

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

SPECIAL PROJECT NO. 980000A-SP

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: In the Matter of :  
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: Fair and Reasonable :  
: Residential Basic Local :  
: Telecommunications Rates. :  
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PROCEEDINGS: PUBLIC HEARINGS - MIAMI, FLORIDA

BEFORE: JOE GARCIA  
J. TERRY DEASON  
JULIA L. JOHNSON  
SUSAN F. CLARK  
E. LEON JACOBS, JR.

DATE: Friday, September 4, 1998

TIME: Commenced at 9:43 a.m.  
Concluded at 11:44 a.m.

PLACE: Embassy Suites Hotel  
Key Largo 1 and 2  
3974 S. River Drive  
Miami, Florida

REPORTED BY: Jill Ann Silber de Wills, R.P.R.

BUREAU OF REPORTING

RECEIVED 9-17-98

DOCUMENT NUMBER-DATE

10177 SEP 16 98

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APPEARANCES:

THE OFFICE OF PUBLIC COUNSEL  
Claude Pepper Building  
Tallahassee, Florida  
BY: CHARLIE BECK

PUBLIC SERVICE COMMISSION,  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0863  
BY: HANS OTTINOT, ESQUIRE  
Division of Legal Services

FLORIDA PUBLIC SERVICE COMMISSION,  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0863  
BY: SUZANNE M. OLLILA,  
Planning & Research Economist,  
Division of Communications

CAROL PURVIS, Florida Public Service  
Commission

MARIALINA VILLA, Professional Translators

1 P R O C E E D I N G S

2 (Hearing convened at 9:43 a.m.)

3 THE CHAIRMAN: Good morning, ladies and  
4 gentlemen. I'm Julia Johnson and I'm going  
5 to go ahead and convene the hearing this  
6 morning. We tried to wait a few moments to  
7 accommodate folks coming in with the traffic  
8 and getting to the location, but we are going  
9 to go ahead and start our hearing this  
10 morning.

11 I'd like to first welcome you here. As  
12 you can see, we have a full commission here  
13 to hear your concerns, statements and issues  
14 regarding the fair and reasonable rates for  
15 basic residential telecommunication  
16 services.

17 And with that, Counsel, could you read  
18 the notice?

19 MR. OTTINOT: Sworn to notice issued  
20 August 12th, 1998. This time and place  
21 having been set for a hearing in undocketed  
22 Special Project Number 9800008-SP, on fair  
23 and reasonable residential basic local  
24 telecommunications rate in Florida.

25 THE CHAIRMAN: Thank you. We'll take

1 appearances.

2 MR. BECK: My name is Charlie Beck. I'm  
3 with the Office of Public Counsel, in the  
4 Claude Pepper Building, Tallahassee, Florida,  
5 appearing on behalf of Florida citizens.

6 MR. OTTINOT: Hans Ottinot on behalf of  
7 (inaudible).

8 THE CHAIRMAN: Thank you.

9 Again, I'm Julia Johnson. I'm the  
10 Chairman of the Florida Public Service  
11 Commission.

12 Seated to my far left is Commissioner  
13 Leon Jacobs. Seated next to me on my left is  
14 Commissioner Susan Clark. To my right is  
15 Commissioner Terry Deason, and to my far  
16 right is Commissioner Joe Garcia.

17 The legislature passed House Bill 4785  
18 and as a part of that they asked that the  
19 Commission study and report back to the  
20 legislature on the fair and reasonable rates  
21 of residential service. They asked us to  
22 look at several factors: Affordability,  
23 rates in other states, cost of service, to  
24 name a few.

25 What we've done is establish a series of

1 twenty-two hearings across the state, to hear  
2 from the customers. What do you think? What  
3 are the changes that need to occur? How do  
4 you feel about deregulation? How do you feel  
5 about your current your telecommunications  
6 rates? We're here to hear from you,  
7 entertain any questions you might have but,  
8 most importantly, hear your comments so that  
9 we can use those comments as we make our  
10 report to the Florida Legislature.

11 At the appropriate time, I'll ask you to  
12 all stand and we'll swear you in for this  
13 proceeding. We do that so that your  
14 statements can be made a part of the official  
15 record upon which we will rely when we make  
16 our report to the legislature.

17 After we've conducted the twenty-two  
18 hearings across the state, we will hold,  
19 also, public technical hearings and hear more  
20 information from the -- the parties  
21 themselves. Early next year, we will issue a  
22 report to the legislature. They will use  
23 that report, as they craft their policy  
24 decisions as to whether or not Florida's  
25 telecommunications laws should be changed.

1 And, with that, are there any other  
2 preliminary matters?

3 MR. OTTINOT: None. None, Madam  
4 Chairman.

5 THE CHAIRMAN: Seeing none, if you'd like  
6 to testify, if you could please stand and  
7 raise your right hand.

8 (Thereupon, speakers were duly sworn.)

9 THE COURT: Thank you. You may all be  
10 seated.

11 Again, welcome. And, with that, Public  
12 Counsel, if you could call the first  
13 customer.

14 MR. BECK: Thank you, Chairman Johnson.  
15 First customer is Dennis Griffis.

16 MR. GRIFFIS: Good morning and welcome  
17 to south Florida. I know it's kind of cold  
18 up in Tallahassee, during the winter. You  
19 probably even see snow at -- part of the  
20 time.

21 My name is Dennis J. Griffis, Jr. I've  
22 been in Miami since 1939. Been a customer  
23 since about '54 and went in the telephone  
24 company in 19 -- 10/17, 1955. Had thirty  
25 years, up to '85, retired through AT&T and

1 now under a retirement check from Lucent, the  
2 ring of fire around the globe.

3 Praise God, I was able to make it here  
4 today and under -- coming in the guard gate,  
5 and signing in, it was something else. It's  
6 a -- a way we have to secure in Miami now.  
7 Maybe we should have a security tax.

8 We have a hard time walking nowadays  
9 without stepping on a tax. You know what I  
10 mean? And so what's happening with your  
11 dollar bill, it's shrinking. Not only from  
12 taxes but from morality.

13 This eye, on your dollar  
14 bill (indicating)? Matthew 6:22. The eye is  
15 the lamp of your body.

16 This little feather is on -- when you  
17 turn upside down, and put your finger over  
18 the feather, this bird, that's the Menorah.

19 This little star of David, with the twelve  
20 original tribes. And below that? That's  
21 from a Jewish man that loaned Washington  
22 money to fight the war, with no interest.

23 We've got all kind of interest on our  
24 telephone bills when they're late. Who voted  
25 for it? We got all kind of escalations on

1 telephone bills. Who voted for it? We got  
2 all kind of -- of options now. We can call  
3 the moon and back and put on hold. And hold  
4 button, by the way, is the worst button  
5 that's ever been invented.

6 The number of businesses that has gone  
7 out -- out of business, being on hold -- in  
8 all this new stuff we got now, you can't even  
9 find a live person half the time, all you can  
10 find is a robot, running around somewhere.

11 But anyway, in all clear and truth and  
12 conscience, how can you do this to the  
13 residents of Florida when there really  
14 shouldn't be any writ -- any separation  
15 between residents and business, because it's  
16 a business to stay alive, nowadays, the way  
17 we're being bombarded by the boxing match.

18 Just got this in the mail the other day.  
19 It's another AT&T thing -- no, pardon me. I  
20 retired from AT&T. I wouldn't take this.  
21 But this is another little thing, dime a  
22 line, and all this stuff. Now they're coming  
23 out with little cagey things called "I don't  
24 care." Like, if I say, "Oh, which long  
25 distance you want," on one of these pay

1 stations, that somebody raised them to  
2 thirty-five cents and we didn't vote on that  
3 either. But I don't care, and they'll put  
4 you on the I don't care service, and they  
5 charge more rates than the care service. So  
6 you better say, when they say, "Which rate do  
7 you want?" say, "I care about AT&T." That  
8 will do you. But, anyway, I'm a little  
9 prejudiced there.

10 What it is, we don't vote. The higher  
11 rates mean higher taxes. I'm sure y'all want  
12 that, because you can't get that income tax  
13 in the state of Florida, so you want them  
14 higher taxes. Ooh, happy times are here in  
15 the capital, up there in Tallahassee. Nice  
16 roads to ride around on up there, as our  
17 roads become bumpier down here. And even  
18 heavier with our feet full of tax, sliding on  
19 the sidewalk because we got so many tacs in  
20 our feet. Small joke, but it's not really  
21 funny.

22 But anyway, to say another thing, I just  
23 pulled out all the citrus trees off my  
24 property because I got tired of these guys  
25 coming round and round and round checking the

1 citrus trees, and they been looking for that  
2 fruit fly for I don't know how long. So can  
3 we just make some more make-work projects  
4 to -- you know, maybe we can have a telephone  
5 investigator come around and investigate.

6 But, on the other hand, all we can do is  
7 ask you for your conscience to operate.  
8 These local rates ought to be lower, with  
9 competition. The -- Bell South has no  
10 competition, but they're going to get it.  
11 AT&T is going to supply us with dial tone  
12 through the TCI lines one of these days and  
13 maybe somebody else will come in here and  
14 give us tin cans and string and we'll go  
15 around the rope, the works. But tin cans and  
16 string probably would be the option for some  
17 of these people that cannot afford an  
18 increase in this kind of operation. And  
19 to -- to pull -- pull a shenanigan, without a  
20 vote from the people, just like fruit flies  
21 and citrus trees, and march on your property,  
22 and if you want to fight 'em it's going to  
23 cost you a mountain of money and attorneys,  
24 and you got to go out and get all this  
25 time -- time takes away, you got to go

1 fighting the government all the time. We're  
2 all -- we're so busy fighting the government,  
3 we can't even do capitalized business.

4 Praise God in all his glory, that's all I  
5 got to say. God bless each one of you and  
6 your families. Hallelujah.

7 THE CHAIRMAN: Thank you.

8 MR. GRIFFIS: Thank you.

9 MR. BECK: Arnold Velazquez.

10 MR. VELAZQUEZ: Good morning. You have  
11 to excuse me but I swallowed a frog last  
12 night.

13 My name is Arnold Velazquez. I'm a  
14 professional engineer, a consultant to the  
15 property industry. My residence at 1701 West  
16 80th Street in Hialeah, Florida. Been a  
17 resident of the state of Florida since 1960.  
18 Veteran of the U.S. Navy, Vietnam era.  
19 Retired from Florida Power & Light in 1990.  
20 But I'm not here to talk about power -- to  
21 the utilities, the electric utility. I'm  
22 here to talk about an issue that have  
23 concerned me for many years. And these --  
24 the compet -- the so-called competition in  
25 the telephone industry.

1       We all know that residential rates are  
2 subsidized, to a very, very large amount of  
3 dollars. There are a lot of companies that  
4 they're coming and setting foot in Florida to  
5 provide service to the large users. So, if  
6 we allow these companies to cherry pick, or  
7 select, who they going to serve, the local  
8 utilities is going to be left with the  
9 residential customers, and the residential  
10 customer may get a benefit now of a low rate,  
11 but I assure you that within three, four,  
12 five years from now the local utilities -- in  
13 this case, telephone companies -- going to be  
14 knocking at your door to ask for a raise  
15 increase and they will be a justifiable one  
16 because they cannot make ends meet.

17       We all know that Florida is a horizontal  
18 development. We are not vertically, except  
19 in certain downtown areas where we go  
20 vertically. Public transit doesn't work  
21 because we're spread out too much.  
22 Telephone, electric utilities, they all have  
23 to spread their services at a cost that  
24 doesn't justify that one line going into a  
25 home.

1 Telephone is not a luxury anymore; it's a  
2 necessity. So, my recommendation to you is  
3 to look hard at the whole issue. I'm not  
4 talking about the maintained subsidy, I'm  
5 talking about to reduce the rate from the  
6 business to benefit the residential. My  
7 concern is, in the long run, we, the small  
8 homeowners, the blue collars from Hialeah,  
9 Liberty City, Carol City, all the  
10 unincorporated areas of the county, that work  
11 for a living, they going to end up paying a  
12 lot higher rates if we allowed the outsider  
13 to come into Florida and hand pick those  
14 areas that they'll be -- that they want to  
15 serve. So you got to look at a system that  
16 will be equitable.

