

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

In the Matter of

PETITION BY VERIZON FLORIDA INC.
TO REFORM INTRASTATE NETWORK ACCESS
AND BASIC LOCAL TELECOMMUNICATIONS
RATES IN ACCORDANCE WITH SECTION
364.164, FLORIDA STATUTES.

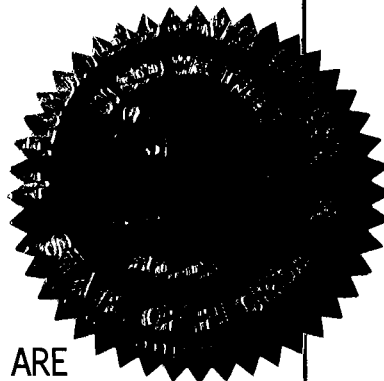
DOCKET NO. 030867-TL

PETITION BY SPRINT-FLORIDA,
INCORPORATED TO REDUCE INTRASTATE
SWITCHED NETWORK ACCESS RATES TO
INTERSTATE PARITY IN REVENUE-NEUTRAL
MANNER PURSUANT TO SECTION
364.164(1), FLORIDA STATUTES.

DOCKET NO. 030868-TL

PETITION FOR IMPLEMENTATION OF
SECTION 364.164, FLORIDA STATUTES,
BY REBALANCING RATES IN A
REVENUE-NEUTRAL MANNER THROUGH
DECREASES IN INTRASTATE SWITCHED
ACCESS CHARGES WITH OFFSETTING
RATE ADJUSTMENTS FOR BASIC SERVICES,
BY BELLSOUTH TELECOMMUNICATIONS, INC.

DOCKET NO. 030869-TL



ELECTRONIC VERSIONS OF THIS TRANSCRIPT ARE
A CONVENIENCE COPY ONLY AND ARE NOT
THE OFFICIAL TRANSCRIPT OF THE HEARING,
THE .PDF VERSION INCLUDES PREFILED TESTIMONY.

PROCEEDINGS: Ocala Service Hearing

BEFORE: CHAIRMAN LILA A. JABER
COMMISSIONER CHARLES M. DAVIDSON

DATE: Friday, October 10, 2003

1 TIME: Commenced at 1:00 p.m.
2 Concluded at 4:15 p.m.

3 PLACE: Marion County Commission Auditorium
4 601 S.E. 25th Avenue
5 Ocala, Florida

6 REPORTED BY: JANE FAUROT, RPR
7 Chief, Office of Hearing Reporter Services
8 FPSC Division of Commission Clerk and
9 Administrative Services
10 (850) 413-6732
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

1 APPEARANCES:

2 CHARLES BECK, ESQUIRE, Office of Public Counsel, c/o
3 The Florida Legislature, 111 West Madison Street, Room 812,
4 Tallahassee, Florida, 32399-1400, appearing on behalf of the
5 Office of Public Counsel.

6 MICHAEL B. TWOMEY, ESQUIRE, P.O. Box 5256,
7 Tallahassee, Florida 32314-5256, appearing on behalf of AARP.

8 CHARLES REHWINKEL, ESQUIRE, Sprint-Florida,
9 Incorporated, (MCFLTLH00107), P. O. Box 2214, Tallahassee,
10 Florida 32316-2214, appearing on behalf of Sprint-Florida.

11 BETH KEATING, ESQUIRE, FPSC General Counsel's Office,
12 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850,
13 appearing on behalf of Commission Staff.

14

15

16

17

18

19

20

21

22

23

24

25

I N D E X

WITNESSES

	NAME:	PAGE NO.
1		
2		
3		
4	Opening Statement by Senator Argenziano	10
5	Opening Statement by Ms. Keating	16
6	Opening Statement by Mr. Rehwinkel	17
7	Opening Statement by Mr. Beck	19
8	Opening Statement by Mr. Twomey	20
9		
10	SKIP CHRISTENSEN	
11	Direct Statement	27
12		
13	DALE STEPHENSON	
14	Direct Statement	30
15		
16	RENATE CANNON	
17	Direct Statement	31
18		
19	MIKE SIZEMORE	
20	Direct Statement	35
21		
22	MYRON HANSEN	
23	Direct Statement	38
24		
25	BERNARD GARLID	
26	Direct Statement	40
27		
28	ETHEL RABB	
29	Direct Statement	41
30		
31	JULIUS ALKER	
32	Direct Statement	46
33		
34	CAROL ALLEN	
35	Direct Statement	48
36		
37	PATRICIA SASSO	
38	Direct Statement	53
39		
40	GORDON BLANCHARD	
41	Direct Statement	57
42		
43	DAN PLATT	
44	Direct Statement	58
45		

1	RICHARD MILLS Direct Statement	59
2	DEE MILLER Direct Statement	60
3	JIM MAHONEY Direct Statement	64
4	MARYELLEN BODELL Direct Statement	65
5	RUPERT LA BELLE Direct Statement	66
6	BARBARA WEESE Direct Statement	71
7	KAYELEA O'RYONE Direct Statement	72
8	BILL MEINZER Direct Statement	74
9	DIANA POHLMAN Direct Statement	77
10	TIM BEY Direct Statement	80
11	LOUIS MONACO Direct Statement	84
12	ARTHUR NASH Direct Statement	85
13	FRED CLARK Direct Statement	89
14	SENATOR ARGENZIANO	93
15	BARNEY CANNON Direct Statement	97
16	RUBY HOWTON Direct Statement	99
17	CERTIFICATE OF REPORTER	106
18		
19		
20		
21		
22		
23		
24		
25		

P R O C E E D I N G S

1
2 CHAIRMAN JABER: Good afternoon, I'm Lila Jaber, I
3 chair the Florida Public Service Commission. And with me to my
4 left is my colleague, Commissioner Charles Davidson, and we
5 both welcome you this afternoon. It is very important to have
6 your participation in our process related to these three
7 petitions filed by BellSouth, Verizon, and Sprint. I will give
8 you a little bit more detail about those petitions shortly.

9 I need to start the formality of the process, so at
10 this time I am going to let our staff counsel read the notice.
11 I will allow these parties up here to make appearances so you
12 know who we each are. With that, Ms. Keating, would you read
13 the notice for us?

14 MS. KEATING: By notice issued September 23rd, 2003,
15 this time and place has been set for a hearing in Docket
16 Numbers 030867, 030868, and 030869. The purpose is as set
17 forth in the notice.

18 CHAIRMAN JABER: Mr. Rehwinkel, go ahead and start
19 with your appearance.

20 MR. REHWINKEL: Charles Rehwinkel on behalf of
21 Sprint-Florida.

22 MR. TWOMEY: Madam Chair, ladies and gentlemen, my
23 name is Mike Twomey. I'm appearing this afternoon on behalf of
24 the AARP.

25 MR. BECK: My name is Charlie Beck. I'm here with

1 the Office of Public Counsel.

2 MS. KEATING: And I am Beth Keating, and I am here
3 for the Commission.

4 CHAIRMAN JABER: Ms. Keating, would you take an
5 opportunity to introduce the rest of the Public Service
6 Commission staff that's here this afternoon?

7 MS. KEATING: Certainly, Madam Chairman. Over here
8 to my left is Beth Salak, she is the director of our Division
9 of Competitive Market Enforcement, and as you walked in the
10 door today, you would have been greeted by Mr. Dick Durbin, who
11 is with our Division of Consumer Affairs.

12 CHAIRMAN JABER: Thank you, Ms. Keating. I do want
13 to take an opportunity to let you know a little bit about why
14 we are here, and then I will introduce the process to you and
15 make sure that everyone understands what to expect here today
16 before we move forward.

17 We are here this afternoon to hear from each and
18 every one of you, if you would like to participate. It is a
19 formal part of our record at the Florida Public Service
20 Commission, so I will be asking -- at the right time I will be
21 asking that you stand and affirm that the testimony you are
22 about to give is the truth and nothing but the truth.

23 But for those of you who would like to participate,
24 but not speak today, Mr. Twomey referenced this earlier, and I
25 would like to take a moment to let you know myself what this

1 customer comment sheet is that you received when you walked in
2 the door.

3 We do this for the customers' convenience. If you do
4 not wish to speak today, but want me and the other
5 Commissioners to know your comments and your feelings about the
6 three petitions that have been filed by the phone companies,
7 you are welcome to fill out the customer comment sheet and
8 either leave it with Mr. Durbin, or one of the Commissioners
9 here, or mail it back to us at your convenience. But it is
10 important that we hear from you.

11 The law I referenced earlier that allowed the
12 companies to file petitions in front of the PSC was a piece of
13 legislation that passed last session. It's called the Telecom
14 Petition, Innovation, and Infrastructure Enhancement Act. It
15 allows the three local telephone companies, BellSouth, Sprint,
16 and Verizon, to petition the PSC, to request from the PSC that
17 they be allowed to reduce certain charges that they assess to
18 long distance companies.

19 If we grant those petitions, the local companies want
20 to be able to recover that lost revenue from your local rates.
21 Now, in doing that, the PSC has to make a finding that granting
22 the petition will promote a competitive -- more of a
23 competitive market in the State of Florida for the benefit of
24 the residential consumers. As such, as I say again, it is
25 critical that we hear from you on certain aspects of the

1 petition. We are interested in hearing from customers on
2 whether and to what extent there is competition in your area,
3 what kinds of competition you would like to see, what services
4 you would like to see, what you feel like you already have in
5 your area.

6 Now, as you came in the door you probably saw Mr.
7 Durbin and were given an opportunity to sign a sheet that
8 looked very much like this. Mr. Beck in a few minutes will be
9 calling your name according to how you signed up on this list.
10 If you feel like the person in front of you or a previous
11 speaker has already covered your remarks, please feel free to
12 let us know and we will go on to the next person.

13 I want the parties to be able to give you their
14 perspective, so shortly I will let staff make a very brief
15 opening presentation, and then we will turn to Mr. Rehwinkel
16 from Sprint, and then Mr. Beck from the Office of Public
17 Counsel, and we will conclude with Mr. Twomey from AARP.

18 There are a couple of people in the room, though,
19 that I would like to introduce and ask if they comments they
20 would like to make now. The first one is Jack Shreve. You may
21 recognize his name because he was the former Public Counsel for
22 the State of Florida. He now has, I think, the pleasure, you
23 would agree the pleasure of working with the State Attorney
24 General Charlie Crist. If I could introduce Mr. Shreve at this
25 time.

