Marceil Morrell**
Area Vice President & Associate General Counsel-
Regional Operations (East)

Anthony P. Gillman**
Assistant General Counsel

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

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

GTE SERVICE CORPORATION

One Tampa City Center
201 North Franklin Street (33602)
Post Office Box 110, FLTC0007
Tampa, Florida 33601-0110
813-483-2606
813-204-8870 (Facsimile)

January 22, 1999

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

Re: Docket No. 980696-TP
Determination of the cost of basic local telecommunications service, pursuant to Section 364.025, Florida Statutes

Dear Ms. Bayo:

Please find enclosed an original and fifteen copies of GTE Florida Incorporated's Petition for Reconsideration for filing in the above matter. Service has been made as indicated on the Certificate of Service. If there are any questions regarding this filing, please contact me at (813) 483-2617.

Very truly yours,

Kimberly Caswell

KC:tas
Enclosures

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Determination of the cost of basic local telecommunications service, pursuant to Section 364.025, Florida Statutes

Docket No. 980696-TP
Filed: January 22, 1999

GTE FLORIDA INCORPORATED'S PETITION FOR RECONSIDERATION

GTE Florida Incorporated (GTEFL) asks the Commission to reconsider certain of the rulings it made in Order number PSC-99-0068-FOF-TP (Order), issued on January 7, 1999, in this case. The specific rulings for which GTEFL seeks reconsideration pertain to the Commission's revisions to GTEFL's proposed cost model inputs for depreciation and cost of capital. GTEFL believes these aspects of the Commission's decision overlooked or failed to consider legal and factual points, such that reconsideration is justified. See, e.g., Stewart Bonded Warehouse, Inc. v. Bevis, 294 So. 2d 315 (1974); Diamond Cab Co. v. King, 146 So. 2d 889 (1962).

I. The Decision Arbitrarily Departs From the Depreciation Lives GTE Uses for Financial Reporting and that this Commission Approved in the Past.

As GTEFL witness Sovereign testified, GTEFL has been using economic depreciation parameters for calculating Florida depreciation expense since 1996, as permitted by the 1995 legislative revisions to Chapter 364 of the Florida Statutes. (Sovereign Direct Testimony (DT) at 6.) GTEFL thus proposed that the same lives it uses for financial reporting be used as inputs to the cost model chosen in this proceeding (i.e., the Benchmark Cost Proxy Model (BCPM)). The Commission, however, in some

00930 JAN 22 99

instances, ordered lives longer than those GTEFL actually books. GTEFL believes this departure from GTE's depreciation lives–and also lives inherent in this Commission's last depreciation prescription for GTEFL–was impermissibly arbitrary.

The Commission's explanation of its differing approach in the cost model context was wholly unsatisfactory. The entire justification was that the proceeding's purpose was "not to direct BellSouth, GTEFL, or Sprint to use specific depreciation rates for pricing its retail business, but instead to establish the appropriate cost methodologies to be incorporated in the proxy model to determine the cost of basic local telecommunications service for establishing a permanent high cost funding mechanism as required by the Legislature. This proceeding involves determining the reasonableness of the assumptions regarding depreciation expenses to be included in the cost proxy model." (Order at 70.)

In other words, the Commission believes that devising depreciation inputs for a cost model is different from setting depreciation rates to be factored into retail prices. But the Commission never explains why these two processes are different, or what effect this difference had on its deliberations here. It never discusses any considerations in the proxy model context that might be distinct from those for purposes of financial reporting or even depreciation prescription. We are left to guess as to why assumptions that are reasonable for operating purposes are not reasonable in determining depreciation lives for model inputs.

By definition, a forward-looking cost model must use a forward-looking approach to depreciation. In practical terms, this means placing adequate emphasis on competition and technological change. GTE's proposed parameters appropriately considered these factors, along with all others causing a decline in an asset's value. (Sovereign DT at 3.)