17 So if they want to serve a building like  
18 the Southeast Bank, they're going to have to  
19 take a chunk somewhere else. In the -- in  
20 the local resident -- local area, to  
21 compensate. Otherwise, the local residents  
22 are going to end up paying a lot more than  
23 what they paying now.

24 I'm fifty years -- fifty-eight years old,  
25 I'm a member of AARP. I'm speaking on my

1 behalf, I'm not representing any groups here  
2 today. I'm -- I have a very serious concern  
3 with the way that the telecommunication  
4 industry is going and, as a homeowner, feel  
5 very strong about the way that we going, and  
6 I think it's a wrong way.

7       You need to look at the subsidies. We  
8 need to even the playing field so that  
9 everybody have a clear shot at the  
10 competition.

11       I read this morning the paper and kind of  
12 quickly, because I want to get here on time,  
13 and I agree with Commissioner Garcia, what he  
14 say about -- his comments about subsidies and  
15 so on and so forth. Subsidies are not good,  
16 for anybody, especially for business. And  
17 you are going to see, down the line, how the  
18 revenues from the local telephone  
19 companies -- and I'm not talking about Bell  
20 South or -- there are several. There's quite  
21 a few other phone companies in the state of  
22 Florida, so it's not only Bell South. They  
23 going to be forced to come to you and ask for  
24 a rate increase and it will be justifiable.  
25 You won't be able to deny it. So I think

1 this is a time to act, act responsibly, so  
2 that the individual user doesn't get hurt.  
3 And it's going to happen.

4 It's going to happen with electric  
5 utilities, with -- that's another issue. But  
6 if -- if we do not -- if we do not legislate  
7 and promote -- generate laws that will even  
8 the playing field of all these providers,  
9 again, we are going to be in trouble.

10 And if you're talking about subsidy now,  
11 you don't want to have to subsidize later,  
12 because there's not going to be any money to  
13 do that subsidy, because it's going to go  
14 into the pocket of the investors, with  
15 nothing wrong with it. I mean this country  
16 was made based on the ability to produce a  
17 profit, but let's make sure that that profit  
18 is not at the expense of the pockets of those  
19 who can't afford, please.

20 I can't choose my telephone company, my  
21 local service. I'm stuck. But if I owned  
22 the building, downtown, I certainly can. I  
23 got the power. I can go after any -- any  
24 provider that I choose, because I got the  
25 muscle to do it. But as a homeowner, I can't

1 do it. And I guarantee you that none of the  
2 people on fixed income in Florida will be  
3 able to do it either.

4 So, my -- again, look at the whole  
5 picture, think about the issue, and look up  
6 to the future of Florida. Thank you.

7 COMMISSIONER GARCIA: Mr. Glaseeda  
8 (phonetic), I'd like to ask you a quick  
9 question.

10 You're an engineer and -- and, I guess, a  
11 consultant. You do consulting work for --  
12 for firms. Do you do any consulting on -- in  
13 terms of buildings and telecommunications  
14 service provision there and do you have any  
15 knowledge about -- about that area? Because  
16 I know you mentioned it and that's one of the  
17 areas that we're looking at. And do you have  
18 any -- I know we can't go long because  
19 there's a lot of people that are going to  
20 speak but do you have any ideas on how this  
21 Commission should address some of those  
22 issues?

23 MR. VELAZQUEZ: Well, I been -- I been a  
24 consultant to several telecommunication  
25 companies that set in point of service, or

1 point of presence in Florida. My work has  
2 been limited to design their emergency  
3 service and the utility service to their  
4 facility. They have their own designs, in  
5 the telecommunication. Nortell (phonetic) is  
6 very heavy, Seamans (phonetic) is very heavy,  
7 selling their products.

8       These company come here to go after the  
9 long distance market. They are brokers. But  
10 I'm sure that they said it themself to  
11 service local market at one point in time and  
12 they all -- the one I'm aware of are downtown  
13 Miami. And they are, you know, every --  
14 almost every week I get a call from another  
15 contractor or developer asking for my  
16 services.

17       So, again, you need to balance. In  
18 answering your question as to how the Public  
19 Service Commission could address? You need  
20 to balance. If -- if a company want to give  
21 local service, to a particular segment of the  
22 population, or a geographical area, they have  
23 to take the -- you know, ham have a bone that  
24 need to be shared with somebody. And I don't  
25 want to be the one holding the bone on that

1 ham.

2 COMMISSIONER GARCIA: Thank you.

3 MR. VELAZQUEZ: You're welcome.

4 THE CHAIRMAN: Any other questions?

5 Thank you. Appreciate your testimony.

6 MR. VELAZQUEZ: Thank you.

7 MR. BECK: Maggie Mustelier?

8 MS. MUSTELIER: Good morning. My name  
9 is Maggie Mustelier and I come here as a  
10 representative of AARP as well as myself.

11 During the 1998 session, the Florida  
12 Legislature considered a bill to raise local  
13 telephone rates from the current monthly rate  
14 of ten to thirteen dollars, depending on  
15 where you lived, to twenty-three fifty per  
16 month. For some Florida residents, it would  
17 have meant a seventy percent increase in  
18 local telephone rates. We are talking  
19 numbers but we are leaving behind that there  
20 are people that are going to suffer for  
21 this.

22 We are talking of Miami, which is a  
23 rather large suburb. However, even here, we  
24 have areas where people that live do not make  
25 an income that would allow them to pay for

1 these outstanding increase. If you realize  
2 that the average income of a Florida resident  
3 is twenty-three thousand dollars a year, and  
4 the income of a Dade County resident is  
5 twenty-one thousand dollars a year, that puts  
6 people in quite a bind.

7 And if you think of the elderly, usually,  
8 the telephone is their lifeline. Some are  
9 shut-ins, some live in ALFs and the only --  
10 the only way out for them is the use of the  
11 telephone.

12 To top it all, I'm -- you know, we're in  
13 an era of technology, and more and more is  
14 being developed, like Next Peak (phonetic)  
15 and other organizations that are looking at  
16 ways of compressing the voice. That should  
17 make the product a lot cheaper and rather  
18 than that it's going higher and higher.

19 And if you realize, for example, that at  
20 the present time the nonbasic service has  
21 gone from twelve to seven twenty and the long  
22 distance service from fifteen fifty to twelve  
23 thirteen, against what Bell South wants to do  
24 which is to go from ten sixty-five to twenty  
25 dollars. it seems to me that you're going

1 against the trend, and we have to do  
2 something about it.

3 We have to do something for our elderlies  
4 and, unfortunately, since I'm look---

5 COMMISSIONER GARCIA: Sorry, ma'am. Could  
6 you tell me the -- repeat those figures for  
7 me that you were citing to?

8 MS. MUSTELIER: Resident customer  
9 average, local service and toll users,  
10 Federal SLC, three fifty, three fifty.  
11 Nonbasic service---

12 COMMISSIONER GARCIA: Okay. I just  
13 didn't hear what -- what you had introduced  
14 those -- that's fine.

15 MS. MUSTELIER: Okay.

16 An increase of one eighteen per month  
17 seems a reason till now (phonetic) until  
18 considering the contest of today's market  
19 realities. As I said, the others are going  
20 down but Bell South is going up.

21 The Commission should examine the costs  
22 that the companies incur in providing local  
23 telephone services and then allocate those  
24 costs across all services that use in a dial  
25 tone to determine the proper rate for

1 residential local telephone service in -- in  
2 Florida, for now and the future.

3 We are also very concerned about these  
4 new companies coming into our area and we  
5 want to make sure that this -- the -- where  
6 they are located is not a picking of a crop  
7 but more like a geographical area, or  
8 something like my predecessor mentioned.

9 That when they get a building that it has a  
10 business in it that they would also -- they  
11 will have to take, also, residential area so  
12 that people won't have to suffer for it.  
13 Otherwise, we, the residents of Florida, are  
14 going to be at the losing end of this  
15 proposition.

16 Thank you.

17 THE CHAIRMAN: Thank you, ma'am.

18 MR. BECK: Robert Kuehneisen?

19 MR. KUEHNEISEN: My name is Bob  
20 Kuehneisen. I live at 6360 Southwest 50th  
21 Street. I've been in Florida since 1956 and  
22 a Bell customer since I bought my home in  
23 '61.

24 COMMISSIONER GARCIA: Mr. Kuehneisen, can  
25 I ask you a favor? Could you spell your last

1 name for me, please?

2 MR. KUEHNEISEN: K-u-e-h-n-e-i-s-e-n.

3 COMMISSIONER GARCIA: Thank you.

4 MR. KUEHNEISEN: I was going -- just  
5 reading your chart this morning here and it  
6 says, rates shown on the chart include touch  
7 tone service, these rates do not include any  
8 long distance charges, subscriber line  
9 charges for long distance access, charges for  
10 inside wire maintenance.

11 Well, years ago, telephone company used  
12 to charge us two dollars for touch tone. All  
13 of a sudden, they decided, well, we don't  
14 have to charge for that. They used to charge  
15 us for wire maintenance. Then they gave us a  
16 choice if we wanted wire maintenance, and I'm  
17 sure many Floridians opted out of wire  
18 maintenance.

19 Today we have what is known as a national  
20 or interstate toll access of three dollars  
21 and fifty cents. We don't have a chance to  
22 say, well, we don't want that. I called Bell  
23 South and said, "Look, I don't want long  
24 distance. I don't want MCI, I don't want any  
25 of that. Can I just opt out?" They said,

1 "No," we have to pay that. I said, "Well,  
2 how about my long distance, which is a dollar  
3 seven with MCI? I don't want long  
4 distance." "Oh, yeah, you can opt out of  
5 that but you still have to pay it."

6 So, no matter what you say, I don't have  
7 a choice for long distance. I'm willing to  
8 do away with long distance fees.

9 As far as Bell South getting a decent  
10 income, I think that for sure they are  
11 because they're a monopoly guaranteed eight  
12 percent. And, if you look at your stock  
13 market, just a year and a half ago---

14 COMMISSIONER GARCIA: They do much better  
15 than eight percent.

16 MR. KUEHNEISEN: Okay. They're --  
17 they're receiving -- I'd love to have -- get  
18 eight percent on a CD guaranteed and you're  
19 not going to get it.

20 If you look at your stock market quotes  
21 of just a year and a half ago, Bell South was  
22 selling for approximately sixty-four dollars  
23 a share. It then split two for one. Today,  
24 as I looked in the paper, it was selling for  
25 sixty-five dollars a share, which means it's

1     worth a hundred and thirty dollars in  
2     comparison to two years ago.

3             Now, Bell South didn't receive any more  
4     money, but the people who invested in Bell  
5     South know that they got somebody up in  
6     Tallahassee who's going to keep pouring money  
7     into Bell South, through its customers that  
8     take the telephone company.

9             Now, as far as I'm concerned, I'd like to  
10    have a choice. Can I, in some way, not  
11    choose to have long distance? No? Can I, in  
12    some way, say, limit my calls to fifty a  
13    month, and get a lower rate? Do away with  
14    the long distance. Don't -- don't stick me  
15    with it.

16            As long as you're sticking me with  
17    monopoly, at least give me a choice on what I  
18    want. The next thing you're going to hear  
19    from Bell South, "Well, everybody's got to  
20    have caller I. D. so we're going to charge  
21    you seven dollars a month and here's your  
22    caller I. D. box." "But I don't want caller  
23    I. D." "You got to have it," just like I  
24    have to have this.

25            I say, ten sixty-five a month, it says

1 here. My gosh, I don't know, I -- my bill is  
2 never less than -- in fact, my bill has gone  
3 up approximately two dollars and some cents,  
4 since we talked about it, because of these  
5 other access charges, so don't -- please,  
6 don't tell me my bill is ten dollars and  
7 sixty-five cents. My bill right here, last  
8 month, without a single long distance  
9 telephone call, was eighteen dollars and  
10 forty-six cents. No long distance calls  
11 whatsoever.

