



## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by MCI )  
 Telecommunications Corporation )  
 for an order requiring BellSouth )  
 Telecommunications, Inc. to )  
 remove its deregulated payphone )  
 investment and associated )  
 expenses from its intrastate )  
 operations and reduce the )  
 Carrier Common Line rate element )  
 of its intrastate switched )  
 access charges by approximately )  
 \$36.5 million as required by the )  
 Federal Telecommunications Act )  
 of 1996 )

DOCKET NO. 970172-TP

In re: Petition by MCI )  
 Telecommunications Corporation )  
 for an order requiring GTE )  
 Florida Incorporated to remove )  
 its deregulated payphone )  
 investment and associated )  
 expenses from its intrastate )  
 operations and reduce Carrier )  
 Common Line rate element of its )  
 intrastate switched access )  
 charges by approximately \$9.6 )  
 million as required by the )  
 Federal Telecommunications Act )  
 of 1996 )

DOCKET NO. 970173-TP

In re: Establishment of )  
 intrastate implementation )  
 requirements governing federally )  
 mandated deregulation of local )  
 exchange company payphones )

DOCKET NO. 970281-TL

Dated: July 18, 1997

**NORTHEAST FLORIDA TELEPHONE**  
**COMPANY, INC.'S PREHEARING STATEMENT**

Pursuant to Order No. PSC-97-0721-PCO-TP, NORTHEAST FLORIDA  
 TELEPHONE COMPANY, INC. ("Northeast" or the "Company") files this  
 Prehearing Statement:

DOCUMENT NUMBER-DATE  
 07244 JUL 18 97  
 FPSC-RECORDS/REPORTING

A. WITNESS: None.

B. EXHIBITS: None.

C. BASIC POSITION: There is no subsidy that needs to be eliminated as a result of these dockets.

D-G. ISSUES AND POSITIONS:

Issue 1: What is the amount of intrastate payphone subsidy, if any, that needs to be eliminated by the Company pursuant to Section 276(B)(1)(b) of the Telecommunications Act of 1996?

Position: None.

Issue 2: If an intrastate payphone subsidy is identified in Issue 1, do the FCC's Payphone Reclassification Orders require the Florida Public Service Commission to specify which rate element(s) should be reduced to eliminate such subsidy?

Position: If there is a subsidy to be eliminated, the states must determine the intrastate rate elements; however, the FCC Order does not specify specific rate elements to be reduced.

Issue 3: If an intrastate payphone subsidy is identified, what is the appropriate rate element(s) to be reduced to eliminate such subsidy?

Position: There is no intrastate payphone subsidy that needs to be eliminated. However, if a subsidy is identified and needs to be eliminated, the reduction should be applied as part of the 5% annual access reduction (rather than in addition to), via the intrastate carrier common line rate element ("CCL"). If the reduction is not going to be applied as part of the 5% annual access reduction (rather than in addition to), the reduction should be applied to intraLATA toll rates.

**Issue 4:** If necessary, by what date should revised intrastate tariffs that eliminate any identified intrastate payphone subsidy be filed?

**Position:** If the reduction is applied as part of the 5% annual access reduction (rather than in addition to) by applying it to the intrastate carrier common line rate element ("CCL"), the tariff filing should be made so that the tariff would be effective on October 1, 1997. Otherwise, the tariffs should be required to be filed within 30 days of the date of the final order.

**Issue 5:** Is April 15, 1997, the appropriate effective date for revised intrastate tariffs that eliminate any identified intrastate payphone subsidy?

**Position:** No. None of the PAA protests in this case were directed to the Company, and no one has challenged the Company's intrastate tariff. Likewise, the FPSC has not issued an order requiring that the Company hold any relevant revenues subject to refund.

**Issue 6:** Should these dockets be closed?

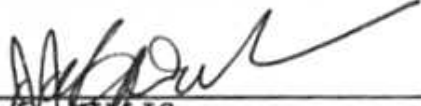
**Position:** Yes.

H. **STIPULATIONS:** The Company is not aware of any pending stipulations at this time.

I. **PENDING MOTIONS:** The Company is not aware of any pending motions at this time.

J. **COMPLIANCE WITH ORDER ON PREHEARING PROCEDURE:** The Company does not know of any requirement of the Order on Prehearing Procedure with which it cannot comply.

DATED this 18th day of July, 1997.



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ATTORNEYS FOR NORTHEAST

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by U. S. Mail or hand delivery (\*) this 18th day of July, 1997, to the following:

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