that it's this
15 Commission's practice to disregard the numerical
16 factors in considering what toll relief is warranted?

17 A Could you ask that last part a little bit
18 slower?

19 Q Is it your testimony that it's this
20 Commission's policy to disregard numerical factors in
21 cases where toll relief is sought?

22 A No. I don't believe that's what my
23 testimony says.

24 Q Okay. Isn't it true that the specific plan
25 the Commission offers is generally dependent upon the

1 traffic volumes on the routes under consideration?

2 A Yes.

3 Q So that would indicate that the Commission
4 does not disregard the actual traffic volumes in
5 considering toll relief, correct?

6 A Yes. Except the point that I've made here
7 is that there is no reference to pocket problems in
8 the EAS rules. It's only -- deals with the traffic
9 from one exchange to another, and typically like we
10 found in one of the cases that's in my testimony,
11 Bristol and Hosford to Eastpoint, there was no
12 significant traffic there except between 56 people
13 from Sumatra who were in a pocket; and yet we have
14 25-cent calling plan on those routes because of that
15 community of interest despite the fact that there was
16 minimal traffic between the exchanges involved which
17 are covered by the Commission rules.

18 And that's the point that I'm making here.
19 There's no spot -- there's no reference to pocket
20 problems in the EAS rules, but we continue to deal
21 with them.

22 Q But this isn't a pocket case, is it?

23 A No.

24 Q And isn't it true, also, that historically
25 the Commission has considered alternative toll plans

1 on routes that met the calling requirement and
2 exhibited substantial distribution?

3 A Yes.

4 Q And is it your opinion that the traffic
5 statistics in this case meet that Commission
6 philosophy?

7 A Yes, it does. I think there's 14 examples
8 where I believe that there's a good correlation
9 between the philosophy of the Commission in those
10 specific cases and the situation in Haines County --
11 Haines City.

12 You're talking about the alternative plan,
13 25-cent calling plan, and I find the traffic no more
14 compelling for Haines City than I found the traffic to
15 be compelling for the Tampa Bay area which you
16 proposed for ECS.

17 Q Right. And in this case we're not proposing
18 ECS, right?

19 A No. That's correct.

20 Q And isn't that a factor that the Commission
21 will look at when it's deciding what relief is
22 warranted, whether the Commission -- whether the
23 Company itself has proposed the plan?

24 A I am certain that they will take your
25 testimony into your account.

1 Q Okay. And getting back to the Commission's
2 customary way of dealing with these cases, is it your
3 testimony that the routes in this case meet the
4 calling rate requirement set forth in the rules?

5 A No. My testimony is that the rule does not
6 require the calling rate in order to provide flat rate
7 EAS.

8 Q Okay. But you did agree -- okay. You did
9 agree previously, though, that historically the
10 Commission will consider alternative toll plans, PCS,
11 only when the calling rate requirement is met and the
12 distribution factor is substantial, correct?

13 A Where are you quoting that from?

14 Q I can tell you it's at several places in
15 your exhibits actually. The place that I'm looking at
16 right now --

17 A If your question is from previous Commission
18 orders, yes.

19 Q Okay. Mr. Poucher, none of the cases you
20 cite in your rebuttal testimony are later than 1993,
21 are they?

22 A I seem to remember a case from 1995. It
23 just escapes me which one.

24 COMMISSIONER KIESLING: I think Exhibit 14
25 and 14a are from 1995.

1 Q (By Ms. Caswell) Okay. Maybe I can tell
2 you what I'm looking at. (Pause) Where you list your
3 examples, starting on Page 3 of your rebuttal
4 testimony.

5 A Which page?

6 Q Starting on Page 3 of your rebuttal
7 testimony continuing through Page 7 of your testimony,
8 are any of those cases later than 1993? Those are the
9 examples you use --

10 A I just turned to the last one. There would
11 be 14. That's Hosford. The order was released
12 October 28th, 1993.

13 Q And that's a pocket case, correct? That was
14 a pocket case?

15 A Yes.

16 Q Yeah. I think what I'm looking at --

17 A But it resulted in a 25-cent calling plan
18 between those -- on those routes.

19 Q Right. And what I'm looking at are the
20 non-pocket cases you cite from Page 3 of your
21 testimony.

22 A Well, that pocket testimony -- that pocket
23 traffic was insufficient, also, in one of those
24 routes. If you bothered to look at that exhibit on
25 14 -- and I'm not looking at it -- but the Hosford to

1 Eastpoint traffic and the Hosford to Sumatra traffic
2 was insignificant, and yet we ordered 25-cent calling
3 plan on both of those.

4 Q Do you think there might be different
5 considerations in a pocket case than in the case
6 before us today?

7 A No, I don't. I was there on that case, and
8 the reason that the Commission responded is that the
9 Sumatra residents just simply would not give up. They
10 demanded relief and they got it ultimately from the
11 company and from the Commission; and I think the
12 similarity is true here. These customers have a valid
13 request and a valid reason, and I think that the
14 Commission ought to recognize it.

15 Q In any case, aside from the pocket cases, is
16 there any case that you cite here that's later than
17 1993?

18 A I really don't know. I don't think so.

19 Q Okay.

20 A Well, yes; and I can tell you why. And
21 sometime around 1993 the Commission put in a
22 moratorium on EAS cases, and they stopped considering
23 further EAS cases while we were involved in
24 rulemaking; and so there was a very big gap starting
25 somewhere around 1993, and that didn't open up until,

1 I would say, late 1995.

2 Q I thought you testified that the moratorium
3 was on the development of more comprehensive EAS rules
4 rather than on EAS cases themselves?

5 A I'm sorry. That's what I meant to say.
6 Thank you.

7 Q Right. And why did the Commission drop its
8 proceeding to revise the EAS rules?

9 A I do not know.

10 Q Do you think it might have been because the
11 impending state legislative changes would make their
12 applicability very limited?

13 A Yes.

14 Q And all these cases that you cite, the
15 non-pocket cases, they were before the federal and
16 state legislative changes that have occurred in 1995
17 and 1996 respectively, weren't they?

18 A Yes. Those cases before 1993 preceded all
19 the legislature --

20 Q Right. Mr. Poucher, do you think generally
21 that customer choice is good?

22 A Yes. That's what we're recommending here.

23 MS. CASWELL: Okay. Thank you. That's all
24 I have.

25 COMMISSIONER DEASON: Staff? I'm sorry;

1 Mr. Wahlen?

2 MR. WAHLEN: (Shaking head.)

3 COMMISSIONER DEASON: Staff, no questions?

4 MS. CULPEPPER: No questions.

5 COMMISSIONER DEASON: Redirect?

6 MR. BECK: No redirect.

7 COMMISSIONER DEASON: Exhibits?

8 MR. BECK: Move composite Exhibit 5 into
9 evidence.

10 COMMISSIONER DEASON: Without objection,
11 Exhibit 5 shall be admitted.

12 (Exhibit 5 received in evidence.)

13 COMMISSIONER DEASON: Thank you Mr. Poucher.

14 (Witness Poucher excused.)

15 COMMISSIONER DEASON: We'll take a 10-minute
16 recess at this time.

17 (Brief recess.)

18 - - - - -

19 COMMISSIONER DEASON: Call the hearing back
20 to order. Ms. Casvall?

21 MS. CASWELL: GTE calls Mr. David Robinson.

22

23

24

25

1 **DAVID E. ROBINSON**
2 was called as a witness on behalf of GTE Florida
3 Incorporated and, having been duly sworn, testified as
4 follows:

5 **DIRECT EXAMINATION**

6 **BY MS. CASWELL:**

7 **Q** Please state your name and address for the
8 record?

9 **A** My name is David E. Robinson,
10 R-O-B-I-N-S-O-N, and I'm at 600 Hidden Ridge Drive,
11 Irving, Texas, with GTE Telephone Operations.

12 **Q** By whom are you employed and in what
13 capacity?

14 **A** I am employed by GTE Telephone Operations,
15 and I am the product manager for local services in six
16 states, one of which is Florida.

17 **Q** Did you file direct testimony in this
18 proceeding?

19 **A** Yes, I did.

20 **Q** Do you have any changes to that testimony?

21 **A** Yes, I have one minor change.

22 **Q** Would you give that to us?

23 **A** On Line 11 -- excuse me. Line 1, Page 11,
24 that's a duplicate line, so just strike that line.

25 **Q** And with that change if I were to ask you

1 the same questions today, would your answers remain
2 the same?

3 A Yes, they would.

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GTE FLORIDA INCORPORATED

DIRECT TESTIMONY OF DAVID E. ROBINSON

DOCKET NO. 950699-TL

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is David E. Robinson. My business address is GTE Telephone Operations, 600 Hidden Ridge Drive, Irving, Texas 75038.

Q. WHAT IS YOUR POSITION WITH GTE TELEPHONE OPERATIONS AND YOUR RELATIONSHIP WITH GTE FLORIDA INCORPORATED (GTEFL)?

A. I am the Product Manager-Local Services for GTE Telephone Operations. I manage the life cycles of all basic local access line switched services, including expanded local calling plans, for GTE operating companies in six southeastern states, including Florida.

Q. WOULD YOU PLEASE SUMMARIZE YOUR EDUCATIONAL AND PROFESSIONAL EXPERIENCE?

A. Yes. I hold a Bachelor of Science degree in Business Administration-Finance from California State University and a Master of Business Administration degree from Saint Mary's College of California. My telephony experience began with CONTEL Corporation, a GTE predecessor company, in its California subsidiary. I held various positions with CONTEL in the areas of Operations, Rates, Tariffs, Regulatory and Industry Affairs. I completed staff assignments in

1 both the Western and Eastern Regions of CONTEL Service
2 Corporation including two and one-half years at the CONTEL Eastern
3 regional offices in Dulles, Virginia. I left the regulated telephone
4 industry for 5 and one-half years and worked as a personal financial
5 consultant in the financial services industry, an area financial
6 manager for an oil services firm and a Director of Business
7 Development for a telecommunications consulting firm. I rejoined
8 CONTEL in 1985, and was assigned to represent CONTEL as an "on
9 loan" employee to the National Exchange Carrier Association, Inc.
10 (NECA) - Pacific Region, in Concord, California as Manager of
11 Operations and Industry Relations. As a result of the CONTEL/GTE
12 merger in 1991, I was called back from my NECA assignment by
13 GTE. I assumed my present responsibilities with GTE Telephone
14 Operations in August of 1991.

15

16 **Q. HAVE YOU EVER TESTIFIED BEFORE THIS COMMISSION OR**
17 **ANY OTHER REGULATORY AGENCIES?**

18 **A.** Yes, I testified before the Florida Public Service Commission as a
19 rate and tariff design expert for CONTEL Corporation when CONTEL
20 still had Florida properties. More recently, I submitted testimony on
21 behalf of GTE Florida Incorporated (GTEFL) in this Commission's
22 Polo Park EAS docket, number 930173-TL. In addition, I have
23 testified as an expert witness for CONTEL and GTE telephone
24 companies before state regulatory commissions in Maine, New
25 Hampshire, New Mexico, Pennsylvania, South Carolina, Vermont,

1 Virginia and West Virginia in the areas of service cost, rate and tariff
2 design and product and service management.

3

4 **Q WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
5 **PROCEEDING?**

6 **A.** My testimony addresses the City Commission of Haines City's
7 renewed request for expanded calling from Haines City to a number
8 of other Polk County exchanges. First, I will briefly discuss my
9 understanding of the status of this case, then I will specifically
10 address the issues presented for resolution here, and finally, I will
11 more generally present GTEFL's thoughts on the appropriate
12 resolution of this docket.

13

14 **Q. DO YOU KNOW IF THE 1995 REVISIONS TO CHAPTER 364,**
15 **FLORIDA'S TELECOMMUNICATIONS STATUTE, HAD ANY**
16 **EFFECT ON THE TREATMENT OF EAS REQUESTS?**

17 **A.** I am not an expert on those revisions, but I understand that the law
18 now states that all applications for extended area service or other
19 extended calling service pending before the Commission on March 1,
20 1995, will be governed by the law as it existed prior to the statutory
21 revisions that took effect on July 1, 1995. (Fla. Stat. ch. 364.385(2).)
22 Applications filed after March 1, but that had not gone to hearing by
23 July 1, 1995, can be considered under the former law only if all
24 parties and the Commission consent.

25

- 1 **Q. WHEN DID HAINES CITY FILE ITS EAS APPLICATION?**
- 2 **A. I understand that it was filed on May 18, 1995.**
- 3
- 4 **Q. SINCE IT WAS FILED AFTER THE MARCH 1 DEADLINE FOR**
5 **CONSIDERATION UNDER THE EXISTING STATUTE AND RULES,**
6 **WHY IS THE COMMISSION APPLYING THE OLD LAW AND**
7 **RULES?**
- 8 **A. Because GTEFL agreed to be governed by the former law and rules**
9 **in this particular case.**
- 10
- 11 **Q. DIDN'T THE COMMISSION ALREADY RULE THAT EAS WAS NOT**
12 **APPROPRIATE FOR THE ROUTES REQUESTED?**
- 13 **A. Yes. In a Notice of Proposed Agency Action (Ordar) issued May 8,**
14 **1996, the Commission found that no extended calling plan was**
15 **justified on GTEFL's routes included in Haines City's request (i.e.,**
16 **Haines City to Lakeland, Bartow, and Mulberry, respectively).**
17 **Specifically, the Commission found that the traffic data for these**
18 **routes did not meet the Commission-prescribed calling rate or**
19 **distribution standards to warrant EAS. The Commission further found**
20 **that these data did not meet the guidelines for an alternative toll plan**
21 **(i.e., extended calling service (ECS)) either. (Order no. PSC-96-**
22 **0820-FOF-TL, May 8, 1996.)**
- 23
- 24 **Q. HAS AN THING CHANGED TO NOW WARRANT MANDATORY**
25 **EXTENDED CALLING ON THESE ROUTES?**

1 A. No. The only reason this matter is again before the Commission is
2 that the City of Haines City protested the Commission's previously
3 issued Order.

4
5 Q. COULD YOU RESPOND TO EACH OF THE FIVE ISSUES
6 IDENTIFIED FOR RESOLUTION IN THIS CASE?

7 A. Yes.

8
9 Q. ISSUE 1: IS THERE A SUFFICIENT COMMUNITY OF INTEREST
10 TO JUSTIFY IMPLEMENTING EAS AS CURRENTLY DEFINED IN
11 THE COMMISSION RULES OR IMPLEMENTING ECS OR AN
12 ALTERNATIVE TOLL PROPOSAL ON ANY OF THE FOLLOWING
13 ROUTES?:

14 HAINES CITY/LAKELAND

15 HAINES CITY/POLK CITY

16 HAINES CITY/BARTOW

17 HAINES CITY/MULBERRY

18 HAINES CITY/FROSTPROOF

19 HAINES CITY/INDIAN LAKES

20 HAINES CITY/FORT MEADE

21 A. No, the Commission's rules do not permit EAS on these routes. To
22 quote the Commission, "none of the routes under consideration in this
23 docket meet the M/W/M or distribution requirements to qualify for a
24 survey for nonoptional, two-way, flat rate EAS." (Order at 2.)

25

1 Nor do the routes satisfy the Commission's guidelines for a
2 mandatory alternative toll plan, such as ECS. In this respect, the
3 Commission held that "the calling rates on the intraLATA routes do
4 not have sufficient calling volumes or distribution to warrant an
5 alternative toll plan....the traffic data on the intraLATA routes did not
6 indicate a community of interest." (Order at 3.)

7

8 In short, the traffic statistics rule out any form of mandatory extended
9 calling on these routes. As I explain below, however, GTEFL is
10 willing to consider offering a fully optional form of extended calling.
11 GTEFL's optional plan could be implemented without regard to the
12 Commission-established community of interest factors.

13

14 **Q. ISSUE 2: WHAT OTHER COMMUNITY OF INTEREST FACTORS**
15 **SHOULD BE CONSIDERED IN DETERMINING IF EITHER EAS,**
16 **ECS, OR AN ALTERNATIVE TOLL PLAN SHOULD BE**
17 **IMPLEMENTED?**

18 **A.** Under the Commission's Rules, community of interest for extended
19 area service (EAS) is to be determined through calling usage studies
20 which calculate toll calling frequency and patterns between
21 exchanges involved in an EAS request. The Rules prescribe the
22 threshold showing necessary to pursue such a request. As noted
23 above and in the Commission's Order, the calling statistics on these
24 routes fall well short of this threshold. "None of the routes met the 3
25 **M/M** requirement or the distribution criteria." (Order at 3.) The

1 calling statistics were too low to even meet the Commission's more
2 relaxed standard for consideration of ECS. (Order at 2-3.)

3
4 The numerical calling statistics are the critical part of the EAS or ECS
5 inquiry. As the Commission's Order indicates, they are the primary
6 reference to assess community of interest. Only when these data
7 indicate some significant level of community of interest (even though
8 it may fall short of prescribed standards) will the Commission
9 consider some form of toll relief. GTEFL is not aware of any instance
10 where the Commission used solely subjective community of interest
11 evidence to ground toll relief.

12
13 In this case, though, that is exactly what the Commission will need to
14 do if it wishes to order EAS or ECS. It will have to turn a blind eye to
15 the relevant calling data--the data it already found too low to further
16 pursue EAS or ECS--and rely instead on unquantifiable, societal
17 community of interest factors.

18
19 GTEFL supposes that factors advanced might include, for example,
20 the location of school district boundaries, major shopping areas,
21 medical services, large plants or offices, and natural neighborhood
22 boundaries not coincident with exchange boundaries.

23
24 Again, however, GTEFL believes that Commission Rules contemplate
25 consideration of these anecdotal and unmeasurable elements only in

1 conjunction with traffic data, not as stand-alone reasons for pursuing
2 an EAS or ECS request. This type of complete relaxation of
3 established, objective guidelines for consideration of extended calling
4 requests is particularly ill-advised at this point. Although GTEFL has
5 agreed, for purposes of this docket, to submit itself to the prior law
6 and existing EAS rules, the Commission cannot responsibly ignore
7 the enormous changes the new law has wrought. Mandatory
8 extended calling plans are an anachronism in a competitive local
9 exchange environment; the Commission should be wary of taking any
10 action that would expand their use at this time.

11

12 **Q. ISSUE 3: IF A SUFFICIENT COMMUNITY OF INTEREST IS FOUND**
13 **ON ANY OF THESE ROUTES, WHAT IS THE ECONOMIC IMPACT**
14 **OF EACH PLAN ON THE CUSTOMER AND THE COMPANY?**

15 **a) EAS WITH 2&2& PLAN AND REGROUPING;**

16 **b) ALTERNATIVE TOLL PLAN;**

17 **c) ECS**

18 **d) OTHER (SPECIFY).**

19 **A.** As explained above, GTEFL believes the Commission's rules do not
20 contemplate ordering EAS or an alternative plan without some
21 grounding of community of interest in the traffic data. Therefore, the
22 responses to options a, b and c below assume (contrary to GTEFL's
23 view) that the Commission can develop an acceptable way of reliably
24 measuring community of interest in the absence of any numerical
25 showing of community of interest. (Option d as discussed below

1 would not raise any such issues.) Given these hypothetical
2 parameters, the responses would be as follows:

3

4 a) EAS with 25/25 plan and regrouping: The most obvious
5 financial effect for the EAS customer would be the mandatory
6 monthly additive which will be assessed for EAS calling.
7 Because each customer's calling pattern is different
8 (sometimes from month to month), it is impossible to say what
9 the total economic impact of EAS would be positive or
10 negative for "the customer." Undoubtedly, some customers
11 would save money and some would lose money under EAS.

12

13 The financial impact on the Company would be determined
14 using current regrouping and 25% additive guidelines.
15 (GTEFL has not calculated specific rate changes or revenue
16 impacts, but can do so upon request.)

17

18 b) and c) I am addressing the ECS and alternative toll options
19 together because ECS (sometimes with a measured element
20 and known as "MECS" has historically been the alternative toll
21 option ordered by this Commission.) Again, I cannot speculate
22 on the economic impact of these type plans for "the customer."
23 Since each customer is different, some will gain and some will
24 lose under this approach.

25

1 With regard to the effect of ECS on GTEFL, the company has
2 not done any specific calculations at this point.

3

4 d) Other. This alternative would allow a more market-oriented
5 approach to the EAS expansion request. It would not solely
6 require the consideration of toll traffic statistics, but would be
7 designed using other types of surrogate data to measure the
8 amount of revenue required of an optional local calling plan to
9 make it economically feasible for both GTE and the end user
10 customer.