12 So don't tell me that they're not making  
13 enough money.

14 Thank you.

15 COMMISSIONER GARCIA: Let me -- may I ask  
16 you a quick question?

17 MR. KUEHNEISEN: Sure.

18 COMMISSIONER GARCIA: The -- the concept  
19 that -- that we're looking at is -- is  
20 whether the -- the service is subsidized  
21 and -- and what we should do about that. Let  
22 me ask you, first off -- and I guess probably  
23 some of our technical staff will be able to  
24 know -- is -- is that eighteen dollars what a  
25 basic residential line without any frills,

1 more or less, ends up here in south Florida?

2 Paying the -- the---

3 MS. OLLILA: Well, there's the ten  
4 sixty-five and the three fifty, and I  
5 believe---

6 Sir, you said, a dollar seven?

7 MR. KUEHNEISEN: Yes, there's -- on my  
8 bill, there's ten sixty-five, fifty cents for  
9 911, three fifty for the interstate toll  
10 access, telecommunication access systems  
11 surcharge, twelve cents, which is fourteen  
12 seventy-seven, cost of Dade County manhole  
13 ordinance, eleven cents. Then comes the  
14 access charge, a dollar seven, which they  
15 stick a fifteen cent tax on, and this all  
16 came to eighteen dollars and forty-seven  
17 cents. No long distance.

18 COMMISSIONER GARCIA: You're -- you're  
19 part of one of the issues that at least some  
20 of us have been talking about here, about---

21 The company, Bell South, contends -- and  
22 we're going to look at the -- at their  
23 figures and the facts -- that you cost them  
24 money, that it costs them, according to -- to  
25 some of the -- the issues they've discussed,

1 some -- somewhere between twenty-five or  
2 twenty-six and twenty-four dollars to provide  
3 that service to you and you're only being  
4 billed -- that they collect directly  
5 somewhere in the neighborhood of -- of ten  
6 dollars, and so they believe that there is  
7 some type of subsidy built into that.

8 One of the issues that I think is  
9 important is -- is persons who receive your  
10 type of service. In other words, basic  
11 service, you're not making long distance, you  
12 have no interest in any of the ancillary  
13 services or vertical services that they  
14 offer.

15 Do you think we should consider that  
16 group specific and distinct when we move this  
17 issue forward, so that those people who get  
18 just -- the term is POTS, plain old telephone  
19 service -- should be able to keep that price  
20 and that rate at a -- at a fixed amount?

21 MR. KUEHNEISEN: Yes, I do. Yes, I do.  
22 And it's -- it's like -- Mr. Garcia, it's  
23 just like the long distance companies, that  
24 AT&T is now going to be charging -- I think  
25 it's four ninety-five a month for using their

1 long distance.

2 COMMISSIONER GARCIA: Well that's higher  
3 than they told us.

4 MR. KUEHNEISEN: Or three ninety-five,  
5 one of the two. They're going to add this to  
6 it.

7 UNIDENTIFIED SPEAKER: Charge three  
8 dollars.

9 COMMISSIONER CLARK: Three  
10 ninety-five, is it?

11 COMMISSIONER GARCIA: Three dollars.

12 MR. KUEHNEISEN: And they say, "Oh, we  
13 can't afford to do this." And yet, just last  
14 month, because I'm not an ATT member, and I'm  
15 not -- I was, for many years -- I got a nice  
16 little letter from them saying, "Here's  
17 seventy-five bucks, Mr. Kuehneisen, please  
18 switch to AT&T." They're losing money on  
19 their customers but they're going to give out  
20 seventy-five dollar checks? That doesn't  
21 make any sense. Not -- not one bit. And I'm  
22 sure---

23 COMMISSIONER GARCIA: Mr. Kuehneisen,  
24 I -- I would cash that check quick. You know  
25 that. They -- they don't give many of those

1 too often and I don't think you're limited --  
2 there's a small limit---

3 MR. KUEHNEISEN: Yeah, there's thirty  
4 days. And I decided -- I -- I could have  
5 done, I guess, like a lot of people do, cash  
6 it and then thirty days later switch back to  
7 what I want, but I -- I don't want to -- I  
8 wouldn't do that. I switched to where I  
9 wanted, where I was getting that Sunday rate  
10 of five cents with MCI and I'm satisfied. I  
11 have no problem.

12 I have no problem with Bell South either,  
13 but when somebody wants to pick my pocket  
14 continuously, and -- and it's---

15 The City Gas Company gets seven dollars a  
16 month for reading my meter, three times a  
17 year. Florida Power & Light gets five  
18 sixty-five a month, whereas -- I know all of  
19 you are too young but they used to charge two  
20 dollars a month and then put it on to their  
21 bill. You had to have a minimum amount, but  
22 at least they didn't charge you for reading  
23 the meter and sending you a bill. Can you  
24 imagine how long Burdines or Uptons or any of  
25 these stores would be in business if they

1 said, "Oh, you do business with us? Well, we  
2 got to charge you five bucks a month to send  
3 you a bill."

4 COMMISSIONER GARCIA: Let me -- another  
5 issue that's -- that's been important to --  
6 to the -- the customers that have come before  
7 us is the -- the very complexity of the bill  
8 and you've got probably a much simpler bill  
9 because you have just basic service but a lot  
10 of people have been arguing sort of what  
11 you're just saying now, is that let me know  
12 what my phone bill is, not all these  
13 different things.

14 MR. KUEHNEISEN: Yeah.

15 COMMISSIONER GARCIA: In other words,  
16 something basic, that I know it costs  
17 eighteen, twenty dollars, fifty dollars,  
18 whatever it is, without the different  
19 components. Because it's tough even for us  
20 to figure out sometimes what the companies  
21 call their different fees that are either  
22 imposed Federally or imposed by the state or  
23 local franchises.

24 So do you think we should try to do that  
25 also? In other words---

1           MR. KUEHNEISEN: Just one bill. Tell me  
2 what the bill is. But the trouble is -- they  
3 did that, if you will remember. They had  
4 that wire service in there for four bucks a  
5 month that people didn't even know about.  
6 All of a sudden somebody made it known and  
7 now people said, "Hey, what is this?"

8           Like I've been in my house for  
9 thirty-seven years. I've seen the phone  
10 company one time. They came to my house,  
11 installed the phone and that was it. I've  
12 never seen them since. And I was paying four  
13 bucks a month till I found out about that.  
14 And if I was paying four bucks a month now my  
15 bill would be twenty-two dollars a month.  
16 And it's the same thing.

17           At least I'm thankful that you all have  
18 put down some of these things like this  
19 national access charge, which I think is  
20 ridiculous. But---

21           And, of course, when I called the FCC  
22 they said that -- they -- they told me, very  
23 directly, it says, is the subscriber line  
24 charge a tax? No, the subscriber line charge  
25 is not a tax but is part of the price charged

1 by local telephone companies, neither---

2 And, by the way, the telephone person  
3 said to me, "Oh, we send that to the FCC."  
4 And they said neither the FCC nor any other  
5 government agency receives the subscriber  
6 line charge. Local telephone companies  
7 collect subscriber line charges to cover part  
8 of their costs of operating and maintaining  
9 the local telephone company.

10 In other words, that ten sixty-five  
11 they're telling you about is a misnomer. The  
12 three fifty you add to it, all of the other  
13 things you add to it brings that bill up to  
14 where it is even higher.

15 And I'm sure a lot of people in my place,  
16 I -- I can't think that I'd make fifty calls  
17 a month around town. Being retired, not -- I  
18 couldn't care less. In fact, a lot of times  
19 I'd just as soon forget the phone if it  
20 wasn't an absolute necessity if something  
21 happens.

22 But to raise the rates or at least, say,  
23 "Okay, people, you want to" -- like Mr.  
24 Garcia said, people who want to use only the  
25 local system, you're going to pay this ten

1 sixty-five and forget all this other garbage.

2 And -- and don't tell me this line that  
3 comes into my house is costing them anything  
4 once it's in. They just flip a couple of  
5 switches and there it is.

6 Thank you very much.

7 MR. BECK: Mr. Kuehneisen, let me just  
8 make one brief comment.

9 MR. KUEHNEISEN: Sure.

10 MR. BECK: There are a number of groups  
11 who disagree with the cost figures that Bell  
12 has put forward. I know the AARP is going to  
13 present an expert witness to the  
14 commissioners at technical hearings. I  
15 believe his conclusion will be that  
16 residential service is not subsidized. The  
17 attorney general is hiring an expert witness.  
18 Our office is hiring an economic consultant.  
19 And I think they're all going to present  
20 evidence to the commission that there's no  
21 subsidy and that we do not agree with Bell's  
22 figures, so there will be another side  
23 presented to the Commission.

24 MR. KUEHNEISEN: Okay. Well, see, first  
25 of all, I agree with subsidies. If we didn't

1 have subsidies over the last -- since  
2 Roosevelt, a lot of the farmers and a lot of  
3 the businesses wouldn't be in business  
4 today. But subsidies can disappear, as  
5 competition comes in, but there is no  
6 competition here.

7 THE CHAIRMAN: Mr. Kuehneisen, let me  
8 clarify one other point. I know you had  
9 mentioned in our documents we focus on the  
10 ten sixty-five. One of the reasons that we  
11 do that is because that is the part of the --  
12 whether it's cost recovery or the regulatory  
13 numbers that we have control over. And --  
14 and you seem to be well-informed with respect  
15 to the FCC and -- and some of their  
16 regulatory authorities. The three fifty,  
17 that's not something that the Florida  
18 Commission can raise or lower; that is cost  
19 recovery through the Federal process. The  
20 dollar and seven that you get from MCI's  
21 access, again, that's part of the Federal  
22 system and that's kind of why we bifurcated  
23 it, because we're -- we're going to be  
24 focusing on the basic residential rate. The  
25 legislature has asked us to focus on that.

1           Now the three fifty, the access fee, what  
2           the Florida Commission has done, and what we  
3           would continue to do will be to file comments  
4           with the FCC. Often times the statements  
5           that we hear from citizens like you will help  
6           us in our filing with the FCC as to how this  
7           impacts customers, as to what they might or  
8           what they should or should not do, but a lot  
9           of that is within their regulatory  
10          authority.

11           It's my understanding that one of the  
12          things that the FCC is considering and will  
13          be considering over the next several months  
14          is, perhaps, a process of bifurcating out  
15          some of those charges to charging the -- the  
16          real cost causers, and that there may be --  
17          and I'm not certain as to what kind of  
18          exceptions they're drawing but there may be  
19          class exceptions that won't receive those  
20          charges.

21           I know that specifically they were  
22          focusing first on the low-income individuals  
23          that didn't make long distance calls and  
24          perhaps coming up with some methodology to --  
25          to -- to help that group out. If they're

1 going any broader, I don't know, but we will  
2 be involved by filing comments, but it will  
3 be their final decision.

4 MR. KUEHNEISEN: Miss Johnson, do I  
5 understand you to say that the FCC is the one  
6 that has indicated that this three dollar and  
7 fifty cent charge is given to Bell South?

8 THE COURT: Yes, I -- if I understand  
9 your question.

10 MR. KUEHNEISEN: That's not what the FCC  
11 says.

12 THE COURT: And I think one of the things  
13 that they're saying is -- they were probably  
14 trying to answer why it's not, in their mind,  
15 a tax. And I think their point is it isn't  
16 going to a -- a governmental body that will  
17 then distribute it to -- as they would  
18 general revenues. That is a cost recovery  
19 mechanism.

20 MR. KUEHNEISEN: But, as the Public  
21 Service Commission, you all, just as you had  
22 the right to do away with the touch tone  
23 thing, making it a idea that we could have  
24 it, or we couldn't have it, or the line  
25 maintenance, I would think you would have the

1 same right, to the public, to say, we -- you  
2 don't need the access to long distance  
3 telephone; hence, you may do away with that  
4 three dollar and fifty cents.