The Commission at least implicitly recognized the importance of appropriately weighing the effects of the competitive environment. In an apparent attempt to justify its partial reliance on FCC depreciation rates, the Commission notes: "We believe it is reasonable to assume that the depreciation rates developed by the FCC for its 1995 proceedings for BellSouth and GTEFL included consideration of the increasingly competitive market." (Id.)

While GTEFL believes the Commission was wrong about the FCC's deliberations (see below), it was right in acknowledging that depreciation inputs should reflect competitive considerations. However, there was little such recognition in the lives the Commission established, just as there was inadequate recognition of technological evolution.

Perhaps the quickest way to grasp the absence of forward-looking considerations in the Commission's formulation of depreciation inputs for the forward-looking model is to review some of the key elements of the Commission's Order in response to GTEFL's last depreciation filing (FPSC Docket No. 920284-TL).

As Mr. Sovereign testified, this Commission as far back as 1992 approved depreciation rates that were much more forward-looking and innovative than FCC rates set years later. For instance, the Commission's depreciation Order in 1992 implied a digital switching life of 10 years and a 16.4 - 19.8 year life for copper cable. (Sovereign DT at 5-6.) In contrast, the Commission in this case reverted to an outdated 13-year life for digital switching, and a 23-year life for underground metallic cable. (Order at 82, Table V-A(3).)

There is no way to reconcile the Commission's actions in this case with those it took in the 1992 represcription–which the Commission has never repudiated. If there were any difference in the process of prescribing depreciation rates and formulating depreciation

inputs, as the Commission indicates, one would expect the prescriptions for ratemaking purposes to be more conservative than those in a forward-looking cost model. Yet just the opposite is true. The lives established here for key accounts are longer than those yielded by the depreciation Order issued over 6 years ago. The Commission offers no explanation for this step backward in a decision that is supposed to be grounded in forward-looking principles. The only possible conclusion is that it overlooked and failed to consider GTE's evidence that many of the rates it proposed in this proceeding were the same as those reflected in the Commission's 1992 prescription.

A review of the 1992 represcription underscores that the Commission is mistaken in assuming the FCC's rates set in 1995 considered the increasing competitive marketplace. In fact, the evidence is just the opposite. Aside from the discrepancy between this Commission's 1992 prescriptions and those of the FCC, the FCC ranges were developed from a statistical sampling of lives prescribed in the 1990-1994 time frame, before the Telecommunications Act was even adopted. (Sovereign DT at 28.) Even if the Commission believes the FCC included some consideration for the increasingly competitive market, it is clear that adequate weighting could not have been given to competitive factors in prior prescriptions. (Sovereign DT at 17.) For instance, events such as the AT&T/TCI merger announcement, focusing on providing local phone service via cable lines, had not yet occurred when the FCC made its prescriptions. (Sovereign DT at 8-10.) New competitive technologies, such as fixed wireless, were not even anticipated then, but are now being deployed in GTEFL's territory. (Sovereign DT at 10-12.)

In light of this evidence, there is no rational basis for the Commission's assumption that the FCC prescriptions which guided the Commission's decision are forward-looking;

this assumption is, in other words, arbitrary. It does not reflect the "considered response to the evidence" that is a fundamental requisite of administrative rulings." Harborlite Corp. v. I.C.C., 613 F. 2d 1088, 1092 (D.C. Cir. 1979), citing Sec'y of Agriculture v. United States, 347 U.S. 645, 652-54, 74 S.Ct. 826, 98 L.Ed. 1015 (1954). The Commission's conclusions about the FCC's rates are just supposition, and thus not a sufficient basis for decision-making. Tamiami Trail Tours, Inc. v. Bevis, 299 So. 2d 22, 24 (1974).