11

12 If the Company believes sufficient demand exists, it could offer
13 an expanded local calling plan (LCP) on a fully optional basis
14 to GTE-selected exchanges. The great strength of this
15 approach, of course, is that it does not force all customers to
16 pay for expanded local calling they may not need or want.
17 Each Haines City customer could choose the option that best
18 meets their local calling needs and budget. A customer might
19 simply retain his current service, without any additive, and
20 continue to pay toll rates when calling other exchanges. Or
21 one could choose from one of four LCP options GTEFL has
22 designed. This array of options would meet the diverse calling
23 needs (and budgets) of all customers, while satisfying the
24 existing state statutory cap on basic local service rates.
25 GTEFL contemplates offering four different types of optional

1 ~~GTEFL contemplates offering four different types of optional~~
2 LCPs, as detailed below.

3
4 **BASIC CALLING:** The customer pays a reduced local access
5 fine rate and all local calls, including calls to their home
6 exchange (Haines City), as well as those to their current and
7 expanded local calling area, are billed at optional local
8 measured usage rates on a per minute basis. The R1 rate for
9 this option is estimated to be between \$7.00 and \$7.50, while
10 the B1 rate would be between \$18.00 and \$19.00.

11
12 **COMMUNITY CALLING:** The customer pays a slightly
13 reduced local access line rate (as compared to the existing
14 local flat rate) and has flat rate calling to his home exchange
15 only. All other local calls within the current and expanded
16 local calling area are billed at local measured usage rates.
17 The R1 rate estimate would be between \$10.00 and \$10.50.
18 B1 customers would not be offered this option.

19
20 **COMMUNITY PLUS:** The customer pays a higher rate for local
21 access in comparison to his current flat rate service. He has
22 flat rate calling to his home exchange and selected nearby
23 exchanges while all other local calls in the expanded local
24 calling area are billed at local measured usage rates. These
25 selected exchanges are generally those to which customers

1 currently enjoy flat-rate EAS. In the Haines City example, the
2 exchanges would be Haines City, Winter Haven and Lake
3 Wales. The R1 rate estimate for this option would be between
4 \$14.25 and \$15.00, while a B1 estimate would be between
5 \$33.00 and \$36.00.

6
7 **PREMIUM CALLING:** The customer pays a premium flat rate
8 and may make an unlimited number of calls, without regard to
9 duration, to all exchanges within the current and the expanded
10 local calling area. The R1 estimate would be between \$35.00
11 and \$40.00. This option would not be available to business
12 customers.

13
14 **Q. HOW WOULD PRICES FOR LOCAL MEASURED USAGE BE**
15 **DETERMINED UNDER THE LCP OPTIONS YOU PRESENTED**
16 **ABOVE?**

17 **A. Pricing for local measured usage would be determined by the airline**
18 **distance to the expanded exchange from the home exchange—in this**
19 **case, Haines City. The rate bands currently reflected in GTE's local**
20 **tariff under GTE's LCP for the Englewood and North Port exchanges**
21 **would apply. The rate is six cents per minute for all local calls to the**
22 **five rate bands out to 40 miles.**

23
24
25

1 **Q. ISSUE 4: SHOULD SUBSCRIBERS BE REQUIRED TO PAY AN**
2 **ADDITIVE AS A PREREQUISITE TO IMPLEMENTATION OF EAS?**
3 **IF SO, HOW MUCH OF A PAYMENT IS REQUIRED AND HOW**
4 **LONG SHOULD IT LAST?**

5 **A. Yes, customers are typically required to pay a higher rate for**
6 **mandatory local area expansion (as mentioned in 3 a and b, above).**
7 **The level of the increase would likely depend on factors such as the**
8 **scope of the expansion, the revenue loss and expense gain**
9 **calculation, and would vary by exchange. If mandatory expansion is**
10 **ordered through EAS or a toll alternative, and an additive is**
11 **necessary, it would continue indefinitely.**

12
13 **As explained, GTEFL's optional LCP recommendation would require**
14 **no mandatory additives.**

15
16 **Q. ISSUE 5: IF A SUFFICIENT COMMUNITY OF INTEREST IS**
17 **FOUND, WHAT ARE THE APPROPRIATE RATES AND CHARGES**
18 **FOR THE PLAN TO BE IMPLEMENTED ON THESE ROUTES?**

19 **A. For EAS with 25/25 plan and regrouping (a, above), the appropriate**
20 **rates would be those determined under the existing 25/25 formula.**
21 **No message charges would be assessed. The rates would only be**
22 **appropriate provided the formula was applied correctly. GTE could**
23 **either gain or lose revenue, depending on how costs compared with**
24 **new revenue generation. In b and c) above, an additive to the**
25 **monthly rate would have to be calculated and set. Balloting the**

1 market (customer base) and then assessing the levels of acceptance
2 would determine if the rates were appropriate. The additives could
3 only be appropriate if they both covered GTE's costs to offer the
4 expansion and simultaneously the majority of customers agreed to
5 pay the new monthly additive rate levels to be applied to all
6 customers. Message rates for residence and minute rates for
7 business would also apply. GTE would be made whole in this
8 scenario, if the customer accepted all new rate levels.

9

10 For the optional LCPs (d, above), rates and charges would be set to
11 cover costs and to assure customers attractive calling options that
12 best fit their needs.

13

14 **Q. AS BETWEEN THE APPROACHES PRESENTED AND THAT**
15 **YOU'VE DISCUSSED IN THIS TESTIMONY, WHICH DO YOU**
16 **BELIEVE IS MOST APPROPRIATE FOR MEETING THE PETITION-**
17 **ERS' CALLING NEEDS?**

18 **A.** GTEFL's LCP with four new service choices is certainly the most
19 appropriate option. As I explained earlier, this approach provides the
20 consumer with a number of attractive calling options designed to meet
21 consumers' differing needs. No one will be forced to pay for service
22 they might not want and if calling patterns change for a customer in
23 the future, they may change to another option or back to the always
24 available flat rate service currently offered today. Again, local rates
25 are not raised or changed in any way, which satisfies the intent of the

1 recent legislation. In addition, GTEFL also feels that such an optional
2 local service plan, giving customers more control of their local calling
3 area and service choices, is consistent with the manner in which
4 services are offered in a competitive marketplace. It is now very clear
5 that mandatory EAS plans requiring regulatory intervention are
6 inconsistent with competitive marketplace demands and require-
7 ments, and not in the best interest of all consumers in a given
8 exchange area.

9

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11 **Q. IN YOUR OPINION, WILL THE GTEFL LCP APPROACH SATISFY**
12 **THE PETITIONERS' DEMANDS FOR EXPANDED LOCAL**
13 **CALLING?**

14 **A. Yes.** In most EAS expansion cases, petitioners generally desire a flat
15 rate monthly increase or a \$.25 per call type plan. They are also very
16 concerned that new monthly charges not be overly high and that the
17 financial impact that could befall all subscribers in the local exchange
18 be minimal. Obviously, GTEFL's LCP would obviate these concerns.
19 Both flat and usage rated calling options would be available. In
20 addition, no customer would be forced to pay an additive, as required
21 with a mandatory plan, to their current local service rate for expanded
22 local calling if they did not so choose. I believe that the petitioners
23 would accept GTEFL's LCP proposal once they are made aware of
24 the LCP structure and its expanded local calling flexibility and
25 benefits to all customers, both for those customers that choose a

1 particular LCP option as well as those that elect to retain their current
2 local calling area and rates.

3 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

4 **A. Yes.**

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1 Q (By Ms. Caswell) Would you please give us
2 a brief summary of your testimony?

3 A Yes. GTE is sympathetic to the expressed
4 needs of some of the Haines City residents for toll
5 relief for the Polk County exchanges. Indeed, GTE has
6 voluntarily agreed to this Commission's second review
7 of the need for mandatory toll relief in this docket.

8 Under Florida's new telecommunication law,
9 which was effective 7/1/95, GTE could have refused
10 this application of the existing EAS rules and put an
11 end to this proceeding. However, in the spirit of
12 cooperation, GTE has agreed to go ahead with this
13 case. But just as GTE has agreed to abide by the old
14 EAS rules prior to the July of 1995, it's only fair
15 that the Haines City residents should also remain
16 aware of those rules.

17 The Commission's EAS rules are based on
18 objective, verifiable toll calling statistics between
19 exchanges. If customers' calling patterns as a whole
20 do not meet certain numerical standards set on the
21 rules, then no EAS or other mandatory plan is
22 warranted.

23 In this case the traffic patterns just
24 didn't measure up to the established standards, and
25 we've heard that time and time again. This is just --

1 this is not just GTE's opinion.

2 COMMISSIONER CLARK: Mr. Robinson, can I ask
3 you to do something? Put the mike in front of you.

4 (Microphone adjusted.)

5 WITNESS ROBINSON: This is not just GTE's
6 opinion. The Commission itself has already found this
7 fact based on the traffic statistics, and held that no
8 mandatory toll relief is justified under its rules.
9 Nothing has changed from the May 8th, 1996, proposed
10 order by this Commission to warrant a reversal of the
11 conclusion.

12 Nevertheless, the Haines City residents
13 participating in this case remain convinced that some
14 kind of expanded local calling should be offered. In
15 response to those needs, GTE is perfectly willing to
16 offer fully optional local calling plans.

17 With GTE's LCP no customer is forced to pay
18 an extra monthly fee as all customers would be under
19 EAS. Let me briefly explain our plan a little bit, as
20 some of the participants today didn't seem to be aware
21 of the plan exactly.

22 The plan does have four options, and in
23 addition, there is the option for the customer to
24 always stay exactly as they are today. So there's
25 really five choices, four new ones and one existing.

1 All of the plan has seven-digit dialing. So
2 in all options the customers get local dialing
3 capability with the exception of the one interLATA
4 route, which is Fort Meade, which might be included
5 where you would have to dial 10 digits. You still
6 wouldn't have to dial 1 in the plan.

7 The four plans -- or the four options of the
8 plan are Basic, and Basic will take the form of if a
9 customer selected that, the rate would be somewhere
10 between \$7 and \$7.50. They could call all the
11 exchanges that we are going to expand to, which would
12 be these seven that are listed in the docket, and the
13 three that exist today, so they would have 10
14 exchanges to call to, and every call they made would
15 be six cents a minute regardless of where they called.
16 Those customers that have very little calling might
17 choose that plan to lower their overall telephone
18 bill.

19 The second option would be Community, and
20 that option would offer the customer the ability to
21 call just Haines City on a flat rate basis, and that
22 would be about a few dollars lower than the
23 ten-eighty-six they pay today, possibly a few cents --
24 I'm sorry -- lower than the ten-eighty-six they pay
25 today. For that they get toll free calling within

1 Haines City and, again, every call they make to the
2 addition nine exchanges would be at six cents a
3 minute. And what that would do for them is those
4 seven new changes that were currently paying 21 cents
5 a minute, they could get for six cer's a minute, so
6 they would experience a 70% reduction in their toll
7 bill for their countywide calling needs.

8 The third plan is Community Plus, the third
9 option. For Community Plus they get exactly the local
10 calling area they have today, which is three
11 exchanges, Winter Haven, Haines City and Lake Wales.
12 That would be still a flat rated call. For this
13 service they would pay approximately \$14.00 to \$14.50,
14 and the benefit here is that, again, these seven other
15 exchanges would be given to them at six cents a
16 minute.

17 What we've elected to do in listening to --
18 and because the plan is very flexible, in listening to
19 the population in morning talk about their calling
20 needs, one of the needs that continually came up was
21 calling to the county seat, which is Bartow. What we
22 would propose doing in this case if the LCP is the
23 selected choice, is to offer Bartow in this option as
24 a flat rate option at no additional charge between the
25 14 and 14.50 that we will design the rate at.

1 What this would do is basically give all the
2 customers that choose the optional LCP, Option 3,
3 Community Plus, the ability to call their county seat
4 at no additional charge. That would relieve -- leave
5 the remaining six exchanges at six cents a minute,
6 which again would be a 70% reduction in toll.

7 The fourth option, which would probably
8 benefit the high volume users that do make a lot of
9 countywide calling, would be a flat rate premium
10 service where for a rate we haven't determined yet,
11 but it would be between \$35 to \$40.00 a month, you can
12 call to all 10 exchanges at that flat rate. There
13 would be no six-cent charge and no toll charge. What
14 that would do for anyone that has a toll bill of
15 greater than \$40 or a combination of a toll and local
16 bill of greater than \$40, it would reduce it down to
17 \$40 flat.

18 I should point out that none of these plans
19 are an additive. The rates quoted include your line
20 rate. So with an LCP, you have a line and that's the
21 rate you pay, so it is a substitute or an alternative
22 service including the line.

23 Obviously the advantage of such an optional
24 plan is that the majority of the Gaines City customers
25 would do not have high toll bills and who are not

1 interested in expanded local calling -- and they
2 really didn't turn out here today -- they can avoid
3 doing any of this and stay as they are.

4 GTE's LCP also avoids the one-size-fits-all
5 approach that is inherent in form of Commission
6 mandated alternative toll relief. LCP offers four
7 calling plans, which I've gone over. Thus each
8 customer can choose the plan that best fits his or her
9 calling needs and budget?

10 The LCP approach is also flexible in a
11 larger sense as the calling scopes offered under
12 various options can grow to meet evolving demand; and
13 what I mean by that is down the road if we see
14 something happening in Polo Park or another exchange
15 has a very attractive market demand that says "we want
16 to call there," our plan will be in the tariff and we
17 simply add another exchange. And so it's flexible
18 from that standpoint. Again, this kind of flexibility
19 isn't generally featured in either EAS or ECS.

20 GTE's optional LCP is more consistent with
21 the newly competitive local exchange marketplace that
22 the old forms of mandatory alternative toll relief
23 don't offer. Although this proceeding is conducted
24 under the existing EAS rules, the Commission can't
25 ignore the dramatic statutory changes wrought by not

1 only the Chapter 364 here in Florida, but the Federal
2 Telecommunications Act of 1996.

3 EAS is incongruous with the competitive
4 local marketplace where demand, not regulatory
5 mandate, determines what service will be offered. So,
6 in short summary, the Commission rules on their face
7 do not admit consideration of any mandatory form of
8 alternative toll relief in this Haines City case. The
9 Commission has already found as much.

10 Particularly in view of the enormous legal
11 and regulatory changes in the past two years, now is
12 not the time to liberalize the EAS rules and ignore
13 numerical guidelines and the lack of demonstrative
14 market demand, as Public Counsel recommends.

15 The Commission should affirm its original
16 proposed order denying mandatory alternative toll
17 relief on these Polk County routes. It should feel
18 comfortable to doing so simply because the Haines City
19 customers will get expanded local calling, only it
20 will be optional. It's called LCP. Those that want
21 it can have it; those that don't won't be forced to do
22 anything.

23 GTE truly believes that this approach, the
24 expanded LCP, is best for all consumers and consistent
25 with the Legislature's intent that the Commission

1 should rely on the market rather than regulatory
2 intervention to best produce results that are in the
3 public interest. And that concludes my summary.

4 MS. CASWELL: Commissioner Deason, I'd ask
5 had a Mr. Robinson's direct testimony be inserted into
6 the record as though read.

7 COMMISSIONER DEASON: Without objection, it
8 shall be so inserted.

9 (For convenience of the record, Witness
10 Robinson's prefiled direct testimony was inserted at
11 Page 249.)

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1 MS. CASWELL: Mr. Robinson, is available for
2 cross-examination.

3 COMMISSIONER DEASON: Mr. Nettleton?

4 CROSS EXAMINATION

5 BY MR. NETTLETON:

6 Q Mr. Robinson, how long has GTE had the
7 ability to propose an LCP option to the citizens of
8 Haines City but has not done so?

9 A We just began thinking about doing such a
10 thing about a year ago right after the Polo Park
11 hearings that we had, and we since, over the ensuing
12 nine or so months, have rolled out this very LCP plan
13 in Englewood and North Port, which is in the southern
14 part of the GTE serving territory down below Sarasota.

15 Q It has not yet been offered to the citizens
16 of the Haines City exchange?

17 A It has not.

18 MR. NETTLETON: Thank you.

19 COMMISSIONER DEASON: Any further questions,
20 Mr. Nettleton?

21 MR. NETTLETON: No. Thank you.

22 COMMISSIONER DEASON: Mr. Wahlen?

23 MR. WAHLEN: No questions.

24 COMMISSIONER DEASON: Mr. Beck?

25 MR. BECK: Thank you, Commissioner.

1 CROSS EXAMINATION

2 BY MR. BECK:

3 Q Mr. Robinson, at Page 2 of your direct
4 testimony, you describe that you took over your
5 present responsibilities in August of 1991; is that
6 correct?

7 A That's correct.

8 Q And was GTE at that time involved in a
9 proposal to offer expanded calling service between
10 certain exchanges in Tampa and the St. Petersburg
11 area?

12 A Yes.

13 Q What were your responsibilities with respect
14 to that case?

15 A I was not responsible for Florida at that
16 time.

17 Q How long have you been responsible for
18 Florida?

19 A Since early 1995.

20 Q Well, it says in your direct testimony your
21 present responsibilities were assumed in August of
22 1991. Have they changed since 1991?

23 A Yes, they have. My present product
24 management responsibilities were for the northeast
25 from 1991 to 1995. In 1995 I switched from the

1 northeast states of GTE Corporation to the six
2 southeastern states, which included Florida. Same
3 title, same job responsibilities.

4 Q Are you familiar with the calling scopes
5 that were present in the exchanges involved in the
6 Tampa Bay ECS proceeding?

7 A Yes.

8 Q And would you agree that there were numerous
9 routes there where the calling was way below
10 Commission standards as you've described them?

11 A I am not that familiar with those, with the
12 routes.

13 MR. BECK: I'd like to ask that an exhibit
14 be identified?

15 COMMISSIONER DEASON: This will be
16 identified as Exhibit No. 6.

17 (Exhibit 6 marked for identification.)

18 Q (By Mr. Beck) Exhibit 6 for identification
19 that Mr. Poucher is currently handing out is an
20 exhibit that was attached to the direct testimony of
21 Jeffrey Kissell of GTE Company during the ECS case.

22 A Yes, I see it.

23 Q You've seen this exhibit before?

24 A No, but I have it here in front of me.

25 Q Okay. Let me ask you, on the first page of

1 the exhibit which -- of Mr. Kissell's exhibit; it's
2 the second to the last page of the one I've handed
3 you -- there's a CIF between Clearwater and Tampa
4 South of .04, and from Tampa South to Clearwater of
5 .47. Do you see that? It's mid to upper part of the
6 first of the two pages of Mr. Kissell's exhibit.

7 A Oh, yes; .04 from Clearwater to Tampa South.
8 Uh-huh.

9 Q And is it correct that GTE proposed to
10 include that route for expanded calling?

11 A Yes. We did so in 1991 under a completely
12 different situation in that we could seek rate relief
13 if these weren't compensatory, and we no longer can
14 seek that under today's current law that we operate
15 under. So this is true then, but that was, as we
16 pointed out, five or six years ago. It's no longer
17 relevant.

18 Q Is that the defining criteria, whether GTE
19 can seek rate relief or not?

20 A As we was pointed out in the rules, that is
21 one of the criteria in the EAS rules that we certainly
22 want to live by, and we don't want to lose money for
23 the Company or give customer services that aren't
24 compensatory.

25 Q Bu. my question is, is that the driving

1 factor which would make this appropriate at that time
2 but not appropriate here today?

3 A No. Certainly one of the major factors,
4 though, is that there was a way to protect the assets
5 and the shareholder value of the firm by going in for
6 rate relief.

7 Q Would you agree that one of the factors
8 driving GTE's pursuance of expanded calling between
9 Tampa and St. Petersburg was the specter of
10 competition taking away your traffic between those
11 routes?

12 A No.

13 Q Do you recall whether the interexchange
14 carriers intervened in that proceeding, or do you
15 know?

16 A I do not know.

17 Q On the second page of Mr. Kissell's exhibit,
18 the last page of this exhibit, do you see the Tarpon
19 Springs routes?

20 A Yes.

21 Q And let me ask you about the 3, starting
22 Tarpon Springs to Tampa East; .11 in one direction and
23 .09 in another direction.

24 A Yes.

25 Q If you know why the -- do you see that?

1 A Yes.

2 Q Do you know why GTE considered those routes
3 appropriate for expanded calling at that time?

4 A Other than it was going to be all-inclusive,
5 as I can see that they would include everything as
6 part of the Tarpon Springs exchange to everything in
7 the Tampa exchange. That would be my reasoning. I
8 have nothing beyond that.

9 Q Do you know what Tampa East is? Do you know
10 what towns that covers?

11 A No.

12 Q Or Tampa North, the next one down there? Do
13 you know what towns are covered by that?

14 A No.

15 Q And how about Tampa South? Are you familiar
16 with that?

17 A No.

18 Q Have you been to Polk County before?

19 A Yes.

20 Q When was the last time before this time that
21 you've been to Polk County?

22 A Well, whenever Polo Park hearings were held.

23 Q Okay. Other than that, have you been here
24 before?

25 A Only on vacation driving through.

1 Q I take it you were not involved in the 1992
2 rate case of GTE in Florida where countywide calling
3 for Polk County was proposed by your Company, were
4 you?

