

ORIGINAL
FILE COPY



GTE Telephone Operations

Marcell Morrell**
Vice President & General Counsel - Florida

Associate General Counsel
Anthony P. Gillman**
Leslie Reicin Stein*

Attorneys*
Kimberly Caswell
M. Eric Edgington
Ernesto Mayor, Jr.

One Tampa City Center
201 North Franklin Street, FLTC0007
Post Office Box 110
Tampa, Florida 33601
813-483-2606
813-204-8870 (Facsimile)

* Licensed in Florida
** Certified in Florida as Authorized House Counsel

July 8, 1997

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

Re: Docket No. 970173-TP
Docket No. 970281-TL

Dear Ms. Bayo:

Please find enclosed an original and fifteen copies of the Direct Testimonies of Steven A. Olson and Charles M. Scobie on behalf of GTE Florida Incorporated for filing in the above matters. Service has been made as indicated on the Certificate of Service. If there are any questions regarding this matter, please contact me at (813)

ACK _____
AFA 3 483-2615.

APP _____
CAF _____
Very truly yours,

CMU *Shelley*
CTR _____
EAG _____
Anthony P. Gillman

LEG 2 APG:tas
LIN 5 Enclosures

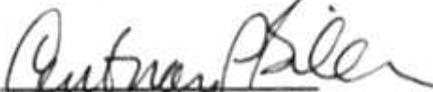
OPC _____
RCH _____
SEC 1 RECEIVED & FILED
FPC-BUREAU OF RECORDS

WAS _____
OTH _____
A part of GTE Corporation

Olson - 06844-97
Scobie - 06850-97

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that copies of the Direct Testimonies of Steven A. Olson and Charles M. Scobie on behalf of GTE Florida Incorporated in Docket Nos. 970173-TP and 970281-TL were sent via overnight delivery on July 7, 1997, to the parties on the attached list.


Anthony Gillman

Will Cox/Martha Brown
Staff Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Robert Beatty/Nancy White
c/o Nancy Sims
BellSouth Telecomm. Inc.
150 S. Monroe St., Room 400
Tallahassee, FL 32301

Lynn B. Hall
Vista-United Tel. Co.
3100 Bonnet Creek Road
Lake Buena Vista, FL 32830

Angela B. Green
Florida Pub. Telecomm. Assn.
125 S. Gadsden St., Suite 200
Tallahassee, FL 32301

Harriet Eudy
ALLTEL Florida, Inc.
206 White Avenue, S.E.
Live Oak, FL 32060

Laurie A. Maffett
Frontier Comm. of the South
180 S. Clinton Avenue
Rochester, NY 14646-0400

Richard D. Melson
Hopping Green Sams & Smith
123 S. Calhoun Street
Tallahassee, FL 32314

John H. Vaughan
St. Joseph Tel. & Tel.Co.
502 Fifth Street
Port St. Joe, FL 32456

Tom McCabe
Quincy Telephone Co.
107 W. Franklin Street
Quincy, FL 32351

Lynn Brewer
Northeast Fla. Tel. Co. Inc.
130 N. Fourth Street
Macclenny, FL 32063

Robert M. Post, Jr.
Indiantown Tel. Sys. Inc.
15925 S.W. Warfield Blvd.
Indiantown, FL 34956

Bill Thomas
Gulf Tel. Co.
115 W. Drew Street
Perry, FL 32347

Ferrin Seay
Floral Tel. Co. Inc.
522 North 5th Street
Floral, AL 36442

Charles J. Rehwinkel
Sprint-Florida, Inc.
1313 Blair Stone Road, MC 2565
Tallahassee, FL 32302

Michael J. Henry
MCI Telecomm. Corp.
780 Johnson Ferry Road
Suite 700
Atlanta, GA 30342

Tracy Hatch
AT&T
101 N. Monroe Str at
Suite 700
Tallahassee, FL 32301

ORIGINAL
ONE COPY

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

GTE FLORIDA INCORPORATED
DIRECT TESTIMONY OF CHARLES M. SCOBIE
DOCKET NOS. 970173-TP AND 970281-TL

Q. PLEASE STATE YOUR NAME AND ADDRESS.

A. My name is Charles Michael Scobie. My business address is One Tampa City Center, Tampa, Florida.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by GTE Florida Incorporated (GTEFL) as Regional Manager-Regulatory Affairs and Tariffs.