1 MR. SHREVE: Thank you. I appreciate the opportunity
2 to come down here. I see a lot of old friends from 25 years of
3 water cases, and sewer cases, and telephone cases. Attorney
4 General Charlie Crist has asked me to attend this to hear what
5 your remarks are and what you have to say because that is what
6 is important and why we are here. And he has asked me to
7 attend and listen to you. Thank you very much.

8 Thank you, Chairman Jaber.

9 CHAIRMAN JABER: Thank you, Mr. Shreve. The second
10 person I would like to introduce is Senator Nancy Argenziano.
11 I saw her walk in. There she is. If you would like to go
12 ahead and make some remarks now, Senator, that would be great.
13 And we welcome you here.

14 SENATOR ARGENZIANO: Thank you. First let me thank
15 you for coming to Marion County and having this hearing. We
16 really do appreciate that very much and know it is quite a task
17 that you have before you. So hello and welcome to our view of
18 the county. Mr. Twomey, welcome. And I would like the people
19 in the audience to know -- and, Jack, good to see you again. I
20 would like the people in the audience to know and the
21 Commissioners that I consider Mr. Twomey one of the experts on
22 utility issues. I have worked with him for seven years now in
23 the legislature, and I have found him to be not only a true
24 consumer advocate, which there are too few in Tallahassee, but
25 the man knows his stuff. And I appreciate you being here.

1 And, Mr. Beck, also, I am terribly disappointed that you were
2 not selected as one of the individuals for the position that
3 Jack has left. I think you are the most qualified, and it
4 shows you sometimes that things don't exactly go the way they
5 should in Tallahassee.

6 But what I'm really here for today is to, you know,
7 first let you know what I thought about the legislation. You
8 know I opposed it. I voted no. And over the years I have
9 followed this piece of legislation, and to me it really hasn't
10 mutated that much and it is the same as it has always been. I
11 am quite concerned because I have many constituents who really
12 can't afford any more on their telephone bills. And these are
13 young constituents as well as senior citizens.

14 We have young families out there struggling to make
15 ends meet, and they have done things to lessen the burdens on
16 their financial outputs such as buying -- or reducing long
17 distance calls to begin with, or buying little cards at Sam's.
18 Everybody in my community is talking about the Sam's cards.
19 And as a matter of fact I buy them and send them to my father
20 who lives in New York, because he can't afford the long
21 distance. And it is a great way of reducing your costs. So
22 these people have gone through great lengths already, and I
23 really -- not to get you all rowdy and hooted up, but how many
24 people in the audience can't figure out why sometimes your bill
25 is larger than the taxes and the fees and all the other things

1 that are on it? Me, too. Me, too. And it is such a burden at
2 this point.

3 But to get back to the legislation, I did not see in
4 there where they really gave you guys much discretion. I think
5 to me, and I am going to ask you each to answer this for me if
6 you would. First, let me ask the question, do you feel that
7 you have discretion, true discretion in saying no to a rate
8 increase or yes? Do you really have that discretion? And if
9 it is in the public -- I should go back -- for competition.
10 Before I ask the question, let me go back to this, and then I
11 am going to sit and let everybody else be heard. But when we
12 talk about bringing in competition, and this was my argument
13 throughout the years was that, number one, if the, I guess,
14 rhetoric or the words out there, the concern out there from the
15 Sprint's and the Bell's and others are, hey, you know, we are
16 here, we are kind of a monopoly, but we want more competition.

17 Number one, I have a hard time understanding. If I
18 were the big business, I would not want more competition. But
19 I understand their desire to reduce long distance access rates,
20 too. But at the same time, my real concern has always been how
21 do you say we want to bring companies into a market that is not
22 giving enough money, not making enough money for them to come
23 in, not enough there to induce them to come in. And then you
24 say, okay, we are going to raise the rates because we are going
25 to bring them in, and then expect the constituencies to believe

1 that they will ever go back down. I really have a concern
2 there. If they didn't want to come in on a lower market, they
3 are not going to come in later when it drops back down. So I
4 don't believe that competition thing unless you can show me
5 something else. And I ask the question now, do you feel that
6 you have discretion? Do you feel that the legislature, and the
7 bill the way it is written, the language, gives you the
8 discretion?

9 CHAIRMAN JABER: Let me answer your question,
10 Senator, after I take a moment to let the customers here today
11 know that I can tell you on behalf the Commission that the
12 Senator that stands before you today has been an integral part
13 of the PSC process, not just on telephones, but the Senator is
14 active watching water issues and electric issues. And,
15 candidly, has been a great inspiration to many of us. So I
16 appreciate that you are here.

17 The answer is to your question, without getting into
18 the merits, is that the part of the legislation that gives me
19 comfort that I think is broad enough where I find discretion is
20 the first part of the statute which requires us to find that it
21 is a promotion of the local competitive market for the benefit
22 of the residential consumer. That is why these public hearings
23 are critical to us, and that is why we have scheduled fourteen.
24 So the answer to your question is, yes, I have comforted that I
25 have discretion because anytime a piece of legislation requires

1 me to consider public input, then I have discretion.

2 The other part that makes me comfortable, Senator,
3 you have watched the Commission enough to know that we take
4 that testimony into account. It is a very thoughtful
5 deliberative process. The five us ask tough questions. We are
6 not shy about making these companies meet their burden of
7 proof, and they do have a burden of proof. And we look forward
8 to working with customers around the state in that regard.

9 COMMISSIONER DAVIDSON: I will echo the Chairman's
10 comments. I would also like to extend a special welcome to
11 Senator Argenziano. I had the pleasure of working with the
12 Senator in the House of Representatives when she was a House
13 member, and it was both in a good and a productive time. And I
14 can tell you I don't think that there is a better consumer
15 advocate out there than Senator Argenziano, so I would like to
16 thank you for being here.

17 I agree with the Chairman, that as I read the statute
18 we do have the discretion to grant or deny these petitions
19 based upon consumer benefit and what effect there would be on
20 the market. As you understand, we can't reassess the merits of
21 the bill that the legislature sent to us. Our job is to
22 implement that bill. But I think within the framework I read
23 it as this Commission does have discretion and we don't -- we
24 don't have to rubber stamp the petitions. We are to analyze,
25 as you all set forth in the statute, a number of factors.

1 SENATOR ARGENZIANO: And if I will, I'm going to hold
2 you to that. And I know you have got a very hard job, and I
3 can't commend you enough for going around and actually hearing
4 the people, because if that is part of what gives you the
5 discretion, then I think I know what you are going to hear
6 today throughout the whole state. So if that is a determining
7 factor, then I hope it weighs in heavily.

8 And the only other reason I mention that is because I
9 did get a chance to look at some of the minutes of the meeting
10 you had prior to coming around the state, and it seems to me
11 that some of the language in there, some of your concerns at
12 that time was that you may not have had discretion the way we
13 have written that bill, which I still think we did, but I am
14 going to take your word for it and hope that it works out that
15 way.

16 And I just want to thank you again. I'm not going to
17 go into any more detail, because you have got enough people
18 here that want to speak, but I did want to come out and say
19 thank you, and hopefully -- how many meetings have you done so
20 far?

21 CHAIRMAN JABER: I think this is the fifth one, and
22 we have fourteen total.

23 SENATOR ARGENZIANO: Okay. Can I ask you one favor?
24 At the end of your meetings, would you give me kind of an
25 assessment percentage-wise of how many people basically have

1 told you that this is not going to help them? And I would like
2 to know the outcome of public testimony. And if I could have
3 that, I would appreciate that very much. And thank you again
4 for coming to Marion County and for hearing the concerns of my
5 constituents. Thank you.

6 CHAIRMAN JABER: Thank you, Senator. What we can do
7 is we will have -- because of the ex parte rules, what we will
8 do is we will have our staff put together some sort of matrix
9 or summary. We do that anyway. But when they are done with
10 that, we will be glad to share it with you.

11 SENATOR ARGENZIANO: Thank you very much.

12 CHAIRMAN JABER: Thank you. At this point I would
13 like our staff to quickly summarize the legislation, and then
14 we will go to the parties' presentation, and then we will swear
15 the witnesses in and get started with testimony.

16 Ms. Keating.

17 MS. KEATING: Thank you, Madam Chairman. Essentially
18 we are here today on three petitions that were filed pursuant
19 to legislation recently enacted by the Florida Legislature.
20 The legislature did identify four very specific criteria that
21 the Commission must address in considering these petitions.

22 First, the PSC has to determine whether granting the
23 petitions would remove current support for basic local
24 telecommunications service that prevents the creation of a more
25 attractive competitive local exchange market for the benefit of

1 residential consumers.

2 The PSC also has to determine whether granting the
3 petition would induce enhanced market entry, and whether they
4 would result in requiring intrastate switched network access
5 rate reductions to parity over a period of not less than two
6 years or more than four years. And essentially parity just
7 means that the access charges that are charged to long distance
8 companies for intrastate toll calls would be the same as those
9 charged for interstate toll calls.

10 The final criteria that the PSC has to address is
11 whether or not granting the petition would ultimately be
12 revenue neutral. And revenue neutrality is defined as changes
13 in access revenues will be offset by equal changes in local
14 rates.

15 CHAIRMAN JABER: Thank you, staff. Mr. Rehwinkel, we
16 will turn to you and then come back to Mr. Beck.

17 MR. REHWINKEL: Thank you, Madam Chairman. Good
18 afternoon, ladies and gentlemen. My name is Charles Rehwinkel.
19 I am Sprint's state vice president for Florida.

20 After initially filing our case on August 27th,
21 Sprint, along with BellSouth and Verizon, refiled an amended
22 petition on October 1st. We did this in order to comply with
23 the Public Service Commission's decision, or order granting the
24 Public Counsel's motion to dismiss our case. This restarted
25 the 90-day clock for the Commission to act, which is now by the

1 end of this year.

2 Our petition asked that we be allowed to reduce our
3 in-state access charges to a level equal to the rates for
4 state-to-state long distance charges. If the Commission
5 agrees, then long distance companies will be required by law to
6 pass these cost savings along to residential and business
7 customers in the form of lower rates. Ultimately, the
8 Commission will monitor and enforce this requirement, I think,
9 through a separate docket.

10 In this proceeding, if our petition is granted, we
11 will implement a three-step adjustment to the basic monthly
12 local rates as follows: For residence in 2004, \$2.95; in 2005,
13 \$2.75; and in 2006, \$1.16. For single line businesses on
14 average in 2004, \$2.70; in 2005, \$2.40; and in 2006, 90 cents.