5 THE CHAIRMAN: No, we -- we don't -- we  
6 probably wish we had that authority, but we  
7 don't have the authority as it relates to the  
8 Federal interstate costing methodology.

9 I believe, perhaps, a couple of the  
10 commissioners might have been on board when  
11 the issue first came around, whether there  
12 should be this subscriber line charge,  
13 whether there should be a three fifty charge,  
14 and y'all -- we might have had comments  
15 suggesting---

16 COMMISSIONER CLARK: We -- we fought that  
17 battle with the FCC. What they did was they  
18 were taking some costs out of the rates that  
19 were charged for long distance service  
20 because they said they were fixed costs. And  
21 they identified -- originally, they  
22 identified, I think, almost six dollars. It  
23 was -- it was a much larger amount. And we  
24 did file comments and -- and we represented  
25 it, the Florida viewpoint on it. Ultimately,

1 they decided to impose that charge, because  
2 they have jurisdiction over interstate  
3 calls. And as I understand it -- and I may  
4 be forgetting some of the details -- it was  
5 part of those charges.

6 What we did was say, to the phone  
7 companies, that charge has to be separately  
8 identified as something the Federal  
9 Government has imposed, not something we have  
10 imposed. But it is not within our  
11 jurisdiction to tell them not to charge it  
12 anymore, not to allow---

13 MR. KUEHNEISEN: But that's only, Miss  
14 Clark, if you decide that you want interstate  
15 calls. You should -- I believe the Public  
16 Service Commission should have the right to  
17 say, if you don't want interstate calls, you  
18 should so have the right.

19 COMMISSIONER CLARK: They -- it was their  
20 view that by having access to be able to make  
21 those calls it incurred a non-traffic  
22 sensitive cost and everybody should bear  
23 those costs. That was their thinking.

24 MR. KUEHNEISEN: I understand what you're  
25 saying, but -- but what you're doing, or what

1 the FCC is doing, and of course what the  
2 Public Service Commission condones is we know  
3 longer have the right to decide whether we  
4 want to have access to interstate. I know I  
5 don't want to be an isolationist but why --  
6 if I don't want access to interstate, why  
7 should I have to take it?

8 COMMISSIONER CLARK: Those were the  
9 arguments that were made and the FCC  
10 rejected them.

11 MR. KUEHNEISEN: And see someone in the  
12 legal department should probably come out and  
13 say, that -- that's not freedom of choice,  
14 then, as we understand in the state of  
15 Florida.

16 See, if you -- if what you're saying is  
17 true, supposing they come down now and say,  
18 oh, everybody in Florida needs caller I. D.  
19 So everybody has to have caller I. D.

20 COMMISSIONER CLARK: Well, I will say  
21 this: It has to -- the charges have to have  
22 some nexus to that which they have  
23 jurisdiction over.

24 MR. KUEHNEISEN: Okay. I understand  
25 what you're saying but I would like to have

1 choice.

2 THE CHAIRMAN: Perhaps that -- that will  
3 be pursued more by the FCC but it is a part  
4 of -- they share -- when it comes to the cost  
5 of bringing a line to your home, that they  
6 have a Federal mechanism that covers  
7 twenty-five percent of the cost recovery.  
8 And I think they're saying, if you have a  
9 loan to your home, that line must be paid  
10 for, and they determine how it will be paid  
11 for, for twenty-five percent, and the state  
12 determines the other seventy-five percent.  
13 But we'll continue to pursue the issue.

14 MR. KUEHNEISEN: May I suggest to you  
15 this? Is the subscriber line charge a charge  
16 for making or receiving long distance calls?  
17 No. All local loops can be used for making  
18 and receiving long -- local and long distance  
19 costs -- calls. The costs involved with  
20 connecting a telephone customer to the  
21 telephone network are not affected by the  
22 number or type of calls the customer places  
23 or receives.

24 THE COURT: That's exactly the point.  
25 What they're saying is the line that you have

1 going into your house, they have to  
2 determine -- there's a Federal mechanism that  
3 pays for twenty-five percent of that.  
4 Whether you make long distance calls or not,  
5 Bell South put a line in your -- to your home  
6 that must be paid for. The Feds come up with  
7 twenty-five percent of the recovery  
8 mechanism. The state comes up with  
9 seventy-five percent of the recovery  
10 mechanism. So in their -- this is the  
11 mechanism the -- the subscriber line charge,  
12 is a way that they fund that twenty-five  
13 percent. It's a cost allocation mechanism.

14 MR. KUEHNEISEN: I wish they would have  
15 said that in here. What you said I can  
16 understand --

17 THE CHAIRMAN: Yes.

18 MR. KUEHNEISEN: -- but what they said in  
19 here is once the line is in, there's no  
20 charge any -- for anything, there's none of  
21 this seventy-five or twenty-five.

22 Thank you.

23 THE CHAIRMAN: Thank you.

24 COMMISSIONER JACOBS: Mr. Kuehneisen, I  
25 wanted to compliment you. I have been

1 extremely impressed, as we go through these  
2 hearings, with the level of competence and  
3 understanding that consumers bring to this  
4 issue, and you epitomize that. And it gives  
5 me encouragement that as we -- we engage in  
6 this debate we will be able to pursue a  
7 resolution that really does take into concern  
8 the public's interest.

9 So -- and be vigilant because this issue  
10 will go before the legislature after our  
11 report.

12 MR. KUEHNEISEN: Mr. Jacobs, I'll be  
13 available. If you want to call me, I'll  
14 gladly come down. I got nothing to do but  
15 sit around, play golf, or whatever.

16 Thank you.

17 MR. BECK: Terry Cuson.

18 MR. CUSON: Madam Chairman, members of  
19 Commission, I don't know who this gentleman  
20 was who spoke. I just want to know who he  
21 is.

22 MR. BECK: My name is Charlie Beck. I'm  
23 with the Public Counsel's office.

24 MR. CUSON: Oh. With the -- whose office?

25 MR. BECK: Public Counsel.

1 THE CHAIRMAN: And could you spell your  
2 last name, also?

3 MR. CUSON: Yes. Terry Cuson, C-u-s-o-n.

4 I have privilege of being the president  
5 and CEO of the North Dade Regional Chamber of  
6 Commerce and the vice-chairman of the Dade  
7 Coalition of Chambers of Commerce. We  
8 represent, my chamber, about a thousand  
9 businesses in North Dade where the  
10 concentration of population in this county is  
11 about seventy percent of the people and the  
12 coalition represents about twenty-two  
13 thousand businesses.

14 I come to you in -- on two perspectives.  
15 One is the business aspect. And there's my  
16 Medicare card (indicating). I'm also a  
17 senior citizen and I resent telephone  
18 welfare.

19 I have three lines and one coming in  
20 Saturday. I don't think that that's the  
21 correct way to do business. I don't think  
22 it's moral. I don't think it's democratic,  
23 nor do I think it's fair. I don't want  
24 telephone welfare. I think I should pay what  
25 is fair.

1           Now I'll give you a personal story. I  
2 was taught a long time in the organization  
3 the best thing to do is personalize these  
4 things.

5           One of my members the other day, I  
6 happened to drop by and he's a realtor and  
7 he's showing me his brand new computer. And  
8 he's going on the M. L. S., and all that sort  
9 of good stuff so he can really service his  
10 people. And he has about ten employees. And  
11 he said, "I got one at home, too, so I could  
12 hookup a network." He said, "But I -- I got  
13 this one at work" and he said, "they told  
14 me -- Terry, it was twenty -- it's  
15 thirty-seven dollars, for that line, and --  
16 and plus, plus, and all the installation  
17 stuff." And he said, "But the one at home  
18 was only seventeen dollars." He says, "Why  
19 would" -- you know, this is to Bell South.  
20 Why the twenty dollar difference?

21           And the reply was just very simply,  
22 "Because you're a business." That's it.  
23 Because you're a business, you should be  
24 penalized twenty dollars.

25           Now, if you take the twenty dollars --

1 I'm not really great with figures but I -- I  
2 can do a few things, I balance a budget. If  
3 you made that equitable and fair, the  
4 seventeen dollars versus the thirty-seven  
5 dollars, and made that twenty-seven and  
6 twenty-seven, so everybody's paying the same  
7 amount there, and you talk about only ten  
8 dollar differential a month, or a hundred and  
9 twenty dollars a year, times seventy-seven  
10 thousand known businesses -- that was maybe a  
11 month ago, there's probably more -- in Dade  
12 County alone, you're talking about nine  
13 million two hundred and forty thousand  
14 dollars a year, in revenue, available for  
15 reinvestment in this community.

16 Now why is that important? Well, while  
17 we do have a significant retired population,  
18 we have a growing population. We estimate  
19 five hundred thousand more people by the year  
20 2000. We have one of the highest  
21 unemployment rates in the country, about 6.4  
22 percent, and a shortfall of a hundred and  
23 twenty thousand jobs, by the year 2000.  
24 Business needs that nine million dollars,  
25 badly, to reinvest in this community to

1 provide jobs.

2 And why does business always have to be  
3 the bad guy? Everybody here in the room is  
4 involved in some sort of business, even the  
5 Counsel. It's a business. He makes money.  
6 Everybody here makes money from business.  
7 Without business, there is nothing.

8 If you want to be revenue neutral -- I  
9 think somebody suggested that. That would  
10 be -- that would be very interesting to be  
11 revenue neutral. Wouldn't that be socialism,  
12 if everything was equalized and we wouldn't  
13 have to worry about a profit? There's  
14 nothing wrong with making a profit. It --  
15 it -- it's the normal way.

16 Now the poor gentleman whose eighteen  
17 dollar bill identified the enemy. Ten  
18 dollars and sixty-five percent -- ten dollars  
19 and sixty-five cents is only sixty percent of  
20 the bill.

21 Forty percent is goombly-gog (phonetic).  
22 Manholes and all that sort of good stuff.  
23 That's the enemy. And keep the itemization  
24 on the bill, because -- that's the enemy, not  
25 ten sixty-five.

1 I'll venture to say -- you can write this  
2 down -- if we all live long enough, in ten  
3 years, there won't be a Bell South so you can  
4 take that stock price and throw it away.  
5 They're going to go out of business. No  
6 question about it.

7 Now add two and two. The way things  
8 exist, the way residential lines are  
9 subsidized at ten dollars and sixty-five  
10 cents, and businesses are penalized, as  
11 competition comes in and is coming in, and  
12 cherry picks all the good stuff, and does not  
13 have the social responsibility that was  
14 agreed to maybe ten, twenty years ago when  
15 AT&T was a monopoly, to put lines into those  
16 homes, or service those homes at a lower  
17 rate, and Bell South continues to to do that  
18 and loses the profitability in the business  
19 line, now what's going to happen? What's two  
20 and two? They're going to lose all the  
21 profit business they had and they're going to  
22 be in the corp -- in the telephone welfare  
23 business. How long will that last? Not very  
24 long. They're going to go out of business.  
25 It just makes sense. It makes good business

1 sense to think that Bell South won't be  
2 here.

3 All the new companies probably will be.  
4 But whose lines are they using? They're  
5 using the ones that Bell South originally  
6 invested in.

7 Economically, it just -- it just makes  
8 sense that we -- we -- we balance the -- the  
9 situation before we -- we go too much  
10 further.

11 I don't really have much more to say on  
12 the issue. I think I -- I've made my point,  
13 that I'm for equity. My -- our businesses  
14 are for equity. You call it rate  
15 rebalancing. Somehow when I think of rate  
16 rebalancing I think of karate or something of  
17 that nature, because of "Grasshopper, there  
18 must be a balance in everything," and that's  
19 probably true. But equity and fairness, the  
20 American system of -- of capitalism I believe  
21 in very much and not in socialism. It -- it  
22 doesn't work. We -- we know that.

23 Bell South, AT&T, MCI, Sprint.  
24 Incidentally, I have a Sprint phone so I'm  
25 fair. I spread it around. They all have a

1 right to a profit and that's what we're all  
2 here for, that's what we all work for. We  
3 work for our paychecks and a company has a  
4 right to that paycheck as well.