As noted, the Order does not explain why depreciation lives that are reasonable in one context (that is, prescription or financial reporting) should be considered unreasonable in another (that is, cost models). Even though the proxy model reflects the costs of a theoretical network, there is nothing theoretical about the real-world impact of the depreciation (and other) inputs the Commission set in this case. If, for instance, the Commission orders depreciation lives that are inappropriately long (as it has here for some accounts), the Company's per-line costs will be lower. Because the model is supposed to determine costs for universal service funding purposes, relatively lower costs will mean less high-cost support available. In other words, companies will be forced to continue implicitly subsidizing basic local rates to an unwarranted degree. As Congress recognized when it ordered implicit subsidies to be made explicit, rational and sustained competition cannot develop if rates continue to contain hidden subsidies. Moreover, wholesale rates (such as those determined in this case) and retail rates must be reasonably related in order to help prevent anticompetitive effects. For instance, if the sum of rates for unbundled elements necessary to serve a customer is above the current retail price of service, there will be reduced competition to serve that customer. If, conversely, the sum of wholesale rates for unbundled elements is below the current retail price for certain customers, cream-

skimming will occur for these customers. Establishing depreciation rates in the wholesale context that depart from those the company uses in the retail context will only exacerbate this kind of competitive harm.

In addition, the disconnect between the rates companies use for financial reporting and those set for the cost model is at odds with the 1995 revisions to Chapter 364 of the Florida Statutes. In return for opening the local exchange, the Legislature deliberately eliminated depreciation prescriptions and other remnants of rate base regulation for price cap carriers. Certainly, the Legislature expected this change to be meaningful in terms of company operations and marketplace effect. The Commission's depreciation ruling violates these expectations. The Legislature cannot have intended for the Commission to revert to, in effect, depreciation prescriptions (and backward ones, at that) in selected contexts. As discussed, the effect of inappropriate depreciation rates in this context can be just as detrimental as it would be in the retail ratesetting context. The Legislature voted to allow the companies to set their own depreciation decisions, and those decisions should stand in all contexts.

In short, the Commission has not adequately justified its depreciation inputs. As the comparison with the 1992 prescriptions proves, it has used backward-looking assumptions in trying to determine forward-looking costs. This incongruity is impermissible in terms of Section 364.025, which embodies the forward-looking standard, and it also violates the prohibition against arbitrary decisionmaking. The Commission has offered no basis for ordering depreciation parameters that depart from those the Legislature permits the Company to use for financial reporting purposes. For these reasons, the Commission

should reconsider its depreciation rulings and order the rates GTE proposed for all accounts.

II. The Evidence Does Not Support the Ordered Cost of Capital.

A. The Capital Structure Ruling Overlooks Important Evidence and Instead Considers Off-the-Record Sources.

The overall average cost of capital is a weighted average of a firm's respective costs of debt and equity, where the weights are the percentages of debt and equity in the company's capital structure. (Vander Weide DT at 6.) Determining the appropriate mix of debt and equity to be used in the cost of capital calculation is thus critical to yielding a reasonable cost of capital figure.

GTEFL witness Vander Weide used market (rather than book) value weights of debt and equity in his capital structure assessment. As Dr. Vander Weide testified, "[e]conomic and financial theory incontrovertibly require the sole use of market value capital structure weights to calculate a company's weighted average cost of capital." (Vander Weide Rebuttal Testimony (RT) at 3.) In 25 years of teaching corporate finance, Dr. Vander Weide "never encountered a financial or economic text that recommended anything other than the use of market value weights to calculate a company's weighted average cost of capital." (Id. at 16.) Investors, like economists, measure the rate of return on their portfolios in terms of market, rather than book, values. (Vander Weide DT at 9-10.) Based on Dr. Vander Weide's study of universally accepted finance and economic theory, as well as investor behavior, he found the appropriate capital structure for GTEFL to be 77.6% equity and 22.4% debt.

The Commission, however, ordered a capital structure of 60% equity and 40% debt for the ILECs. (Order at 88.) In doing so, it stated only that "we do not believe GTEFL has provided adequate support for its recommended 77% equity ratio." (Order at 87.) Rather than address Dr. Vander Weide's evidence, the agency asserted three grounds for rejecting GTEFL's position: (1) the Commission had not found any other state that approved a market-based capital structure; (2) AT&T and MCI witness Hirshleifer testified that the target capital structure in this proceeding should be related to the business of providing universal service; and (3) an outside press release allegedly indicated that GTE Corporation did not intend to finance its failed bid for MCI by issuing the debt-equity mix Dr. Vander Weide recommended here. (Order at 87-88.)