5 A No.

6 Q If you know, or do you know why the Company
7 proposed that at that time?

8 A No.

9 Q You stated in your direct testimony that
10 mandatory ECS calling is an anachronism; is that
11 correct?

12 A Yes.

13 Q Are you familiar with Southern Bell's
14 proposal in 1995 that added over 200 exchanges to
15 25-cent calling in their territory?

16 A Yes.

17 Q Do you have an opinion as to why Southern
18 Bell would have proposed such wide use of ECS in their
19 territory?

20 A No.

21 Q Do you think it might have been as a
22 response to the possibilities of competition taking
23 away their toll traffic on their routes?

24 A That I don't know.

25 Q But you have no opinion one way or another

1 on that?

2 A No.

3 MR. BECK: Thank you. That's all I have.

4 COMMISSIONER DEASON: Staff?

5 CROSS EXAMINATION

6 BY MS. CULPEPPER:

7 Q Mr. Robinson, if I could direct your
8 attention to Page 10 of your testimony, looking at
9 Lines 14 through 17. You state there that the great
10 strength of the LCP approach is that it does not force
11 all customers to pay for expanded local calling that
12 they may not need or want.

13 Then just to clarify, under the ECS plan
14 that the Commission has historically ordered, isn't it
15 true that a customer doesn't pay for ECS unless he
16 chooses to make a call?

17 A That's correct.

18 Q Now, I'd like to ask you just a few
19 questions that are specifically related to the LCP
20 plan. Looking at the LCP's options listed on Pages 11
21 and 12 of your direct testimony, is it correct that
22 all the options have ranges in rates?

23 A No, not if filed in the tariff. I put that
24 range there because we haven't determined the rate yet
25 since we haven't ordered or done the studies.

1 This range is fairly certain that it will be
2 within those boundaries. As a matter of fact, it's
3 perfectly certain it will be within those boundaries,
4 when we design it, and it will appear in the tariff
5 right beside the Englewood-North Port exchange rates
6 as they are listed today. And because the calling
7 area of Polk City is going to be somewhat higher, they
8 are going to be slightly higher than the rates that
9 are listed in the tariff today. So I put a range
10 there not to pin anybody down.

11 Q Well, if the Commission were to approve
12 GTE's LCP plan, how would the Commission determine the
13 appropriate rate?

14 A The Commission could look at our filing,
15 which would have a set rate when we filed. It would
16 have a set rate that would fit within these ranges.

17 Q Well, if the Commission were to determine in
18 this proceeding that an LCP approach were appropriate,
19 how would it make its determination? I mean, on a
20 range.

21 A Well, the range is as I have stated what it
22 is here, and those are the rates that we would file to
23 be -- to offer the service, given the take rate -- am
24 I not answering your question?

25 Q Well, what I'm trying to say is that when

1 you file the tariff, it will be after the Commission's
2 determination in this proceeding. So how will the
3 Commission make a determination in this proceeding
4 based on the ranges that you have here?

5 A I don't know whether I'm following the
6 question, other than the range here would be the
7 prices that we would offer the options for in this
8 particular exchange; somewhere within seven and
9 seven-fifty, maybe, let's say, \$7.25. A rate would be
10 offered for basic service for Haines City customers.
11 Does that answer --

12 COMMISSIONER KIRSLING: Maybe you're not
13 understanding the question. I think the question
14 relates to the fact that you're using a range and not
15 a specific rate.

16 WITNESS ROBINSON: Okay.

17 COMMISSIONER KIRSLING: And I think the
18 question is, how could the Commission implement or
19 order your form of toll relief if we don't know what
20 the exact rate would be to these customers?

21 WITNESS ROBINSON: I see your question, but
22 I think the exact rate would fall within the range is
23 my point. And I guess the second point is, it's a
24 totally optional service, and if those ranges weren't
25 accepted by the marketplace and none of the customers

1 wanted to pay within that range, which would then have
2 a set rate within the range, even if it was ordered,
3 no one would take it. But we are quite confident
4 these ranges as they were in Englewood and North Port
5 were acceptable in the marketplace and many, many
6 customers did take it, and they fell within these
7 ranges, those rates did.

8 Q (By Ms. Culpepper) Okay. Well, could you
9 clarify then, if a customer chooses one of the LCP
10 options, the option doesn't apply in both directions;
11 is that correct?

12 A If we brought this product to Polk County,
13 we would make the other exchanges reciprocal except
14 for the case of Fort Meade, which is not ours; and so
15 whether United wanted to be -- have reciprocity or not
16 would be up to them. But in almost all instances when
17 it's a GTE-to-GTE offering, we offer reciprocity in
18 route. We could.

19 COMMISSIONER DEASON: Under your reciprocity
20 definition, a customer in another exchange which
21 wanted to call Haines City would have to subscribe to
22 the service as you define it to get the rate
23 applicable to that call?

24 WITNESS ROBINSON: Yes, unless in the
25 instance of Winter Haven, they can already call here,

1 so it wouldn't affect them. It wouldn't be one of the
2 chartable LCP exchanges as far as Options 3 and 4.
3 Option 1, if they chose Basic and they lived in Winter
4 Haven, then they would be six cents a minute, but they
5 would also drop their rate down to the \$7 level, their
6 basic rate.

7 **COMMISSIONER DEASON:** So the customers that
8 reside in Haines City, when they subscribe to this
9 service, the benefit for them is basically one way.

10 **WITNESS ROBINSON:** That's correct. It's
11 trying to solve one-way calling and EAS demands from a
12 particular exchange. That's correct, sir.

13 **COMMISSIONER KIESLING:** And just so that I
14 understand, the LCP plan is not currently available in
15 Polk County?

16 **WITNESS ROBINSON:** That's correct.

17 **COMMISSIONER KIESLING:** And you don't have
18 all the final details, like what the rates are going
19 to be if and when it becomes applicable or available
20 in Polk City county; is that right?

21 **WITNESS ROBINSON:** We have the details from
22 the respect --

23 **COMMISSIONER KIESLING:** You have a range.
24 You don't have an exact rate.

25 **WITNESS ROBINSON:** That's correct.

1 **COMMISSIONER KIESLING:** And despite those
2 two things, you think that that's the appropriate
3 thing for the Commission to order in this case? ,

4 **WITNESS ROBINSON:** Yes.

5 **COMMISSIONER KIESLING:** Thank you.

6 **Q** **(By Ms. Culpepper)** If you could now,
7 Mr. Robinson, could you turn to Page 12 in your
8 testimony, looking at Lines 1/ through 22. There you
9 discuss the local usage rate.

10 **A** Yes.

11 **Q** Could you just clarify for us if those rates
12 are distance sensitive?

13 **A** They are not. Out to 40 miles it's all six
14 cents for each minute of use on the option you choose
15 except for premium, which there would be no minute
16 rate.

17 **Q** Is the local measured rate -- does it vary
18 by peak and off-peak hours?

19 **A** Yes, it does. That's -- the peak rate is
20 six cents and the off-peak rate is offered between
21 7:00 p.m. and 7:00 a.m. and it is 3.6 cents, 40%
22 discount.

23 **Q** How did you calculate that rate?

24 **A** The six-cent rate?

25 **Q** Yes.

1 A That was calculated by looking at the
2 revenue requirement to offer the plan in those two
3 exchanges, to take into effect what we needed to offer
4 the customer an attractive market based rate and to
5 cover the cost of offering the service.

6 The rest of the -- whatever the revenue or
7 the cost of covering the service was rolled into the
8 optional flat rate pieces of the plan, which is the
9 \$7, \$11, \$14 and \$40 range. Then again, it's purely
10 optional, and so far people think that's a pretty good
11 rate.

12 Q Well, I notice that you've excluded B1
13 customers from the community calling and premium
14 calling options. Why is that?

15 A Yes. That's the way the standard plan was
16 set. There's no reason to -- I mean, it doesn't have
17 to be excluded. Our standard plan excludes it for
18 several reasons, one of which was taking into account
19 the use of data transmission on certain business
20 lines, and we again felt if many of the businesses got
21 to transferring data at night for five 10, 12, 15
22 hours at a flat rate, that that wouldn't be
23 compensatory to the other users of the plan; so we
24 limited them to those two options.

25 Now, what we have done in the state of

1 Kentucky, we did go ahead and offer that option. It
2 turns out it has a range of 170 to \$240 a month to
3 cover those possibilities, and it's not a very good
4 seller.

5 Q Even though you've only had LCP implemented
6 for a short time in Englewood and North Port, do you
7 have an idea already what the take rate might be?

8 A Yes, we do. The initial take rate -- and
9 we're very proud of that by the way -- is we only give
10 one direct mail piece to the customers in any
11 particular exchange, and the direct mail piece has a
12 ballot letter, a brochure, and some rate cards to tell
13 them where they can call, the exchanges they can call,
14 and the price.

15 And from a marketing standpoint nationally,
16 any company like General Motors or Post Toasties, or
17 anybody that sends out a direct mail piece, if they
18 can get a 2% return, that's like the top of the scale,
19 and they are just ecstatic about a 2% return.

20 We were planning for anywhere from an 8 to a
21 15% return in our areas, which is four times the
22 national average; and we got 8% in Englewood and North
23 Port. We think that the reason we didn't hit our
24 target exactly is that there's some vacationers that
25 have left about this time of the year, and the mailing

1 vent out and they might have missed it. But we -- in
2 all states that we've have rolled this out, the
3 initial take rate is exceeded month after month after
4 month as more people get on the plan to as high as 52%
5 of the customers in any given exchange will take this
6 plan.

7 Q Is that assuming that only 8% of the people
8 in that area are subscribing to one of the calling
9 options?

10 A Yes. What that indicates is that the outcry
11 for expanded local calling generally is made by a
12 small percentage of the population, and so that's why
13 we feel so strongly about this plan in that as is
14 witnessed here today, maybe 100 or so people showed
15 up, and there's probably 40,000 people in this area;
16 that probably an 8 to 10 to 12 percentage take rate
17 would be very indicative of who really wants to make
18 these types of calls; and so those that make them are
19 going to choose those options and it will fit their
20 needs.

21 Q Well, this question is subjective. But in
22 your opinion, do consumers find the LCP plan so
23 complex that perhaps not more subscribe to it?

24 A I'm sorry? You said they find it so complex
25 that "lots more"?

1 Q Or that more customers don't subscribe to
2 it. Is that why more people do not try to get on your
3 plan?

4 A Well, on the contrary. We looked -- just
5 the opposite. Again, we say that the national average
6 for direct mail pieces take rates -- and we don't
7 promote this through TV or radio or newspapers. The
8 average take rate is 2% for any product that comes out
9 on a direct mail piece.

10 We think they must understand it
11 tremendously, because we get anywhere from 18 to -- or
12 eight -- excuse me -- to 16% take on the very initial
13 letter. So we're way above the national average take
14 on a direct mail piece; and if that is confusing,
15 we're getting high take rates, and then we're -- it's
16 further substantiated by the fact that in South
17 Carolina, for instance, the average for all of the
18 exchanges that we've rolled this out in is 32%. So we
19 think that a lot of the people do understand it.

20 Q If I could now direct your attention to Page
21 13 of your testimony, looking at Lines 9 through 11,
22 you state there that if mandatory expansion is ordered
23 through EAS or a toll alternative and an additive is
24 necessary, it could continue indefinitely.

25 Subj: it to check, would you agree that

1 historically the Commission has removed EAS
2 additives -- not the regrouping -- after a specific
3 time period, which usually has lasted no longer than
4 four years?

5 A Yes, I would accept that.

6 Q Also subject to check, would you agree that
7 the Commission does not require an additive for ECS?

8 A For EAS or --

9 Q ECS?

10 A Yes, I would accept that.

11 Q If I could now direct your attention to Page
12 14 of your testimony, Lines 21 through 24, there you
13 state that the customer will be able to change to
14 another option or back to the flat rate service
15 currently offered today. Is there a charge to change
16 to another option or back to the original flat rate
17 service?

18 A No.

19 Q Just one more question. Could you explain
20 how LCP options resolve Haines City concerns that it
21 cannot call countywide unless all the residents of
22 Polk City subscribe to an LCP plan?

23 A Yes. Again, as I stated a little bit
24 earlier, we firmly believe that not all of the
25 residents in any one county want to call all the other

1 residents in the county, and so those that do -- and
2 those were probably those people that were here today
3 and certainly some others -- we never feel is 100% of
4 a county -- 100% of an exchange, and so what we think
5 we're offering, we strongly feel we're offering those
6 customers an alternative that do want to call those
7 areas on a seven-digit dial basis. This fits their
8 need, depending on the option they choose.

9 If they wanted to call every one of them and
10 they had high bills, they could choose the premium
11 option and pay no more than \$40, and they could call
12 every exchange every day every minute and never incur
13 more than \$40.

14 So we think it fits the needs by giving them
15 those alternatives. And, again, those people that
16 didn't show up today don't care, want to just call
17 Haines City; like it the way it is. They're not
18 affected one way or the other.

19 MS. CULPEPPER: Thank you.

20 COMMISSIONER DEASON: I have a question.
21 Mr. Robinson, were you here for the testimony we had
22 this morning from customers?

23 WITNESS ROBINSON: Yes, sir.

24 COMMISSIONER DEASON: I believe we had
25 testimony that there was a concern about Internet

1 access and that the Internet access providers are in
2 our exchanges where it's an long distance call, and
3 then even Internet access that's provided by GTE
4 necessitates a long distance call. Are you familiar
5 with that situation?

6 **WITNESS ROBINSON:** Yes, I heard that
7 testimony. Yes, I'm familiar with that. If the
8 Internet provider, let's say is in Lakeland, or that's
9 where you have to dial to get Internet connection,
10 connectivity, again, if a customer here -- let's say
11 it was that person -- used their Internet access
12 tremendously and they also had high toll bills,
13 because they're here today -- if they subscribe to the
14 premium option, there would be no cost for connection
15 to Internet. If they subscribe to the -- any other
16 option, the cost for getting in touch with the
17 Internet would be decreased by 70%.

18 **COMMISSIONER DEASON:** Why is it that GTE
19 chose to provide their Internet access service in such
20 a manner that customers in Haines City have to pay a
21 toll charge to reach that service?

22 **WITNESS ROBINSON:** I'm not an Internet
23 product manager, but I'm going to say that like all
24 new services coming on board in America, they usually
25 go to the larger cities first, and they will filter

1 out. But we started in Tampa, we're moving out, and I
2 would assume that some day they would be everywhere,
3 all population centers.

4 COMMISSIONER DEASON: So you're saying that
5 the competition which you've referred to earlier is
6 not yet in Haines City to the degree it is other areas
7 served by GTE?

8 WITNESS ROBINSON: Not for Internet. Now,
9 competition is certainly here in the form of wireless.
10 As the very first gentleman, Dr. Lee I believe it was,
11 stated, he uses telephone to -- he uses his wireless
12 phone to go around, or avoid GTE long distance.

13 I didn't understand that economically,
14 because I have a wireless phone, and I know it's
15 36 cents a minute, and I don't know why you would want
16 to do that. It does have a larger calling area, but
17 you have to pay \$40 a month and 36 cents. So I don't
18 know why people choose that, but he choose that. So
19 that's one form of going around our service.

20 Also, as you well know, we have intraLATA 1+
21 capability, so they can always avoid us by choosing a
22 different 1+ carrier. They could also always avoid us
23 by dialing 10-XXX and getting a toll carrier to some
24 of these other cities.

25 So I think competition is here in the --

1 certainly in the toll arena. And in the local market
2 I think it's now here in that many of the large
3 companies, even in the towns the size of Haines City
4 have been picked off by other alternative carriers
5 such as NPS, et cetera, MCI, to give them voice grade
6 service, because they're big companies.

7 And I think one of the gentleman pointed out
8 that one company had 95 employees. This is a trucking
9 hub with big firms. Those companies are going to be
10 looked at, have been looked at, and will be wooed
11 away, if possible, by competitive pricing, competitive
12 offerings; and so I think competition is here.

13 COMMISSIONER DEASON: So you think that
14 there is a serious competitive threat from
15 10-XXX 1+ intraLATA presubscription and from wireless?

16 WITNESS ROBINSON: Yes, I do.

17 COMMISSIONER DEASON: And that has already
18 taken place?

19 WITNESS ROBINSON: Yes, it has.

20 COMMISSIONER DEASON: So then a lot of the
21 calls that historically under a true monopoly
22 situation that would have been put over the GTE
23 network and included in your toll study are no longer
24 now being made? They're being made by alternative
25 means?

1 **WITNESS ROBINSON:** Yes, I agree with that.
2 I agree with the person that brought that up that
3 there's other calling that we no longer capture, and
4 we might even capture less. So a lot of our studies,
5 if given to you under the auspices of an older rule
6 prior to 1995, might not be that accurate simply
7 because they're not accurate. We don't have 100% of
8 the marketplace anymore.

9 **COMMISSIONER DEASON:** Redirect?

10 **MR. NETTLETON:** I have one if I may.

11 **CROSS EXAMINATION**

12 **BY MR. NETTLETON:**

13 **Q** During your testimony with regard to the
14 rate and the span of rate that you gave, you made the
15 statement that you have not ordered or done the
16 studies that would be necessary to determine the need
17 for the service and the rate that you would then apply
18 to that service; is that correct?

19 **A** That's correct.

20 **Q** Referring to your testimony on Page 10 at
21 Line 12, you state that if the Company believes
22 sufficient demand exists, it could offer an expanded
23 local calling plan LCP on a fully optional basis to
24 GTE selected exchanges.

25 **A** Correct.

1 Q So as we sit here today, you do not have a
2 plan in effect. You have not performed the studies to
3 accomplish or put a plan into effect, or to put a
4 price on that plan, and it's still a GTE option or
5 call as to whether or not that plan will ever come
6 into existence; is that correct?

7 A For the most part that's correct, unless so
8 ordered to do so. But we have done modeling. We do
9 econometric modeling of like population centers with
10 like calling patterns, and so we have pretty much
11 known data that we've captured over the last five
12 years in other areas, and now Florida, that would
13 indicate to us that given the size of these
14 communities and the calling patterns, et cetera, that
15 we see, that these rates will be adequate to offer and
16 these rates will be accepted by the marketplace.

17 Q Well, I don't want to appear unfair or
18 abusive, but in connection with this particular docket
19 and what we're asking the Commission to do at the
20 present time within the framework of this docket, this
21 LCP is somewhat of a red herring that's being drawn
22 across the trail, because there's nothing that this
23 Commission could order GTE to do that would give the
24 citizens of Haines City any relief under this pie in
25 the sky plan that you're espousing here today.

1 A On the contrary. If -- again, we're looking
2 at seven exchanges that have been listed in this
3 docket, and those seven exchanges would be included in
4 this LCP.

5 Q If you make the management decision to ever
6 give it to us.

7 A I've made the management decision.

8 MR. NETFLETON: I see. Thank you.

9 COMMISSIONER DEASON: Redirect?

10 REDIRECT EXAMINATION

11 BY MS. CASSELL:

12 Q Mr. Robinson, just so we're clear on GTE's
13 intentions, is it willing to offer LCP if the
14 Commission does not order any mandatory form of toll
15 relief in this case?

16 A Yes.

17 Q And did GTE offer LCP in the Polo Park
18 docket about a year ago as well?

19 A Yes, it did.

20 Q Did you hear any criticism of GTE's LCP plan
21 this morning from the public witnesses?

22 A No, I didn't.

23 Q I think you had a discussion with Staff
24 about the take rates in some of the other states where
25 we've had a longer time and more experience with the

1 LCP. In your opinion, are the demographics in any of
2 those other areas very similar to the demographics
3 here in Haines City?

4 A Yes, very much so. I know that the witness
5 Poucher spoke of North Carolina and he had read of
6 GTE's offering in North Carolina. And in North
7 Carolina we offered this very same plan in 26 rural
8 exchanges in and around Ashville up in the mountains
9 of North Carolina, with Ashville being the center
10 point, very similar to, I'd say, Lakeland, and it was
11 very well received. And there was countywide calling
12 complaints probably -- I think there's about seven
13 counties up there that we served.

14 In almost all the counties there were
15 countywide calling complaints that were coming to our
16 regulatory offices in Durham, North Carolina on a
17 daily basis. We put the plan in September 30th to
18 those 26 communities in those seven counties, and we
19 haven't experienced one countywide calling question
20 since then, and the take rate in those areas is over
21 20%.

22 So, again, we think that the demographics
23 are similar, and the take rates indicate that it
24 solves the problem.

25 Q Okay. I believe you had a discussion with

1 Mr. Beck about the Tampa Bay proceeding and the
2 expanded calling scopes ordered there. Is it your
3 understanding that the Company, GTE itself, supported
4 expanded local calling for the Tampa area?

