



JACK SHREVE
PUBLIC COUNSEL

STATE OF FLORIDA
OFFICE OF THE PUBLIC COUNSEL

c/o The Florida Legislature
111 West Madison St.
Room 812
Tallahassee, Florida 32399-1400
850-488-9330

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March 5, 2001

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

Re: Docket No. 990362-TL

Dear Ms. Bayo:

Enclosed for filing in the above-referenced docket are the original and 15 copies of Citizens' Prehearing Statement. A diskette in Word format is also submitted.

Please indicate the time and date of receipt on the enclosed duplicate of this letter and return it to our office.

Sincerely,

Charles J. Beck,
Deputy Public Counsel

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Initiation of show cause proceedings
against GTE Communications Corporation
(n/k/a Verizon Select Services Inc.) for
apparent violation of Rule 25-4.118, F.A.C.,
Local, Local Toll, or Toll Provider Selection.

Docket No. 990362-TI

Filed March 5, 2001

CITIZENS' PREHEARING STATEMENT

The Citizens of Florida (Citizens), by and through Jack Shreve, Public Counsel, file this prehearing statement as required by the order establishing procedure, order no. PSC-00-1835_PCO-TI issued October 6, 2000, and an amendatory order, order no. PSC-00-1835A-PCO-TI issued December 5, 2000. Further, as indicated in a letter from Kim Caswell to the Commission's Director of the Division of Records and Reporting dated January 26, 2001, we understand that the filing date for this prehearing statement and surrebuttal testimony was extended until today.

Witnesses and Exhibits

Citizens intend to sponsor Carol Ann Broome and R. Earl Poucher as witnesses in this proceeding.

Ms. Broome prefiled direct testimony and an exhibit. The exhibit, marked CAB-1, may be identified on a composite basis. Ms. Broome sponsors an exhibit containing CATS (customer activity tracking system) forms relating to the

slamming complaints about Verizon Select Services received by the Commission.

Mr. Poucher prefiled direct testimony, supplemental direct testimony, and surrebuttal testimony, each with exhibits. His direct testimony describes the willful slamming violations committed by Verizon Select Services, Inc., and proposes penalties for those violations. There are 15 exhibits attached to his direct testimony, marked REP-1 through REP-15, which may be identified on a composite basis. His supplemental direct testimony describes information provided late by Verizon Select Services regarding slamming complaints. There are 3 exhibits to his supplemental direct testimony, marked REP 16 through REP-18, which may be identified on a composite basis. Mr. Poucher's surrebuttal testimony responds to the company's rebuttal testimony and has 11 exhibits attached, marked REP-19 through REP-29, which may be identified on a composite basis.

In addition to the testimony offered by Ms. Broome and Mr. Poucher, we intend to offer depositions and exhibits of the following persons: Larry Commons, Wayne Weaver, Helen Hall, and Joe Caliro. Each of these depositions and the accompanying exhibits has been filed with the Division of Records and Reporting.

Basic Position

Verizon Select Services, Inc. (Verizon) allowed its agent Snyder Communications, Inc., to forge the signatures of thousands of Floridians during

1998 and to commit other fraudulent acts. Verizon knew about the widespread frauds being perpetrated by its agent, but it failed to take decisive action to end them over a nine month period. Verizon's desire to expand the number of customers and revenues in its newly formed long distance company overshadowed its concern about the frauds.

Verizon failed to track the vast majority of slamming complaints it received. Instead, it only performed complete investigations of complaints to regulators or higher management. We will therefore never accurately know the total number of Floridians subjected to these fraudulent activities, but a conservative, low-end estimate is that 3000 Floridians were willfully slammed by Verizon.

The Commission should give serious consideration to revoking Verizon's certificate to provide long distance service in Florida. If the Commission does not revoke the company's certificate, it should fine Verizon no less than \$5,225,000.

Issues and Positions

Issue 1(a): During the time period of December 15, 1997 through September 30, 1999, did GTE Communications Corporation, (n/k/a Verizon Select Services, Inc.) willfully violate Rule 25-4.118, Florida Administrative Code, which prohibits unauthorized carrier changes?

Position:

Yes, Verizon willfully violated rule 25-4.118, Florida Administrative Code.

Issue 1(b): If so, how many willful violations were there, and what is the appropriate action, penalty, and/or fine amount to be imposed by the Commission for any such violations?

Position: There were at least 3,000 willful violations, and probably a lot more. The Commission should give serious consideration to revoking Verizon's certificate to provide long distance service in Florida. If the Commission does not revoke the company's certificate, it should fine Verizon no less than \$5,225,000.

Stipulated Issues

There are no stipulated issues.

Pending Motions and Other Matters

The following motions by Citizens or other matters are pending:

1. Motion dated January 9, 2001, requesting leave to file supplemental direct testimony.
2. Citizens' first motion to compel dated January 16, 2001.
3. Motion dated February 8, 2001, to compel compliance with agreement and to provide other relief.
4. Request dated February 8, 2001, for ruling on first motion to compel.
5. Motion to determine scope of proceeding filed February 9, 2001.

6. There are still unresolved issues about Verizon's failure to produce documents responsive to Citizens' discovery requests. Citizens may seek additional action by the Commission to address this.

Requirements of Prehearing Order

Citizens believe we have complied with all requirements of the Prehearing Order.

Respectfully submitted,

JACK SHREVE
Public Counsel
Fla. Bar. No. 73622

Charles J. Beck
Deputy Public Counsel
Fla. Bar. No. 217281

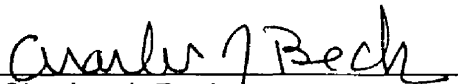
Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street
Room 812
Tallahassee, FL 32399-1400

(850) 488-9330

Attorneys for the Citizens
of Florida

DOCKET NO. 990362-TI
CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing has been furnished by
U.S. Mail or hand-delivery to the following parties on this 5th day of March, 2001.


Charles J. Beck

Lee Fordham
Division of Legal Services
Fla. Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Kimberly Caswell
Verizon Florida Incorporated
P.O. Box 110, FLTC0007
Tampa, FL 33601-0110