None of these reasons is legally adequate for rejecting Dr. Vander Weide's recommendation. The capital structure ruling must be reconsidered because it overlooks GTE's evidence in favor of off-the-record information and draws conclusions that are not justified by the evidence the Commission cited.

First, while the Commission did not find any states that have approved a market-based capital structure, GTEFL knows that at least Massachusetts has. It did so in the context of determining pricing for unbundled network elements. There, as in this case, the Commission required the use of a forward-looking cost study. With regard to capital structure (as well as cost of equity), the Commission agreed that "it would be inconsistent to use forward-looking competitive assumptions in the investment and expense components of a TELRIC study, but historical accounting-based capital structures in the cost of capital component." (Mass. D.P.U. Order, 96-73/74, 96-75, 96-80/81, 96-83, 96-94-Phase 4, at 53 (1997).) Dr. Vander Weide, of course, made the same point in this

proceeding. If the Commission is to measure the cost of investment of network facilities on a forward-looking economic basis, it cannot, at the same time, factor in backward-looking book values to measure the Company's weighted average cost of capital. (See Vander Weide RT at 28.) Yet the Order gives no indication that the Commission even considered this point, which goes to the heart of the Commission's statutory mission to determine forward-looking costs in this proceeding.

Furthermore, we are left to guess at what the "orders from other states" are, what they might pertain to, and what, exactly, they might say. The Commission mentions Hawaii and Alaska orders, but no others upon which it apparently relied. Additionally, there is no clue about the nature of these other decisions–for example, whether or not they were entered in proceedings to determine forward-looking costs, like this one. In any event, this Commission has not customarily followed the lead of other states, but has drawn its own conclusions based on the evidence before it. Indeed, this is the only permissible approach. The Commission cannot rely on mostly unnamed orders from other states, while ignoring information in its own record.

A second, and related, point is that the Commission supported its rejection of GTE's proposed capital structure based on a source that does not appear to have been submitted into the record in this proceeding. The Order refers to "Duff & Phelps Credit Rating Company, press release dated October 16, 1997." (Order at 88.) That press release purportedly discussed GTE's financing plans for its failed acquisition of MCI. If, as GTE believes, this press release is not in the record, the Commission's reliance upon it is impermissible. As the Commission knows, its Orders must be based on the evidence of record. That record consists <u>only</u> of "notices, pleading, motions, and intermediate rulings";

"evidence received or considered"; "a statement of matters officially recognized"; "questions and proffers of proof and objections and rulings thereon"; "proposed findings and exceptions"; and "any decision, opinion, proposed or recommended order, or report" by the presiding officer." (Fla. Stat., ch. 120.57(1)(b)6.) In addition, all parties must have an "opportunity to respond" and "to conduct cross-examination and submit rebuttal evidence." (Id. sec. 120.57(1)(b)5.)

The press release upon which the Commission relied does not fall within any of the statutory "record" categories. Nor has GTE been given an opportunity to rebut or respond to this information, or to conduct cross-examination with regard to it. GTE doesn't even know what the press release says, aside from the representations the Commission has made about it. Moreover, this document cannot be considered probative for the purpose for which the Commission offers it. The Commission's point, apparently, is that GTE planned to finance the MCI transaction in a manner inconsistent with its capital structure testimony here. Even if that were true, the Commission is mistaken in comparing merger financing terms to the firm's capital structure. Merger financing packages are only interim, not final, financing vehicles. It is wrong to assume, as the Commission did, that GTE Corporation would carry for an extended time any debt it might have raised for the merger. In any event, GTE never came close to acquiring MCI, and so never undertook any financing. It is unacceptable to ground a decision on conjecture, let alone conjecture that is implausible and that has not even arisen from the record. (See, e.g., Tamiami Trail Tours, Inc. v. Bevis, 299 So. 2d 22, 24 (1974) ("It is crystal clear that the Commission's action cannot be based upon speculation or supposition."))