5 A Yes.

6 Q And do you think that might be a significant
7 factor in the Commission's decision to order the plan?

8 A Yes.

9 Q I'm going to ask you if you have
10 Mr. Poucher's testimony, his rebuttal -- well, his
11 rebuttal testimony, and if you don't have that, we can
12 work off of the exhibit that Mr. Beck handed you
13 earlier. That's Florida ECS CIFs. I'm going to refer
14 to the same information, but it's summarized a little
15 more concisely in Mr. Poucher's testimony.

16 A I have it.

17 Q At Page 10 of the testimony he summarizes
18 some of the messages per access line per month on the
19 Tampa Bay routes that were at issue in the ECS case.
20 Do you see that at Line 17 through 23?

21 A Yes.

22 Q Have you done any calculations to figure out
23 how much higher those calling rates were than the
24 rates at issue in this case, perhaps except for
25 Lakeland, which is probably the highest?

1 A Yeah. Lakeland was right in the 2 area, but
2 all other --

3 Q Yeah. I just want to avoid revealing any
4 confidential information. I'm just --

5 A Oh. Sorry about that.

6 Q -- sort of asking for an aggregate figure,
7 if you would come up with --

8 A Yeah.

9 Q -- any calculations on how much higher or
10 lower those calling rates were.

11 A I think they ranged, if my memory serves me,
12 anywhere from seven to 22 times greater for these
13 routes. In other words, these routes are seven
14 times -- anywhere from seven to 22 times greater in
15 their CIF.

16 Q Do you think they might be even higher?

17 A Some of them could be even higher. Some of
18 them were like .00, way out there; very little, if
19 any, calling.

20 Q Do you think a plan that might have been
21 right for consumers and for the marketplace in 1992
22 might not be appropriate now, considering all the
23 legal and regulatory changes that have occurred?

24 A Yeah. I really feel that very strongly.
25 Again, what we were dealing with in 1991, '92 or prior

1 to that was certainly we had the franchise. And
2 everything that we were offering there we pretty much
3 felt that it was a service based on the ability to
4 have that franchise and be assured that our
5 investments were going to be protected through the
6 form of rate regulation -- excuse me -- rate of return
7 regulation in that we had an ability, if we could show
8 our cause, to go back to the Commission and prove that
9 we needed X amount of revenues to cover our costs; and
10 we felt pretty assured that we could do something like
11 that.

12 Since 1995 we are now price regulated, and
13 we no longer have the ability to absorb any difference
14 that might accrue if a plan is ordered that produces a
15 half a million dollars and we were making \$3 million
16 in that area; and there's no way to make up two and a
17 half million dollars in today's marketplace that won't
18 let us stay in business long.

19 So it's a very different arena, and all the
20 commissions have recognized that difference through
21 both their legislation on a state and a federal level.
22 And, again, what was appropriate then is not
23 appropriate now.

24 Q Does GTE expect to make a lot of money on
25 its LCP plan?

1 A GTE designs the programs and the product
2 offering to be revenue neutral. So we will make -- we
3 hope our modeling will make us no money and we hope
4 our modeling will lose us no money, and they will only
5 help the customer and we will stay as we are.

6 Q Under the LCP, I think as you described it
7 in your summary -- well, let me back up. You were
8 here this morning for the public witness' testimony,
9 were you not?

10 A Yes.

11 Q And did you hear when the public witnesses
12 were asked to prioritise the exchanges to which they
13 wanted -- for which they wanted expanded toll relief?
14 Which were the top two exchanges for most of those
15 people?

16 A As I recall, almost all of them mentioned
17 Bartow and Lakeland.

18 Q Okay. And under the -- your LCP plan, would
19 customers receive flat rate calling to Bartow?

20 A Yes. Under the plan that I offered in my
21 summary, I tried to explain better to everyone. The
22 Community Plus plan would have Bartow as one of the
23 exchanges that they could call without any per minute
24 rate and, of course, Lakeland would be always included
25 in the -- in all the options. In the fourth option,

1 Lakeland would also have no per minute rate.

2 But, again, I guess the key point for
3 allowing Bartow is -- in there is that without
4 exception, all of the people mentioned Bartow, and
5 they also mentioned that it was -- it certainly is
6 their county seat, and that the 800 number that the
7 County has purchased for some reason doesn't give them
8 adequate service. So by including that in the
9 Community Plus plan, we will solve the inadequate
10 County funding. And those people that want Option 3
11 will be able to call Bartow at no additional per
12 minute cost. It will be flat rate calling.

13 Q And as you understand the Commission's form
14 of ECS, is flat rate calling available under that
15 option, flat rate calling to Bartow?

16 A Under ECS, no. You would pay 25 cents per
17 call to the County.

18 Q Is it your understanding that the Commission
19 would need to order GTE to provide LCP before GTE
20 could do so?

21 A No. We actually could file to offer, as we
22 did in Englewood and North Port, without an order.
23 They would certainly have the right to judge whether
24 they wanted to approve the tariff filing or not.

25 Q I think Steff asked you earlier about the

1 duration of the additive for the EAS plan, and you
2 accepted, subject to check, that four years was the
3 customary period for which the additive remains
4 intact. Do you know whether that four-year period was
5 tied to companies' earnings reviews?

6 A No, I don't.

7 Q Can you tell me at least whether GTE will be
8 subject to earnings reviews under the new form of
9 price regulation?

10 A No, they will not.

11 Q Do you know if there are any local Internet
12 access providers here in Haines City?

13 A No, I don't.

14 MS. CASWELL: That's all I've got. Thank
15 you.

16 COMMISSIONER DEASON: Exhibits?

17 COMMISSIONER KIBSLING: Actually I have
18 another question. I believe earlier you testified in
19 response to Ms. Caswell's question about whether any
20 of the public witnesses this morning had any negative
21 comments about the LCP plan.

22 WITNESS ROBINSON: Yes.

23 COMMISSIONER KIBSLING: That you testified
24 that no, they did not.

25 WITNESS ROBINSON: Not that I heard.

1 **COMMISSIONER KIRSLING:** How is it that they
2 could have even known about the LCP plan if you have
3 not offered it in this area, you haven't marketed in
4 this area, you haven't set the rates in this area, and
5 it's not available in this area? How could they know
6 about it enough to have formulated any opinion?

7 **WITNESS ROBINSON:** Well, I made an
8 assumption, which might be a little pushing it, that
9 the Public Counsel and all those that filed testimony
10 are a party to the case, would have received my
11 testimony and would have read it and been interested
12 in the LCP. And many, if not all those people except
13 one, were here today to testify, and none of those
14 said anything.

15 **COMMISSIONER KIRSLING:** Wait. I'm very
16 confused. We had some 20-some-odd people; some were
17 residents, some had a small business here. Are you
18 suggesting that you provided your prefiled direct
19 testimony to every one of those people?

20 **WITNESS ROBINSON:** No, I didn't suggest
21 that. I suggested that those eight public -- the
22 Haines City Manager, the bank president, et cetera,
23 those eight people that filed direct testimony for
24 Haines City were a party to this proceeding, so they
25 would have received my testimony.

1 **COMMISSIONER KIESLING:** Okay. So you're
2 calling them the public witnesses as opposed to the
3 citizens who showed up.

4 **WITNESS ROBINSON:** Yes.

5 **COMMISSIONER KIESLING:** Thank you for
6 clarifying that.

7 **COMMISSIONER DEASON:** Further redirect?

8 **MS. CASWELL:** I have none.

9 **COMMISSIONER DEASON:** Exhibits?

10 **MS. CASWELL:** I don't think we have any
11 exhibits.

12 **MR. RECK:** I move Exhibit 6.

13 **COMMISSIONER DEASON:** Without objection,
14 Exhibit 6 is admitted.

15 (Exhibit 6 received in evidence.)

16 **COMMISSIONER DEASON:** You may now proceed to
17 rebuttal.

18 **DIRECT REBUTTAL EXAMINATION**

19 **BY MS. CASWELL:**

20 **Q** Mr. Robinson, did you also file rebuttal
21 testimony in this proceeding?

22 **A** Yes, I did.

23 **Q** Do you have any changes to that testimony?

24 **A** No.

25 **Q** So that if I were to ask you those same

1 questions, would your answers remain the same?

2 A Yes, they would.

3 Q Can you briefly summarize your rebuttal
4 testimony for us?

5 A Yeah. I would just respond with a few words
6 that would address Public Counsel Witness Poucher's
7 testimony.

8 First of all, GTE is not aware of any
9 instance where EAS expansion has been ordered in the
10 absence of toll statistics, meaning the rules'
11 numerical thresholds.

12 Secondly, while Public Counsel cites
13 extraordinary instances where the Commission has
14 waived its rules to allow balloting for EAS, none of
15 those ballots have passed; and despite the handful of
16 cases that Mr. Poucher cites where EAS balloting or
17 ECS implementing occurred, it is important to remember
18 that these are the exceptions rather than the rule.

19 Thirdly, despite the Public Counsel's focus
20 otherwise, traffic statistics are first and foremost
21 what the Commission will and should look at in
22 considering EAS. Anecdotal testimony, while helpful
23 in conjunction with traffic studies and statistics,
24 are not used as a standalone basis for EAS or ECS.

25 Fourth, and most importantly, Public

1 Counsel's arguments ignore the tremendous and
2 significant changes in both state and federal law that
3 I have mentioned and that have occurred since the
4 decision -- since the decisions that were made in the
5 cases cited by Mr. Poucher, which were
6 predominantly -- I'd say, 11 of 12 of them happened in
7 1992 or prior.

8 So in short, I think the Commission rules on
9 their face do not admit consideration of any mandatory
10 form of alternative toll relief in this case.

11 **MS. CASWELL:** Commissioner Deason, I would
12 like to ask Mr. Robinson's testimony be inserted into
13 the record as though read.

14 **COMMISSIONER DEASON:** Without objection, it
15 shall be so inserted.

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GTE FLORIDA INCORPORATED

REBUTTAL TESTIMONY OF DAVID E. ROBINSON

DOCKET NO. 950699-TL

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is David E Robinson. My business address is GTE Telephone Operations, 600 Hidden Ridge Drive, Irving, Texas 75038.

Q. DID YOU FILE DIRECT TESTIMONY IN THIS PROCEEDING?

A. Yes, I did.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. I will principally respond to the Direct Testimony of R. Earl Poucher on behalf of the Office of Public Counsel.

Q. DOES MR. POUCHER ACKNOWLEDGE THE PIVOTAL ROLE OF TRAFFIC STATISTICS IN DETERMINING WHETHER EXTENDED AREA CALLING WILL BE ORDERED?

A. Yes. Mr. Poucher admits that "Commission rules require that at least three (3) messages per month (MAM) be originated from an exchange requesting EAS to another exchange before the Commission will require a vote for the provision of flat rate EAS." (Poucher Direct Testimony at 4, lines 5-7.) As I pointed out in my Direct Testimony, the Commission has already considered the traffic studies in this docket and rejected flat-rate EAS as well as a mandatory alternative

1 toll plan. (See Order no. PSC-96-0620-FOF-TL at 2-3.) This inquiry
2 into extended calling should thus be at an end.

3

4 **Q. BUT, IN HIS DIRECT TESTIMONY AT 5, LINES 10-12, MR.**
5 **POUCHER STATES THAT "WHERE TRAFFIC VOLUMES HAVE**
6 **BEEN FOUND TO BE LESS THAN 3 MAM, THE COMMISSION HAS**
7 **APPROVED BOTH FLAT RATE EAS OFFERINGS AND**
8 **ALTERNATIVE EAS PLANS." IS IT TRUE THAT THE**
9 **COMMISSION CAN AND HAS ORDERED FLAT-RATE EAS EVEN**
10 **THOUGH CALLING STATISTICS WERE INSUFFICIENT UNDER**
11 **THE RULES?**

12 **A. To GTEFL's knowledge, the Commission has never approved flat-rate**
13 **EAS on routes where traffic volumes have not met the traffic criteria**
14 **set forth in the Commission's rules. Such action would violate the**
15 **Commission's own rules.**

16

17 **Indeed, despite the above-quoted statement, Mr. Poucher offers no**
18 **examples of the Commission's having approved flat-rate EAS where**
19 **traffic volumes were less than 3 MAM. What he does focus on**
20 **repeatedly, however, is a Franklin County case where the**
21 **Commission ordered balloting for flat-rate EAS even though calling**
22 **statistics did not satisfy the traffic thresholds. The ballot failed and**
23 **flat-rate EAS was not implemented. (See Order numbers 23962**
24 **(January 7, 1991) and 24835 (July 19, 1991).)**

25

1 Q. EVEN IF THE TRAFFIC STATISTICS DON'T JUSTIFY FLAT-RATE
2 EAS, CAN'T THE COMMISSION ORDER SOME KIND OF
3 ALTERNATIVE EXTENDED CALLING PLAN?

4 A. It is true that if calling statistics don't measure up, the Commission
5 can consider "other community of interest factors" in evaluating
6 whether an alternative to flat-rate EAS might be warranted. (See
7 Commission Rule 25-4.060(5).) The most typical example of such an
8 alternative is extended calling service (ECS), where customers are
9 charged \$.25 per call, instead of the otherwise applicable toll rates.

10

11 The Commission's ability to consider non-numerical community of
12 interest factors does not mean, however, that the Commission can
13 focus solely on those factors and simply ignore the traffic statistics.
14 This is clear from the Commission's precedent on extended calling.

15 As the Commission stated in the May, 1996 Order in this very case,
16 "Historically, this Commission has considered the \$.25 calling plan or
17 ECS on routes that met the calling rate and exhibited a substantial
18 showing on the distribution requirement....Typically, these cases were
19 close to meeting our requirements but fell short by a small percentage
20 on the distribution criteria." (Order no. PSC-96-0620-FOF-TL, at 2.)
21 Because none of the routes in this case met even the relaxed criteria
22 for ECS, the Commission found—consistent with its past decisions—
23 that no mandatory toll alternative was warranted.

24

25 Even in the Volusia County case Mr. Poucher mentions, the

1 Commission was careful to note that "The specific (alternative toll)
2 plan has been dependent upon the traffic volumes on the routes
3 under consideration." (Order no. PSC-92-1491-FOF-TL, at 4.)
4

5 In short, the Commission has already found that the other, subjective
6 community of interest factors it may consider in this case would not
7 suffice to balance out calling statistics that are too low to indicate a
8 community of interest even for ECS, let alone EAS.
9

10 **Q. IS THERE ANY REASON FOR THE COMMISSION TO BE**
11 **UNUSUALLY LIBERAL IN EVALUATING THE NON-**
12 **QUANTIFIABLE COMMUNITY OF INTEREST FACTORS IN THIS**
13 **CASE?**

14 **A.** No. To the contrary, the Commission should be extremely cautious
15 in departing from its Rules and customs of relying heavily on
16 numerical traffic statistics in extended calling cases. As I pointed out
17 in my Direct Testimony, even though GTEFL has agreed to conduct
18 this case under the superseded Chapter 3C4, the Commission cannot
19 ignore the fact that the local exchange is now open to competition.
20 Changed market conditions cast doubt on the need for any mandatory
21 extended calling plans.
22

23 Furthermore, GTEFL does not believe there has been any
24 extraordinary showing of non-numerical community of interest factors
25 to justify waiver of any Commission rules or past policies in

1 considering extended calling requests. To this end, the Commission
2 should reject Mr. Poucher's invitation to expand the logic from a
3 handful of unique cases to grant mandatory toll relief in this case.
4 Rather, the Commission should affirm its previous finding that--
5 consistent with the bulk of its precedent in this area--no EAS or ECS
6 is justified in this case.

7

8 **Q. AT PAGE 10, LINES 8-12 OF HIS DIRECT TESTIMONY, MR.**
9 **POUCHER COMMENTS THAT GTE "WOULD PROBABLY**
10 **EXPERIENCE A REVENUE INCREASE" IF FLAT-RATE EAS WAS**
11 **ORDERED. HOW DO YOU RESPOND TO THIS ASSERTION?**

12 **A. This statement only emphasizes the pitfalls of trying to fit EAS into a**
13 **competitive local exchange environment. Mr. Poucher's conclusion**
14 **about a favorable financial impact on GTEFL is based on the explicit**
15 **assumptions that GTEFL will benefit from regrouping revenues and**
16 **a twenty-five (25) percent additive above existing local rates. In the**
17 **old, monopoly environment, where EAS would have foreclosed toll**
18 **competition, the regrouping and additive may have helped offset**
19 **GTE's toll losses. But Mr. Poucher wholly ignores the effects of these**
20 **factors in a competitive marketplace. The mandatory regrouping and**
21 **additive--which effectively increase existing local rates--will just give**
22 **GTE's competitors further room to undercut GTE and to take its**
23 **customers. At the same time, GTE will lose its existing toll revenues.**

24

25

1 As the Commission indicated in the Franklin County docket Mr.
2 Poucher cites, cost recovery for the company is a key consideration
3 in association with a toll relief request. (Order no. 23962 at 4.) To
4 this end, the agency must remember that competitive entry has
5 complicated the assessment of the financial effects of mandatory
6 extended calling on GTE, and it should avoid relying—as Public
7 Counsel has—on easy assumptions that no longer hold true.

8

9 Finally, even aside from the matter of potential harm to GTE, the
10 Commission must consider the broader issue of harm to competition.
11 The Florida Legislature and the U.S. Congress have placed their faith
12 in market forces as the best way to achieve competitive benefits for
13 consumers. Regulatory intervention should be held to a minimum to
14 avoid disrupting the efficient functioning of the market. More
15 regulation should be the exception, rather than the norm. In this
16 case, no extraordinary circumstances have been shown to justify
17 taking the risk of undermining market efficiency with a mandatory
18 calling plan.

19

20 **Q. BUT SOME HAINES CITY RESIDENTS HAVE EXPRESSED THE**
21 **NEED FOR TOLL RELIEF. HOW WILL THEY GET THEIR NEEDS**
22 **MET WITHOUT A COMMISSION MANDATE?**

23 **A.** By the same market forces I talked about above. If there is sufficient
24 market demand for extended calling, companies will step in to meet
25 it. There is no need for a regulatory mandate. As I detailed in my

1 Direct Testimony, GTE is willing to consider offering a totally optional
2 local calling plan (LCP) to satisfy the Haines City residents' calling
3 needs. With LCP, customers can choose among a number of
4 different options to meet diverse calling needs. It is not a one-size-
5 fits-all approach, as a mandatory plan would be. Further, no
6 customer will be forced to pay an additive against his wishes, as is
7 inevitably the case for some customers under an EAS scenario.

8
9 I have read the testimony of the Haines City representatives in this
10 case and sympathize with their position. But I believe that GTEFL's
11 LCP, rather than a Commission ordered plan is the best resolution to
12 Haines City's request for extended calling. GTEFL's LCP will satisfy
13 expressed wishes for extended calling without undermining
14 competitive market forces and without any need for the Commission
15 to depart from its rules and practices requiring particular calling levels
16 for toll relief.

17
18 In addition, the Commission should keep in mind that other local
19 exchange and toll companies are free to offer Haines City residents
20 innovative calling options in competition with GTEFL's LCP. In
21 addition, these GTEFL competitors can define their local serving area
22 (and thus the local calling scope) as broadly as they wish.

23
24 **Q. MR. POUCHER MAKES THE POINT THAT GTE ITSELF IN ITS**
25 **LAST RATE CASE PROPOSED COUNTYWIDE CALLING**

1 **(POUCHER DIRECT TESTIMONY AT 11, LINES 1-5.) WHY HAS**
2 **GTE CHANGED ITS POSITION HERE?**

3 A. The countywide calling proposal Mr. Poucher refers to was made
4 several years ago, in 1992, in the context of a comprehensive rate
5 case. A lot has changed in the intervening years—indeed, GTEFL, is
6 now a price-regulated carrier rather than a rate regulated carrier.
7 Florida has revised its telecommunications law to open the local
8 exchange, followed by dramatic federal legislation—the
9 Telecommunications Act of 1996—wholly overhauling
10 telecommunications law regulation. In view of these sweeping
11 changes, many things that may have been appropriate five years ago
12 are incongruous within the new market scheme. As I discussed
13 above, mandatory extended calling plans are one of these things.
14 They will only suppress the market efficiency the new state and
15 federal laws were intended to encourage. Certainly, now is not the
16 time to extend use of mandatory calling plans.

17

18 **Q. DOES THAT CONCLUDE YOUR REBUTTAL TESTIMONY?**

19 A. Yes, it does.

20

21

22

23

24

25

1 **MS. CASWELL:** Mr. Robinson is available for
2 cross-examination.

3 **COMMISSIONER DEASON:** Mr. Nettleton?

4 **MR. NETTLETON:** No questions.

5 **COMMISSIONER DEASON:** Mr. Wahlen?

6 **MR. WAHLEN:** No questions.

7 **COMMISSIONER DEASON:** Mr. Beck?

8 **CROSS EXAMINATION**

9 **BY MR. BECK:**

10 **Q** Mr. Robins, let me ask you a few questions
11 about your rebuttal testimony on Page 2 concerning the
12 Franklin County order by this Commission.