5 Thank you very much.

6 THE CHAIRMAN: Any questions?

7 Thank you, sir.

8 MR. BECK: Arline Broleman?

9 MS. BROLEMAN: Good morning. My name is  
10 Arline Broleman. I'm a president and CEO of  
11 the Hialeah, Miami Springs, Northwest Dade  
12 Chamber. We represent approximately six  
13 hundred and twenty-five businesses in our  
14 area. Most of them are small businesses  
15 which would classify as a mom and pop.

16 What the chamber is supporting is, as you  
17 call it, the rebalancing of the rates of the  
18 phone bills.

19 Right now there is a fifty percent  
20 failure rate of small businesses in the first  
21 year. Perhaps some of them would not fail if  
22 there was maybe a little more equity in -- in  
23 the phone rates.

24 We have, as I said, you know, most of our  
25 businesses are the small businesses and they

1 rely heavily on just a small amount of  
2 business coming in to their -- to their  
3 stores or whatever type of business they have  
4 every day. So we would hope that the  
5 commission would take and -- and look into  
6 rebalancing the rates that a small business  
7 pays, as opposed to a homeowner.

8 THE CHAIRMAN: Thank you.

9 MR. BECK: Jose Molina?

10 MR. MOLINA: Good morning, Commissioners.

11 My name is Jose Molina and I come as a small  
12 businessman. I run a photography business  
13 and I find that more and more of my  
14 competition every day is moving their offices  
15 to their homes. They're using the  
16 residential lines to run their businesses.  
17 That's impacting my business, my  
18 profitability. And I believe that the -- the  
19 rates need to be restructured to reflect  
20 this.

21 I believe subsidies should be maintained  
22 for the senior citizens, people that cannot  
23 afford the basic residential rates, business  
24 lines. Lifeline programs should stay in  
25 place but those that are running their

1 businesses out of their homes, graphic design  
2 firms, photographers, like my competition, ad  
3 agencies, they should be paying business  
4 rates. Or, bring the rates more in line,  
5 make it all a flat rate for everyone, except  
6 those that truly need the subsidies, like  
7 senior citizens, as I said before, or those  
8 that -- with low income.

9 That's it. Any question?

10 THE CHAIRMAN: Thank you.

11 Any questions?

12 No. Thank you very much.

13 I know we have some more witnesses.

14 COMMISSIONER GARCIA: You want to take a  
15 quick break?

16 THE CHAIRMAN: We'll go off the record  
17 for a couple minutes.

18 MR. BECK: Barbara Gaynor.

19 THE CHAIRMAN: Back on the record.

20 Ma'am, could you state your name again?

21 MS. GAYNOR: My name is Barbara Gaynor  
22 and I've been a resident of Miami since  
23 1957.

24 I'd like to look at this in a slightly  
25 different way. I'm president of a very small

1 nonprofit organization. We formed it two  
2 years ago. It's an organization called  
3 Mothers' Voices. And, to my dismay, when we  
4 got our first phone bill, I -- I just found  
5 that the rates were -- were, for a nonprofit,  
6 more than we -- almost more than we could  
7 handle. And -- and it seems to me that --  
8 that we pay the same business rates as a  
9 major corporation. Of course, that doesn't  
10 seem fair, and there is no kind of  
11 delineation for a nonprofit organization.

12 I -- I feel like I'm -- we're -- like my  
13 nonprofit is subsidizing lots of people. Not  
14 the people who are here today, but -- but  
15 people who live in certain areas of our  
16 community who can afford to pay a lot more  
17 than the basic rate. I feel that everyone  
18 should pay their own fair share. And I don't  
19 have any -- any place to go to get our  
20 organization's rates subsidized.

21 I believe that there are other -- I  
22 believe there are subsidies and lifelines and  
23 I'm not quite sure of all the -- all the  
24 designations. So that I would hope that when  
25 you're considering this you understand that

1 there are thousands of small nonprofit  
2 organizations, as there are thousands of  
3 small businesses, at -- which, I guess,  
4 essentially we are, and we -- we can barely  
5 afford what we have now. Our phone rate is  
6 over five percent of our annual budget.

7 So, anyway, I would hope that since there  
8 are no avenues for nonprofits that we could  
9 find a way to -- to -- you know, have certain  
10 areas of our community pay a little bit more  
11 for their phone service in those communities  
12 where they can absolutely afford to do so.

13 I thank you for your time.

14 THE CHAIRMAN: Thank you.

15 Any questions?

16 Thank you, ma'am.

17 MR. BECK: Thank you.

18 Monte Belote.

19 MR. BELOTE: Good morning,  
20 Commissioners, staff. My name is Monte  
21 Belote. I'm a former director of the Florida  
22 Consumer Action Network, and am following  
23 Bell South rate cases, oh, God, dating back  
24 to 1988.

25 I came today out of my own pocket to

1 travel from Tampa down to Miami because I  
2 wanted to help screen out the rhetoric about  
3 what are so-called fair and reasonable rates,  
4 and the need to raise residential rates in  
5 order for Bell South to quote, unquote,  
6 survive.

7 Well, the last time I checked Bell South,  
8 they're a multibillion dollar company that is  
9 not about to go bankrupt. So where exactly  
10 is the truth?

11 Thanks to aggressive advocacy of the  
12 Public Counsel, interveners like the attorney  
13 general, AARP, the Florida Consumer Action  
14 Network, and the Public Service Commission,  
15 and its staff, consumers have beaten back  
16 Bell South several times. And so I'm calling  
17 here today just to remind everyone to stay  
18 on -- or to keep your eye, excuse me, on the  
19 ball, because Bell South is selling a very  
20 interesting story.

21 Bell South is a monopoly. It was, it has  
22 been and it still is today. And the Public  
23 Service Commission used to regulate rates, up  
24 until 1995, in such a way to provide both  
25 affordable rates and quality of service, and

1 yet and still allow a fair and reasonable  
2 profit for Bell South's shareholders and its  
3 ongoing concern for the organization.

4 That fair and reasonable rate, up till  
5 1995, ranged from twelve to sixteen percent.

6 In terms of profit, I don't know how many  
7 people here in this room earn a twelve to  
8 sixteen percent rate of return on your  
9 savings. I know I opened up my bank  
10 statement, last month, and I'm earning 2.45  
11 percent on my savings. So, you know, Bell  
12 South, even before 1995, was earning four,  
13 five, six times what you or I could actually  
14 earn.

15 Still, it's a nice business, a great  
16 job. And they were earning so much profit  
17 that they had to lower, time and time again,  
18 their rates. Why? Well, simple. Telephone  
19 service is declining cost industry, just like  
20 computers that keep getting faster and  
21 cheaper. Once those telephone lines are in,  
22 there is virtually no cost whatsoever in  
23 making a basic local telephone call.

24 We, the customers, everyone in this room,  
25 have paid for those telephone lines and

1 switches, which Bell South conveniently  
2 forgets and treats their network as theirs  
3 rather than yours. You pay for it, every  
4 month, with your telephone bill.

5 But in 1995, the legislature,  
6 unfortunately, defrauded consumers by passing  
7 a law deregulating telephone service in  
8 Florida. They promised lots of choices.  
9 They promised new services, and they promised  
10 real competition. Well, it's almost the end  
11 of 1998, and I can't pick up a telephone and  
12 call anyone other than the local incumbent  
13 company, Bell South, for a basic local phone  
14 call. Same thing happens when I'm in Tampa  
15 with GTE, or Tallahassee with Sprint. And  
16 that, basically, is the problem.

17 To listen to chamber of commerce leaders  
18 and talk about the idea of competition is  
19 wonderful. We'd all love to have  
20 competition, but it just doesn't exist, and  
21 it isn't going to exist. Instead, Bell South  
22 takes advantage of every opportunity to raise  
23 rates.

24 They've raised the cost of a pay phone  
25 call from twenty-five to thirty-five cents.

1 That's a forty percent increase.

2 Seventy-five cents every time a customer uses  
3 three-way calling, which is the current  
4 telephone advertising here in south Florida.  
5 Seventy-five cents every time you dial once.

6 Humm, that's -- that's nice. It's a very  
7 lucrative business. Every time you actually  
8 make that call, it's through that same switch  
9 that we own, we paid for. What's the cost?  
10 .0000? But it's certainly not seventy-five  
11 cents.

12 We have to pay for Bell South's  
13 advertising and PR, not to mention their  
14 legion of lawyers, because they are still a  
15 monopoly, getting the worst of all worlds  
16 from Florida's consumers. An unregulated  
17 monopoly.

18 Gentlemen spoke a few minutes ago about  
19 telephone welfare. Well, I think I would put  
20 it in a slightly different context. It would  
21 be something more like telephone corporate  
22 welfare. Because let's look for what are  
23 basically told as fair and reasonable costs  
24 for Bell South.

25 Why should telephone customers, why is it

1 fair and reasonable for customers, to pay for  
2 Bell South's far-flung offices from  
3 South America to Hong Kong? Why is it fair  
4 and reasonable for customers to have an  
5 airplane on call for the president of Bell  
6 South? Why is it fair and reasonable for  
7 customers to pay for the investments in the  
8 wireless cable market that Bell South has  
9 been pursuing? Why is it fair and reasonable  
10 for customers to pay for Bell South's  
11 lobbyists in Tallahassee who have been  
12 fighting to keep out competitors? And even  
13 local governments, like Gainesville, Lakeland  
14 and others, who would like to use their fiber  
15 optic lines but cannot, and they're cutting  
16 our own throats in this process.

17 It is not fair and reasonable to ask  
18 Florida's customers to pay more for basic  
19 local telephone service just so that Bell  
20 South can make more profit. Why should we be  
21 asked to consider raising our rates for basic  
22 local telephone service when Bell South won't  
23 open up their complete records so we can  
24 judge what a fair and reasonable profit is?

25 And help me out. From a business

1 perspective -- because I know there's  
2 probably a few more that are here in the room  
3 that are going to -- going to speak to  
4 this -- Bell South has sold law makers of the  
5 need to double people's basic residential  
6 phone bills while earning -- increasing  
7 profits today. So they're going to make even  
8 more money.

9 In addition, their plan to, quote,  
10 unquote, encourage competitors in the market  
11 is to snuff out any hope whatsoever from  
12 competitors by further lowering business  
13 rates. Now businesses are the only customers  
14 who are seeing any tiny amount of competition  
15 today. And Bell South's answer is to smother  
16 them. Okay, I -- I guess I just don't get  
17 it. It's not logical. And, frankly, you and  
18 hopefully the Public Service Commission in  
19 their final report shouldn't buy it either.

20 Tell legislators that there is no reason  
21 to raise people's basic residential phone  
22 bills. And until the phone monopolies open  
23 up basic local telephone service to real  
24 competition, defined as several choices,  
25 serving a significant number of customers,

1 throughout the entire service area, not just  
2 one business market.

3 In the meantime, despite what Bell  
4 South's lobbyists will tell you, the phone  
5 monopolies are alive and well and laughing  
6 all the way to the bank.

7 And as far as rate rebalancing? It's  
8 just another way to say, more profits for  
9 Bell South.

10 Thank you.

11 THE CHAIRMAN: Thank you, Mr. Belote.

12 Any -- any questions?

13 Thank you for your presentation.

14 MR. BECK: Mario Arus.

15 MR. ARUS: Good morning. My name is  
16 Mario Arus. I'm executive director for the  
17 Hialeah Dade development. We are a private  
18 nonprofit that provides technical assistance  
19 to the businesses in the Hialeah and  
20 northwest area of Dade County.

21 We are a private nonprofit and we pay the  
22 same rate as a regular business. Every year,  
23 we visit between fifteen hundred to two  
24 thousand businesses and the number one  
25 complaint is excessive rates, including

1 telephone rates.

2 We also are beginning to see a trend in  
3 home businesses, and yet they -- anybody that  
4 operates out of their home pays a different  
5 rate than the residential rate, even though  
6 they're operating from their own home.

