

State of Florida



Public Service Commission
-M-E-M-O-R-A-N-D-U-M-

DATE: August 7, 2002
TO: Blanca Bayo, Services Director
FROM: Walter D'Haeseleer, Director of Competitive Markets and Enforcement *MD*
Harold McLean, General Counsel
RE: Verizon Florida, Inc. - Request for Refund of Overpayment of Regulatory
Assessment Fees *(001556-TL)*

On October 13, 2000, Verizon requested a declaratory statement asking the Commission to declare that it is not required to pay regulatory assessment fees on the yellow pages advertising revenues that are earned and booked by its affiliate, Verizon Directories Corporation (Directories). The Commission, in Order No. PSC-01-0097-DS-TL, issued January 11, 2001, disagreed with Verizon, concluding that it was allowed to impute the yellow pages directory revenues booked by Directories to Verizon. Verizon appealed the Commission's decision to the Florida Supreme Court, which ruled in Verizon's favor in a February 14, 2002 opinion.

In a letter dated January 29, 2002, which accompanied Verizon's regulatory assessment fee return and payment, Verizon stated an intent to deduct the amounts imputed from directory revenues from future regulatory assessment fee payments, if Verizon was successful in its appeal of Commission Order No. PSC-01-0097-DS-TL. A reply was sent on March 14, 2002, to Verizon stating that the Florida Statutes do not permit such an offset or credit and that Verizon would have to file an application for refund. The Commission requested Verizon to include justification for the specific amount of the refund requested and a copy of the contract with Verizon Directories for the periods covered by the refund request. On June 27, 2002, Verizon responded to the Commission's March 14, 2002, letter with justification for the refund request and a copy of the contract between Verizon and Directories. Verizon also included in its response a request for refund of overpayments from January 1, 2000 to December 31, 2001, in the amount of \$630,572. The refund amount and the contract have been reviewed by staff and appear to be reasonable, therefore, Verizon's refund request should be granted.

cc: Mary Bane
James Ward
Chris Moore

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