

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by MCI ) Docket No. 970172-TP  
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 )  
intrastat switched access charges )  
by approximately \$36.5 million )  
as required by the Federal )  
Telecommunications Act of 1996. )

In re: Petition by MCI ) Docket No. 970173-TP  
Telecommunications Corporation )  
for an order requiring GTE Florida )  
Incorporated 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 )  
\$9.6 million as required by the )  
Federal Telecommunications Act )  
of 1996. )

In re: Establishment of ) Docket No. 970281-TL  
intrastate implementation )  
requirements governing federally )  
mandated deregulation of local )  
exchange company payphones )

FPTA'S PREHEARING STATEMENT

Pursuant to Rule 25-22.038, Florida Administrative Code, and Order No. PSC-97-0721-PCO-TP, issued June 19, 1997, the Florida Public Telecommunications Association, Inc. ("FPTA") hereby files its Prehearing Statement in the above-referenced dockets.

DOCUMENT NUMBER-DATE

07657 JUL 29 97

FPSC-RECORDS/REPORTING

**A. Witnesses**

Based upon the issues that have been identified thus far and set for hearing, FPTA does not presently intend to offer a witness.

**B. Exhibits**

FPTA has not prefiled any exhibits, but reserves the right to present any exhibits that may be required for cross-examination of witnesses or for any other purpose permitted under the Rules.

**C. Basic Position**

The FCC Orders require each LEC to remove all pay telephone equipment from its regulated operations and eliminate all subsidies or cost recovery for its pay telephone operations from regulated local exchange and exchange access services by April 15, 1997. The Commission must determine whether this has in fact occurred and then determine what rate reductions are appropriate to reflect the removal of payphone subsidy burdens from regulated services. It logically follows that this review should be undertaken in conjunction with the review of the rates that payphone service providers (PSPs) are charged by the LECs so that cost savings for regulated services from the removal of subsidies for LEC payphones are used to reduce LEC charges to PSPs to cost-based levels.

D-F. Positions on Issues

Issue 1: 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?

FPTA's Position: No position at this time pending completion and review of discovery in these dockets.

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?

FPTA's Position: Yes.

Issue 3: If an intrastate payphone subsidy is identified in Issue 1, what is the appropriate rate element(s) to be reduced to eliminate such subsidy:

FPTA's Position: The Commission should first reduce the rates the LECs charge PSPs to cost-based levels since these reductions will have to be made by the Commission in any event.

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

**FPTA's Position:** Any necessary tariffs should be filed within thirty days of the issuance date of the final order resulting from this hearing.

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

**FPTA's Position:** Yes. The FCC Orders require that all subsidies be removed no later than April 15, 1997.

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

**FPTA's Position:** No. Numerous other implementation issues remain pending in these dockets.

#### **G. Stipulations**

FPTA is not aware of any stipulations that have been entered into in these dockets.

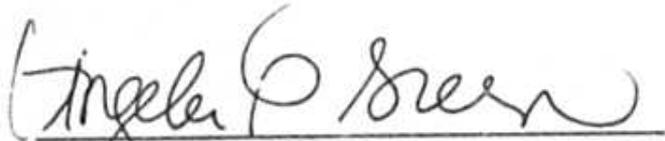
#### **H. Pending Motions**

FPTA has no pending motions at this time.

#### **I. Other Requirements**

FPTA is not aware of any requirement in the Order on Procedure with which it cannot comply.

RESPECTFULLY SUBMITTED this 29<sup>th</sup> day of July, 1997.



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing Florida Public Telecommunications Association, Inc.'s Prehearing Statement was furnished by U.S. Mail this 29<sup>th</sup> day of July, 1997, to the following parties of record:

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