7 I hope you take all these points into  
8 consideration when assessing these issues.

9 Okay?

10 Thank you.

11 THE CHAIRMAN: Thank you.

12 MR. BECK: Joe Garcia-Rios.

13 MR. GARCIA-RIOS: Hello. My name is Joe  
14 Garcia-Rios and the reason why I'm here is I  
15 don't believe the -- our billing, our phone  
16 billing, is fair.

17 I own and operate a stock brokerage firm,  
18 The Trading Room, and I recently installed an  
19 ISDN line. An ISDN line is just a faster --  
20 it gives you ac -- faster access to the  
21 Internet. And I was charged approximately  
22 eight hundred dollars for the installation.  
23 I have a stand-alone building. It's very,  
24 very simple. I think the technician might  
25 have been there two or three hours, at the

1 most.

2 A couple months before that, I installed  
3 an ISDN line in my apartment. I live on the  
4 third floor. That cost approximately two  
5 hundred and fifty dollars, and it took them  
6 approximately two days to install. I don't  
7 think that's fair. So it's not just how much  
8 are we paying per month, it's other services.

9 You know, I can't believe that they would  
10 charge more per hour, manpower. It -- it  
11 just doesn't seem fair. And that's really  
12 all I came here to say.

13 THE CHAIRMAN: Thank you.

14 MR. BECK: Marty Jacobsen.

15 MR. JACOBSEN: Hi. How are you today?

16 My name is Marty Jacobsen. I live in  
17 Pembroke Pines.

18 You know, I think it's interesting what's  
19 going on here today but I think we all kind  
20 of need to look back at the Telephone Act of  
21 '95 and ask the long distance companies what  
22 happened to the two cents a minute they saved  
23 in the switching fees. They haven't passed  
24 any of that along to us. And Sprint's ten  
25 cents is still ten cents. AT&T's One Rate

1 didn't go down. MCI says they're passing it  
2 along but doesn't. Residential customers  
3 like Five Cent Sundays, but Sunday is the  
4 slowest day of the year -- of the week, so  
5 they really aren't passing it around.

6 We really need to take a look at where  
7 these companies are coming from what and what  
8 drives them. I mean Wall Street drives  
9 them. All this is really profit-based.

10 You know, if you want to save businesses  
11 some money then play with cost of trunk  
12 lines. They're at sixty-seven bucks. What's  
13 the difference between a B1 analog line and  
14 the trunk line? Nothing, really, it's just  
15 the equipment the business owner has got hung  
16 on -- on the other end.

17 People also need to be aware of the  
18 checks that the long distance companies are  
19 sending because, if you cash that check,  
20 they're taking your local long distance, too,  
21 and there goes your quarter calling.

22 Businesses, they lose their ten and six and  
23 get charged ten or twelve cents a minute for  
24 a call from Dade to Broward, instead of ten  
25 for the first minute and six for each

1 additional. It's -- it's just patently not  
2 fair.

3 I mean if they want to do something with  
4 telephone service let them do it with the new  
5 digital services out and leave those of us  
6 that have analog service, leave it alone.  
7 I'm perfectly happy paying my fourteen  
8 dollars and ten cents a month from Hollywood  
9 to call from Boca to Perrine for free, and I  
10 would hate like heck to lose that.

11 As far as home-based businesses that are  
12 committing fraud by having residential lines  
13 put in? Go after 'em. It's fraud. It's a  
14 business line? Hey, they're supposed to pay  
15 twenty-nine ten. That's the bottom line on  
16 it.

17 And I make my living reading telephone  
18 bills for people, because nobody can  
19 understand them.

20 COMMISSIONER GARCIA: So I would take it  
21 you don't want us to simplify the bill too  
22 much.

23 MR. JACOBSEN: Please, make them more  
24 confusing.

25 MR. BECK: G. Abrams.

1 MR. ABRAMS: Thank you.

2 Firstly, let me thank you for allowing me  
3 to present my comments. I got out of a sick  
4 bed twice this week, once to vote and once to  
5 come here. I think both are very important.

6 I've lived in Miami for fifty-five years.  
7 I'm retired after thirty-four years with  
8 Western Union. I'm well aware with your rate  
9 scheduling and how Southern Bell and the  
10 other carriers approach it and I would like  
11 to say at this time, for Mr. Garcia, one of  
12 the gentleman before with the engineering  
13 problem, in answer to your question is, a  
14 monopoly is caused by the foot of the facts  
15 that Western Union, Florida Power and Light  
16 and Southern Bell control duct work in most  
17 towns. Like up north, the same way. They  
18 restrict who gets into the ducts, who gets  
19 into the building. That's one of their  
20 things. So let me get back to the other  
21 part.

22 I was going to vilify you, insult you,  
23 and question your integrity but then I  
24 realized, after reading some of the  
25 literature, that you're only appointed,

1 you're not elected, and I think that's one of  
2 the problems that the public has; they  
3 cannot -- they do not have the power to get  
4 back at you when we feel that you've done  
5 something wrong.

6 I'm here to tell you that in no uncertain  
7 terms that the Commission continues to make  
8 harmful and disastrous decisions that subject  
9 the people of Florida to financial hardships,  
10 making day-to-day living an overwhelming  
11 strain. Especially, the retired person on  
12 fixed income that can no longer keep up with  
13 so-called surcharges that have been added to  
14 our bills.

15 It seems that you act in the same fashion  
16 as the insurance commissioner. Like I say,  
17 I'm familiar with rates. You come in, you  
18 add -- I have -- ought to come in and ask for  
19 forty percent rate increase. You give twenty  
20 and then you boast how much you saved, for  
21 the other twenty percent. It's a common  
22 thing, we know it. It seems that there's no  
23 way around that.

24 Here's some of the items I'd like to  
25 protest. And it's truth, Sandy Payton

1 fashion. I know you've all heard of her, she  
2 bugs everybody.

3 The latest fiasco is the Commission's  
4 approval to the scam of telephone resale  
5 vendors using the names I Don't Care, It  
6 Makes No Difference. It seems to me that's  
7 the same scam as the negative reply scam that  
8 was out awhile ago. They send you a letter,  
9 if you don't send the letter back, it's  
10 considered a yes, it's okay to switch. I  
11 think that's a -- a horrendous decision by  
12 somebody. They should never allowed those  
13 people to go with that names. Maybe I'm  
14 wrong about that, but that's what I've heard.

15 I've even heard that you went against the  
16 attorney general and your own advisory board  
17 on that, so I don't understand why you would  
18 act otherwise.

19 Second one, second line surcharge.  
20 Several years ago, the phone company would  
21 advertise a teenager hang -- hanging on to  
22 the phone all day long. Why don't you get a  
23 second line? So I went out and did it. Now  
24 you allow them to go ahead and give you a  
25 surcharge for having that second line. Where

1 did that make sense?

2 First of all, that line was put in there  
3 when -- on the initial installation, two  
4 lines put into a house at the same drop  
5 line. Why could -- why do I get a surcharge  
6 for having that second line? It was already  
7 there. That doesn't make any sense.

8 Third. New proposed AT&T surcharge.  
9 It's a farce. It's bad enough you allow Bell  
10 and ATT both to charge you. Really, they're  
11 both charging you for access to the same  
12 switch. It doesn't make sense. You use the  
13 same switch and they have the audacity to  
14 want a three dollar surcharge if you don't  
15 use them enough. That's sort of like Florida  
16 Power & Light coming and saying, "Well, you  
17 didn't use fifteen hundred kilowatts this  
18 month, we're going to charge you three  
19 dollars extra." I suppose that's probably  
20 going to be your next -- the next thing that  
21 comes up.

22 The last item is the surcharge for the  
23 socially correct funds, to wire schools to  
24 computers. They add the poor subsidized  
25 phone service. That was an illegal taxation

1 and I don't believe it was voted on in  
2 Congress and the Commission should disallow  
3 it, but I understand you're saying it's an  
4 FCC thing and there's nothing you can do  
5 about it to get around that.

6 But that's about all I have to say and I  
7 thank you for your patience.

8 THE CHAIRMAN: Thank you.

9 Any questions?

10 COMMISSIONER DEASON: Sir, I do have a  
11 question.

12 The second line surcharge, how does that  
13 appear on your bill? How is it  
14 characterized?

15 MR. ABRAMS: A digital phone service, a  
16 digital line. FCC charge for interstate toll  
17 access for additional line. Five dollars.

18 COMMISSIONER DEASON: That was my  
19 suspicion. That is an F -- that is an FCC  
20 charge as well. That's not something that  
21 this Commission---

22 MR. ABRAMS: Well, how about -- how could  
23 the FCC charge you having a second tel --  
24 that's passed back to the phone company,  
25 theoretically. How can they charge you for

1 having a second line in your house? It  
2 doesn't make sense.

3 Like I say, that line is in there. When  
4 they put the drop line in, they put two pairs  
5 in there. The pair is already there and here  
6 they are---

7 Like they say, they want advertising.  
8 They want you to hook in a second line. They  
9 make money on that, I guarantee you. Like he  
10 said, once that switch is paid for, the  
11 recurring maintenance charges, in switches --  
12 I know, because I used to work on the old  
13 mechanical type. You know, they were pretty  
14 hard for the labor. But the ESS switching  
15 and all, and undergrounds and everything  
16 else, has brought down the recurrent  
17 charges. I had to hear about charges, with  
18 the phone company, and they did it same way  
19 Western Union used to do it.

20 They have a capacitor, on their books,  
21 and what it costs you for a capacitor. That  
22 capacitor costs twenty-five cents. I  
23 guarantee you, in their inventory, it's  
24 listed for a dollar twenty-five. They boost  
25 their prices and they -- when they come to

1 you, say it will cost us so much to do this  
2 and so much to do that, it's based on those  
3 high prices. And they do it for a reason:  
4 To keep their rate structure within that  
5 eight percent or whatever you mandate.

6 There's ways -- they go out and they  
7 build -- they buy property and they build  
8 buildings that they don't need. They've done  
9 that in Atlanta. I've seen that happen in  
10 the late nine -- in the early nineties. They  
11 bought buildings up there, and built  
12 buildings, and they have a way of keeping  
13 their -- their charges high so that they can  
14 justify their rates.

15 COMMISSIONER DEASON: Thank you, sir.

16 THE CHAIRMAN: And another follow-up on  
17 that same point. You -- you can be seated,  
18 sir, but another follow-up on that same  
19 point. That in -- the increase in the second  
20 line, it's generally added to the second line  
21 subscriber line charge.

22 The Public Service Commission, when the  
23 FCC was in deliberations on that, our first  
24 argument was to not increase the subscriber  
25 line charge. Our second argument is that it

1 shouldn't even be increased for second lines.  
2 But the FCC, again, as a part of their cost  
3 recovery mechanism determined that they  
4 wouldn't increase it for residents for the  
5 first line but that they would add an  
6 additional charge for the second line and  
7 they're using the same argument; that that is  
8 the way that they pay for, and that the  
9 companies can pay for the lines that go into  
10 your home.

11 I understand your arguments that you make  
12 but those are the arguments that they've put  
13 forward. Whether or not they're going to  
14 reconsider that particular policy I'm not  
15 sure.

16 But, again, this process has been helpful  
17 for us because, as we continue to file  
18 comments with the FCC on some of their cost  
19 recovery methodology, we will have some of  
20 the comments and concerns that we've heard  
21 from citizens as yourself, so thank you very  
22 much.

23 MR. JACOBSEN: You can get around the fee  
24 by just having them sell you a second line.

25 THE CHAIRMAN: The gentleman who helps

1 analyze his bill is giving some free advice,  
2 and his -- and -- so take -- take note. His  
3 suggestion was -- this is bad -- his  
4 suggestion was that you can get around that  
5 second charge by putting the second line  
6 in -- in a different name.