Third, the Commission referred to testimony of Mr. Hirshleifer that purportedly indicated that the target capital structure in this case should be "related to the business of providing universal service." (Order at 88.) What the Commission neglects to mention is Mr. Hirshleifer's emphasis on the purpose of this proceeding was determining the cost of capital related to "the business of 'leasing' local exchange telephone network elements to retail providers." (See, e.g., Hirshleifer DT at 46, 49, 51, 52, RT at 4, 6, 15, 24-25, 38, 40.) This objective would certainly come as a surprise to the Legislature, which directed the Commission to determine and report "the total forward-looking cost...of providing basic local telecommunications service." (Chap. 364.025(4)(b). GTE correctly understood this purpose, so that its cost of capital analysis correctly considers all the factors affecting the risk of investing in GTE's local exchange operation. (Vander Weide RT at 12, DT at 19-37.) Because Mr. Hirshleifer's analysis is not grounded in the statutory directive, its reliance on his testimony and conclusions is ill-founded.

Moreover, even Mr. Hirshleifer distinguished the risk of providing basic local service from the risk of leasing network elements. In this regard, he states: "Whereas those BellSouth units involved in providing local service are in businesses that (if prices are set appropriately in these proceedings) will be faced with new competitors, the unit involved in leasing the network which all the competitors need to use has virtual monopoly power and faces much less risk." (Hirshleifer DT at 52.) Thus, as Dr. Vander Weide pointed out, even Mr. Hirshleifer believes that the local service business is significantly more risky than the network elements leasing business. (Vander Weide RT at 13.) But because Mr. Hirshleifer has estimated the cost of capital for the network element leasing business, rather than the local service business, it follows that he has underestimated GTE's cost of

capital for the local service business. (Vander Weide RT at 13-14.) To the extent that the Commission has relied upon Mr. Hirshleifer's testimony to undercut GTEFL's recommendation of a market-value capital structure, such reliance is misplaced. Mr. Hirshleifer's testimony about the cost of capital associated with leasing of the network cannot inform any decision about the cost of providing basic telephone service.

In any event, there is no foundation for the Commission's conclusion that GTEFL's evidence was not adequate to sustain its capital structure recommendation–particularly in light of the inadequacy of all of the grounds the Commission used to reject that recommendation. In both his Direct and Rebuttal Testimony, Dr. Vander Weide explained at length why a market-based capital structure is the only appropriate approach to use in this proceeding. Mr. Hirshleifer was unable to rebut Dr. Vander Weide's testimony that economic and financial experts unanimously approve the use of market-value weights in calculating a firm's weighted average cost of capital.

The Commission's task, by statute, is to determine the forward-looking cost of providing basic local telecommunications service. It has used a forward-looking, market-value approach to valuing company investments, and must, consistent with the statute and plain logic, use the same competitive, market-value assumption in its cost of capital evaluation.

In short, GTEFL provided plenty of evidence to support its position; the Commission just overlooked or failed to consider it. Rather, it impermissibly relied on off-the-record information and drew unwarranted conclusions from the information that was in the record. Reconsideration is thus necessary.

B. The Commission's Cost of Capital Analysis Overlooks or Misconstrues Risk Evidence.

Risk was a prominent theme in the witnesses' cost of capital presentations because a firm's cost of capital will depend on investment risk. (Vander Weide DT at 10.) Put simply, the greater the risk of an investment, the higher the return that investors expect from it. Dr. Vander Weide comprehensively discussed the major factors affecting the risk of investing in GTEFL's local exchange operations–operating leverage, the level of competition, rapidly-changing technology, and the regulatory environment. (Vander Weide DT at 19-37.)

Despite the critical importance of risk to the cost of capital determination, the Commission largely dismissed this element. The principal reasons it did so were: (1) Mr. Hirshleifer's testimony that the business in question in this docket is relatively low-risk (Order at 98); (2) the ILECs' witnesses dealt with "the global state of the telecommunications industry rather than the actual business of providing universal service in Florida" (Order at 102); and (3) the market has already accounted for all relevant risks in the financial measures the witnesses used to estimate cost of capital (Order at 102-03.)