15 Various nonrecurring charges, like service connection
16 fees and service restoral charges will be increased pursuant to
17 the statute in three steps over the same time frame. Sprint
18 has also guaranteed that Lifeline rates will remain protected
19 from any of these monthly increases until at least 2007. These
20 changes are designed to meet the goal of Florida Statutes by
21 bringing the benefit to the competitive marketplace to
22 residential customers of Florida and to the telecommunications
23 marketplace in general.

24 Madam Chairman, this concludes my opening remarks,
25 but I would like to make a statement for the record, a very

1 brief one. That is it is my position and Sprint's position
2 that this proceeding is for the Commission to hear from
3 customers. Certain representations may be made in the form of
4 statements or questions with which we disagree. My silence or
5 lack of objection does not indicate agreement with these
6 statements.

7 The Commission has set aside hearing time in December
8 for challenging factual assertions, and we would reserve our
9 objections until that time. Thank you very much.

10 CHAIRMAN JABER: Thank you, Mr. Rehwinkel. Mr. Beck.

11 MR. BECK: Thank you. Thank you, Madam Chairman. My
12 names is Charlie Beck. I am with the Office of Public Counsel.
13 I want to thank everybody for coming here. This is a wonderful
14 showing of interest and concern about the petitions filed by
15 the telephone companies. We appreciate your being here. I'm
16 sure the Commission will be paying attention to your comments
17 and the number of people that have come here this afternoon.

18 In case you are not familiar with our office, our
19 office is independent of the Public Service Commission. We
20 appear as an advocate before them and argue cases, we can
21 appeal their decisions to the courts just as any other party.
22 The first petitions filed by the phone companies were dismissed
23 by the Commission after we filed a motion. They initially
24 asked for two increases 12 months apart, but the statute only
25 requires the increases to take place over a period of no less

1 than two years. So, last week the Commission dismissed those
2 petitions. We are here now on the amended ones which would
3 propose a longer period of time for spreading them out. And
4 thank you for being here. We look forward to your testimony
5 this afternoon.

6 CHAIRMAN JABER: Thank you, Mr. Beck. Mr. Twomey.

7 MR. TWOMEY: Yes, ma'am. Thank you, Madam Chair and
8 Commissioner Davidson. Ladies and gentlemen, I am Mike Twomey
9 on behalf of AARP, who has intervned in these cases on behalf
10 of its 2.6 million members in Florida.

11 Let me say, first, before I start my prepared
12 statements, I guess Mr. Rehwinkel was probably referring to my
13 comments that he won't talk back on, but the Senator asked the
14 Chairman and Commissioner Davidson if they had discretion, and
15 I heard their answers, and one fear AARP has is that we take
16 the position that these companies, Sprint and the rest of them,
17 have to prove, and the Commission has to be find that you folks
18 will benefit financially by these increases being granted by
19 having a lower total bill as a result of decreased in-state
20 toll calls.

21 Now, I didn't hear the Commissioners -- I'm not
22 challenging them, but I didn't hear them, and I don't think
23 their staff necessarily is taking the position that you people
24 have to benefit financially in order for them to approve these
25 increases, and that is a concern we have.

1 Secondly, I want to thank, on behalf of all
2 consumers, Mr. Beck. Mr. Beck was largely responsible for the
3 three petitions of these companies being dismissed. And as he
4 said, it gained you all some more time. Increases will be
5 spread over a little bit more time. Not what the companies
6 told the legislature they would do, three and four years, but
7 he did that, and then if you want to see what happened to him
8 as a consequence, read Howard Fox's column today.

9 Now, Senator Argenziano and a few others, but she
10 lead the charge, voted against the legislation, and we are not
11 here to reargue the legislation except to say that the majority
12 of the legislature got hoodwinked by the companies. The
13 companies wrote the law, word-for-word, filed it late, and it
14 was passed, the Governor signed it.

15 It had some goofy concepts in there that people
16 swallowed. One is that these companies, as Senator Argenziano
17 alleged, or referenced, came in and said we want to raise your
18 rates so that we won't make any money from it, but we can
19 experience competition and thereby lose customers and money.
20 Now, nobody believes that. Or nobody outside of the Florida
21 Legislature.

22 The other argument they made was that you people
23 don't pay enough in your local bills because you are being
24 subsidized by in-state calls. The AARP denies that is the case
25 and we are going to file expert testimony to challenge that.

1 Now, the other thing you will see throughout the
2 companies' literature and through the yellow sheet here is the
3 assertion that these cases, which are the biggest in the
4 history of the state, ladies and gentlemen, \$355 million a year
5 being sought by the three companies, 142.1 million by Sprint
6 alone, okay. They maintain it is revenue neutral and that
7 nobody makes any money and nobody gets hurt.

8 Now, that is just absolutely a baldfaced lie. And
9 let me tell you briefly -- let's follow the money and see who
10 the winners are and let's see who the losers are. And I hope
11 the Chair give me just a few more minutes to tell you this
12 because it is important that you know what is going on here,
13 not that you just get up and say I don't want rate increases.

14 The winners, the biggest winners are these companies.
15 They are losing money left and right in the source of call
16 access that they get from the long distance companies in-state.
17 They are losing it 9 or 10 percent per year. So what they have
18 decided to do before that access pot gets too small, they are
19 going to shift responsibility for 355 million of it and put it
20 on the shoulders of their customers. But not just all their --
21 not all their customers, just the residential and their single
22 line business, their mom and pop business lines, okay?

23 So what they do is they transfer that before it gets
24 too small. They gain there. And the way they implement these
25 rate increases is they give the single line business folks

1 smaller increases than you residential folks. And they give
2 rural people the same level of dollar increases as urban
3 people, which AARP maintains won't enhance competition as they
4 sold the legislature, it will inhibit it. They win. It is an
5 Alice in Wonderland fairy tale, but it's beautiful.

6 Another winner, other winners are big businesses, who
7 I said don't get any rate increases at all. Now, we will
8 probably have some chamber of commerce types testify that will
9 say we are in favor of this. This is not surprising, because
10 the telephone companies are usually one of the largest
11 constituents of chambers. What happens, though, is that it is
12 true that they have to give price reductions to the long
13 distance companies and they have to pass those on to their
14 in-state toll customers. The problem is is they can give as
15 much as 99 percent of those in-state toll charges to their
16 large business customers and still be in compliance with the
17 law.

18 If that happens, the people that are big business
19 that don't get any local rate increases will receive the vast
20 majority of the benefits of the toll reduction. The problem we
21 have in this case is that the long distance companies aren't in
22 the case, and we don't know how much residential and business
23 in-state tolls will go down. So how can we know whether you
24 are going to save or not if we don't know how much the rates
25 are going to go down?

1 You are the losers, ladies and gentlemen, because
2 your rates are going to go up from 35 percent to 90 percent in
3 this state of the three companies. And Sprint, for reasons
4 that they would explain in their testimony, their rates are
5 going to go up from a minimum of 60 percent to 90 percent if
6 you live in some of their more rural areas. You may not have
7 any chance at all of receiving countervailing savings in
8 in-state if you use a cell phone to make your calls, if you use
9 a Sam's card, or if you don't make any in-state calls. Again,
10 in-state calls. If you call relatives that reside out of
11 state, those don't count.

12 Mr. Rehwinkel said that one of the benefits was that
13 people that are low income and are entitled to receiving
14 Lifeline benefits will be protected from the rate increases for
15 a period of years. They have asked that those people only be
16 protected for three years. AARP is concerned that protection
17 may only last two years. We have asked Senator Argenziano, I
18 think she has agreed, to sponsor legislation that says that if
19 Lifeline protection against these rate increases is a form of
20 life preserver, then why snatch it away after two or three or
21 four years and let these people sink. And I think she has
22 agreed. She can speak for herself, but I think she has agreed
23 that she will support legislation to protect these Lifeline
24 customers from increases indefinitely.

25 Let me check my notes and I will stop. Not only are

1 they asking for the largest rate increases in the history of
2 the state, in their case 60 to 90 percent, after those
3 increases are implemented, in as little as two years, they can
4 come back under the provisions of this law and ask -- and not
5 ask, they can increase your rates 20 percent per year without
6 permission. If the PSC denies these increases, do you know how
7 much the rates can go up. The rate inflation minus one
8 percent. That is less than one percent, ladies and gentlemen.

9 Lastly, one of the remaining jurisdictions, or
10 responsibilities, or capabilities that the Public Service
11 Commission has versus these companies, they don't have rate
12 regulation anymore, they don't have profit regulation, but they
13 can control their quality of service. This legislation and
14 these petitions, if approved, will allow the companies to try
15 and get away from having the PSC control their quality of
16 service, which would be horrible. So please testify. Don't be
17 afraid of the oath. Get up and say your peace, and thank you
18 for attending today.

19 CHAIRMAN JABER: Thank you, Mr. Twomey. Both Mr.
20 Twomey and Mr. Rehwinkel mentioned the Lifeline program, and
21 this gives me and Mr. Beck an opportunity to let you know about
22 the Lifeline program, because you will hear about it later on
23 this afternoon through testimony. It is a wonderful program
24 that does provide discounts, monthly discounts of \$13.50 for
25 those that are eligible to participate in the program. When

1 you walked in you probably saw a pamphlet that looked like
2 this. Please pick one up if you haven't already, and do call
3 your local phone provider if you feel like you qualify. It
4 also helps, I think it is up to a \$30 interconnection fee, a
5 hook-up fee. A discount of \$30 for hook-up.

6 And I said Mr. Beck, because through this legislation
7 the Office of Public Counsel is charged with assisting in the
8 administration of getting people signed up, along with the
9 partnership of the Public Service Commission and other state
10 agencies around the state, the Agency for Healthcare, the
11 Department of Elder Affairs. And, Mr. Beck, you have an 800
12 number that you like to give out at the public hearings. Do
13 you have that handy?

14 MR. BECK: Yes. We have staff on board that not only
15 just answer questions, but to actually try to help people get
16 signed up and get the documentation that is necessary. The
17 legislation recently expanded for all phone companies
18 eligibility to household income of 125 percent or less of the
19 poverty level. Our 800 number is 1-800-540-7039. And I will
20 be glad to talk to anybody that has any questions about that as
21 we go on.