7 MR. JACOBSEN: No, same name.

8 THE CHAIRMAN: Two separate bills.

9 Two separate bills, sometimes you get  
10 away with it---

11 MR. JACOBSEN: No, no.

12 THE CHAIRMAN: Mr. Abrams said he tried  
13 that. They caught him.

14 And that's one of the reasons I know the  
15 FCC was kind of looking at that policy.  
16 Because the collection for the companies has  
17 been very, very difficult when you say, if  
18 you have a second line you'll be assessed a  
19 different charge. Delineating which line was  
20 the first line and whose line is the second  
21 line has been a problem for them. I'm not  
22 sure if they're going to reevaluate that one  
23 or not but currently it is an FCC charge,  
24 it's a part of their cost recovery  
25 mechanism. They have justified it by saying

1 we aren't increasing the cost of the  
2 subscriber line charge for those individuals  
3 who just have one line but if you have a  
4 second line that is a source of revenue for  
5 them so---

6 MR. ABRAMS: That was a source of  
7 revenue, not a real cost.

8 THE CHAIRMAN: That -- that -- that's  
9 argument to be made.

10 MR. BECK: Charles Brooks.

11 MR. BROOKS: Charles Brooks.

12 THE CHAIRMAN: Sir, before you begin,  
13 just as a matter of -- as procedure, some  
14 people might have already testified but when  
15 we originally signed, I think we had nine,  
16 and I had to swear everyone in. I've noticed  
17 that others have come into the room that  
18 might have signed up to testify. Were you or  
19 any of the other individuals that would like  
20 to testify, have you been sworn?

21 MR. BROOKS: I was not sworn.

22 THE CHAIRMAN: Anyone else who needs to  
23 be sworn, I'll take time and do that right  
24 now.

25 Yes, sir, if you could raise your right

1 hand.

2 (Thereupon, individuals were duly  
3 sworn).

4 THE CHAIRMAN: One other -- while I'm  
5 doing preliminaries that I should have done a  
6 little earlier, for those of you who are  
7 sitting in the audience that don't want to  
8 make any oral comments, we have a sheet here  
9 that you can provide any written comments to  
10 the commission at your leisure.

11 Also, our Internet address, if you wanted  
12 to communicate to us via the Internet, is  
13 here. Our 1-800 number, if you wanted to  
14 call with questions or concerns, or provide  
15 statements that way. This particular  
16 proceeding is being transmitted over the  
17 Internet. After today, this, as well as our  
18 other proceedings, if you want to hear what  
19 other customers are saying across the state,  
20 you can -- if you have access to the  
21 computer, and -- and the necessary equipment,  
22 you can tap in to that and hear the testimony  
23 of -- of others across the state that are  
24 participating in these type hearings.

25 So, with those announcements, I

1 apologize, sir, but if you could please begin  
2 by stating your name again for the record.

3 MR. BROOKS: Charles Brooks, Miami and  
4 Key Largo, Miami Springs.

5 I have handouts for each of the  
6 commissioners so what I have to say here is  
7 basically all written down as well.

8 I have several items here I wish you to  
9 address. I'll state each item, then I'll  
10 summarize.

11 Slamming or scamming the public with  
12 unauthorized services and charges. Taxation  
13 without representation, and charging for  
14 services not used.

15 The first one, slamming or scamming,  
16 telephone company's third-party billing.  
17 This policy, at the demise of the consumer,  
18 has led to a mass rip-off and passed on the  
19 expenses of thirty -- third-party companies  
20 to unsuspecting customers.

21 Example: At our billing number, we have  
22 been a victim no less than three times and  
23 now are engaged in the process again. On two  
24 previous occasions, and now, we have been  
25 subject to unauthorized services and charges

1 placed on our phone bills. This has come in  
2 the form of some company -- in this  
3 particular case, ATN -- putting an 800  
4 service on our bill, unknown to us, not  
5 requested by us, nor does it provide service  
6 or benefit to us.

7 This service is apparently receiving  
8 incoming calls to an 800 number from areas of  
9 the company -- country for which we have no  
10 connections.

11 If we are not diligent in auditing our  
12 bill, we end up in paying the charges and  
13 then at a later date attempting to remove the  
14 charges. In most cases, the charges are  
15 small and easily overlooked.

16 Our experience in trying to have these  
17 services and charges removed from our  
18 bills -- basically, the procedure, first you  
19 follow the instruction on the bill and you  
20 call the 800 number in the section for the  
21 ATN. Once you get that person on the  
22 number -- on the phone, they cannot do  
23 anything for you, they're only a billing  
24 company. They give you another 800 number,  
25 which you call, and it's busy, busy, busy.

1 You can spend all day trying to get these  
2 people.

3 At this point of frustration, what do you  
4 do? You call the telephone company, which in  
5 my case I did in the first place and they  
6 said to call AT&N. Maybe on the second they  
7 offered to do an investigation. That takes  
8 three to four months. So you continually  
9 audit the bill, then you have to figure out  
10 whether you got the right credit.

11 What is most disturbing about this to me,  
12 that this policy promotes fraud. What is  
13 happening here is the policy is to throw  
14 money on the wall, see how much sticks. And,  
15 in the meantime, let's see how hard we can  
16 make it for the consumers to wash the money  
17 off. And this does not take into  
18 consideration how much float the billing  
19 company, or billing parties, have gotten rich  
20 on in the meantime.

21 Bell South should, at first request,  
22 remove all charges and services. The  
23 customer should not be responsible to remove  
24 the service not contracted between them and  
25 Bell South. The third-party billing policy

1 should be terminated.

2 My request on taxation without  
3 representation. Now appearing on the bill is  
4 a charge for providing service to schools and  
5 classrooms. While this is a very worthy  
6 cause, it is still taxation without  
7 representation. From the message and the  
8 note on the bill, how this charge is  
9 implemented is totally up to the phone  
10 company or AT&T. It is mandated, not  
11 voluntary. It seems not to have any elected  
12 body controlling the collection and  
13 distribution of the funds.

14 Third item: Consumers' charge for not  
15 using service. This is the ATT request on  
16 the three dollar charge. I have attached  
17 here, which I'll give to you, here's the  
18 article in The Miami Herald Viewpoint, August  
19 21, '98, and I agree with this article  
20 wholeheartedly. And I think if -- if this  
21 goes through it's going to be a grievous act  
22 the board inflicts on the consumers. Okay?  
23 And I have the attached items here.

24 Thank you.

25 THE COURT: Thank you.

1 Any questions?

2 If you could provide our staff with those  
3 copies, I'll make sure that the commissioner  
4 receives them and that they're put in our  
5 record.

6 MR. BROOKS: Thank you.

7 THE CHAIRMAN: Thank you.

8 MR. BECK: Ralph Gonzalez.

9 MR. GONZALEZ: My name is Ralph Gonzalez.  
10 I live in the Kendall area. I'm here today  
11 as a consumer, not as a businessman or a user  
12 but as a consumer. And I guess I'm -- all my  
13 life -- I've been in the computer business  
14 most of my life and I understand how all  
15 these technical things work. And I agree  
16 with some of the other gentlemen that spoke  
17 before me. Not to sound repetitious but a  
18 lot has already been said here before.

19 Once the line is in, and once that all  
20 the systems are in place, there's hardly no  
21 cost at all whatsoever to maintain the  
22 service. It's just profit, you know. Look  
23 at the stock market of this company. You  
24 know, whatever market they're in. They're  
25 turning a profit. Matter of fact, the

1 Commission, past years, has made the company  
2 return, in a way of credit, to the consumers  
3 for certain things and violations, you know.

4 One -- one point that I have here,  
5 because a lot has already been said here but  
6 there's one that has not been covered. It's,  
7 one, about the charges that some of these  
8 long distance companies are making. If you  
9 don't make any phone -- I'm just speaking  
10 from my house -- my house phone bill. If I  
11 don't make any long distance phone call on a  
12 particular month, I still get assessed four  
13 ninety-five from AT&T or so much from each  
14 one. I think that is really not right.  
15 We're already paying the three fifty, the  
16 three dollars and fifty cents for the FCC  
17 interstate toll charge which is supposed to  
18 take care of that. For them to say this  
19 access for our lines, for the interstate toll  
20 system also, so to me that's a duplication of  
21 charges, based on the same thing.

22 And like the other gentleman said, you  
23 call the FCC, going to tell you that it's not  
24 the FCC, that it's you gentlemen, the  
25 PFC (sic). You know? Or the state of

1 Florida, or the -- or the South Bell who got  
2 the approval to do that.

3 Another thing that I see in the bill is a  
4 taxation, the way -- I'm -- I'm only covering  
5 the points that -- that have not been  
6 covered, you know, because some of the points  
7 I wanted to make have already been made by  
8 other people before me so no sense in going  
9 through them again.

10 And I recently took my last -- one of my  
11 last bills and I called one of the Bell  
12 South's representative and I said I wanted  
13 them to tell me how they figured out the  
14 taxes. And I was -- I was sent here a  
15 two-page letter, how it's broken down. When  
16 I took this and calculated my bill, it didn't  
17 come out at all. And -- and this is supposed  
18 to be somebody in management.

19 I think the bill needs to be a little  
20 more explicit. I think -- when I get a bill  
21 from Master Charge, American Express or any  
22 other company, it's all very itemized and  
23 they tell you exactly what the charges been  
24 charged or, if -- and what is that. I think  
25 the phone bill -- and I know this gentleman

1 here who makes a living of that, interpreting  
2 the phone bills. I don't mean to break into  
3 his business, but I think the way the phone  
4 bill is designed right now, and from computer  
5 expert, I can say they could use a lot of  
6 improvement. A lot of improvement,  
7 especially in the tax area.

8 If you -- if you take any of these bills,  
9 and you'll see that what they -- you can call  
10 Bell South and ask somebody to tell you how  
11 the tax breaks -- tax structure's broken  
12 down, you're going to get about twenty  
13 different versions from twenty different  
14 reps. I've done it. It's very confusing.  
15 You know, even to me. You know. And quite  
16 frustrating.

17 And it's not the one saying the fifteen  
18 cent, the dollar here, the dollar there or  
19 the twenty cent. It's all the cents and  
20 dollars add up to millions. And who is that  
21 money going to? You know.

22 I don't think a lot of people are really  
23 looking at the tax area and all these other  
24 charges for -- that are adding on, besides  
25 your ten sixty-five basic phone bill.

1 I -- I took the -- if you want copies of  
2 this, I'll be more than glad to -- I was only  
3 notified yesterday of this meeting, I was not  
4 really all that well-prepared, so this kind  
5 of a spur of the moment thing for me but if  
6 you want it I could make copies and provide a  
7 lot of this document at a later date. You  
8 know, to substantiate what I'm saying.

9 And one final option, you know, one final  
10 thing that I want to mention here is that I  
11 think that if you wanted to get a second  
12 line -- or let's not talk about second line.  
13 Let's say I wanted to get a second line and  
14 not get a long distance caller added to that  
15 line. A person should have a freedom to  
16 pick -- let's say I have two lines. One  
17 would be what I would pay all the -- all the  
18 calls, all the taxes and all the charges to  
19 the FCC and everything so I can have access  
20 to making long distance calls, and then I  
21 want to get a second line just for local  
22 service so I would not have -- I just have  
23 the plain ten sixty-five for local use, and  
24 they say that's not possible.

25 If you get a line just for local use,

1 you still have to pay all the toll charges.  
2 I find that to be very unfair. I think some  
3 exception have to be made to that, because if  
4 I just -- I say, I want to get -- we like --  
5 this is freedom of choice and if I wanted to  
6 choose, one -- an additional line, when I'm  
7 only going to use it locally, I shouldn't  
8 have to be assessed all this, Federal charges  
9 and access Federal -- the FCC toll access  
10 charges and all these other charges that the  
11 long distance companies are charging for that  
12 use.

13 And a few other things but that's about  
14 all I have to say for now. If you had any of  
15 these documents, I'll be more than glad to  
16 provide at a later date, because I didn't  
17 have time to make copies.

18 THE CHAIRMAN: If you provide those to  
19 staff, staff can make the copies and we can  
20 take care of that but we appreciate it very  
21 much.