This reasoning provides no legitimate support for rejecting GTE's position on the risks that must be factored into GTE's debt and equity costs.

First, the Commission seems to have misconstrued Mr. Hirshleifer's testimony. The Order ascribes to Mr. Hirshleifer the view that the business in question in this proceeding is that of "providing basic local service." (Order at 98.) But, as discussed above, that is not the case. Mr. Hirshleifer has not based his conclusions about risk on the business of providing basic local service, as the statute requires, and as the Commission believes he

has. Instead, he has focused on leasing of network elements: "The business for which the cost of capital is being estimated in this case is essentially the business of 'leasing' local exchange telephone network elements to retail providers and the provision of universal service." (Hirshleifer DT at 49; see also Hirshleifer DT at 46, 51, 52, RT at 4, 6, 15, 24-25, 38, 40.) Mr. Hirshleifer, himself, distinguishes between the network leasing business (which, in his view, is analogous to the universal service business, Hirshleifer DT at 12) and the local service business (Hirshleifer DT at 8, 52). So there is no basis for the Commission to equate these concepts.

This mistake is significant because the degree of risk associated with these activities will be different. Indeed, as discussed above, even Mr. Hirshleifer acknowledges the higher risk associated with providing local service, relative to leasing of network elements. Because the Commission relied on Mr. Hirshleifer's testimony to conclude that basic local service is a very low-risk business, and because Mr. Hirshleifer's analysis did not, in fact, pertain to local service, then the Commission's conclusions based on that evidence are unjustified. They are, in other words, arbitrary, because they are not supported by the evidence.

Second, the Commission apparently overlooked GTE's Florida-specific evidence of risk. Dr. Vander Weide's discussion of competitive risks included a wealth of Florida information--including, for example, information about intraLATA toll market share losses here, number of certificated alternative local exchange carriers (ALECs), facilities-based carriers operating here, specific ALEC plans to target residential customers in Florida, as well as other ILECs' plans for entry into GTEFL's geographic market. (Vander Weide DT at 20-36). Even where Dr. Vander Weide discussed broader competitive and technological

developments in the telecommunications industry, most of these developments involve companies, like AT&T, which serve Florida. In short, there is no basis for the Commission's belief that the risk evidence GTE presented concerns primarily the "global state of the telecommunications industry," and thus no basis for concluding that such evidence is irrelevant. The evidence GTE presented was directly relevant, but the Commission overlooked it.

Third, while it is true, as a general matter, that markets continuously absorb and incorporate information about a firms' risks, it is not true, as the Commission contends, that this information was reflected in all of the witnesses' cost of capital calculations. In fact, Mr. Hirshleifer did not accept the market's assessments of risk for any company. Instead, he tempered those assessments with his own, particularized view of the risk of the business he thought was relevant–the network leasing business. For instance, Mr. Hirshleifer's capital structure analysis was not just market-based, but, as explained above, substantially adjusted for a book value analysis. The growth assumptions in Mr. Hirshleifer's DCF analysis, moreover, departed sharply from market considerations. In his DCF analysis of telephone holding companies, he took it upon himself to reduce analysts' growth rates that would have reflected market information. As Dr. Vander Weide explained, Mr. Hirshleifer's growth assumption for his proxy companies was entirely arbitrary; he provides no evidence to support it (Vander Weide RT at 36-41)–and thus there is no evidence supporting the Commission's conclusion that Mr. Hirshleifer's growth forecasts are reasonable. (Order at 95.)

A proper evaluation of risk is the foundation of any cost of capital decision. In this case, the Commission's decision was skewed by its misapprehension of and failure to

consider key points of fact. Reconsideration is necessary to more carefully consider all of the evidence on the crucial matter of investment risk. This re-assessment of the evidence will prove that GTEFL's cost of capital recommendations are well-founded.

* * *

For all the reasons discussed here, GTEFL asks the Commission to reconsider its depreciation and cost of capital rulings, and to accept GTEFL's recommendations on these items.