13 Let me precede that by asking you
14 specifically about your testimony at Lines 14 and 15
15 of Page 2. You state that it would violate the
16 Commission's own rules to approve flat rate EAS where
17 the traffic volumes have not met the traffic criteria
18 set forth in the Commission's rules; is that right?

19 **A** Yes.

20 **Q** Now, in the Franklin County example, the
21 routes at issue there did not meet the traffic
22 criteria set out in the Commission's rules, did they?

23 **A** Correct.

24 **Q** And yet the Commission ordered a ballot for
25 flat rate EAS in Franklin County; is that right?

1 A Yes.

2 Q If that ballot had passed, flat rate would
3 have been ordered; would you agree with that?

4 A I don't know that, because the ballot didn't
5 pass.

6 Q So do you believe that if the Commission had
7 put out a ballot for flat rate EAS and it came back
8 positively, do you think there's any chance the
9 Commission would not have voted -- or not allowed the
10 flat rate EAS?

11 A There's a chance. It would be up to the
12 Commission.

13 Q Do you think the Commission --

14 COMMISSIONER DEASON: Not if we ever wanted
15 to go back to Franklin County. (Laughter)

16 WITNESS ROBINSON: Well, I agree.

17 MR. BECK: Commissioner Deason, I'm not
18 going to ask that this be marked for an exhibit. It's
19 a copy of the Commission's rules on EAS that I'd like
20 to pass out to ask questions about.

21 Q (By Mr. Beck) Mr. Robinson, could you turn
22 to Page 2 of five of this excerpt from the
23 Commission's rules. It concerns Rule 25-4.060,
24 Community of Interest Considerations.

25 COMMISSIONER KIESLING: Wait a minute. I'm

1 confused. 2 of five --

2 MR. BECK: Well, it's on the top of the
3 page.

4 COMMISSIONER KINSLING: Oh. I'm sorry. I
5 was looking at the bottom where it said 4 of
6 thirty-two. I was a little lost.

7 Q (By Mr. Beck) Mr. Robinson, my questions
8 will deal with Rule 25-4.060. Do you see that?

9 A Yes.

10 Q And would you agree there's five sections of
11 that with Sections 4 and 5 appearing on the next page?

12 A Yes.

13 Q And specifically would you look at subpart 5
14 where it says that in the event that the interexchange
15 traffic patterns over any given route do not meet
16 prescribed community of interest qualifications, the
17 Commission may consider other community of interest
18 factors to warrant further proceedings. Do you see
19 that?

20 A Yes.

21 Q Would you agree that that section of the
22 rule allows the Commission to permit a vote on flat
23 rate EAS where the traffic volumes don't meet the
24 criteria otherwise set forth?

25 A I kind of interpret that -- the answer is

1 no. I kind of interpret that to say that the reason
2 it's numbered 1 through 5 is that Number 1 is the most
3 important and 2, et cetera. And I would say no, I
4 don't agree with you.

5 Q Like the last number when you have
6 sequential numbers is always the least important
7 section of a series of sections?

8 MS. CASWELL: Excuse me. Mr. Beck, I'm
9 going to object to the extent that your questions call
10 for a legal conclusion. Mr. Robinson can, of course,
11 answer as a lay person, just as he's testified as a
12 lay person, to the meaning of the rules.

13 MR. BECK: I'm going to ask Mr. Robinson
14 about his testimony that says that the action by the
15 Commission would violate its rules. It's his
16 testimony. We're going to see if that's true or not.

17 MS. CASWELL: Right. And I'm just
18 clarifying he's testifying as a lay person. He can't
19 offer legal conclusions.

20 Q (By Mr. Beck) Interpret for me, if you
21 would, Mr. Robinson, subsection 5 of the Commission's
22 rules, the rule we just were talking about.

23 A I would interpret that to say that if the
24 community of interest factors don't meet the
25 qualification -- it uses the very broad term "may,"

1 consider other community of interest factors, and it
2 doesn't say "to implement EAS," it says "to warrant
3 further proceedings". So I would say that's all it
4 means.

5 Q And what do you interpret as the further
6 proceedings referring to?

7 A Doing just what we're doing right here
8 today.

9 Q Would you agree that that section allows the
10 Commission to allow customers to vote on flat rate EAS
11 when the community -- when the calling matters don't
12 meet the thresholds otherwise put forth in the rules?

13 A No.

14 Q Would you agree, then, that the Commission
15 violated its own rules in its Franklin County order
16 under your interpretation of the rules?

17 A In that case they gave an exception,
18 apparently. It says that they may, and they did; but
19 in my opinion, they also did violate them.

20 Q You think the Commission's order in Franklin
21 County violated its own rules?

22 A As the way I interpret that, yes.

23 MR. BECK: Thank you. That's all I have.

24 COMMISSIONER DEASON: Staff?
25

1 CROSS EXAMINATION

2 BY MS. CULPEPPER:

3 Q Mr. Robinson, if I could direct you to Page
4 4 of your rebuttal testimony, Lines 5 through 8, you
5 state there that the Commission has already found that
6 the other subjective community of interest factors
7 would not suffice to balance out calling statistics
8 that are too low to indicate a community of interest
9 even for ECS, let alone EAS. Could you explain that
10 statement?

11 A Yes. In the original review they looked
12 at -- they, the Commission, looked at traffic studies
13 which did include, as Mr. Poucher pointed out, two
14 paragraphs for each exchange, which was giving the
15 other exogenous type of community of interest factors,
16 and they looked at them and they ruled that there was
17 no EAS or ECS to be ordered in that particular
18 May 8th -- May 16th -- May 8th, 1996 order, proposed
19 order.

20 Q Do you have available traffic information
21 for both Haines City exchanges to Polk City,
22 Frostproof and Indian lakes?

23 A No, but we don't do those studies anymore
24 since 1995, July 1st, 1995. I suppose using the old
25 methods we could probably dig something up.

1 Q Could we ask for that as a late-filed
2 exhibit?

3 A Yes. It's fine with me, but we're going to
4 have to try to figure out how to do it again, find the
5 people to do it. We don't do that anymore because of
6 the new rules.

7 MS. CASWELL: If I may clarify, we did
8 traffic studies as a matter of course until 1995, and
9 I believe Staff is willing to accept the 1995 data.

10 WITNESS ROBINSON: Oh, that's fine with me,
11 if they'll accept it.

12 COMMISSIONER DEASON: Very well. We'll
13 identify that as Late-filed Exhibit 7, and this is a
14 1995 traffic study. And could you indicate those
15 routes again?

16 MS. CULPEPPER: Polk City, Frostproof and
17 Indian lakes.

18 COMMISSIONER DEASON: Very well.

19 (Late-Filed Exhibit 7 identified.)

20 MS. CULPEPPER: In addition, Commissioner,
21 Staff would like GTE's traffic study that was
22 submitted pursuant to Commission Order
23 PSC-951429-CFO-TL identified for the record.

24 COMMISSIONER DEASON: And is this a traffic
25 study that has already been filed?

1 MS. CULPEPPER: That's correct.

2 COMMISSIONER DEASON: How was it submitted?
3 In the form of interrogatory or production of
4 documents?

5 MS. CULPEPPER: It was submitted in response
6 to a traffic study order.

7 COMMISSIONER DEASON: Okay. You already
8 have this exhibit in hand; is that correct?

9 MS. CULPEPPER: That's correct.

10 COMMISSIONER DEASON: It's not a late-filed?

11 MS. CULPEPPER: No, sir.

12 COMMISSIONER DEASON: That would be
13 identified as Exhibit 8. Could I have a short title
14 for that, please?

15 MS. CULPEPPER: GTE traffic study for
16 Lakeland, Bartow and Mulberry.

17 (Exhibit 8 marked for identification.)

18 Q (By Ms. Culpepper) Mr. Robinson, in
19 addressing the issues in your testimony you did not
20 provide the economic impact of ECS or EAS with 25/25
21 plan in regrouping. Do you have this information
22 available?

23 A No, we don't.

24 Q Are you able to obtain that information?

25 A We could obtain information using what we

1 have available, but we think -- it's my opinion that
2 that information, the data would actually be flawed
3 because of many of the things we've talked about
4 today.

5 Number one, we don't have 100% of the
6 marketplace, we won't have 100% of the marketplace in
7 the future, and that to give you a revenue impact
8 study based on 1995 data, which will not be like that
9 ever again in the future, we think it would be --
10 certainly it will be data and it will be something you
11 can look at; but we again want to really emphasize
12 that it is not data that would be salient information
13 for today's marketplace.

14 I guess all that said, we can probably try
15 to look at putting that together and giving you a
16 number with the caveat that please understand that
17 that's not where we're -- we're not living there
18 anymore, we don't deal in that particular market, so
19 a -- as a monopoly owning 100% of it.

20 So with that in mind, I'd just like to say
21 that if you do look at my rebuttal testimony on Page 5
22 through 7, that I also there -- and let me find the
23 place that I did it -- Lines 18 -- Line 17 --

24 **COMMISSIONER KIBSLING:** On page what?

25 **WITNESS ROBINSON:** Page 4, Line 17 through

1 21. And I just want to point out that that again
2 states, and we feel strongly, that the marketplace
3 we're in today, it won't lend itself to the
4 credibility of this data. But, yes, we will supply it
5 to you.

6 Q (By Ms. Culpepper: Mr. Robinson, I
7 understand your concerns, but to the extent that it's
8 possible, Staff would ask that that also be filed as a
9 late-filed exhibit.

10 A Okay.

11 COMMISSIONER DEASON: This will be
12 Late-filed Exhibit 9. Could I have a short title,
13 please?

14 MS. CULPEPPER: Economic Impact of EAS and
15 ECS.

16 MS. CASWELL: Could we just have the
17 qualifier "under old assumptions," so we know what the
18 study is based upon?

19 MS. CULPEPPER: That's fine with Staff.

20 COMMISSIONER DEASON: Very well.

21 (Exhibit 9 marked for identification.)

22 MS. CULPEPPER: Thank you, Mr. Robinson.
23 That's all that Staff has.

24 COMMISSIONER DEASON: Redirect?
25

1 REDIRECT EXAMINATION

2 BY MS. CASWELL:

3 Q Just one question. Mr. Robinson, does the
4 Commission have the discretion to waive its rules in
5 particular cases?

6 A Yes.

7 MS. CASWELL: That's all I have. Thank you.

8 COMMISSIONER DEASON: Okay. Exhibits?

9 MS. CULPEPPER: Staff moves 7, 8 and 9.

10 COMMISSIONER DEASON: Well, 7 and 9 will be
11 late-filed and that will be handled in the normal
12 procedure. Without objection, Exhibit 8 shall be
13 admitted, and Staff you need to provide a copy of
14 Exhibit 8 to the court reporter.

15 (Exhibit 8 received in evidence.)

16 COMMISSIONER KIRSLING: And let me ask you
17 again, the Late-filed Exhibit 7, that 95 traffic
18 study, included Frostproof Indian Lakes and --

19 MS. CULPEPPER: Polk City.

20 COMMISSIONER DEASON: Thank you,

21 Mr. Robinson.

22 (Witness Robinson excused.)

23 COMMISSIONER DEASON: That concludes all of
24 the witnesses with the prefiled testimony. Is there
25 anything to come before the Commission before the

1 evening hearing?

2 **MR. WAHLEN:** I just wanted to double-check.
3 My notes indicate that all of the exhibits besides the
4 late-fileds have been admitted.

5 **COMMISSIONER DEASON:** Well. I don't think
6 Exhibits 1 and 2 have been admitted, simply because
7 they've not yet been moved. We can address that at
8 this time. Mr. Beck, those are exhibits from public
9 witnesses which were identified.

10 **MR. BECK:** Yes. We would move them into
11 evidence.

12 **COMMISSIONER DEASON:** Okay. Hearing no
13 objection, Exhibits 1 and 2 are admitted.

14 (Exhibits 1 and 2 received in evidence.)

15 **COMMISSIONER DEASON:** Then all exhibits, 1
16 through 9, have been admitted except for 7 and 9 which
17 are late-filed.

18 Anything else to come before the Commission
19 at this time?

20 **MS. CASWELL:** Just one thing, Commissioner.
21 Would it be possible to excuse Mr. Robinson from the
22 hearing?

23 **COMMISSIONER DEASON:** Any objection to
24 Mr. Robinson being excused? (No response.) That will
25 be fine.

1 MR. BECK: Commissioner, we would ask the
2 same for Mr. Poucher.

3 COMMISSIONER DEASON: Any objection? (No
4 response.) No objection, that will be fine. I assume
5 that GTE will have at least one company representative
6 here for the evening session if there is a question to
7 be addressed to him or her.

8 MS. CASWELL: Yes, definitely, and, in fact,
9 Mr. Robinson may stay around. We're just not sure if
10 he can definitely.

11 COMMISSIONER DEASON: Mr. Wahlen?

12 MR. WAHLEN: Ms. Harrell will be here as a
13 representative, so she doesn't need to be excused.

14 COMMISSIONER DEASON: All right. With that,
15 this session will stand in adjournment and we will
16 reconvene at 6:00 as per the notice.

17 (Recess.)

18

- - - - -

19 COMMISSIONER DEASON: Ladies and gentlemen,
20 if I could have your attention, please, we'll call
21 this evening hearing to order. I think we'll dispense
22 with the reading of the notice since this is just a
23 continuation of a hearing that we convened earlier
24 today.

25 I know that we have already taken

1 appearances, and it's not necessary to do it again,
2 but for the benefit of those that are joining us this
3 evening and were not here for the earlier session, so
4 they will know who the participants in this proceeding
5 are, I'm going to ask that we go ahead and take
6 appearances once again. And as with this morning, if
7 you'll please stand or at least indicate who you are
8 when you introduce yourself through your appearance.

9 **MR. WARLEN:** Thank you. Good evening. I'm
10 Jeff. I'm with the Ausley law firm in Tallahassee,
11 Florida. I represent Sprint-Florida, Incorporated,
12 and with me tonight is Sharon Harrell. She's in the
13 back of the room. She works for Sprint, which you may
14 have known as United Telephone Company. They serve in
15 the Fort Meade area. And if you have any questions,
16 she would be glad to answer them on a break.

17 **MS. CASWELL:** I'm Kim Caswell. I'm with GTE
18 Florida.

19 **MR. NETTLETON:** Robert Nettleton, City
20 Attorney with the City of Haines City.

21 **MR. BECK:** My name is Charlie Beck. I'm
22 with the Office of Public Counsel, here on behalf of
23 the customers of GTE.

24 **MS. CULPEPPER:** And I'm Beth Culpepper
25 representing Commission Staff.

1 **COMMISSIONER DEASON:** And sitting with
2 Ms. Culpepper are two other members of the Staff of
3 the Commission, Ann Shelfer and Vonnie Wiggins.

4 And let me take this opportunity to
5 introduce myself. My name is Terry Deason. I'm a
6 member of the Commission. I'll be chairing the
7 hearing this evening.

8 Seated to my right is Commissioner Susan
9 Clark and seated to my left is Commissioner Diane
10 Riesling. We will constitute the panel of
11 Commissioners which will be hearing this case and will
12 be deciding the final outcome.

13 I want to take this opportunity on behalf of
14 myself and my fellow Commissioners to welcome you to
15 this hearing this evening. As I indicated earlier,
16 this is a continuation of a hearing which we began
17 this morning at 10:00. We took customer testimony at
18 that time. We heard from a number of individuals who
19 addressed the Commission with some very fine
20 testimony.

21 After we heard from customers we took
22 prefiled testimony on behalf of some of the leaders
23 here in the local community, and we also had expert
24 testimony on behalf of Sprint Telephone, GTE and the
25 Office of Public Counsel on behalf of the public.

1 As you entered the rear of the auditorium
2 this evening, you should have been provided a special
3 report that was printed on yellow paper. This
4 provides you the background information of this case.
5 It also is designed so that the last page may be
6 detached. This is available to you for those persons
7 who do not formally want to come forward this evening
8 and make a public statement on the record, if you have
9 any written comments which you wish to make in this
10 matter, you may use this if it is convenient for you
11 to do so, and fold it and mail to the Commission, and
12 we'll enter your comments on the correspondence side
13 of this docket.

14 The purpose of the hearing this evening is
15 to hear from members of the public concerning the
16 request by the City of Haines City to have extended
17 area service throughout Polk County. The procedure
18 that we're going to follow this evening is that
19 Mr. Beck is going to be calling members of the public
20 by name. For him to call your name, it is necessary
21 for you to sign up, and that should have been
22 explained to you at the rear of the auditorium, also.

23 When Mr. Beck calls your name, we ask that
24 you come to the podium directly in front of me. We
25 ask that you speak directly into the microphone so

1 that everyone can hear you, and especially so the
2 court reporter can hear you. For those of you who
3 have not noticed, this hearing is being recorded by a
4 court reporter. It is an official hearing of the
5 Public Service Commission.

6 Your testimony this evening will become part
7 of the record in this proceeding and will constitute
8 evidence upon which the Commission can rely in making
9 its decision. For your comments to actually become
10 part of the record, it is necessary for you to be
11 sworn in as a witness. This is in no way intended to
12 intimidate you, but it is necessary for us to follow
13 our procedures for this to take place.

14 We ask that when you come forward, that you
15 begin by giving us your name and your address and to
16 spell your name for benefit of the Commissioners and
17 the court reporter so that it maybe entered into the
18 record accurately. We then ask you to proceed with
19 your statement to the Commission. We do not impose
20 any strict time limits. We just ask that you be
21 mindful that there are a number of people here waiting
22 to address the Commission, and so to be mindful of
23 them, perhaps you can be direct and tell us all that
24 you want us to know, but there's no need to be
25 repetitive. I'm sure we'll hear some fine testimony

1 again this evening like we heard this morning.

2 I think that pretty much concludes the
3 introductory comments that I have. Are there any
4 preliminary matters before we proceed into taking
5 customer testimony?

6 MS. CULPEPPER: None that we're aware of.

7 COMMISSIONER DEASON: Very well. I'm going
8 to ask all the members of the public who have signed
9 up and wish to testify to please stand and raise your
10 right hand.

11 (Witnesses collectively sworn.)

12 COMMISSIONER DEASON: Thank you. Please be
13 seated. Mr. Beck, you may call your first witness.

14 MR. BECK: Thank you, Commissioner Deason.
15 First witness is Charles Freed.

16 - - - - -

17 CHARLES FREED

18 appeared as a witness and, swearing to tell the truth,
19 testified as follows:

20 DIRECT STATEMENT

21 WITNESS FREED: Good evening, Commissioners.
22 My name is Chuck Freed, F-R-E-E-D. I'm public works
23 director for the City of Haines City, and I just wish
24 to add our impetus to this. In these days of tight
25 budgets, we're looking for basically and theoretically

1 every penny that we can, and if we can reduce our
2 telephone costs through a countywide service, we
3 certainly are in favor of that.

4 I live in Lakeland, so I commute. I have
5 very few phone calls from my Lakeland address which
6 are long distance calls, but I have a sheet at work
7 that I keep, and I probably have 20 to 25 long
8 distance calls that I've made just so far this month,
9 and I venture to say that 22 to 23 of them could have
10 been negated had we had the area-wide service.

11 I have been here for two years, and before
12 coming to Haines City, I had been Polk County
13 Utilities Director, and I had been with a consulting
14 engineering firm in Bartow. Both those entities had
15 almost toll free service into Lakeland, to Frostproof,
16 to Lake Wales, to Winter Haven, obviously, and it was
17 just so convenient to be able to pick up the phone and
18 dial the seven digits rather than to have to go
19 through the long distance tolling. It really makes a
20 difference.

21 In addition to that, we have fax machines
22 which are becoming more and more used, and we get
23 three and four-page documents from consultants and
24 from contractors and from suppliers, and we send out,
25 obviously, faxes, too; and this is a big part of the

1 businesses as we continue to grow; and this fax
2 machine and the fax business is one that I understand
3 would be part of the area-wide calling if it were
4 available to us where we could fax to Lakeland or we
5 could fax to Bartow and to not have to make the long
6 distance call.

7 It's very true we have 800 service to FDOT,
8 to the Sverdrup and to the County. However, there are
9 a couple county offices with which we, for some
10 reason, do not seem to be able to become attached
11 through the 800 number, plus the fact I don't know of
12 any consultants in -- that we used the 800 number for
13 in Polk County, and the suppliers and the contractors
14 that we use don't have the 800 numbers, at least that
15 they're available to us.

16 So we just wish your very utmost
17 consideration in saving us and saving our department,
18 saving the City of Haines City Public Works Department
19 every penny that we can. Thank you.

20 **COMMISSIONER DEASON:** If you could wait just
21 a moment there, may be questions. Questions? (No
22 response.) Very well.

23 I have one question. Are you aware that
24 under the proposal for countywide toll free calling,
25 that there would be an increment added to customer

1 bills?