Q. WILL YOU BRIEFLY STATE YOUR EXPERIENCE WITH THE COMPANY?

A. I have been employed by GTE for over twenty six years. For the past eight-and-one-half years I have been employed in the regulatory and governmental affairs area of GTEFL. Prior to my present assignment, I held the positions of South Area Regulatory Affairs Manager, Tariff Administrator and Service Cost Coordinator in the same department. During my career I have also held positions in Sales, Market Planning, and Forecasting with GTE Florida and positions in Market Planning with GTE Service Corporation.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS DOCKET?

DOCUMENT NUMBER-DATE
06650-JUL-85
FPCD-REG/RS/REPORTING

1 A. The purpose of my testimony is to present GTEFL's position relative
2 to Issues 2-5 in this case. Those issues encompass the requirements
3 of the Florida Public Service Commission under the FCC's Payphone
4 Reclassification Orders, the appropriate rate element to be reduced
5 to eliminate any identified subsidy and the appropriate filing and
6 effective dates of revised intrastate tariffs that eliminate any identified
7 subsidy.

8

9 **Q. WHAT IS THE FLORIDA PUBLIC SERVICE COMMISSION'S**
10 **OBLIGATION UNDER THE FCC'S PAYPHONE**
11 **RECLASSIFICATION ORDERS REGARDING THE**
12 **DETERMINATION OF THE RATE ELEMENT(S) TO BE REDUCED**
13 **IN ELIMINATING ANY INTRASTATE PAYPHONE SUBSIDIES?**

14 A. The FCC's Report and Order 96-388, issued September 20, 1996, at
15 ¶186 states that "...States must determine the intrastate elements that
16 must be removed to eliminate any intrastate subsidies...". This report
17 and order does not appear to prescribe the specific elements that
18 should be reduced but seems to give the states broad latitude in
19 determining the elements if a subsidy is identified.

20

21 **Q. IF AN INTRASTATE SUBSIDY HAS BEEN IDENTIFIED, WHAT IS**
22 **THE APPROPRIATE RATE ELEMENT(S) TO BE REDUCED TO**
23 **ELIMINATE THE SUBSIDY?**

24

25

- 1 A. As stated in Mr. Olson's testimony, GTEFL's intrastate rates do not
2 contain any subsidy amount. However, if there had been a subsidy
3 GTEFL would have proposed reducing the Intrastate Carrier Common
4 Line (CCL) charge or the Residual Interconnection Charge (RIC).
5
- 6 Q. **SHOULD THE COMMISSION REQUIRE COMPANIES TO REDUCE
7 THE SAME RATE ELEMENT IF THEY ARE FOUND TO HAVE AN
8 INTRASTATE PAYPHONE SUBSIDY?**
- 9 A. No. The FCC appears to have given the states broad latitude to
10 determine the appropriate rate elements and therefore the states
11 should give the affected companies the latitude to determine the
12 elements to be reduced since the FCC's logic for reducing CCL does
13 not pertain to Florida.
14
- 15 Q. **IF TARIFFS ARE REQUIRED TO BE FILED TO REMOVE ANY
16 IDENTIFIED INTRASTATE PAYPHONE SUBSIDY, WHAT IS THE
17 APPROPRIATE DATE FOR FILING?**
- 18 A. Tariff filings for the removal of any subsidy should be made within 30
19 days of the issuance of the final order in this docket. This should
20 provide sufficient time for the companies to prepare and submit the
21 tariff revisions.
22
- 23 Q. **WHAT IS THE APPROPRIATE EFFECTIVE DATE FOR THE
24 TARIFFS THAT ELIMINATE THE IDENTIFIED INTRASTATE
25 PAYPHONE SUBSIDY?**

1 A. Again, the FCC appears to be very clear in its instructions in Report
2 and Order 96-388, issued September 20, 1996, at ¶186 "We require,
3 pursuant to the mandate of Section 276(b)(1)(B), incumbent LECs to
4 remove from their intrastate rates any charges that recover the costs
5 of payphones. Revised intrastate rates must be effective no later
6 than April 15, 1997."

7

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

9 **A. Yes, it does.**

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25