22 CHAIRMAN JABER: Thank you. At this time for those
23 that wish to testify in front of the proceedings today, please
24 stand and raise your right hand.

25 (Witnesses sworn collectively.)

1 CHAIRMAN JABER: Thank you. Mr. Beck, do you want to
2 call the first customer.

3 MR. BECK: I am going to try to call everybody in
4 exactly the order that you signed up here, and bear with me if
5 I mispronounce your name. Our first witness is Paul
6 Christensen of Sugarmill Woods Civic Association.

7 SKIP CHRISTENSEN

8 was called as a witness on behalf of the Citizens of the State
9 of Florida and, having been duly sworn, testified as follows:

10 DIRECT STATEMENT

11 MR. CHRISTENSEN: Good afternoon, Commissioners. I
12 am Skip Christensen, President of the Sugarmill Woods Civic
13 Association. Sugarmill Woods is a community of about 7,500
14 residents in southwest Citrus County. We are primarily
15 retirees, thus very concerned about any issue that might effect
16 our quality of living. In fact, according to the 2000 census,
17 4.5 percent of our community falls below the poverty line. So
18 every dollar counts big time.

19 Sugarmill Woods vigorously opposed the legislation
20 that authorized this proposed rate hike. We opposed it two
21 years ago, we opposed it last year. Early on we recognize it
22 for what it is, a bill written by the industry to benefit
23 industry and no one else.

24 In examining the bill, we must first question who
25 benefits from it. Surely not the average customer. I believe

1 residents of Sugarmill Woods represent the typical retiree
2 living in Florida. We like to stay in touch with our friends
3 and relatives, but for many of us we use cell phones which give
4 us virtually unlimited talk time for a reasonable fee, or we
5 buy phone cards from such places as Sam's Club and Wal-Mart.

6 Typically, our relatives and friends are out of
7 state. The phone company says this rate increase will lower
8 in-state long distance charges. But as I understand it, they
9 don't have to lower in-state fees nor do they have to pass them
10 along to the nonbusiness customer.

11 To paraphrase a popular Wendy's ad of a few years
12 ago, "Where's the beef?" What's in it for the average retiree
13 customer? Incidentally, I also checked with some fellow
14 retirees who have family residing in Florida. They do use cell
15 phones or phone cards to call them. In business you live by
16 the axiom that if you build a better mousetrap people will buy
17 it. Well, people are buying cell phones and phone cards. I'll
18 bet if the phone company were to offer a better product for a
19 reasonable price, people would buy into that, as well.

20 I submit the reason for the phone companies being
21 willing to lower the interstate rate and make up for it by an
22 increase in local phone rates is that they are not competitive.
23 They are losing out to long distance -- or to the calling cards
24 and cell phones, and I don't see any reason why the consumer
25 should have to shoulder the load for their poor management.

1 The phone companies say higher rates of return will
2 stimulate competition and ultimately lower rates. I doubt
3 anyone really believes that. Can you imagine any business
4 structuring their service fees so as to bring in more
5 competition for themselves? It's kind of like the athletic
6 team starting the third string so it will make the game a
7 little more interesting.

8 The phone company says it loses money on local
9 service. I would like to see them break down their income and
10 show the true picture. For example, Sprint's basic rate is a
11 little over \$9 a month. Add to that the cash cows of \$5 for
12 maintenance insurance, 5 or \$6 for Caller ID, 5 or \$6 for call
13 waiting, and it all adds up. The phone companies say that an
14 increase will be passed on in the Lifeline program. I say to
15 you that if that program is in that poor condition then it
16 needs to be reviewed by the legislature for proper entitlement
17 funding.

18 I find it interesting. Florida depends very heavily
19 on retirees. We bring money to the state, we bring
20 volunteerism to the state, we bring visitors to the state. Yet
21 the government does everything it can to make life difficult
22 for us. You know, this whole phone rate thing is like a kid
23 asking for an increase in their allowance. You don't have to
24 give it to them unless they truly deserve it, and it won't hurt
25 your financial position. And from what I have read the phone

1 companies don't deserve it, and it will hurt our financial
2 position. Thank you.

3 CHAIRMAN JABER: Thank you.

4 MR. BECK: Thank you. The next witness is Dale
5 Stephenson.

6 DALE STEPHENSON

7 was called as a witness on behalf of the Citizens of the State
8 of Florida and, having been duly sworn, testified as follows:

9 DIRECT STATEMENT

10 MR. STEPHENSON: Good afternoon, Commissioners,
11 ladies and gentlemen. And I am here representing myself, I
12 guess. I am a member of the Dunnellon -- from Dunnellon,
13 Florida, but in all of the statements that I have read in the
14 newspapers, I have not seen anyone that said that any of the
15 telephone companies were losing money. They have all showed
16 nice profits when it was broken down and showing actually what
17 they pay taxes on.

18 To me, this goes back to the fact that our
19 politicians listen to paid lobbyists who spent a whale of a lot
20 of money to get a bill passed through our state legislature to
21 come back and be able to make more money in the future when
22 actually they are not losing money today.

23 The comments I make, as I said, are my own and they
24 are what I have read in the newspapers and what I believe to be
25 true. I do have 35 papers signed by people that asked me to

1 bring them and give them to the chairlady, and that I would
2 like to do. But I sincerely believe that when the man said we
3 were being hoodwinked, we are just being taken.

4 CHAIRMAN JABER: Mr. Stephenson, thank you. And I
5 will make sure the staff puts these in the docket file.

6 MR. BECK: The next witness is Renate Cannon.

7 RENATE CANNON

8 was called as a witness on behalf of the Citizens of the State
9 of Florida and, having been duly sworn, testified as follows:

10 DIRECT STATEMENT

11 MS. CANNON: Good afternoon, Madam Chairman,
12 Commissioners.

13 CHAIRMAN JABER: Good afternoon.

14 MS. CANNON: First off, I would like to thank you for
15 making this public hearing available, but I also would like for
16 you to know before I get into the purpose of this meeting how
17 difficult it was for me to find out about this meeting, let
18 alone the time and the place. I live in Levy County. I knew
19 that these meetings were scheduled around the state, but if I
20 didn't want to drive three and a half hours a shot to any of
21 your locations which would have been the closest to me, and so
22 in my despair, I kindly went to the Internet, and thank God I
23 was able to pull it up from there and then I also got it out of
24 the Levy newspaper, the Levy County Journal, that Senator
25 Argenziano's staff had put in. That having been said, I also

1 have a hard time finding your local toll free telephone number.

2 Now, I am allegedly or apparently, according to your
3 public publication, one of the, in quotation marks, lucky
4 consumers because I am being served by BellSouth -- at least at
5 this time I am -- with some gorgeous promises being made to our
6 local market increasing I might later on have a better choice.
7 Nonetheless, as I can see that is not the company that charges
8 the least increase. But let me get to that first off.

9 You, Madam Chairman, asked us to tell you what we
10 would like to see the phone companies do if these petitions
11 were to be granted at all, which you please remember you don't
12 have to do. I know Governor Bush appointed you, but please
13 don't be afraid of people. Be afraid of the Lord, if anybody.
14 There are -- I would like to see at a minimum 24 hours a day, 7
15 days a week access to customer service. I would like to see no
16 hook-up fees at all, competitive rates, and none of this is
17 presently available in Levy County.

18 Several years ago I took the step to look at the
19 local companies, and they are not even listed in my telephone
20 book. When I went to the credit union in Gainesville, the
21 closest county that I could get that information from the
22 Gainesville phone book, I tore that page out. I have to admit
23 to my shame, and took it home with me and called each and every
24 company on there. I found one company that is headquartered in
25 Alabama who was very eager to make a contract with me. And I

1 said to the lady, no, I'm sorry, I would like to see things in
2 writing because otherwise I can't carry it home. And so she
3 did keep her promise, she gave me a contract. It was even a
4 favorable rate. But to be totally honest I was scared to death
5 that it would be kind of like the car insurance. You have got
6 it for six months, even if you never file a claim the next six
7 months they increase the rates on you. And I thought I know
8 what I've got, however poor it may be, but I don't know what I
9 will get it and it may be much worse.

10 Now, that having been said, I would like for this
11 gentleman to tell the public how he figures that he would save
12 his customers money. I do not dare make phone calls inside the
13 state unless they are of ultra importance because of the
14 outrageous long distance charges that I have to pay that are
15 nearly double those to outside state calls, to interstate
16 calls. What I do instead is use the Internet and send e-mail
17 to my children, and thus I stay in contact. By the same token,
18 I don't like to e-mail any businesses because, once again, you
19 will be punished if you do, meaning by unscrupulous
20 personalities abusing your privacy and security. So I am
21 limited there.

22 And to top it all off, the phone companies once again
23 hold me in their bay by I have to use the telephone line to get
24 on that net, since I live in the wooded area, the Chiefland
25 address doesn't tell the whole story. I live ten miles west of

1 the city very happily in the very agricultural area, and I hope
2 it stays that way. I am between Chiefland and Cedar Key. And
3 what you can tell by my accent, I wasn't born in this country,
4 and I wasn't always as bold as I may be this afternoon, but I
5 learned early on that I have no choice.

6 I grew up in Communist Germany, and I escaped to
7 Berlin. And I have seen the wall go up and I saw it -- I did
8 not see it come down. I mean, via TV, but personally I did see
9 it go up. And what I thought is that I had found a haven and a
10 refuge, and most of the way I have, and I am a naturalized
11 citizen since almost 30 years, but I do not like to be
12 exploited by business in any way, shape, or form, sir.

13 And while I am at it, the very least you should have
14 done on your sign is print your name. I understand you are
15 ashamed for the public to know it, I don't blame you there.
16 But, I mean, that should be the least. And I am not afraid to
17 face you guys head on because I don't have any other choice.
18 If I stay silent, things will only get worse.

19 Now, Madam Chairman, you told the Senator earlier
20 that you are comforted by the statute that just passed, but
21 being comforted and comfortable are two different things. And
22 the burden of proof lies with the petitioners. I strongly urge
23 you please hold them to that burden, and please deny this
24 petition. And, Mr. Davidson, please do not rubber stamp these
25 petitions.