2 **WITNESS FREED:** Yes. However, some of our
3 calls run 25 and 30 minutes if you're trying to
4 explain something to a consultant or having them
5 explain something to you, that that time and that
6 money could be eaten up very quickly.

7 **COMMISSIONER DEASON:** Are you familiar with
8 what we refer to as the 25-cent plan?

9 **WITNESS FREED:** Yes, sir.

10 **COMMISSIONER DEASON:** If for some reason the
11 Commission either decides, or else the customers turn
12 down the 25 -- I'm sorry, the countywide plan, what is
13 your feeling concerning the 25-cent option?

14 **WITNESS FREED:** I'd really have to go back
15 to our phone calls and see what effect that would have
16 on them.

17 **COMMISSIONER DEASON:** Okay. The 25-cent
18 plan basically allows residential customers to call
19 for a flat 25 cents regardless of duration, and for
20 business customers it would be 10 cents for the first
21 minute and 6 cents for each additional minute. Do you
22 have a feel as to whether that would be a viable
23 alternative?

24 **WITNESS FREED:** On a 30-minute telephone
25 call your \$3 is long gone.

1 **COMMISSIONER DEASON:** Okay. All right.

2 Thank you, sir. Mr. Beck?

3 **MR. BECK:** Cherry Dowdy.

4 - - - - -

5 **CHERRY DOWDY**

6 appeared as a witness and, swearing to tell the truth,

7 testified as follows:

8 **DIRECT STATEMENT**

9 **WITNESS DOWDY:** Good evening. I'm Cherry
10 Dowdy, 3207 Fairmont Place, Haines City. I've been a
11 resident in Haines City for 25 years.

12 We like to pride ourselves in our quality
13 services, and for the last three years I've been City
14 Clerk and I come in contact with the public a lot more
15 than I did those few years before that. I'd like to
16 say that I get a lot of calls regarding our telephone
17 service. I think because I've lived here a long time,
18 sometimes I get those calls because they think I have
19 all the answers.

20 But I think that we have a lot to offer. I
21 realize that we've heard a lot of talk about numbers
22 and the quantity of calls, and we don't presume to be
23 a metropolitan area; and I think we should take into
24 consideration the quality of service that we have and
25 what we have to offer along with our other amenities

1 and services in Haines City.

2 Like I said, for the last three years I've
3 been City Clerk. I have -- as City Clerk I do keep
4 the records. I have a couple letters that I received
5 that I'd like to read into the record for you if I
6 might.

7 One says "Florida Public Service Commission.
8 Dear sirs; I cannot attend your meeting since I am
9 total care giver for my husband who suffered a stroke
10 June 10th, 1995. He is 77 years old and I am 72.

11 Having lived in Lakeland all of my life
12 until 1992, we chose to live in Haines City. My
13 problem is my children live in Lakeland as well as
14 other relatives and friends. With our health
15 condition, I need to stay in close touch with my
16 children. It can get expensive.

17 I would love to call more than I do, but it
18 can get expensive. I have stayed with GTE-AT&T
19 because I have been afraid to change long distance
20 companies. I really hope you can do something to help
21 people like myself.

22 Thank you. Lois Hardee, 3881 Lake Ellen
23 Drive, Haines City, Florida.

24 P.S. We live three miles northwest of 27
25 off old Polk City Road."

1 I also received a fax from Michael D.
2 Cliburn, P.E., Environmental Section Manager for
3 Sverdrup Civil, sent to the Public Service Commission
4 care of the City.

5 "Honorable Commissioners, Sverdrup Civil has
6 been working for Haines City for over 20 years.
7 Because of Haines City and other clients in Polk
8 County, we have established a permanent office in
9 Bartow. It would be beneficial for us to be able to
10 call Haines City from Bartow as a local call instead
11 of a long distance call. We would appreciate your
12 favorable consideration of this request."

13 We also had a call today from Rosemarie
14 Stewart, Davenport, 422-5467. She said that she
15 thinks extended area service would be great. She has
16 calls to Bartow frequently and would rather pay a flat
17 fee, and she's sorry she couldn't be here tonight, but
18 she's had surgery and cannot attend. Thank you.

19 COMMISSIONER DEASON: Question? Could you
20 give a copy of the letters that you read to the court
21 reporter?

22 MS. CASWELL: Yes, I'll give you the
23 originals.

24 COMMISSIONER DEASON: And before you leave
25 the podium, let me ask you a question. You're

1 familiar with the flat fee that would be added on to
2 customers' bills to get the calling. What is your
3 feeling as far as customer acceptance of that fee?

4 **WITNESS DOWDY:** From what I heard this
5 morning, I think I was surprised to hear that they
6 would be in favor of the fee. I, personally, if I was
7 guessing, I would guess that they would not be in
8 favor of the flat fee.

9 **COMMISSIONER DEASON:** What about, as I asked
10 the gentleman before, are you familiar with the
11 25-cent plan?

12 **WITNESS DOWDY:** Yes, I am. I think that
13 25 cents for residences would be acceptable. I'm not
14 so sure about the 10 cents for the first minute,
15 6 cents for each additional minute. I'm not sure how
16 advantageous that would be for businesses when
17 sometimes their calls are longer.

18 **COMMISSIONER DEASON:** I understand. Thank
19 you. If you could give that to the court reporter, I
20 would appreciate it.

21 **MR. BECK:** Richard Mengeling.
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1 **RICHARD MENGELING**

2 appeared as a witness and, swearing to tell the truth,
3 testified as follows:

4 **DIRECT STATEMENT**

5 **WITNESS MENGELING:** Richard Mengeling,
6 **M-E-N-G-E-L-I-N-G.** I live in 506 Holt Circle, Winter
7 Haven Florida, but I manage a local funeral home here
8 in Haines City.

9 Our phone lines are quite busy, being a
10 funeral home, and I'm in favor of an extended area
11 service.

12 **COMMISSIONER KIRSLING:** Could you speak into
13 the mike?

14 **WITNESS MENGELING:** I brought my phone bill
15 with me, and I've -- did some checking, and I made 533
16 phone calls last month in 30 days on just GTE. Of
17 this, only 90 calls were with outside of Polk County.
18 Some 443 of these calls were either to Lakeland or
19 Bartow. There were probably about four or five calls
20 to Fort Meade or Frostproof.

21 Of that, you can see where I would be in
22 favor of the extended area service, although the flat
23 rate fee at 10 cents a minute would save me some
24 money; but I kind of feel that \$242.60 in basic
25 charges for five lines, and one is a dedicated line

1 for a computer which has zero long distance calls and
2 the other four are incoming lines and a fax line, and
3 seventy-one, ninety-three in taxes so the other of my
4 \$448.00 phone bill for last month was long distance
5 calls. So you can definitely see my reason for being
6 in favor of an extended area service.

7 **COMMISSIONER DEASON:** Questions? (No
8 response.) Thank you, sir.

9 **WITNESS MENGELING:** Thank you.

10 **MR. BECK:** Richard White.

11 - - - - -

12 **RICHARD WHITE**

13 appeared as a witness and, swearing to tell the truth,
14 testified as follows:

15 **DIRECT STATEMENT**

16 **WITNESS WHITE:** I have three handouts for
17 the Commissioners; if it's all right, I could present
18 to them.

19 **COMMISSIONER DEASON:** Do you have any extra
20 copies?

21 **WITNESS WHITE:** I have the one I'm reading,
22 which I'll present.

23 **COMMISSIONER DEASON:** Okay. If you have an
24 extra copy, I wish that you would give that to the
25 court reporter, and then we can utilize just one copy

1 up here. We'll share.

2 **WITNESS WHITE:** My name is Richard White,
3 W-H-I-T-E. I live at 5636 Lakeside Drive in Lake
4 Wales. However, I'm in the Haines City telephone
5 area. My phone number is 439-8080.

6 I would first like to refer to you on the
7 first page a copy from The Ledger, which is our local
8 county paper, dated Sunday, January the 19th, 1997 by
9 a Lonnie Brown.

10 In this article he's talking about computer
11 hookups to get on line with service providers for the
12 Internet, and he speaks directly about the problems we
13 have within the Ridge area. Haines City is in the
14 middle of this Ridge area.

15 He refers that there are no local lines
16 available to us for the major providers. Following up
17 on his article, I sent letters to each one of the
18 major providers asking for help in getting on line
19 without paying toll charges.

20 One of the carriers, which was Prodigy, did
21 return a letter to me, and I have a copy of that
22 letter with this, stating that they're sorry that we
23 are not in their service area, that they're looking
24 into it, they'll look into it in the future. At the
25 present time, though, America On Line and Prodigy are

1 unavailable to local users without going through and
2 paying toll costs.

3 I use a beeper service, which is MobileComm.
4 This is one of the larger beeper companies. When I
5 started with them, they had a local number for me, but
6 recently changed it. Now for business purposes I have
7 to go through Lakeland, so if my family wants to gets
8 a hold of me, it means that they have to make a long
9 distance phone call in order for beeper service. As a
10 footnote, I am changing beeper companies to one that
11 would be local. However, they're not going to give me
12 the area coverage that I need on the service, but you
13 have to give one to take the other.

14 Last year Congress adopted the
15 Telecommunications Act of 1996; in Section 207
16 directed by the Federal Communications Committee to
17 adopt rules to permit every home in the United States
18 the access to TV and communication even though they
19 were prohibited by existing covenants and
20 restrictions.

21 Now, I'd like to point out that this is not
22 directly related to the problem that we have here.
23 However, I would like to emphasize that Congress
24 determined that they wanted every home in the United
25 States to have the capability of receiving

1 communications, whether it be through
2 telecommunications, TV, or the likes, and I think that
3 their intent is very strong on offering us the
4 opportunity to have service that would provide us with
5 equal competition within the industry.

6 Under the current service we have been
7 denied access to our county government, services and
8 business of our choice and communications by our
9 computers without paying extra charges or cost.

10 Even under the plan proposed today we would
11 have the service at an extra cost but of more
12 reasonable charges. I suggest that you consider the
13 plan to extend the service to the Bartow and Lakeland
14 area as an extension of our current service from the
15 Ridge. Thank you.

16 COMMISSIONER DEASON: Questions? (No
17 response.) Thank you, sir.

18 MR. BECK: Tom Broadway.
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1 **TOM BROADAWAY**

2 appeared as a witness and, swearing to tell the truth,
3 testified as follows:

4 **DIRECT STATEMENT**

5 **WITNESS BROADAWAY:** Thank you very much. My
6 name is Tom Broadaway, B-R-O-A-D-A-W-A-Y, 24
7 Nottingham Way, Haines City.

8 First of all, let me tell you that I'm a
9 school volunteer. I'm retired military, and I spend
10 about 40 to 80 hours a month volunteering at the high
11 school and at the district.

12 Looking at my phone bill, recently I had
13 well over \$200 in toll calls to Bartow as a volunteer.
14 That's money that I spent. In analyzing the bill, the
15 25-cent would not do me a great deal of good.

16 In addition, I'm chairman of the Quality
17 Improvement Council, technology council at Bartow. We
18 are attempting to connect all the schools to the
19 Internet. We can do that at Lakeland, we can do it at
20 Winter Haven, we can do it at Bartow. We cannot do it
21 in this area.

22 The restrictions are such that we cannot go
23 through the school board, the county, to do so. So I
24 would beseech you to extend the area for education.

25 Thank you.

1 **COMMISSIONER DEASON:** I have a question.
2 The reason that the local schools -- I assume you're
3 talking about the Haines City area?

4 **WITNESS BROADAWAY:** Yes, sir.

5 **COMMISSIONER DEASON:** The reason those
6 schools cannot be connected to the Internet is because
7 the call to an Internet provider is a toll charge?

8 **WITNESS BROADAWAY:** Through the access in
9 the Lakeland area, which is beneficial to the school
10 system, yes, sir. There are connections through the
11 Lakeland area. I don't know exactly what those are.
12 It is not AT&T or AOL. It's a special connection
13 through the city government.

14 **COMMISSIONER DEASON:** Do you know if the
15 schools are currently wired to receive Internet, some
16 classes?

17 **WITNESS BROADAWAY:** Some schools are wired,
18 and we are planning here at Haines City High School.
19 We have it in a '97-98 budget.

20 **COMMISSIONER DEASON:** Any further questions?

21 **MR. WARLEN:** I just have one. Could you
22 tell me about how many phone calls that \$200
23 represents?

24 **WITNESS BROADAWAY:** In looking at it, I
25 would say the average call is somewhere probably a

1 minute. They're not very long.

2 MR. WANLEN: So maybe about 200 calls?

3 WITNESS BROADAWAY: 170, something like
4 that.

5 MR. WANLEN: Okay. Thank you.

6 COMMISSIONER DEASON: Thank you, sir.

7 WITNESS BROADAWAY: Thank you.

8 MR. BECK: Roy Snyder.

9 - - - - -

10 ROY SNYDER

11 appeared as a witness and, swearing to tell the truth,
12 testified as follows:

13 DIRECT STATEMENT

14 WITNESS SNYDER: My name is Roy Snyder.

15 That's S-N-Y-D-E-R. I live at 46 Spring Lane in
16 Haines City, Florida. My phone number is 422-0040.

17 I would like to ask the Commission to extend
18 the service on behalf of the health care profession,
19 of which I'm a member. I've been a pharmacist for 45
20 years, and I've been a pharmacist in Florida for 30
21 years, and in the Haines City area for over 15 years.
22 And I work in various stores; three in Haines City,
23 one in Winter Haven, and one in Auburndale.

24 Many of our health care providers for this
25 area, Haines City, are based in Lakeland, either at

1 the Lakeland Regional Hospital or at the Watson
2 Clinic. So as a pharmacist, if you are in Haines City
3 and I have to call the doctor for an okay on a
4 prescription or any service as far as the health care
5 of this patient, it's a long distance phone call to
6 Bartow, to Lakeland, to Polk City and to Mulberry.

7 As you know, there's nothing free, which
8 means somebody, that little lady out there on social
9 security that's getting so much a month, has got to
10 decide whether she's going to get her medicine this
11 month or whether she's going to buy groceries; and in
12 many cases we hear this in the store. And so I would
13 like to be able to say no, I don't have to charge her
14 anything extra just because I have to call the doctor
15 in Watson Clinic.

16 Not only that, but as a pharmacist, I can
17 assure you in most cases when you call for a
18 physician's okay to Lakeland or Bartow, or actually
19 even here in Haines City, you're lucky if you get
20 through within five minutes, because you're going to
21 hear the music recordings and all this stuff and
22 weather reports, and if you want this, you push 1, and
23 if you want this you push 2, you know. (Applause.)

24 So as far as a pharmacist is concerned, my
25 main goal is to get the medicine to the patient and

1 get her out of the store, because she's probably been
2 to the doctor and sat there for two hours and she
3 don't want to hear anything about the weather reports
4 or push 1, 2, 4 or 5.

5 So I think if we could possibly reduce the
6 cost of our overhead in the stores, we could pass this
7 off to our customers, and I would like to see the
8 extended service go through. Thank you.

9 COMMISSIONER KIESLING: Sir, I have a
10 question. My question is you mentioned the retiree
11 who was on a fixed income and had to choose between
12 medicine and groceries.

13 WITNESS SNYDER: That's true.

14 COMMISSIONER KIESLING: Do you think that
15 those customers of yours who fit that situation have
16 the extra money to pay \$3 to \$3.67 more a month to --

17 WITNESS SNYDER: I'd have to --

18 COMMISSIONER KIESLING: -- to pay for that
19 flat --

20 WITNESS SNYDER: I'd have to take a poll and
21 ask them that. I can't speak on that behalf. I'm
22 sorry.

23 COMMISSIONER KIESLING: Okay.

24 MR. BECK: Sherri Fortin.

25

1 familiar with the 25-cent plan?

2 **WITNESS FORTIN:** No, sir. I hadn't heard,
3 except what you were saying tonight.

4 **COMMISSIONER DEASON:** In some situations it
5 has been an alternative to a flat rate additive and
6 unlimited toll free calling. The way the system works
7 is that there would not be an additive on the monthly
8 bill, but for a residential customer it would be
9 25 cents per call regardless of the duration of the
10 call. Do you have any feeling as to whether that
11 would be a viable alternative in this situation?

12 **WITNESS FORTIN:** It probably wouldn't in
13 what we're doing now, because what we do a lot of
14 times is just maybe quickly tell somebody something,
15 and then the one family that we can call in our
16 calling area gets all the calls from everybody and
17 relays it on to us, because that way we save long
18 distance calls. We have one family in Auburndale.
19 But if we were -- if we had the service available to
20 us, we would probably just call these people directly;
21 and in that case, yes, the 25 cents, no matter what
22 the duration, probably would be beneficial to us.

23 **COMMISSIONER DEASON:** How does it work that
24 the one family that is within your area -- they have
25 calling to both you and the other members of the

1 congregation --

2 **WITNESS FORTIN:** Right. They're in --

3 **COMMISSIONER DEASON:** -- to which you cannot
4 call toll free?

5 **WITNESS FORTIN:** Right. They're in
6 Auburndale. The one family is in Auburndale, so we
7 can call them and they can call Lakeland and it's not
8 a toll charge for them, or they can call Bartow. We
9 have a family in Bartow, and they can call them and
10 it's not a toll charge.

11 So what happens is we call the one family in
12 Auburndale who makes the other calls or they call the
13 one family in Auburndale who calls us, so that
14 Auburndale people are kind of our liaison between
15 everybody else and the congregation, and -- which it's
16 hard if, you know, something comes up. And if they
17 need to get a hold of my husband, of course, they just
18 make, you know, the long distance call or whatever if
19 it's an emergency kind of situation. But it just
20 would be a lot better for us and for them, you know,
21 if we -- if it was a local call for us.

22 **COMMISSIONER DEASON:** We've had information
23 and evidence presented that the -- that the calling is
24 not sufficient; in other words, there's not enough
25 calling between Haines City and Bartow and Lakeland

1 and the various other exchanges to warrant EAS, but
2 you've just given us --

3 UNIDENTIFIED SPEAKER: That's wrong.

4 (Simultaneous audience comments.)

5 COMMISSIONER DEASON: Listen folks. Please.
6 I'm trying to discuss this with the witness, the
7 person that is giving me in evidence the record. All
8 I indicated to you all is that I have received
9 evidence today from the Company.

10 I did not say I agreed or disagreed with it.
11 If you will please just listen to what is being said.
12 And your comments are not being entered on the record.
13 Only what's on the record is what we can base our
14 decision on. I'm trying to be polite to you. Please
15 be polite to me. Thank you.

16 We have had evidence from the Company that
17 the calling rate is not sufficient to warrant EAS.
18 That's a debatable question, but we have had evidence
19 to that.

20 Now you've just given me an example of where
21 customers go to other means, other measures to avoid
22 toll charges; otherwise, those calls would have been
23 made and would have been part of the statistics that
24 we've been given by GTE. You've given us that
25 example.

1 Do you know of any other examples in this
2 community where people utilize measures like that to
3 avoid a toll charge?

4 WITNESS FORTIN: I'm not personally aware of
5 it. I mean, I imagine people do that because you try
6 to find a way and -- you know, to make your bills go
7 down; but I'm not personally aware of them, no, sir.

8 COMMISSIONER DEASON: All right. Thank you,
9 ma'am.

10 WITNESS FORTIN: You're welcome.

11 MR. BECK: Thank you. Larry Wray.

12 - - - - -

13 LARRY WRAY

14 appeared as a witness and, swearing to tell the truth,
15 testified as follows:

16 DIRECT STATEMENT

17 WITNESS WRAY: My name is Larry Wray. The
18 last name is spelled W-R-A-Y. I live at 1423 Dorothy
19 Avenue here in Haines City, and I'd like to speak to
20 the Commission in favor of the extended area.

21 I'm a local pharmacist. Whenever I'm
22 calling Lakeland it's a long distance call. We
23 service nine different nursing homes. All those homes
24 have fax machines. If it's in Lakeland, I'm having to
25 pay a toll fee for that to send information back and

1 forth.

2 I've listened to what you were saying about
3 an additional fee. If that's what's necessary, it's
4 worth it in my behalf as far as my business. At home
5 I have a home computer. Once again, trying to get on
6 the Internet, America On Line or Prodigy, which are
7 your two major firms, the local access number is
8 Lakeland. So that's a toll fee -- a toll call for me
9 to be able to use the Internet. Had to look for other
10 service -- other providers to be able to use my
11 Internet at home.

12 I'd like to ask the Commission one question,
13 and that is, if Haines City or the Ridge area would be
14 charged \$3.65 per month addition, does Winter Haven
15 and does Lakeland, does Bartow pay that additional
16 fee?

17 COMMISSIONER DEASON: The answer to your
18 question is no.

19 WITNESS WRAY: Then why should we have to
20 pay for the service which they receive free from GTE?

21 COMMISSIONER DEASON: As I explained this
22 morning, the only time the Commission approves of
23 extended area service with an additive is if there are
24 a majority of the people requesting that service who
25 vote in favor of that and indicate that they are

1 willing to pay that additive on their bill.

