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Supra Telecom & Information Systems, Inc.

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RECORDS AND REPORTING

April 23, 1999

Mrs. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399

Re: Docket No. 980253-TX

Dear Mrs. Bayo:

Enclosed for filing in the above referenced docket are an original and fifteen copies of the Direct Testimony of Ronald C. Smith, Jr. Copies have been served on the parties listed on the attached Certificate of Service.

Sincerely,

David V. Dimlich
David V. Dimlich
Legal Counsel

RECEIVED & FILED
[Signature]
FPSC-BUREAU OF RECORDS

Enclosures

cc: All Parties of Record

AFA	_____
APP	<u>Brown</u>
CAF	_____
CMU	<u>3</u>
CTR	_____
EAG	_____
LEG	_____
MAS	<u>Storg</u>
OPC	_____
RRR	<u>1</u>
SEC	_____
WAW	_____
OTH	_____

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of Supra Telecommunications and Information Systems, Inc.'s testimony of Rick Smith in Docket No. 980253-TX has been served by U.S. Mail this 23 day of April 1999.

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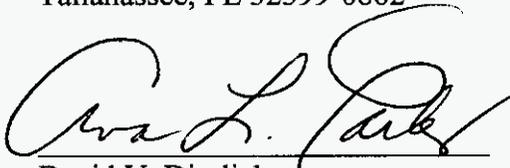
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A handwritten signature in black ink, appearing to read "David V. Dimlich", written over a horizontal line.

David V. Dimlich
Legal Counsel
Supra Telecommunications and
Information Systems, Inc.
2620 S.W. 27th Avenue
Miami, Florida 33133

1 **SUPRA TELECOMMUNICATIONS AND INFORMATION SYSTEMS, INC.**

2 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

3 **DIRECT TESTIMONY OF RONALD C. SMITH, JR.**

4 **DOCKET NO. 980253-TX**

5 **APRIL 23, 1999**

6

7 **Q. PLEASE STATE YOUR NAME AND ADDRESS.**

8 **A.** My name is Ronald C. Smith, Jr. My address is 2620 SW 27th Avenue,
9 Miami, Florida 32303.

10

11 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

12 **A.** I am the Senior Vice President of Marketing for Supra Telecommunications
13 and Information Systems, Inc. (Supra).

14

15 **Q. PLEASE SUMMARIZE YOUR BACKGROUND AND WORK**
16 **EXPERIENCE.**

17 **A.** I am a graduate of the University of Delaware and hold a BS in Marketing.
18 Prior to my appointment as Senior Vice President of Marketing for Supra
19 Telecom, I was employed by AT&T for 22 years. My job responsibilities
20 with AT&T were in the area of development and management of marketing
21 and sales strategies. I have direct sales experience and product/project
22 management knowledge.

23

24 **Q WHAT ARE YOUR PRESENT RESPONSIBILITIES WITH SUPRA**
25 **TELECOM?**

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1 A. I have the responsibility for developing the product line to be offered to
2 Supra's target customers. This includes executing Supra's marketing strategy
3 as envisioned by our business plan.

4

5 Q. **HAVE YOU PREVIOUSLY TESTIFIED BEFORE ANY STATE**
6 **PUBLIC SERVICE COMMISSION?**

7 A. No, I have not testified previously in any state public service commission
8 proceedings.

9

10 Q. **WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

11 A. The purpose of my testimony is to address the Florida Public Service
12 Commission's (Commission) proposed rules dealing with the circumstances
13 under which a customer may terminate an incumbent local exchange
14 company (ILEC) contract service arrangement or tariffed term plan, Rules
15 25-4.300, F.A.C., 25-4.301, F.A.C., and 25-4.302, F.A.C.

16

17 Q. **WHAT WILL BE THE BENEFITS TO CONSUMERS OF THE**
18 **COMMISSION'S PROPOSED "FRESH LOOK" POLICY?**

19 A. Historically, the incumbent local exchange companies (ILECs) have
20 negotiated customer contracts and have tariffed service offerings which
21 require long-term commitments by consumers. Chapter 364, *Florida*
22 *Statutes*, and the Telecommunications Act of 1996 provide for the
23 development of local competition in the telecommunications industry.
24 Alternative local exchange companies (ALECs) are now entering the local
25 market in Florida and are attempting to compete for the business of

1 customers who may be locked into these ILEC contracts. These proposed
2 rules will allow consumers to terminate these ILEC contracts covering local
3 services offered over the public switched network. Consumers will be able to
4 consider alternative service offerings that may provide greater benefits or
5 lower rates than the contracts entered into with the ILECs. This proposed
6 rule will serve to foster competition in Florida by removing current barriers
7 to competition.

8

9 **Q. HOW WILL THE PROPOSED “FRESH LOOK” RULES BENEFIT**
10 **ALTERNATIVE LOCAL EXCHANGE COMPANIES IN GENERAL?**

11 A. The Florida Commission staff estimates that there several thousand contract
12 service arrangements and tariffed term plans that would be eligible for early
13 termination under the proposed rules. These proposed rules will allow
14 customers a window of opportunity to exit these ILEC contract service
15 arrangements or tariffed term plans that were entered into during a time when
16 the ILEC was the only choice. This may be the only way that ALECs will be
17 able to compete for the business of these particular customers.

18

19 **Q. HOW WILL THE PROPOSED “FRESH LOOK” RULES AFFECT**
20 **SUPRA?**

21 A. It is Supra’s goal to provide the benefits of the Telecommunications Act of
22 1996 by offering lower prices and an innovative range of services to Florida
23 telecommunications subscribers. Supra will be in a much better position to
24 market these competitive offerings if certain customers who are currently
25 locked into long-term ILEC contracts are allowed to exit those contracts and

1 have the opportunity to choose services at lower rates and with limited
2 liability for termination charges.

3

4 **Q. SHOULD ANY REVISIONS BE MADE TO THE PROPOSED RULE?**

5 **A. Yes.** The current version of the proposed rule calls for the Fresh Look
6 Window to begin 60 days after the effective date of the rule and remain open
7 for two years from the starting date of the Fresh Look Window. Supra would
8 like to propose that the window remain open for four years. Because of
9 various problems ALECs are currently experiencing in the provision of local
10 service, the longer window will provide even greater competitive
11 opportunities for consumers.

12

13 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

14 **A. Yes.**

15