1 was called as a witness on behalf of the Citizens of the State
2 of Florida and, having been duly sworn, testified as follows:

3 DIRECT STATEMENT

4 MR. SIZEMORE: Thank you, Madam Chairman, and I as
5 well would like to welcome you to Marion County. I'm pleased
6 to have an opportunity to appear before you. I will be brief
7 with my remarks. I will not maybe be as detailed as the lady
8 was with my reference to Sprint and their obligation to the
9 community. What I would like to do is in my position as
10 Chairman of the Marion County Democratic party, I receive a lot
11 of people calling me with regard to this hearing, and they are
12 unable to be here.

13 The kinds of things that they have expressed to me is
14 their concern that these costs of services are reaching a point
15 where they are simply going to be unable to afford them. Their
16 skepticism certainly is justified when you look back
17 historically at whether or not these fees are going to come
18 down or remain cost neutral. A lot of these folks have the
19 advantage of recalling the Rural Electric Services Act that
20 actually established electricity and phone services and other
21 services, in fact, out to the rural areas, to areas that did
22 not generate income. It wasn't income that was driving these
23 services to be provided, it was the fact that we knew that it
24 was good for the country and it was the right thing to do. And
25 we somehow have gotten beyond that. We have gotten to the

1 point now where everything is viewed by the bottom line, by the
2 dollar.

3 Their skepticism is also greatly enhanced by the fact
4 that they can't get ahold of anybody. We have moved into a
5 society and a generation now exists where you push 1, you push
6 2, you push 3. And, in fact, in fact when they do get ahold of
7 someone they find that they are in India or Mexico. What I'm
8 trying to convey to you is that they view you as their
9 servants. They view you as their voice. They view you as the
10 people who that they have -- the only avenue that they have to
11 express their concerns. And please, remind yourselves that you
12 do serve the people of this great State of Florida and the
13 citizens of Marion County.

14 I would further want you to know, and I'm sure you
15 do, that these are not services that are optional services
16 anymore. These are not services that is going to allow someone
17 to call their child and say hello, as nice as that is. It is
18 not a service that is going to allow you to call up and check
19 on some medication somewhere, but it is a vital link for a lot
20 of people. It is a lifeline. It is a way to obtain someone to
21 come and care for you. It is a way to obtain employment. We
22 have become totally dependent on the communication. And they
23 have watched historically that these -- as we talk about
24 privatization of public utilities, that has become a nightmare
25 for these folks. And as we move more into that, names like

1 Enron and WorldCom and all of these other things become
2 extremely agitating to these people. They understand that it
3 is those kinds of industries that take advantage of services
4 that you must have, whether it is electric, or phone, or any of
5 the other public services, the water.

6 So, please take all of that into consideration as you
7 deliberate. And when you get to that point where you are
8 trying to decide whether or not it is going to be revenue
9 neutral, I don't think there is a question about it whether or
10 not it is going to be revenue neutral. It is about profit
11 absolutely. Thank you very much.

12 MR. BECK: The next witness is Myron Hansen.

13 MYRON HANSEN

14 was called as a witness on behalf of the Citizens of the State
15 of Florida and, having been duly sworn, testified as follows:

16 DIRECT STATEMENT

17 MR. HANSEN: I, too, would like to thank you folks
18 for making it possible for folks in Marion County to address
19 this issue, and that you have taken the time and you have given
20 even me a chance to speak. And I don't have a problem
21 speaking; I'm hard to shut up. But I got a little screwed up
22 because what I'm talking about now is how much Sprint was our
23 server. I said that right and nobody yelled at me. But how
24 much that is going to cost me. Because I know me better than
25 anybody else, and I know what my expenses are. But I used the

1 numbers that came out on the first set of petitions, so if you
2 will forgive me for the numbers they won't be exactly right,
3 but they will be in the ballpark.

4 Sprint, our current company, has collected \$192 from
5 us this year which averages out in ten months to 19.20. We do
6 not use long distance carriers or an in-state carrier, but
7 rather a calling card, which by gosh we get from Sam's. And
8 you know what that cost me for 600 minutes? 3.5 cents a
9 minute. Now, who can't stand the competition? Sam doesn't
10 have a problem. He's laughing. Anyway, that fee costs me 3.5
11 cents a minute whether I call in-state or out-of-state. It
12 doesn't make any difference.

13 Now, if I split Sprint's requested rate increase in
14 half to \$3.43 a month for each year it will raise our monthly
15 bill to a minimum of 22.63 for 2004, and it will cost me a
16 monthly minimum of 26.06 for 2005. Now, in those increases I
17 show no way because I have no idea how much our taxes are going
18 to go up on that because you are adding dollars in and then the
19 state tax, the federal tax, the county tax, and even people we
20 don't know tax.

21 Now, for all of this that we are paying out, and you
22 can calculate what it is going to be, because it is \$3.43 the
23 first year each month, and it is \$6.86 the second year. When
24 you add those two years together, you have paid a little chunk
25 of money. Now, in July of 2006 we may get a \$1.99 per month

1 fee elimination for in-state connections, and I have to be
2 sarcastic, what a bargain for Sprint.

3 We, my wife and I, will have a couple of choices or
4 options very soon. Number one, pay the fees because you allow
5 it; wait patiently until you change your minds and pass it
6 anyway; or give up our telephone and save \$26 a month for the
7 next three years. And if push comes to shove, I have said
8 steadfastly I will never have a cell phone. I may eat my
9 words. But if I have to pay \$10 a month more for a cell phone,
10 by that time Sprint is going to be up that high anyway, so I
11 will keep myself to myself. Please give us a break, folks.
12 It's not that we need it, we deserve it.

13 CHAIRMAN JABER: Thank you, Mr. Hansen.

14 MR. BECK: The next witness is Bernard Garlid.

15 BERNARD GARLID

16 was called as a witness on behalf of the Citizens of the State
17 of Florida and, having been duly sworn, testified as follows:

18 DIRECT STATEMENT

19 MR. GARLID: Welcome to Ocala. I appreciate your
20 coming today. Members of the Commission, I live in a
21 retirement community of about 840 homes. This is one of the
22 oldest gated communities in the county, and it is also a
23 55-plus community. My wife and I have lived there about five
24 years, a little over five years, and we have gotten quite
25 active in the community so we know the community pretty well as

1 far as who is there. While we have not been -- or we have not
2 conducted an official poll, I believe it would be fair to say
3 that we have a high percentage of widows and widowers living on
4 a fixed income in this community. Part of this income, Social
5 Security, carries a cost of living adjustment of 1.4 or 1.6
6 percent, whichever year you are going to use now. This rate
7 proposal is well above that percentage and we object to it.

8 It would be my suggestion that this request be
9 denied, or at best held to a cost-of-living adjustment only.
10 If these companies need to maintain a bottom line of profits,
11 then they should reduce their advertising expenditures.

12 CHAIRMAN JABER: Thank you.

13 MR. BECK: The next witness is Glenda Thompson.

14 MS. THOMPSON: I think everybody has expressed my
15 opinion, so I will pass.

16 CHAIRMAN JABER: Thank you, Ms. Thompson.

17 MR. BECK: Elizabeth Janowski.

18 MS. JANOWSKI: I think everyone has covered
19 everything I wanted to say, too.

20 MR. BECK: Thank you. Ethel Rabb. Ethel Rabb.

21 ETHEL RABB

22 was called as a witness on behalf of the Citizens of the State
23 of Florida and, having been duly sworn, testified as follows:

24 DIRECT STATEMENT

25 MS. RABB: Most everybody has expressed what I felt,

1 but I think mine is slightly different than theirs. I brought
2 with me today my last telephone bill. And it is not so much
3 the basic cost of your telephone, they list it differently
4 within the last year or so. It used to be what the telephone
5 service was plus a dollar if you had Touch-Tone, and then they
6 did it by -- mine is 9.94 as the local phone service. Then
7 this is what I object to.

8 All the taxes below that. The interstate access
9 surcharge, the telecommunications relay surcharge, all of these
10 are taxes. You could call surcharge, but they are taxes. And
11 then your taxed on the taxes, so I don't think -- that is where
12 all the increases come. When you put all of them together, the
13 in-state access surcharge, telecommunications relay surcharge,
14 fed universal service fund, number portability surcharge,
15 emergency 911. And by the way, to my estimation, my feeling,
16 the only thing that belongs on my personal telephone bill is
17 the emergency 911. Everyone needs that. And so everything
18 else brings up the total to \$9.62. So if you add that with the
19 local phone service it comes to a total of 19.56.

20 So what I am trying to say is when you call and ask
21 them, you have the telephone numbers below this that you can
22 call, but every one of them says that it is mandated, but they
23 don't have to -- the telephone company doesn't have to pass it
24 on to you. That is what the Public Service Commission says and
25 the FCC says. They don't have to, but that is the most

1 stupidious, I don't know the word I want, stupid thing to say
2 because what company if it is allowed to be done will not do
3 it? I mean, if you said we don't -- you don't have to, but you
4 can if you want to, then I mean what is the point in all of
5 this? So, it is on there. So I don't know whom to blame,
6 whether it is the telephone company, like Sprint, or the State
7 of Florida because the state mandates it for them to do these
8 things.

9 CHAIRMAN JABER: Ms. -- is it Robb or Rabb?

10 MS. RABB: Rabb.

11 CHAIRMAN JABER: Ms. Rabb, the bills are confusing to
12 say the least. One of the things that happened two or three
13 years ago was a requirement that the telephone company separate
14 out the individual charges. That was done in an effort of
15 making the bills more clear and requiring the companies to
16 explain the individual charges. That was done at the federal
17 level. The charges you referenced are federally allowed
18 charges. And because the PSC recognized that a lot of that is
19 confusing, we did come up with a cheat sheet. You can get it
20 off our website.

21 MS. RABB: I have that. It was sent to me.

22 CHAIRMAN JABER: Good. It is one of the best
23 brochures we have, I think. It does explain what those federal
24 charges are. Some of the charges you disclosed, I think one of
25 them was a number portability fee charge.

1 MS. RABB: That is most stupid one of all. If you
2 stay in your house for 35 years and have the same telephone,
3 why are we paying this? If you want to have number
4 portability, then if you want to change it then ask the people
5 who want to change it to pay for it.

6 CHAIRMAN JABER: I used that one as an example
7 because that is probably the only one on the bill that you
8 articulated -- and, Mr. Rehwinkel, you can correct me if I'm
9 wrong -- that will eventually go away. I think it is allowed
10 for a five-year recovery period.

11 MS. RABB: It is more than five years, because I
12 also have been in contact with the FCC and the Public Service
13 Commission, and they said with me it depends. I think the law
14 came into existence in 1996, I think, and it was only supposed
15 to go for five years.