2 The services being requested is on behalf of
3 the City of Haines City, and it is for subscribers
4 within the Haines City exchange to call the other
5 exchanges within the county.

6 If we were to put an additive on the other
7 exchanges and then we were required to survey them,
8 the chances of it passing are extremely small. For
9 example, there are over 116,000 subscribers in
10 Lakeland, and if we were to try to get a majority of
11 those to agree to pay an additive on their bill to
12 have calling between Lakeland and Haines City, I can
13 tell you your chances are probably nil of getting
14 58,000 people who want to pay more on their bill to
15 call Haines City.

16 Our rules are structured so that the smaller
17 exchange seeking EAS with a larger exchange, that the
18 additive is only on them, and so that only those
19 customers have to be surveyed. And in reality -- I
20 know that it perhaps sounds unfair that somebody is
21 getting something for free -- but the reality of it is
22 in order for a survey to pass, it's necessary to
23 survey the smaller exchange to have any possibility of
24 getting a majority of the customers to agree.

25 And one other thing is that to some degree,

1 the rates of an exchange is based upon the number of
2 customers that can be reached on a toll free basis.
3 So, therefore, some of the exchanges which have a
4 greater calling area already are paying a higher rate
5 than is presently being charged to Haines City
6 customers because Haines City customers cannot reach
7 as many phones on a toll free basis.

8 **WITNESS WRAY:** I understand that. What I
9 was asking is why couldn't our rate just be raised to
10 the same fee as those others so that we have the same
11 services? If we did that, it would be fair to
12 everybody.

13 **COMMISSIONER DEASON:** That argument has been
14 presented. The Commission has considered that. The
15 problem is that there are costs incurred in
16 implementing EAS, and historically -- I'm not saying
17 what's going to happen in this case -- I can indicate
18 to you historically that the Commission has included
19 an additive for a period of time, usually up to a
20 period of four years, and after that period of time
21 the additive goes away.

22 In one sense, it helps the Commission to
23 evaluate the degree of community of interest and helps
24 defray the cost in that short period -- in the short
25 term, and helps the Commission evaluate the actual

1 need for the service if customers are willing to pay
2 the additive, which in many times does not cover all
3 of the costs.

4 It's a balancing act that the Commission is
5 trying to engage in to determine community of
6 interest, reasonable rates and also give the Company
7 an opportunity to cover the costs involved in
8 implementing extended area service. There are no easy
9 answers, but that's some of the rationale the
10 Commission has used in the past in trying to formulate
11 some of the solutions to these problems.

12 **WITNESS WRAY:** Thank you, Mr. Deason. I
13 have one other question. Has it been made public that
14 the extra fee may be only temporary? Because if --
15 there's a lot of people out there who might be against
16 it, but if they thought this was only for three, four
17 years, five years and then it would be the same as
18 now, there would be a lot of people would be in favor
19 of it who may -- who might speak against it at this
20 time.

21 **COMMISSIONER DEASON:** I don't know how well
22 that's been publicized. I know that it's been
23 discussed here today earlier and that it's been
24 indicated that historically the Commission has
25 implemented an additive, and that in other cases that

1 it has been in place for a number of years, usually
2 not to exceed four years.

3 I would anticipate that if the Commission
4 decides to survey -- and I don't even know if that's
5 going to be the Commission's decision -- that if the
6 Commission is firm in its decision that the additive
7 is only going to be for a specified period of time,
8 that that information could be included in the survey.
9 We want to try to be as open in the process as
10 possible. But here again, that would be a policy
11 decision the Commission would have to make to even go
12 forward with the survey if the Commission wants to
13 just specify a period of time that the additive would
14 actually be in place.

15 WITNESS WRAY: Thank you. Once again, I
16 plead for you to extend that.

17 COMMISSIONER DEASON: Thank you.

18 MR. NETTLETON: Question.

19 COMMISSIONER DEASON: There is a question.

20 MR. NETTLETON: Mr. Wray, you were
21 discussing the fee going away, and I think it is
22 important that you and the other citizens understand,
23 and perhaps the best way to get you to understand is
24 to do it with numbers.

25 Earlier during the testimony today a figure

1 of \$322 to \$367 as an increase in the monthly phone
2 bill was used for a residence, and \$8.11 to \$11.00 and
3 some change was used as an increase in the monthly
4 phone bill for a business. And that --

5 **COMMISSIONER RIESLING:** Mr. Nettleton, I
6 think you got one of those numbers wrong. The high
7 number on the business is 9.31 not 11 something.

8 **MR. NETTLETON:** All right. That's even
9 better. 9.31. All right. Thank you.

10 8.11 then, to 9.31. It was my understanding
11 from the testimony this morning that of that 3.22 to
12 3.67, that only 50 cents to 95 cents would stay as a
13 permanent part of the bill. The additional \$2.72
14 would go away in a period to be determined by the
15 Commission, which in normal cases does not exceed four
16 years.

17 So after, say, a four-year period, then your
18 phone bill would only be increased over what it is
19 today by 50 to 95 cents; that as opposed to the
20 quarter plan where if you make four phone calls a
21 month long distance, then you have exceeded the 95
22 cents that would be the maximum increase on a
23 permanent basis.

24 So I'll ask you to state for the record,
25 sir, would you be willing to pay the additional

1 temporary charge for a period of up to four years to
2 get the additional telephone access with the
3 understanding that it would go down to a reasonable
4 rate at the end of that period?

5 WITNESS WRAY: Most assuredly, not only for
6 my home, but also for my business.

7 MR. NETTLETON: All right. Thank you. I
8 think it helps to use the figures involved, and since
9 most of you weren't here this morning, I thought you
10 might be interested in the actual dollars and cents
11 involved.

12 COMMISSIONER DEASON: Thank you,
13 Mr. Nettleton.

14 MS. CASWELL: Mr. Wray, I'm sorry. I'm with
15 GTE. I have just one question. I want to make sure I
16 understood something in your testimony. Did you say
17 you had found providers which provide local Internet
18 access from your home?

19 WITNESS WRAY: Yes.

20 MS. CASWELL: And what would be the names of
21 those companies, or company?

22 WITNESS WRAY: One that I found was -- two.
23 One is Cybergate and one is Florida On Line. I happen
24 to use Florida On line. I dropped all the others
25 because it was a long distance call and i just have my

1 regular access fee for the Internet.

2 MS. CASWELL: Okay. Thank you.

3 MR. BECK: Linda Stribbling.

4 - - - - -

5 LINDA STRIBBLING

6 appeared as a witness and, swearing to tell the truth,
7 testified as follows:

8 DIRECT STATEMENT

9 WITNESS STRIBBLING: Good evening. My name
10 is Linda Stribbling, S-T-R-I-B-B-L-I-N-G. I live at
11 2218 Embry Avenue in Haines City. I'm a -- I was born
12 and raised in Winter Haven, and I had the opportunity
13 to build me a home in Haines City.

14 I took the opportunity, being a single
15 parent, to look forward to my daughter future of
16 having a stable place to stay. Had I known telephone
17 calls from Bartow to Lakeland to Haines City was long
18 distance, I may not have been as happy as I was.

19 I work in Winter Haven. My daughter,
20 Matrina -- who is back there sleeping and I don't know
21 why she's here -- she has a daughter that lives in
22 Bartow. She constantly asks me, mama, can I call my
23 sister Shaundra. I say, no, Matrina, because it's a
24 long distance call.

25 I'm trying to cut back and budget any way I

1 can, and my telephone bill is one bill that I look at
2 real close. A long distance call is not on my menu.

3 I have to call down to child support to see
4 where the check is. And as the gentleman said, wash
5 this number for this and that number for that, and
6 you're on hold for sometime 10 minutes if you can
7 hold, or longer, or you just hang up and try again;
8 but each call is long distance.

9 If I need a vital statistic record, that's
10 Bartow. That's long distance. You have to hold for
11 that. I've tried calling the 534-6000 number, which
12 is the County switchboard. If by chance I can get her
13 to direct my call to the right office I need and
14 someone answers the phone, it's no problem. If I
15 can't, she have to give me another number. So I
16 wasted a call for calling her, and she has to give me
17 the correct number to call.

18 I also pay taxes in Bartow for my home. If
19 I have a question about that, that's a long distance
20 call. And I don't understand if Winter Haven can have
21 it, Lakeland can have it, why not Haines City?

22 I love the city. I'm trying to raise an
23 eight-year old daughter and keep her here in school
24 and hopefully she graduate and like Haines City High.
25 And I just don't know what else to say. Thank you.

1 **COMMISSIONER DEASON:** Questions? (No
2 response.)

3 Let me ask you, ma'am, you've heard that to
4 get extended area service, that is the toll free
5 service to the various exchanges in Polk County, that
6 there would be an additive added to the bill. What is
7 your feeling? Do you think it would be worth it to
8 have the toll free calling if your bill was increased
9 \$3.22 for at least four years?

10 **WITNESS STRIBBLING:** It would be worth it
11 for my daughter to talk to her sister if she can
12 encourage her, Trina, don't do this, you stay in
13 school, you graduate like I did. And her birthday
14 next month. She call me -- she calls her, it's a long
15 distance call to tell her happy birthday. So if it's
16 for four years, I don't mind, because Matrina be 12
17 so --.

18 **COMMISSIONER DEASON:** Thank you, ma'am. Any
19 other questions? (No response.) Thank you for
20 coming

21 **MR. BECK:** Jim Rollins.
22
23
24
25

1 JIM ROLLINS

2 appeared as a witness and, swearing to tell the truth,
3 testified as follows:

4 DIRECT STATEMENT

5 WITNESS ROLLINS: Jim Rollins, 185 Old Lee
6 Jackson Road, Lake Alfred, Florida. I'm going to let
7 some of these other people tal'. I don't know the
8 background and all the study on it to make any
9 comments on it. Thank you, Commissioners.

10 COMMISSIONER DEASON: Thank you, sir.

11 MR. BECK: Ted Lasseigne.

12 - - - - -

13 TED LASSEIGNE

14 appeared as a witness and, swearing to tell the truth,
15 testified as follows:

16 DIRECT STATEMENT

17 WITNESS LASSEIGNE: Members of the
18 Commission, I'm Ted Lasseigne. It's spelled
19 L-A-S-S-E-I-G-N-E. I'm a businessman here in Haines
20 City. I'm an attorney. I have a small town practice.

21 As most everybody has spoken -- I don't know
22 what was said this morning or this afternoon at 2:00.
23 But I know I've been in town 20 years practicing law.
24 Our county seat is in Bartow. I have the occasion to
25 call Bartow probably eight to ten times a day talking

1 to the various judges' secretaries, Public Defender,
2 State Attorney, other county offices.

3 I have figured a way to get out of the toll
4 free by there is a number that I can call through the
5 Public Defender's office, and they will eventually
6 after three or four exchanges connect me with the main
7 courthouse switchboard. So my phone bill does not
8 accurately reflect what it costs me to call.

9 Now, I hope I don't admit that and GTZ does
10 something about that number. (Laughter) But you were
11 asking for examples on how to avoid the toll charge.
12 So I know I avoid it probably eight to ten times a day
13 when I can get through. When I can't get through, I
14 have to dial direct, which then, of course, adds to
15 the bill.

16 Now, Lakeland is not -- I don't have that
17 luxury in Lakeland. And attorneys -- and other
18 attorneys' offices I deal with in Lakeland, which is
19 quite frequently, then that is a toll free number -- I
20 mean, excuse me, a toll call.

21 I would also add, according to what
22 Mr. Nettleton added, I would certainly be willing to
23 pay -- I have two incoming lines. I would certainly
24 be willing to pay the eight to \$12.00 a month extra
25 charge; I assume it would be per line. It would save

1 me a great deal of money.

2 And I would just add, being in town 20 some
3 years, it's almost a joke in Bartow that Haines City
4 is not included within Polk County. Judges'
5 secretaries, all the time it costs them to call --
6 charge -- it costs them money to call me if they have
7 a problem; and I constantly hear comments from them
8 that said, well, you know, gee, you're in Haines City,
9 why is it long distance to call you. And it's almost
10 like we're a stepchild or hayseeds or something, that
11 we're just not really included within Polk County.

12 Now, I don't have a problem -- I really
13 don't call Mulberry, I don't call Frostproof,
14 Fort Meade that frequently, but it would seem to me
15 that we are, you know, within one county; that we have
16 a phone book that's -- has Polk County across the top,
17 but we just are not included within the County
18 government. It's just like we're just hayseeds stuck
19 off in northeast Polk County.

20 In fact it's almost cheaper for me to call
21 Kissimmee, which is in the next county than it is for
22 me to call Bartow. So from my standpoint, I would
23 welcome the opportunity to have extended area service,
24 and I would certainly be willing to pay the extra
25 monthly charge.

1 COMMISSIONER DEASON: Questions?

2 Mr. Wahlen?

3 MR. WAHLEN: Do you know, is it true that
4 Polk County is the largest county in the state of
5 Florida geographically?

6 WITNESS LASSIGNE: I don't know if it's the
7 largest. One of the largest. I mean, I drive to
8 Bartow every day. It's a 35-mile trip one way.

9 MR. WAHLEN: Thank you.

10 COMMISSIONER DEASON: Thank you, sir.

11 MR. BECK: Marvin VanMetre.

12 MR. VANMETRE: I'll pass this time around.

13 MR. BECK: Laurie Barnes.

14 - - - - -

15 LAURIE BARNES

16 appeared as a witness and, swearing to tell the truth,
17 testified as follows:

18 DIRECT STATEMENT

19 WITNESS BARNES: Hi. I'm Laurie Barnes,
20 L-A-U-R-I-E, B-A-R-N-E-S. I live at 3108 Sandy Circle
21 in Haines City.

22 As we've been -- they've been talking, all
23 the County Offices are in Bartow, and my husband works
24 for the Polk County Sheriff's Office, and that's long
25 distance if I need to get a hold of him. And you

1 wanted examples. If I need to get a hold of him, I
2 beep him, and then if he's long distance in Lakeland,
3 he'll have Bartow Sheriff's Office patch him through
4 to me. So that's an example to get out of it.

5 I brought my phone bill. I have a son that
6 lives in Lakeland, and I have 23 phone calls on here
7 to my son; that's my oldest son. Then my younger son
8 lives with me and he calls his dad in Lakeland. So it
9 would save me a lot if we had this pass. Thank you.

10 COMMISSIONER DEASON: Questions? (No
11 response.) Thank you, ma'am.

12 MR. BECK: Bonnie Hill.

13 - - - - -

14 BONNIE HILL

15 appeared as a witness and, swearing to tell the truth,
16 testified as follows:

17 DIRECT STATEMENT

18 WITNESS HILL: My name is Bonnie Hill. I
19 live at 301 McKay Drive, Haines City, and I've been in
20 the area for about 30 years. And I had a business in
21 the past. It just always seems strange, you know,
22 coming to Florida when I did and you couldn't call
23 your county seat or you couldn't call Lakeland. I
24 pretty well traveled around the United States and
25 overseas, and it just seems strange that in a county

1 that you couldn't call your county seat.

2 You can call -- another thing that really
3 kind of bugs me is that you can call Canada cheaper
4 than you can call Lakeland to talk to somebody. I
5 just never could figure that one out. I don't know if
6 that has anything to do with this or not, but it just
7 seems like that it's really strange that you can call
8 out of state a lot cheaper than you can call 20 or 30
9 miles away.

10 And I have a son that lives in Lakeland, and
11 I don't get to talk to them very often, and they've
12 got a little girl, and we really like to talk to her.
13 And so I really think that people in this area really
14 deserve to have this area changed, not only just in
15 Haines City, but I think -- you know, Davenport and
16 Dundee and Lake Wales and also Frostproof, I think,
17 you know, that we just need to get the whole area in
18 there, because it's a shame that you can't call your
19 county seat where you need to for government things to
20 do, and everybody has to do it sooner or later. I
21 mean, it's just not -- and I think that you really
22 call more than what they're telling you that we do,
23 because like you say, you don't make calls that you
24 really need to sometimes whenever -- because there's a
25 charge on it.

1 mothers, and I'm active on that board; and I also am a
2 volunteer for several years at a nursing home. I go
3 and sing, and just the contact -- right now I don't
4 work and my husband recently retired, and so he is
5 very conscious of every phone call I make. He wants
6 me to write a letter. It only costs 32 cents. And a
7 lot of times you don't want to write a letter, you
8 want to talk to somebody directly. You need to change
9 appointments or you need to make them.

10 So just on our personal phone calls it --
11 and being active in the church, most of our
12 congregation, a lot of them are in Auburndale, but
13 they come from Lakeland, from Polk City, Bartow. My
14 son-in-law even works in Bartow, and if he calls if
15 I'm babysitting for my grandchildren, which they live
16 in Winter Haven, he has to make a long distance phone
17 call just to check and see if I'm taking good care of
18 his kids.

19 But it would be a wonderful thing for us.
20 And I've heard Mr. Nettleton explain and you talking
21 about -- I hadn't really thought about it before, but
22 for the three or four years that we'd pay a
23 difference, I think it would be a great asset.

24 And a lot of people -- I didn't particularly
25 want to -- I wanted to come in here and I wanted to be

1 a party and show my support to speak about it. But
2 since I have an opportunity, I think there's a lots of
3 other people that are not even in this room that are
4 living in Haines City that would benefit, because most
5 of us do have relatives, or if you go to church in
6 the -- even though it's a large county, we have a lot
7 of contacts with people. If I just want to call and
8 ask them something about a price in -- at a store in
9 like Lakeland or something else, then you've got to
10 make a long distance phone call.

11 And has already been stated, it's very hard
12 anymore to speak directly with -- you're calling a
13 business or even as calling the nursing home. You
14 usually have to be put on held -- hold for a while,
15 and so it can be a little longer than what you desire.
16 Thank you. Any questions?

17 COMMISSIONER DEASON: Questions? (No
18 response.) I think not. Thank you, ma'am.

19 WITNESS SIMS: Thank you.

20 MR. BECK: Bill Pou.
21
22
23
24
25

1 **BILL POU**

2 appeared as a witness and, swearing to tell the truth,
3 testified as follows:

4 **DIRECT STATEMENT**

5 **WITNESS POU:** My name is William Pou, it's
6 spelled P-O-U. My address is 903 U.S. Highway 27
7 North, Haines City, 33844, phone number 941-422-3144.
8 I'm the owner of Badcock Home Furnishings of Haines
9 City, and I've been here 18 years.

10 When I first came to Haines City -- our home
11 office is actually in Mulberry, which is in the
12 county -- I put in a Lakeland line so I would not have
13 to make long distance calls. It actually turned out
14 my long distance calling in the beginning was very
15 high.

16 Over the years the rates on the foreign
17 exchanges went up, so I finally had to discontinue it.
18 Our home office has instituted an 800 number, so it's
19 a metered 800 number for us. None of my calls will
20 reflect on any of my GTE bills unless one of my
21 employees makes a mistake, because any intraLATA
22 calls, we go through MCI. So you will not see us
23 calling on my bill whatsoever.

24 I apologize. I could have brought me some
25 printouts that our home office sends us every day. We

1 make between 20 to 30 calls a day to our home office
2 in Mulberry. We also make calls to servicers,
3 appliance servicers in Lakeland. Most of our calls to
4 Mulberry are probably one and two minutes at a time,
5 because we're checking inventory. A lot of times all
6 we're doing is going in with our modem into our main
7 frame and checking something. So if you did go to
8 a -- up on our rates, the 25 cents a minute -- or 25
9 cents a call would be cost prohibitive to me. I'd
10 just as soon go through my 800 number. Thank you.

11 COMMISSIONER DEASON: Before you leave, let
12 me ask you a question. You mentioned MCI for your
13 interLATA or --

14 WITNESS FOU: Intra.

15 COMMISSIONER DEASON: Intra?

16 WITNESS FOU: Yes sir.

17 COMMISSIONER DEASON: So you use MCI when
18 you call Mulberry?

19 WITNESS FOU: Well, it's an 800 number
20 through MCI, also.

21 COMMISSIONER DEASON: Okay. So it's not
22 part of GTE's calling.

23 WITNESS FOU: No, sir. And then if we make
24 any other long distance calls, we use the 10-222
25 unless we make a mistake.

1 **COMMISSIONER DEASON:** So really none of your
2 local long distance, to coin a phrase, none of that is
3 on GTE's calling records?

4 **WITNESS POUCHER:** No, sir, we try not to.
5 Thank you.

6 **COMMISSIONER DEASON:** Thank you.

7 **MR. BECK:** Lon Cheney.