22 MR. GONZALEZ: Okay.

23 THE CHAIRMAN: Any questions for Mr.  
24 Gonzalez?

25 Thank you, very much.

1 MR. BECK: Jerome Reisman.

2 THE CHAIRMAN: Mr. Reisman, did I have  
3 an opportunity to swear you in?

4 MR. REISMAN: I did swear in, yes, ma'am.

5 THE CHAIRMAN: Great.

6 MR. REISMAN: Madam Chairman,  
7 Commissioners, Jerome Reisman. I was born in  
8 Miami and I've been practicing law for -- I  
9 don't want to say but more than twenty-five  
10 years.

11 And, after reading what's been in the  
12 papers, I've always wondered why my business  
13 phone was so much more than my home phone  
14 and, after reading the papers, I've  
15 identified the problem. It seems that the  
16 business phones now are subsidizing all  
17 residential phones.

18 I don't have a problem with subsidizing  
19 people who are in need, same as the court  
20 system subsidizes the people who are at need,  
21 and the court system allows people who apply  
22 to go through the court system without  
23 charging. How -- and I don't have a problem  
24 subsidizing the people who are in need but I  
25 do have a problem subsidizing people who live

1 in Aventura, or people who live in Gables  
2 Estates or people who live in Cocoa Plum or  
3 in Coconut Grove or Miami Beach or Doral. I  
4 think that those people don't need any  
5 subsidy and we small businessmen do. The  
6 same as -- we don't need a subsidy but we  
7 need to have fair treatment.

8 So the fair treatment would be to  
9 subsidize those in need and not subsidize  
10 simply because they're residential clients.  
11 I think there needs to be a differentiation  
12 between who needs subsidy and allow the  
13 subsidy to those people and those who don't  
14 need it should -- should pay the right  
15 charge. No reason why everybody can't  
16 subsidize those people in need.

17 Thank you.

18 THE CHAIRMAN: Thank you, sir.

19 MR. BECK: Chairman Johnson, Mr. Reisman  
20 is the last witness signing up at the time.

21 THE CHAIRMAN: Is there anyone in the  
22 audience that did not have the opportunity to  
23 sign up but would like to make comments  
24 before the Public Service Commission today?

25 Seeing -- okay. Yes, ma'am.

1 UNIDENTIFIED SPEAKER: Yes, I do.

2 THE CHAIRMAN: Would you stand?

3 And I'll have to swear you in.

4 UNIDENTIFIED SPEAKER: I haven't been  
5 sworn in --

6 THE CHAIRMAN: Yes, ma'am.

7 UNIDENTIFIED SPEAKER: -- but after  
8 hearing all these people I feel like swearing  
9 in every language.

10 THE CHAIRMAN: Okay. Let me -- let's  
11 start with the official swearing in. So  
12 raise your right hand.

13 (Thereupon, speakers were duly sworn.)

14 THE CHAIRMAN: If you could state your  
15 name and address for the record.

16 MS. HERSH: All right. I'm Mrs. Walter  
17 Hersh (phonetic). We live here in Hialeah  
18 and have been here since we left Canada in  
19 1956, with the bell telephone assessed to  
20 us.

21 Well, it seems like for the last past  
22 three months we've been having this  
23 telemarketing. It invaded our home. We just  
24 can't seem to get any privacy. In the middle  
25 of the night, what have you. What are they

1 selling? Victoria Secrets during the evening  
2 hours? I just don't know. But you wouldn't  
3 believe it but I -- I took a U.N. tour and  
4 went all the way to Russia to get away from  
5 it. We stayed there. Now we just come back  
6 from -- and it's still continuing. I take  
7 the phone off the hook and I get all kind of  
8 problems from my priests, and my volunteer  
9 system. Where are you? We've been dispensed  
10 and the other.

11 We just came back from Naples. Not  
12 Italy, the other west coast. No, they're not  
13 going to chase us out of this country.  
14 Nevertheless, it's still continuing. I do  
15 call in. Oh, I've called in the first three  
16 weeks and, yes, you must write to this  
17 address, which I did. And -- and then I  
18 called them, a long distance number. Oh,  
19 it'll be done in four to six weeks. Well, my  
20 gosh, it's three months and I'm still  
21 receiving these ding-dings, ding-dings all  
22 the time and if you answer it there's no one  
23 there. The minute you put the phone receiver  
24 down, you get the rings.

25 I guess you're all familiar with it, but

1 no one mentioned it. This is why I'm being a  
2 little abuseive. Listen to me or you'll be  
3 haunted by it. I hope -- am I the only one  
4 with this?

5 THE CHAIRMAN: No.

6 COMMISSIONER GARCIA: No. I -- it  
7 probably happened because something you  
8 signed or something -- something you became a  
9 member of or some---

10 MRS. HERSH: Not on your life. No, sir.  
11 I'm -- I'm used to this, even that  
12 seventy-five dollar check. I'll tell you  
13 what I did with it but it's not lady like.

14 Next?

15 THE CHAIRMAN: Did you -- did we --  
16 there's a program -- and perhaps you already  
17 signed up for this but there's a program  
18 offered through the Department of  
19 Agriculture, a no solicitation, no call  
20 program. It costs, I think, ten dollars for  
21 the initial signup and five dollars per year  
22 but if you sign up for that telemarketers are  
23 forbidden from calling your household and if  
24 they do there are penalties that can be  
25 assessed. And in fact I think in California

1 a lady -- perhaps, similar to you -- filed a  
2 lawsuit, and ended up---

3 MRS. HERSH: Oh, I'll write that down.

4 THE CHAIRMAN: I thought you'd like that.

5 MRS. HERSH: I'll have to take care of  
6 that.

7 THE CHAIRMAN: And received a huge  
8 verdict because that law and that provision  
9 was being violated by the telemarketers.

10 MRS. HERSH: Which is true.

11 THE CHAIRMAN: We have some forms outside  
12 that give you the address and the name of the  
13 Department of Agriculture, their consumer  
14 affairs department. That might be helpful or  
15 at least that's a start.

16 We work in conjunction with them to try  
17 to let people know because, you're right,  
18 this telemarketing thing has gotten out of  
19 control.

20 MRS. HERSH: Oh, yes. And that chap that  
21 mentions every time you call someone  
22 everybody has a different answer. Now I'm  
23 expecting to hear it in different languages.

24 But it will work out, really. We're just  
25 not living right, with the phone off the

1 hook. I might be missing a good Lotto call  
2 or whatever, you know. But, nevertheless,  
3 something has to be done with this.

4 COMMISSIONER GARCIA: Ma'am, that -- that  
5 system works relatively well but, going back  
6 to what I said, you might -- my wife  
7 victimized our home number by something she  
8 did and it could be something as -- as small  
9 as contributing to a charity. You know, one  
10 of those mail-in charities. Once they get  
11 your number, then they sell it to other  
12 numbers and everybody wants your money.

13 MRS. HERSH: They described to me that at  
14 this -- in this telephone, telemarketing,  
15 they have large, long walls with all these  
16 little brackets and every one of our numbers  
17 are on there and this mechanical little  
18 something goes around and that's how it dings  
19 your number. And I have to wait all this  
20 time. And then she said well something about  
21 twelve dollars a year if you want to remove  
22 your name from the book. I said, "No, I  
23 don't wish to do that." Then they says,  
24 "Well then we'll have to give you another  
25 number." Well, I've memorized this. I'm at

1 an age and I can't remember numbers anymore.

2 COMMISSIONER GARCIA: It is -- it is  
3 something that I think we're going to have to  
4 look at it some more.

5 MRS. HERSH: Oh, please, do and I'll see  
6 that you get a raise.

7 Thank you.

8 I hope that isn't comical but really  
9 we're suffering that consequences.

10 And the other little thing: Do I receive  
11 a reimbursement on this? This is the third  
12 month and I haven't had any -- I'm not able  
13 to get -- receive any calls, because  
14 everybody says my line is busy. This is  
15 bad. This is bad.

16 THE CHAIRMAN: We'll have our staff look  
17 into your problem specifically.

18 MRS. HERSH: Absolutely. And make sure  
19 they sign---

20 Oh, look at this one looking at me. It's  
21 true. Everything I said here is true.

22 Thank you, dears.

23 THE CHAIRMAN: Let me clarify---

24 MRS. HERSH: I'm a stand-up comic, so it  
25 worked out. didn't it?

1 THE CHAIRMAN: Yeah, quite well.

2 Let me clarify a point. Even -- I  
3 believe that even with the Department of  
4 Agriculture's no solicitation program that  
5 you can sign up with through the state, I  
6 think that there's an exception for  
7 nonprofits; they can still continue to call  
8 you. But we'll inform you about that program  
9 and our staff member can also assist you  
10 with, perhaps, a refund for a service that  
11 you did not receive.

12 COMMISSIONER GARCIA: But, ma'am, you're  
13 absolutely right. There is a new -- and I've  
14 been hearing a lot of protests similar to  
15 yours. That there's a system that marketers  
16 are doing where they basically call up ten,  
17 twenty numbers a time -- at a time. The  
18 first one that picks up, they hang up on  
19 everyone else, and then you just go right  
20 back into rotation. They'll keep calling you  
21 all day until you're the first to hang up.

22 MRS. HERSH: And -- and it's not even a  
23 real person, it's just a speel on -- on a  
24 gimmick of some sort. I come -- lost men's  
25 underwear, farmers' tools, you know. The

1 last part of it, because I unhooked, listen,  
2 hang it (phonetic).

3 THE CHAIRMAN: if you could come to the  
4 microphone. The court reporter is having a  
5 problem and it's being transmitted over the  
6 Internet.

7 And it's Mr. Gonzalez.

8 MR. GONZALEZ: Yes, Mr. Gonzalez.

9 In regards to that, the telemarketers use  
10 what they call automatic dialers, and they  
11 really don't have to even to know who your  
12 name, or where you live, or what your phone  
13 number is. They don't know you from Adam,  
14 they just use this automatic, through a  
15 computer -- automatic computer that dials---

16 THE CHAIRMA: Make sure you're speaking  
17 into the mic.

18 MR. GONZALEZ: It just goes us and down  
19 every -- it goes up and down every exchange  
20 number and every number in the spectrum,  
21 until they answer.

22 I had a similar situation where it  
23 kept answering -- my answering machine kept  
24 answering. I just put my answering machine  
25 on two seconds answer, so the computer will

1 call, the machine will answer, it will go  
2 back. And then, after so many minutes, it  
3 will retry. And it kept playing phone tag  
4 back and forward. And you know what? And  
5 there should be a limit as to the amount of  
6 tries. And this is the one thing that I --  
7 I'm glad she brought this up, because I think  
8 the Public Service Commission, or the FCC  
9 or -- or someone, should set some type of a  
10 limitation as to these automatic dialers.

11 In the past, there were some people who  
12 wanted to get out, in a 911 emergency basis,  
13 and there's been some theft (phonetic)  
14 because they're not able to use their line  
15 out, and they only have one line.

16 COMMISSIONER GARCIA: It's something that  
17 maybe we -- we need staff to look at, at some  
18 point, because I -- when I work at home,  
19 somehow I've gotten on to one of these  
20 systems and -- and they will not stop. The  
21 phone rings all day long.

22 MR. GONZALEZ: Right. Even if you do  
23 have your -- your phone number with the  
24 Department of Agriculture, these people, you  
25 know, they don't go there and block it out,

1 they just put the machine to dial up and  
2 down. They should but they don't. Some of  
3 them have scruples. One, they don't.

4 THE CHAIRMAN: Thank you.

5 And, Mr. Abrams, did you have a final  
6 comment?

7 MR. ABRAMS: No, that's okay. I was  
8 going to say what he said, about the dialer.

9 THE CHAIRMAN: Thank you. I'd like to  
10 thank you all for coming out this morning.  
11 It's been an excellent hearing, quite  
12 edifying for the Commissioners.

13 Again, your testimony will be a part of  
14 the record upon which we will rely when we  
15 issue our final report to the legislature  
16 during the next legislative session.

17 Thank you, again. This hearing is  
18 adjourned.

19 (Whereupon, the proceedings were  
20 concluded at 11:44 a.m.)

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