16 CHAIRMAN JABER: Mr. Rehwinkel, do you recall when
17 your number portability comes off of your bill?

18 MR. REHWINKEL: I can find out quickly.

19 MS. RABB: I think it was 1999, and so it should be
20 off come January of 2004. And if it isn't, I will be back with
21 you again.

22 MR. REHWINKEL: I can get the answer to that question
23 and give it to you by the end of the hearing, or we can get
24 with Ms. Rabb.

25 CHAIRMAN JABER: I would like the answer to that

1 because it has come up in public hearings before. But the
2 reason I use that one as an example, because unfortunately that
3 is probably one of the only ones that you are articulated that
4 will come off of the bill. It is a set recovery period. The
5 other charges, you are absolutely right, they look like, smell
6 like taxes, but a lot of it has to do with the universal
7 service program. And that was a federal law that is designed
8 to make sure that every American has access to a phone.

9 And you are absolutely right that those charges are
10 passed through to the ratepayers. But in all candor I wanted
11 to explain to you that those were not state-approved charges,
12 they are federally-approved charges.

13 MS. RABB: Well, even though there is a local
14 communication services tax and the state communication services
15 tax, now when you had gross receipts and you took that away and
16 put this in, the legal rate for gross receipts tax was 2.5.
17 Now, they telephone company was doing 2.562, 2.564, and they --
18 or that they were changing it completely and that annoyed me,
19 because they are recouping. I don't think they should be
20 recouping. That is the whole point. If the state or the
21 federal government is mandating it, then why should they recoup
22 it from us? I also feel if the county, or the city, or the
23 state needs money for giving these services to different
24 people, even the libraries and the computers that they have,
25 all this business that it says it takes care of, I don't think

1 that it belongs on my own personal telephone bill. I think the
2 county or the state should send maybe if they need money
3 because the State of Florida doesn't have a state income tax
4 and they need money for some of these things, let them send a
5 bill to everybody including the businesses. Why does it have
6 to be on my personal telephone bill? And as I said before, and
7 I will close with that, the only charge that I would think
8 would be the right charge to put on would be 911.

9 CHAIRMAN JABER: Thank you, ma'am.

10 MR. BECK: The next witness is Julius Alker.

11 JULIUS ALKER

12 was called as a witness on behalf of the Citizens of the State
13 of Florida and, having been duly sworn, testified as follows:

14 DIRECT STATEMENT

15 MR. ALKER: Alker. I agree with the lady who just
16 spoke before me. I know that we are still paying for the
17 Spanish American war as federal tax, and, of course, there will
18 be no competition for local phones and competition for long
19 distance. The only reason I have local phone is because I have
20 Internet. As soon as it is going to be cellular, I am gone.
21 Finished. Sprint is very good service, I have no problem with
22 them. The only problem I have is this business of they are
23 losing money. Enron was losing money right before the
24 distributed the money, but all these other people right now are
25 just about to go to jail. They all lost money. Why? Because

1 they distributed the money. And I know in North Carolina there
2 was a scandal once because of a golden parachute in the 1960's,
3 you know, it is not in 2000. But 80,000 for a local company
4 person. So, you know, I feel that bathroom fixtures is going
5 to add to the cost, you know, and of course you can always show
6 loss. Loss is easy. Just distribute the money and it is easy,
7 you know. Like television stations, they have more and more
8 advertising now because they pay 65 million to Katie Couric.
9 She doesn't deserve over 6 million perhaps. I have submitted
10 my comments, and if you will pass my comments up. And, of
11 course, I am opposed to all these things, because like connect
12 charge, that is like when you go to a bad gas station, gas is
13 one dollar, but to use the hose is another dollar.

14 CHAIRMAN JABER: Let me get you to spell your last
15 name for me so I can put it on this so I will know who it came
16 from.

17 MR. ALKER: Julius Alker, A-L-K-E-R. I also have
18 another copy, I just wanted to give it to the gentleman, this
19 copy, because I already submitted another copy, also.

20 CHAIRMAN JABER: Well, if you don't mind, I'm going
21 to hang on to this so I can read it and put it into our docket
22 file.

23 MR. ALKER: Then you will have two copies.

24 CHAIRMAN JABER: That's fine. Thank you, Mr. Alker.

25 MR. BECK: The next witness is Carol Allen.

1 CAROL ALLEN

2 was called as a witness on behalf of the Citizens of the State
3 of Florida and, having been duly sworn, testified as follows:

4 DIRECT STATEMENT

5 MS. ALLEN: Thank you very much for allowing me to
6 come here and speak today. My question is something that
7 hasn't been really addressed too much. My concern has to do
8 with the statement that came out on the Sprint bill that came
9 on September of this year. And I will just read it and see if
10 there is any way that you can address this.

11 Sprint Wireless calls to become Sprint long distance.
12 Sprint landline customers could start receiving long distance
13 extended call charges when they dial cellular service
14 subscribers effective October 31st, 2003. Sprint customers may
15 incur charges when making intraLATA calls to subscribers in
16 cellular phones in Florida. These charges are being incurred
17 due to the discontinuance of reverse toll billing service to
18 wire carriers. When wireless local number portability is
19 implemented on November 24th, 2003, telephone numbers will no
20 longer be dedicated to a particular carrier and reverse toll
21 billing will no longer be feasible. Possible changes in
22 dialing patterns may also be necessary, including the
23 requirement to dial 1 plus 10 digits in some cases.

24 And my concern is this: If I start using a cell
25 phone instead of having a Sprint landline, which I probably am

1 going to do, if I start using that, am I going to incur a long
2 distance fee every time that I call a cellular phone in the
3 State of Florida?

4 CHAIRMAN JABER: Mr. Rehwinkel, let me let you take a
5 stab at that. Ms. Allen, the notice was required to put
6 customers on guard to be able to ask that question before you
7 made a call to a cell phone provider. Now, whether Sprint has
8 had to actually place any charges on your bill, I will let Mr.
9 Rehwinkel address that. It is different per company.

10 Mr. Rehwinkel, how has your company handled that?

11 MR. REHWINKEL: Yes, ma'am. It would really depend
12 on your calling pattern and whatever wireless phone number you
13 called. There are some wireless providers that offer their
14 customers a very large incoming calling scope so that it may be
15 a business that has a specialized need to reach out to a very
16 large community that is greater than the wire line or the
17 Sprint local company's calling area, for example. So what they
18 do is they pay a fee to the local company that allows people
19 that are calling into the wireless provider to not have a long
20 distance charge or an extended calling charge on their bill.
21 It is a very route specific and very company-specific
22 situation.

23 If the number you are calling normally would incur a
24 toll charge, but the wireless company has decided to shoulder
25 that cost, if that was the situation before, you will get a

1 toll charge in the future. But it really all depends on your
2 calling. We have some folks that we can answer specific
3 questions about numbers that you will be calling to, and we
4 would be glad to help you with that.

5 CHAIRMAN JABER: What you can do, if you have got
6 your bill with you, I would like to invite the Sprint
7 representative to take a look at your bill and your calling
8 pattern and we can get you a more specific answer.

9 Commissioner Davidson, you had something?

10 COMMISSIONER DAVIDSON: Yes. I had a follow-up, and
11 it may be my density here, but I'm curious. If this customer
12 from her landline makes a call to a local cellular carrier, and
13 just really sort of yes or no, is she going to incur a charge
14 for that?

15 MS. ALLEN: That is my question.

16 COMMISSIONER DAVIDSON: I'm curious, too, because I
17 too am in the same boat. I am about to cancel my own landline
18 service simply because I've got a great deal of wireless. But
19 I would like to know, I mean, am I going to on my landline
20 service, if I call local cellular, and a lot of folks use
21 cellular, is there going to be an increase on my bill?

22 MR. REHWINKEL: And, again, when you say a local
23 cellular company, it really depends on those first three digits
24 in the phone number, what they call the NXX. You know, forget
25 about the area code, you have got the seven digits. The first

1 three digits in some cases they are associated with a certain
2 geographic area.

3 COMMISSIONER DAVIDSON: Well, let me ask it this way.
4 I understand that. If I am on -- I went to Leesburg High
5 School, 352 area code now, it went through a number of codes,
6 but if I am say in a house I used to live in Ladylake, and I am
7 calling from the landline to someone in Fruitland Park, again,
8 352, that Fruitland Park user has a 352 cell phone, something
9 issued in the Leesburg area, and I am calling from Ladylake to
10 Leesburg, is there going to be a toll associated with that call
11 if it is 352 to 352?

12 MR. REHWINKEL: If this is not normally a toll call,
13 it will not have a charge on there. Right now, though, people
14 can have -- they can have cell phones and they live and work in
15 a specific area, but they are, what they call, rate-centered in
16 a way that would make it look like a toll call. Those people
17 will get toll charges. So it very specific to the facts of
18 what number you are calling to. And that is the whole reason
19 why number portability has messed the whole thing up so the
20 reverse toll billing option had to be discontinued.

21 But generally the answer is if it would be local call
22 there will not be a charge on there. It really is something
23 you just have to look at. It is a very -- it is very hard to
24 explain, as I'm sure I'm not communicating with the folks out
25 here about it. We arbitrated a case several years ago at the

1 Commission, it was a very complicated one about this very
2 issue, and it is the most difficult issue that I have ever had
3 to deal with.

4 But the answer is generally no, we would just have to
5 look and see what the numbers you are calling from to the
6 number you are calling to. I'm not trying to be obtuse here.

7 CHAIRMAN JABER: Ms. Allen, I would like the Sprint
8 representative along with Mr. Durbin of our staff to take a
9 look at your bill. It is my recollection that Commissioner
10 Davidson is right, I paid those charges myself on my landline
11 to the cell phone, yes, I have. And it is phone number
12 specific. And I didn't even notice it until I took a look at
13 the bill and realized the number I was using. So please take
14 us up on the invitation and work with our staff and their
15 representative and we will get you a specific answer.

16 MR. REHWINKEL: It is a very good question. I
17 apologize if I have been --

18 MS. ALLEN: And just one thing more. Will this also
19 mean if you were a business, would this also apply?

20 MR. REHWINKEL: Yes. I mean, you just have to look
21 at it, but a business or a residential customer would be no
22 different.