8 - - - - -

9 **LOM CHENEY**

10 appeared as a witness and, swearing to tell the truth,
11 testified as follows:

12 **DIRECT STATEMENT**

13 **WITNESS CHENEY:** Good evening. My name is
14 Lon Cheney, C-H-E-N-E-Y. I live here at Haines City
15 at 1931 Bermuda Pointe Drive. I'm also the fire chief
16 here in the city; and as a fire service, we are a
17 business like a lot of the other businesses here, and
18 we have the same problems that they do as far as
19 communications go.

20 I'd just like to note that there is a
21 benefit to the extended area service being offered --
22 or hopefully being accepted -- is that of public
23 safety in the form of our efficiency in our
24 communications.

25 Right now it's rather complicated sometimes

1 to coordinate with counties during emergencies,
2 particularly in disasters that may pop up, that these
3 long distance phone calls, as well as being costly as
4 everybody has already mentioned, can be cumbersome and
5 time consuming in trying to get through in these type
6 of situations.

7 So the point I don't want lost in all
8 this -- and sometimes it is until it is actually
9 needed -- is that public safety plays a big part in
10 our lives, and this would be a benefit that I think
11 everybody would at least chip in a little bit of their
12 money that they're talking about to get that improved.

13 **COMMISSIONER DEASON:** Questions? (No
14 response.) Thank you, sir.

15 **MR. BECK:** Denise Fic.

16 **COMMISSIONER DEASON:** Ma'am, were you here
17 earlier when we first began?

18 **UNIDENTIFIED SPEAKER:** No, sir.

19 **COMMISSIONER DEASON:** I'm going to ask all
20 of the persons that wish to testify who have not yet
21 been sworn to please stand and raise your hand.

22 (Additional witnesses collectively sworn.)

23 **COMMISSIONER DEASON:** Thank you. You may
24 proceed.

25

DENISE FIE

1
2 appeared as a witness and, swearing to tell the truth,
3 testified as follows:

DIRECT STATEMENT

4
5 **WITNESS FIE:** My name is Denise Fie,
6 D-E-N-I-S-E, F-I-E. I live at 153 Oak Hollow Drive
7 here in Haines City. My husband and I have been
8 residents here in Polk County for 21 years. We
9 formerly lived in Polk City.

10 We lived in Polk City for about 16 years,
11 and during that time we developed quite a few business
12 contacts, not only including merchants, but also
13 doctors, dentists, school contacts, things of that
14 nature.

15 We moved to Haines City five years ago, and
16 now if we need to contact any of our relatives in
17 those areas, it is a long distance call for us. We're
18 one of those thrifty families here that lives in
19 Haines City, and what we do -- my husband is currently
20 a student at Polk Community College in Winter Haven,
21 and we have an area on our kitchen counter where we
22 kind of stock pile calls that we have to make, and
23 we'll just wait until my husband goes to Winter Haven,
24 or if we have to make a trip to Auburndale or Lake
25 Alfred, we'll just wait to make those particular

1 calls. So we would be more than willing to pay that
2 additional surcharge in order to have those contacts
3 to our family and businesses.

4 COMMISSIONER DEASON: Thank you. Questions?
5 (No response.) Thank you, ma'am. Oh, I'm sorry.
6 There is a question.

7 MR. WARLEN: When he goes to Winter Haven to
8 make these calls, does he make them from a pay phone?

9 WITNESS FIE: Yes.

10 MR. WARLEN: Thank you.

11 MR. BECK: Rhonda Parker.

12 - - - - -

13 RHONDA PARKER

14 appeared as a witness and, swearing to tell the truth,
15 testified as follows:

16 DIRECT STATEMENT

17 WITNESS PARKER: My name is Rhonda Parker.

18 I live at 9080 Hickory Walk -- like walk the dog --
19 Haines City. I have a Lake Alfred phone number, so
20 I'm not in this anymore with our phone bills. But I
21 lived in Davenport for five years, and at the time my
22 mother was living in Lakeland. And we're natives of
23 this area, so I had lots of family living in Bartow
24 and Lakeland, and it was long distance to call.

25 One thing that I noticed with the survey

1 you've already done, or GTE has done, I did wonder how
2 many people hold back on making calls that they would
3 have normally made; and that's one of the things I
4 wanted to say.

5 I also work for a newspaper, Winter Haven
6 News Chief, and we have a satellite office here. And
7 I make, gosh, about 10 calls a day sometimes to
8 Bartow. It all depends. You would have to get with
9 my boss how much it costs, but my average phone call
10 is 15 minutes. Sometimes they run an hour, because I
11 interview. And so you can add that up for yourself
12 and see how much that costs.

13 I also am not always great with numbers, so
14 I end up dialing two or three times. I have to dial
15 about 15 numbers because of an LD access code to get
16 through to Bartow or Lakeland. So that's a real
17 inconvenience, too. And as a native of this area, I
18 would really like to see it changed.

19 I live about three miles from here, by the
20 way, and I can call anywhere in the county. It's
21 wonderful. Thank you.

22 COMMISSIONER DEASON: Ma'am, before you
23 leave, you indicated that when you dial, you dial a
24 long distance access code.

25 WITNESS PARKER: Right, for my company

1 through my business. I also can't get Internet, by
2 the way. We all have Internet in our satellite
3 offices and in our main office, and I can't have that
4 advantage. I have to drive to Winter Haven.

5 COMMISSIONER DEASON: So when you dial the
6 access code, that's to utilize another carrier, not
7 GTE?

8 WITNESS PARKER: I have no idea. I just
9 know I have to dial 15 numbers to dial long distance,
10 and it's a real pain. (Laughter)

11 COMMISSIONER DEASON: Thank you.

12 MR. BECK: Next person is Steve -- and I'm
13 not sure of the last name, H-V-I-E.

14 - - - - -

15 STEVE HUIE

16 appeared as a witness and, swearing to tell the truth,
17 testified as follows:

18 DIRECT STATEMENT

19 WITNESS HUIE: I'M Steve Huie. I live at
20 316 Scenic Highway, Haines City, 33844. For your
21 information, Palm Beach County is the largest county
22 in the state. I'm one of the few people that can
23 spell Ted Lasseigne's name. (Laughter)

24 COMMISSIONER KIRSLING: But can you spell
25 your last name?

1 WITNESS HUIE: H-U-I-E. I don't write it
2 very well. I'm in the real estate business. My
3 office is in Winter Haven. I have been told many
4 times people don't call me from other parts of the
5 county at night because they have to call long
6 distance. I go ahead and call them. It doesn't make
7 any difference to me.

8 This basically comes down to a couple
9 things. It's money, and it's an irritant and an
10 inconvenience. It's hard for me to believe that any
11 business in this town wouldn't be far, far ahead by
12 paying eight or nine bucks a month extra for three or
13 four years. I think even a lot of private citizens
14 who do not realize it -- like, for instance, the lady
15 who testified being on a tight budget -- I think an
16 awful lot of those people also will benefit from it
17 and they don't realize it.

18 I would urge you if you decide to go ahead
19 with your survey, that the cost factor be well
20 explained so people will understand it. And for the
21 record, I'll be glad to pay.

22 COMMISSIONER DEASON: Questions?

23 MR. WARLEN: Thank you for the
24 clarification. Is Polk County second, do you know?
25 (Laughter)

1 WITNESS HUIE: You got me.

2 UNIDENTIFIED SPEAKER: Eighth.

3 WITNESS HUIE: See, we are educated here.

4 (Appause)

5 MR. BECK: Ronald McCall.

6 - - - - -

7 RONALD MCCALL

8 appeared as a witness and, swearing to tell the truth,
9 testified as follows:

10 DIRECT STATEMENT

11 WITNESS MCCALL: My name is Ron McCall. I
12 live at 1847 Peninsular Drive, Haines City.

13 There's a number of ways that I make phone
14 calls to Lakeland and/or Bartow that I doubt GTE
15 records will reflect. I'll save up a lot calls and
16 make them on the weekend through a cell phone when
17 it's -- doesn't cost me anything, or I'll make them
18 after 10:00 at night on the cell phone when it doesn't
19 cost me anything.

20 There's a pay phone about a mile from my
21 house that I'm going make a long distance -- call to
22 Bartow or Lakeland and it's going to be any length of
23 time, I'll drive to that pay phone. It's only a mile
24 from my house, and it's on the Winter Haven exchange,
25 which is local to Lakeland and Bartow.

1 If I'm placing a newspaper ad for something
2 to sell or buy, I'll list my parents' phone number
3 there in Winter Haven, because people won't call a
4 long distance number. They don't even know how to
5 reach me if I put an ad in the Lakeland Ledger unless
6 I have the 941 in front of it, and they won't call
7 because they think I'm way across the state somewhere.
8 So I'll list my parents phone number and they'll relay
9 the messages for me.

10 There's a lot of other -- if I'm at a
11 friend's house and I've got to call Lakeland or
12 Bartow, I'll use a calling card where I dial an 800
13 number and go through that rather than it appearing on
14 their phone bill.

15 There's some other reasons that I'm in favor
16 of it. One of the new technologies that's emerging,
17 the web TV -- I've met a senior citizen in Kissimmee
18 that loves it that would not consider a computer, but
19 he uses that through his TV and a web TV provider to
20 have Internet access. He spends a lot of time on it.
21 He loves it. He's a senior citizen.

22 As that technology becomes more, there will
23 be a lot more of that, but that -- you can't go
24 through the two or three Internet providers. You have
25 to go through web TV, which their number is Lakeland,

1 not Winter Haven.

2 And there's just multitudes of other things.
3 I'm really against the 25-cent call, because I'm very
4 familiar with that. I do outside service calls in
5 Kissimmee and St. Cloud, and people there will call an
6 Orlando number not realizing it's costing them
7 25 cents, and they'll get put on hold and hang up, and
8 before they know it they've called that number 10 or
9 20 times and they don't realize it until they get
10 their phone bill the next month, and they paid \$2 or
11 \$3 for 25 cents a call into Orlando, because that
12 area, Kissimmee and St. Cloud, is all 25 cents a call
13 into Orlando regardless of the length of time. Thank
14 you.

15 **COMMISSIONER DEASON:** Questions? (No
16 response.) Thank you, sir.

17 **MR. BECK:** Lathene Brown.

18 **WITNESS BROWN:** Good evening. My name is
19 Lathene Brown. I reside at 1215 Avenue in Haines
20 City, Florida. I've been here about 45 years.

21 Your statistics won't reflect my phone calls
22 either, because I go to work -- I work in Winter
23 Haven, and whenever I have to call usually to Lakeland
24 or to Bartow, I call from my job so I don't have to
25 pay.

1 I'm also affiliated with the Carpenter's
2 Home Church and Watson Clinic in Lakeland, and when
3 I'm ill and at home I really do hate paying a long
4 distance call, because I'm put on hold and I have to
5 listen to the music, and many times I have to hang up
6 and re-call again.

7 Also, no one that I've heard today thought
8 about these people. Now, we have a lot of people that
9 are in jail in Bartow and I have had people to call me
10 collect. They have to call collect if they need to
11 talk or need to get a message. It would be a good
12 thing if some of our children, they could call home
13 collect and we could give them those encouraging words
14 that we love them and hurry up and get out of jail and
15 come home. That is a big thing. I'm sure people do
16 not like to pay to call. We can't call into the jail,
17 but they have to pay collect to call us.

18 Next, please explain the cost factor
19 thoroughly to all of the neighborhoods so that it will
20 not be a surprise when it shows up on the bill.
21 Everyone needs to know about this cost factor if we're
22 going to have to have it. Now, my question to you is:
23 Is there any other way without a fee that we could get
24 this? Because I feel today Haines City needs an early
25 Christmas present.

1 Everybody here knows we are put back and
2 pushed back. This is the way I feel. And I think
3 that people just think sometimes that we don't count,
4 and we do count. Thank you. (Applause)

5 I'm waiting on my answer.

6 **COMMISSIONER DEASON:** Is there any way
7 that --

8 **WITNESS BROWN:** Yes.

9 **COMMISSIONER DEASON:** -- extended area
10 service can be --

11 **WITNESS BROWN:** Uh-huh.

12 **COMMISSIONER DEASON:** -- implemented without
13 an additive?

14 **WITNESS BROWN:** Yes, sir.

15 **COMMISSIONER DEASON:** I suppose anything is
16 possible. I can tell you that historically I'm not
17 aware of it ever being done when there was not some
18 form of an additive.

19 **WITNESS BROWN:** Yes. Okay. I believe that,
20 but I want you to think we -- there are people that --
21 because I'm one, I have really been upset about my
22 phone bill, and I -- I could pay the 3.22, but I
23 really don't want to pay it, because I feel that we
24 have just been put on hold and we have been put back
25 and we have -- I don't know whether it's been punished

1 or just overlooked long enough, because Bartow,
2 Lakeland and Winter Haven, they have been calling each
3 other without paying a fee for years.

4 So if you all can -- like you say, anything
5 is possible, and I believe in that; and so you all
6 check and see what you can do for us. Thank you.

7 (Applause)

8 MR. BECK: Marlene Egeland.

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10 MARLENE EGELAND

11 appeared as a witness and, swearing to tell the truth,
12 testified as follows:

13 DIRECT STATEMENT

14 WITNESS EGELAND: My name is Marlene
15 Egeland, and I live at -- Egeland, E-G-E-L-A-N-D, and
16 I live at 1601 Robinson Drive in Haines City, Florida,
17 and I'm a working mother and I work at Disney World.

18 My daughter a couple years ago decided that
19 she didn't want to go to high school around here, that
20 she wanted to go to high school in Lakeland, so she
21 went to high school in Lakeland. She graduated from
22 there last year and was secretary of her class.

23 But she's hearing impaired. It costs a lot
24 of money for her to call me, and I call her back and
25 find out what's going on; if I could get to her right

1 after school, if she had something to go on after
2 school or she would have to call my mother, which is a
3 widow on a set income, to give me the message. It was
4 really a bind.

5 I also had to give her a calling card so --
6 they're just to my phone number, so she could call me
7 so we could keep communication going, so that my child
8 wasn't in Lakeland and I didn't know what was going on
9 and I'm at Walt Disney World working. I have to know
10 when I get home here in Haines City. I don't feel
11 like I should move to Lakeland because that's where
12 she wanted to go to school. It's a free country She
13 should -- you know, it worked out good there. It was
14 a smaller class for her. She did good there.

15 I just think that it was a shame I had to
16 pay all this expenses, phone call bills to keep in
17 communication with my child to know where she was and
18 if she needed something, if she was sick or, you know.
19 And I'm really standing in for people that have
20 children that maybe have to go to Lakeland for some
21 special thing.

22 She has an ears, nose and throat doctor
23 that's in Lakeland. We have to call there. It's long
24 distance. Her ears are very important to me. And I
25 really care about other kids that have needs. And

1 it's hard when you're working and you're trying to
2 make a living and you have to pay a long distance
3 phone call when I think that we don't have to, because
4 we're Haines City; we're part of Polk County. And
5 that's all I have to say.

6 COMMISSIONER DEASON: Questions? (No
7 response.) Thank you, ma'am.

8 MR. BECK: Fred Patterson.

9 WITNESS PATTERSON: I'm Fred Patterson.
10 Live at 59 East Lake Drive in Haines City,
11 P-A-T-T-E-R-S-O-N, and I was not sworn in.

12 COMMISSIONER DEASON: Thank you for telling
13 me. If you'll raise your right hand. If there's
14 anyone else in the audience who has not yet testified
15 and wishes to do so and has not been sworn, if you'll
16 please raise your right hand as well.

17 - - - - -

18 FRED PATTERSON

19 appeared as a witness and, swearing to tell the truth,
20 testified as follows:

21 DIRECT STATEMENT

22 WITNESS PATTERSON: I've been living in --
23 we've been living in Lakeland -- I mean, Lakeland -- I
24 came from Lakeland. I'm one of those red-headed
25 stepchilds that moved over here to Haines City.

1 (Laughter)

2 I'm in the produce business, and I have --
3 incidentally, I have a Winter Haven number that's on
4 call forwarding that I get a bill once a month, \$18,
5 something, and people in -- that I do business with in
6 Lakeland can call that number and call forward and
7 they don't have to pay a long distance call.

8 If I call them back, I have to make a long
9 distance call. I am in favor of having that extended
10 call of -- I guess it would be \$8.00 and some cents
11 for business phones and \$3 for the house; and I'm in
12 favor of it. Thank you. Any questions?

13 COMMISSIONER DEASON: Questions? (No
14 response.) I think not. Thank you, sir.

15 MR. BECK: Commissioner, that completes
16 everyone who signed the sheet ahead of time.

17 COMMISSIONER DEASON: Let me ask once again,
18 is there anyone who has not yet testified who wishes
19 to address the Commission this evening before we
20 adjourn?

21 Sir, please come forward. Is there anyone
22 else? Sir, were you sworn earlier? You were? Okay.
23 If you'll just come forward and give us your name and
24 your address, please.

25

HERMAN HILL

1
2 appeared as a witness and, swearing to tell the truth,
3 testified as follows:

DIRECT STATEMENT

4
5 **WITNESS HILL:** My name is Herman Hill, 301
6 McKay Drive, Haines City. I am also a City
7 Commissioner. You have a young lady sitting in my
8 seat up there. It's the best it's looked in a long
9 time. (Laughter)

10 I would like to first say that I really
11 appreciate the Commission coming here and doing this
12 public service for us, having the public hearing. I
13 feel like there is a great need for this in Haines
14 City and, of course, we have been working on this, as
15 you well know, for a couple of years.

16 I have been in Haines City for quite some
17 time. I can't tell you how long, but I can tell you
18 that we had four numbers for the telephone when I came
19 here, if I had a telephone. The original telephone
20 company was Peninsular Telephone Service.

21 Things have come a long way. We're in the
22 age of communication, and I've heard some different
23 stories up here. I was here this morning and I've
24 been back this afternoon and tonight. One of the
25 things I would like to pass on to you is I am speaking

1 for several hundred people. They're called
2 constituents. And I have talked to these for a number
3 of months as they come and go and tried to feel out
4 what they really wanted.

5 I am a strong believer in the user pays.
6 However, in this situation I am not opposed to having
7 the flat fee if we can get the calling area extended.
8 I do have a lot of constituents that have asked me if
9 we could possibly just have the 25-cent calling fee
10 because they do not use the long distance calls to
11 Lakeland and Bartow that much.

12 One of the other things that I heard today
13 was that they go to Winter Haven or somewhere to call.
14 The Pony Express is not dead, I can tell you. We use
15 a cell phone and, of course, we have the weekend
16 calling that we pay \$5 a month for, so we save calls
17 to -- as my wife was up here earlier and told you, she
18 likes to talk to her grandbaby in Lakeland there, and
19 she usually waits until after 10:00 at night or on the
20 weekends and she calls, and she calls and talks for 10
21 or 15 minutes.

22 Other people that I have talked to as
23 constituents have called Winter Haven and had relays
24 done to Lakeland. Now, these are not businesses.
25 These are relatives that they call and relay a message

1 on to a relative in Lakeland. I can even remember
2 back before we had a cell phone, I had a sister in
3 Auburndale, and we'd call her and she would relay a
4 message on to or connect us up where we could talk to
5 the kids in Lakeland without a toll charge on it.

6 So we really appreciate you coming here and
7 doing this public hearing. We trust that this will be
8 beneficial to you as far as what you've heard here
9 today. These people have come -- not everybody has
10 come. As you well know, we have a lot more people
11 around here than what they showed up today. But will
12 assure you that the majority of the people in our area
13 are interested in getting an extended calling on their
14 telephone. And I thank you very much. Questions?

15 COMMISSIONER DEASON: Questions? (No
16 response.) Thank you, sir.

17 Let me ask one more time, is there anyone
18 else who has not addressed the Commission who wishes
19 to do so at this time? (No response.) Let the record
20 reflect that no one has come forward to provide
21 additional testimony.

22 I want to take this opportunity on behalf of
23 the Commission to thank each and every one of you who
24 came out this evening and provided testimony to the
25 Commission. It is indeed helpful.

1 These matters are not easily decided, and
2 information from the public, the people that are
3 affected by our decision, is always helpful as we
4 deliberate these important matters. So with that,
5 this hearing is adjourned. Thank you again.

6 (Thereupon, the hearing concluded at 7:28
7 p.m.)

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1 STATE OF FLORIDA)
: CERTIFICATE OF REPORTER
2 COUNTY OF LEON)

3 I, H. RUTHE POTAMI, CSR, RPR Official
4 Commission Reporter,

5 DO HEREBY CERTIFY that the Hearing in Docket
6 No. 960699-TL was heard by the Florida Public Service
7 Commission at the time and place herein stated; it is
8 further

9 CERTIFIED that I scenographically reported
10 the said proceedings; that the same has been
11 transcribed under my direct supervision; and that this
12 transcript, consisting of 398 pages, constitutes a
13 true transcription of my notes of said proceedings
14 and the insertion of the prescribed prefiled
15 testimony of the witness.

16 DATED this 2nd day of May, 1997.

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H. RUTHE POTAMI, CSR, RPR
Official Commission Reporter
(904) 413-6732