

ORIGINAL
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 970281-TL

In re: Petition by MCI Telecommuni-)
cations Corporation re BellSouth)
Telecommunications, Inc.)

Docket No. 970172-TP

In re: Petition by MCI Telecommuni-)
cations Corporation re GTE Florida)
Incorporated)

Docket No. 970173-TP

Dated: July 17, 1997

PREHEARING STATEMENT
OF
FLORIDA TELECOMMUNICATIONS

Florida Telecommunications files this Prehearing Statement, pursuant to Order No. PSC-
97-0721-PCO-TP:

- (a) No witnesses will be called.
- (b) No exhibits will be filed.
- (c) The company's basic position is that it is unnecessary for the company to reduce any rates or charges as a result of removal of deregulated payphone investment and associated expenses from intrastate operations and that no factual issue regarding such reduction has been properly and lawfully raised in this docket. Florida Telecommunications's position is that no intraLATA subsidy exists. Florida Telecommunications's payphone rates were established in a rate of return, residual ratemaking environment. The rates established by the Florida Public Service

ACK _____
 AFA 2 _____
 APP _____
 CAF _____
GMU _____
 CTR _____
 EAG _____
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 LIN 5 _____
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 SEC 1 _____
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Commission were not cost-based when established and were never established to ensure recovery of cost on a service-by-service basis.

- (d) Florala Telecommunications considers that there are no questions of fact at issue regarding Florala Telecommunications since the hearing is a result of a Petition on PAA which was the result of Petitions by MCI that did not mention and did not involve Florala Telecommunications by asking for removal of deregulated payphone investment and associated expenses from intrastate operations or by asking for reduction of any rates or charges made by Florala Telecommunications to MCI.
- (e) Florala Telecommunications considers that the questions of law at issue are as follows:
 - (1) Is it proper and lawful to expand the Petition on PAA filed by MCI into a generic proceeding?
 - (2) Should Florala Telecommunications be dismissed from this proceeding?
 - (3) Are the tariffs filed by Florala Telecommunications reclassifying pay telephone investment presumptively valid?
- (f) Florala Telecommunications has no position on which policy questions are at issue.
- (g) Florala Telecommunications has not stipulated any issues.
- (h) Florala Telecommunications does not have any pending motions, although other parties may have.
- (i) Florala Telecommunications is not aware of any requirement of Order No. PSC-97-0721-PCO-TP with which it cannot comply, although the Florala

Telecommunications should not be a party in this docket.

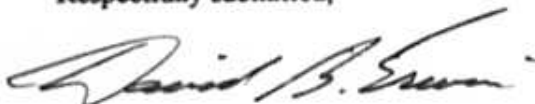
- (j) Florala Telecommunications's position with regard to each issue on the "List of Issues" attached to Order No. PSC-97-0721-PCO-TP is as follows:
1. ISSUE: What is the amount of intrastate payphone subsidy, if any, that needs to be eliminated by each local exchange company pursuant to Section 276(B)(1)(b) of the Telecommunications Act of 1996?
POSITION: None. There is no intrastate payphone subsidy.
 2. ISSUE: 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: No, but if the FCC's orders require PSC action, this docket is not the proper one in which to act with regard to Florala Telecommunications.
 3. ISSUE: If an intrastate payphone subsidy is identified in Issue 1, what is the appropriate rate element(s) to be reduced to eliminate such subsidy?
POSITION: Whatever the Florala Telecommunications elects.
 4. ISSUE: If necessary, by what date should revised intrastate tariffs that eliminate any identified intrastate payphone subsidy be filed?
POSITION: No position.
 5. ISSUE: Is April 15, 1997, the appropriate effective date for revised intrastate tariffs that eliminate any identified intrastate payphone subsidy?
POSITION: Yes. Florala Telecommunications has filed the appropriate tariff, which was approved and made effective on April 15, 1997, and no party has

contested the tariff or alleged that there were any subsidies that needed to be removed.

6 ISSUE: Should these dockets be closed?

POSITION: Yes, with regard to Florida Telecommunications.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing Prehearing Statement of Florida Telecommunications has been furnished by U.S. Mail or by hand delivery this 17th day of July, 1997 to the following:

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