23 MS. ALLEN: Thank you.

24 CHAIRMAN JABER: Thank you, Ms. Allen.

25 MR. BECK: The next witness is Patricia Sasso.

1 CHAIRMAN JABER: Ms. Sasso.

2 PATRICIA SASSO

3 was called as a witness on behalf of the Citizens of the State
4 of Florida and, having been duly sworn, testified as follows:

5 DIRECT STATEMENT

6 MS. SASSO: Good afternoon, Madam Chair,
7 Commissioners, ladies and gentlemen. A lot of my questions
8 have been answered, but my good friend Mike brought up the fact
9 of how important the phones are to our business, people's work.
10 There are a lot of people. I have been in Florida since 1948.
11 I have seen a lot of changes. And this I believe, this
12 proposed change is one of the stupidest that I have ever heard
13 of. Plain and simple stupid.

14 Now, we have people that are not able to drive, that
15 are not able to use a phone, everything they do -- I mean, that
16 are not able to go to work. Everything they do is by phone.
17 Their food is delivered, what little bit they get. Medication
18 is delivered. Are you listening to me? Medication is
19 delivered. They may not be able to get some of the medicines
20 they get with this change. And I am absolutely opposed to
21 this. I am the president of the Republican Women Federated
22 Ocala/Marion. I am also from the northeast quadrant of Marion
23 County. I get hundreds of calls during the week, and most of
24 my calls that I make are in the state.

25 We have a phone that we gave to a grandson for his

1 birthday. This will all change if this goes through, I can
2 tell you this. And there will be a lot of other people that
3 will follow, because this is not right. It is not right. This
4 thing that the lady before me just brought up, if you are in a
5 352 area, sir, and you have to call -- or dial a one first, how
6 does that set? Long distance. If you don't have to dial a one
7 first?

8 MR. REHWINKEL: Madam Chairman, it really is fact
9 specific. There are some calls --

10 MS. SASSO: The fact specific -- if you will excuse
11 me, is a flat yes. It is a charge. I know that is what it is.
12 If it is on the paper and it is a suggested, look out, folks,
13 you are going to get hit with it. Somebody needs to take some
14 reduction in their salaries with Sprint. Thank you very much.

15 CHAIRMAN JABER: Thank you, Ms. Sasso.

16 MR. BECK: The next witness is Gordon Blanchard.

17 MR. REHWINKEL: Madam Chair, if I might.

18 CHAIRMAN JABER: Hang on, Mr. Rehwinkel. Who was
19 that, Mr. Beck.

20 MR. BECK: Gordon Blanchard.

21 CHAIRMAN JABER: Gordon Blanchard. And, Mr.
22 Rehwinkel, you wanted to respond to that last question?

23 MR. REHWINKEL: The only thing is I would have to
24 look at the local calling routes, but there may be some of what
25 we call ECS, which is considered basic local that you may have

1 to dial 11 digits, ten digits to complete a call. I would just
2 have to check on that and I can --

3 CHAIRMAN JABER: Mr. Rehwinkel, something that
4 occurred to me the other night at the -- the other afternoon, I
5 think it was the Tampa service hearing, and we got into
6 customer testimony and I forgot to ask about this. I will ask
7 you and our staff, and if you could also think about it
8 internally. At some point in a new competitive market we need
9 to look at that extended area service and ECS/EAS. I don't
10 know the answer to that. I don't know if it continues to be
11 appropriate to have those charges in light of a new competitive
12 telecom market.

13 What I am referring to just for the customers'
14 benefit, and I want to go ahead and get that concern on the
15 record and have you all follow up, staff, companies, and
16 consumer advocates, there are certain charges within the State
17 of Florida that -- it is a 25 cent charge from city to city.
18 It is before my time, so you will have to forgive my ignorance
19 on this issue. I really don't remember very much about it, but
20 you can be in an adjacent city and still pay 25 cents and be
21 within the same area code.

22 And the history of that is that the Commission years
23 ago agreed to that charge in lieu of toll charges, in lieu of
24 long distance charges. It did allow the companies to recover
25 certain cost aspects. My direction to staff, the companies,

1 and request of the consumer advocates is that we think about
2 whether those charges are appropriate in a new competitive
3 market. So if you could get back to me on that, I would
4 appreciate it.

5 COMMISSIONER DAVIDSON: And, Chairman, not that this
6 comment necessarily has relevance to this proceeding, but I
7 will tell you I am getting hit twice, for example, on universe
8 service as many are. On my local phone bill I have a universal
9 service charge. On my wireless bill I have a universal service
10 charge. A lot of these issues, this is just a complicated mess
11 right now. Things are handed down by the federal level, things
12 are addressed at the state level, some things are
13 company-specific, some things aren't. But I, for one, am being
14 hit twice for USF. I am hit twice for E911. And that is
15 really one of the things that I am just terminating my own
16 local service for wireless simply I've got a good plan. And,
17 like most, I don't want to pay out \$15 a month on a local bill
18 and \$15 a month on a wireless bill for a lot of the same
19 programs.

20 So I think I share as a consumer who uses a lot of
21 phone service, local and wireless, some of these customers --
22 some of these customers concerns. And I hope at some point it
23 can get better for everyone in the audience and for all the
24 consumers in the state.

25 CHAIRMAN JABER: Thank you, Commissioner. Mr.

1 Blanchard.

2 GORDON E. BLANCHARD

3 was called as a witness on behalf of the Citizens of the State
4 of Florida and, having been duly sworn, testified as follows:

5 DIRECT STATEMENT

6 MR. BLANCHARD: Thank you. And thank you all for
7 coming to Marion County and hearing our complaints. First of
8 all, most of what I wanted to say has already been said, but I
9 would like to point out a couple of things which I think needs
10 further explanation.

11 First of all, my basic telephone bill is \$9.94. One
12 dollar of that was for Touch-Tone, which means that the basic
13 phone is \$8.94. Now, Sprint wants an increase of \$6.86, and
14 that amounts to over 75 percent of the basic bill. All these
15 others are listed separately on there, and I think that is
16 ridiculous, and I think they have a lot of gall to ask for that
17 much.

18 Also, I think that the basis of their petition that
19 adjusted the local and single business line is unfair. Why
20 should the poorest part of the population pay all the expense?
21 Why isn't the businesses included in it? Another thing, have
22 you ever opened your telephone bill and not only do you get a
23 long bill, but a lot of these little things fall out. How many
24 people read them? What is in them? What about all the
25 television ads and every other kinds of ads? They can

1 certainly cut their expenses there. And I think it should be
2 done. I respectfully request that you deny their petition.
3 Thank you.

4 MR. BECK: The next witness is Dan Platt.

5 DAN PLATT

6 was called as a witness on behalf of the Citizens of the State
7 of Florida and, having been duly sworn, testified as follows:

8 DIRECT STATEMENT

9 MR. PLATT: Good afternoon, Madam Chairman and
10 members of the Commission. I want to thank you for hearing our
11 voice and the Senator. It's the American way. I am a retired
12 telephone man of 37 plus years with the Bell Corporation, back
13 in the days when it was called Ma Bell. They call it many
14 things today. If you remember when Judge Greene broke up the
15 world's finest communication system, he said we will have
16 competition. Back then you had one person to answer all of
17 your problems and resolve them. Now you might have six
18 vendors, and each points a finger at one another and nothing
19 and resolved.

20 It used to be where a phone was something you could
21 do without. Today you can't. I had a neighbor who had a
22 stroke and lived by himself. One of the neighbors realized he
23 wasn't answering the phone, and we were able to call the EMS
24 and save his life. A phone is a necessity today. And I just
25 want to say, I hope you give it as much thought as to what the

1 lobbyists spend. You hear their voices every day there. Today
2 you are hearing our voice because we don't send you a Christmas
3 card like they do at Christmas. Thank you.

4 CHAIRMAN JABER: Thank you. Thank you, Mr. Platt.

5 MR. BECK: The next witness is Richard Mills.

6 RICHARD MILLS

7 was called as a witness on behalf of the Citizens of the State
8 of Florida and, having been duly sworn, testified as follows:

9 DIRECT STATEMENT

10 MR. MILLS: Thank you, Madam Chairman, Commission,
11 gentlemen, ladies. I know I have enjoyed the comments made
12 previously. I don't have a dialect although I am from Marion
13 County. And although I used to talk southern, for some reason
14 I've lost it. I don't know why. Maybe you all learned me how
15 to speak. But I'm with a group today and we have been talking
16 about this for months. We knew it was coming. I know I was at
17 the AARP meeting, we are very active in the AARP. I am so glad
18 that the AARP is representing us well in this and in many other
19 things. And we were kind of given the idea that look forward
20 to this increase and it looks like it is right on the horizon,
21 isn't it?

22 And so I would like to recognize the group I'm with.
23 Would you all stand up and let them see who you all are. And
24 lot of the other folks. I am so glad that you have the
25 attendance today that is representing us. And, you know, the

1 many comments that were made, I just recently made a phone call
2 to a cousin, and somehow I must have made a mistake and the
3 operator came on. And I was shocked when I saw my bill. I
4 think it was \$24 extra. It was a local call practically in
5 another county. And I complained. I called in to the Sprint
6 office and they said don't ever talk to an operator. So I have
7 learned from that. When the operator comes on you hang up
8 quick. It doesn't matter who you are, for goodness sake.

9 So I'm so glad you came to Marion County. I know you
10 are taking these down, and like I said before, the wonderful
11 comments that were made. And like was said earlier, this is
12 America. And I suppose what bothers us a great deal today is
13 our economy is the way it is. It seems like everything is
14 going up on us. Our taxes have been increased. And then here
15 we get an increase on our telephone bill. And so I just hope
16 and pray that you will help us through this. Thank you.

17 CHAIRMAN JABER: Thank you, Mr. Mills.

18 MR. BECK: The next witness is Dee Miller.

19 DEE MILLER

20 was called as a witness on behalf of the Citizens of the State
21 of Florida and, having been duly sworn, testified as follows:

22 DIRECT STATEMENT

23 MS. MILLER: Good afternoon. Thank you for letting
24 me speak, Madam Chairman and Commissioners, and Mr. Strawinkel.
25 Am I saying it correctly?

1 MR. REHWINKEL: Rehwinkel.

2 MS. MILLER: Rehwinkel.

3 MS. MILLER: I don't have a prepared speech. I
4 signed up when I got here. I am secretary and on the board of
5 a large retirement community in Leesburg. I came with a large
6 contingent from Lake County. All the way from King's Ridge,
7 Clermont, Leesburg, and Lady Lake. We filled a bus. And I am
8 also on the Lake County Council for the Aging.