Respectfully submitted on January 22, 1999.

By: Kimberly Caswell/dm

Kimberly Caswell
P. O. Box 110, FLTC0007
Tampa, Florida 33601
Telephone: 813-483-2617

Attorney for GTE Florida Incorporated

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that copies of GTE Florida Incorporated's Petition for Reconsideration in Docket No. 980696-TP were hand-delivered(*), sent via overnight delivery(**) or U.S. mail(***) on January 22, 1999, to the parties on the attached list.

Kimberly Caswell

William P. Cox, Staff Counsel(*)
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Office of Public Counsel(***)
c/o The Florida Legislature
111 W. Madison Street
Room 812
Tallahassee, FL 32399-1400

Asst. Attorney General(***)
Office of the Atty General
PL-01 The Capitol
Tallahassee, FL 32399-1050

David B. Erwin(***)
Attorney-At-Law
127 Riversink Road
Crawfordville, FL 32327

Charles Rehwinkel(**)
Sprint-Florida Inc.
1313 Blair Stone Road
MC FLTH00107
Tallahassee, FL 32301

Nancy White(***)
BellSouth Telecomm. Inc.
150 S. Monroe Street
Suite 400
Tallahassee, FL 32301-1556

Jeff Wahlen(***)
Ausley & McMullen
227 S. Calhoun Street
Tallahassee, FL 32301

Tracy Hatch/Marsha Rule(**)
AT&T
101 N. Monroe Street, #700
Tallahassee, FL 32301

Richard Melson(***)
Hopping Law Firm
P. O. Box 6526
Tallahassee, FL 32314

Peter Dunbar/Barbara Auger(***)
Pennington Law Firm
P. O. Box 10095
Tallahassee, FL 32302

Thomas Bond(**)
MCI Telecomm. Corp.
780 Johnson Ferry Rd., #700
Atlanta, GA 30342

Benjamin Fincher(***)
Sprint
3100 Cumberland Circle
Atlanta, GA 30339

Floyd R. Self(***)
Norman H. Horton, Jr.
Messer Law Firm
215 S. Monroe Street, Suite 701
Tallahassee, FL 32301-1876

Brian Sulmonetti(***)
WorldCom, Inc.
1515 S. Federal Highway
Suite 400
Boca Raton, FL 33432

Carolyn Marek(***)
Time Warner Telecom.
233 Bramerton Court
Franklin, TN 37069

James C. Falvey(***)
e.spire™ Communications, Inc
133 National Business Parkway
Suite 200
Annapolis Junction, MD 20701

Michael Gross(**)
Florida Cable Tele. Assn.
310 N. Monroe Street
Tallahassee, FL 32301

Lynne G. Brewer(***)
Northeast Florida Tel. Co.
P. O. Box 485
Macclenny, FL 32063-0485

Harriet Eudy(***)
ALLTEL Florida, Inc.
P. O. Box 550
Live Oak, FL 32060

Lynn B. Hall(***)
Vista-United Telecomm.
P. O. Box 10180
Lake Buena Vista, FL 32830

Robert M. Post, Jr.(***)
P. O. Box 277
Indiantown, FL 34956

Tom McCabe(***)
P. O. Box 189
Quincy, FL 32353-0189

Mark Ellmer(***)
P. O. Box 220
502 Fifth Street
Port St. Joe, FL 32456

Kelly Goodnight(***)
Frontier Communications
180 S. Clinton Avenue
Rochester, NY 14646

Steve Brown(***)
Intermedia Comm. Inc.
3625 Queen Palm Drive
Tampa, FL 33619-1309

Ben Ochshorn(***)
Florida Legal Services
2121 Delta Boulevard
Tallahassee, FL 32303

David Dimlich(***)
Supra Telecommunications
2620 SW 27th Avenue
Miami, FL 33133

Joseph A. McGlothlin(***)
Vicki Gordon Kaufman
McWhirter Law Firm
117 S. Gadsden Street
Tallahassee, FL 32301