9 I would like to let you know that we have heard many
10 calls where they can't afford the phone bills. As many people
11 have said, phones are necessities. People need them, and they
12 don't need the increase. And I just want to make a couple of
13 comments on my recent experience. My house was hit by
14 lightning. I did not have the best service from Sprint. The
15 lines were hit, the box exploded in the backyard. I am still
16 not having good service.

17 Raising rates does not increase competition. If that
18 were true, why are all the discount houses and Wal-Marts
19 lowering their prices every day with a smile. Quality of
20 service has not been improving by any means. I am waiting this
21 week for three days. When I left home, the serviceman had not
22 been out. Phones are a necessity and every rate increase
23 affects the people least able to afford this necessity in life.
24 And as many have mentioned, for some this is their lifelines.

25 Business people can afford these increases. That is

1 part of their doing business. I was a business person at one
2 time and that was part of my doing business. Why give the
3 phone companies the right to cancel Lifeline at any given time?
4 I hope more consideration will be given to that factor. That
5 is not used nearly enough in Lake County. Lake County has
6 one-third senior citizens.

7 I was recently at the Florida conference on aging.
8 Governor Bush told us that Destination Florida is going to be a
9 big factor. I'm having a senior moment here. Seniors are the
10 number two industry in Florida. Get what I'm saying. Number
11 two. We don't need a stick to us. They bring in \$2.6 billion
12 to the State of Florida. That includes all income levels. I
13 don't think raising the rates is a good one. I resent the fact
14 that we do not have 24-hour service. If you need to make a
15 call and ask for information, you cannot do it 24 hours a day.
16 And I also resent, as one person also indicated, and I'm sure
17 others do, too, you go to make a phone call and there is like
18 three or four rings. It is not supposed to be that fast, but
19 it does happen. The operator come on and says for 75 cents I
20 will redial this number. I'm just trying to leave a message at
21 that number.

22 So I ask you to please think of the residents,
23 whether they are seniors, or any age, we don't need this
24 increase. There is a lot of ways that could be accomplished.

25 CHAIRMAN JABER: Ms. Miller, let me ask two things of

1 you. First, if you could leave us your address, because it is
2 your personal phone you are having service problems with,
3 right?

4 MS. MILLER: Yes.

5 CHAIRMAN JABER: Okay. If you could leave our staff
6 your address for two things. I want our staff to follow up on
7 your service issue. Mr. Rehwinkel, by next Tuesday I would
8 like a report from your company about why it is taking so long.
9 Give me a status report on why it is taking so long.

10 MS. MILLER: What is the usual amount of time one
11 could expect for service?

12 CHAIRMAN JABER: Ms, Miller, it depends on what the
13 issue is. Obviously some problems are going to take longer, it
14 just depends on what exactly was struck by lightning. Whether
15 it was the box closest to the home, whether it was a major
16 line.

17 MS. MILLER: They have come out twice so far.

18 CHAIRMAN JABER: Well, that's what I hope to find
19 out. That is why I want the status report. But the second
20 request I have of you, the Public Service Commission, we have a
21 staff of consumer relations staff that partners with the Office
22 of Public Counsel, and AARP, and other state agencies to
23 promote Lifeline awareness. And what I would like to do is if
24 it is something that you find helpful, is have our staff and
25 perhaps Public Counsel come out to your next Council for Aging

1 meeting and let us do a promotional presentation on Lifeline
2 and get the word out. We can help get the word out. And the
3 inside of Florida, you said that Lake County you feel like
4 there isn't enough awareness?

5 MS. MILLER: Yes.

6 CHAIRMAN JABER: Let us help you with that.

7 MS. MILLER: That would be great. I am also heavily
8 involved with AARP whether it is the state or not.

9 CHAIRMAN JABER: Thank you, Ms. Miller.

10 MR. BECK: The next witness is Jim Mahoney.

11 JIM MAHONEY

12 was called as a witness on behalf of the Citizens of the State
13 of Florida and, having been duly sworn, testified as follows:

14 DIRECT STATEMENT

15 MR. MAHONEY: I would like to thank all the
16 dignitaries that have come out today. And I would really like
17 to thank all the people that have showed up for this meeting.

18 CHAIRMAN JABER: Thank you.

19 MR. MAHONEY: I'm not going to say very much because
20 most of it has been said, but one of the things I would like to
21 say is I think they should have corrected the title of this
22 bill they sent in this telephone company increase. It should
23 have been called -- instead of the Telecom Competition,
24 Innovation, and Infrastructure Enhancement Act, it should have
25 been called the telephone rate increase and the telephone

1 company enhancement act is what it should be called.

2 CHAIRMAN JABER: Thank you.

3 MR. BECK: The next witness is Maryellen Bodell.

4 MARYELLEN BODELL

5 was called as a witness on behalf of the Citizens of the State
6 of Florida and, having been duly sworn, testified as follows:

7 DIRECT STATEMENT

8 MS. BODELL: Madam Chairman, Commissioner, ladies
9 and gentlemen, thank you. I'm very happy that we could voice
10 our opinions. And our opinions are strong so far. I worked
11 for a number of years as a volunteer for the elderly, and I am
12 speaking on behalf of all of those silent voices who could not
13 be here today because they can't walk or they can't get out of
14 their homes.

15 You have no idea. I wish I could fast forward you to
16 a senior service place, or to a meals on wheels where these
17 folks are living on a very limited income. You know, we can
18 all sit around here and talk, talk about profit and loss,
19 profit for the telephone companies, loss for the people. That
20 is the way we could talk, right? But if you were to talk to
21 them, they would tell you a story, a really sad story. They
22 worry about their food, their prescription drugs, their
23 Lifeline. Many of them can't be on Lifeline because they fall
24 between the cracks. It is very sad to see those folks and it
25 is certainly a different story for us all to sit around here in

1 nice clothing and all and feeling reasonable well. These
2 people are ill, many of them are.

3 Now, I will get on a personal note. My husband is
4 now ill. I have been -- we have kind of bantered around with
5 AT&T, Sprint, wherever we could go to get a lesser increase, if
6 there would be an increase. At this point I leave him three or
7 four hours, but I have become very upset because I'm afraid
8 something is going wrong with him, so I had to get a cell
9 phone. So now I have Sprint. We took the long distance off of
10 Sprint because it was just too much money. So then I thought,
11 well, how do you call relatives in Massachusetts where we have
12 come from? I went down to Sam's. At least you can get a
13 prepaid, which wouldn't cost us as much as Sprint long
14 distance. But now we are getting double charges, of course,
15 with the cell. So, I don't know how this can help the people
16 by putting on another charge or increase. I'm definitely
17 opposed to this. I know what it means to the elderly and I
18 know what it means to me personally. Thank you.

19 MR. BECK: The next witness is Rupert La Belle.

20 MR. LA BELLE: Good afternoon, Madam Chairman,
21 dignitaries, especially to Nancy Argenziano.

22 RUPERT LA BELLE

23 was called as a witness on behalf of the Citizens of the State
24 of Florida and, having been duly sworn, testified as follows:

25 DIRECT STATEMENT

1 CHAIRMAN JABER: Can I ask you to spell your last
2 name for me, sir?

3 MR. LA BELLE: Two words, L-A B-E-L-L-E.

4 CHAIRMAN JABER: Thank you.

5 MR. LA BELLE: In French that is a term of
6 endearment. I heard a lot of the things that were said here
7 today, and I come from Beverly Hills, not California, and the
8 people around me cannot afford -- the ladies, I meet them in
9 the grocery store, whatever they cannot afford an increase. My
10 personal bill is \$19 a month, so at the end of this bit they
11 are doing it is going to be, what, 28 or 29, again something
12 like that. That is what is going to happen to these people.

13 And a lot of them in Beverly Hills, these ladies and
14 the elderly, they now, a lot of them, are using one phone for
15 like four people. If something happens they go to a neighbor.
16 And that is sad. Because these people are quite elderly, and
17 they shouldn't have to do this. And I have talked to them, and
18 I go to all of Nancy's meetings, excuse me, and these people
19 say what can we do, and they have all asked me when I came up
20 here to tell you people that they don't have the money to pay
21 these phone bills. And they don't, I know if they do. They
22 choose between their drugs that they have to take and Medicare
23 and food. And this is true, I have seen them. Right down the
24 street from me, and I don't like it.

25 And this reminds me, what they are doing here is like

1 they did to the trucking industry. Deregulation of the
2 trucking industry almost killed this country back in the '60s,
3 if you remember that. And this is almost what they are doing
4 now giving the phone companies more, and more, and more. And
5 there is one question I have that I still haven't gotten an
6 answer for, and that is if I lose -- if I give away or sell my
7 phone, whatever you want, I'm going to get out of it, and I
8 have a cell phone, if somebody calls me from out-of-state or
9 even in this state and they don't know my number, there is no
10 way that they can get my cell phone number that I know of right
11 now. If somebody knows about it, let me know.

12 CHAIRMAN JABER: You mean find it, like, through a
13 directory?

14 MR. LA BELLE: Yes. If I give up my phone, which I
15 have Sprint, and --

16 CHAIRMAN JABER: As far as I know, sir, they have not
17 developed a cell phone directory. Is that correct, Mr.
18 Rehwinkel?

19 MR. LA BELLE: So if I get rid of Sprint, how do
20 people get in touch with me?

21 CHAIRMAN JABER: Mr. La Belle, I think you are
22 absolutely right, they have not come up with a cell phone
23 directory. But since we don't regulate wireless, let me ask
24 Mr. Rehwinkel. Are you aware of any initiative to create --

25 MR. REHWINKEL: Actually there was an announcement

1 this past week to the press that someone is looking at that.
2 Of course, there are two sides to it. Some people do and some
3 people don't want their numbers included in there. So it was
4 something that is off in the future, but it was announced that
5 it was being explored this week in the trade press.

6 COMMISSIONER DAVIDSON: And I expect there will be a
7 fee associated with that.

8 MR. LA BELLE: If somebody wants it, which I do, I
9 want my folks in Connecticut to be able to call me. And if
10 they don't know where I am, how are they going to get my
11 number? I want to get rid of Sprint, believe me, with a
12 passion.

13 CHAIRMAN JABER: Mr. La Belle, let me ask you while
14 you are up there, do you get advertisements from other phone
15 companies? Do you feel like -- if you got rid of Sprint, do
16 you feel like you could go to a different company?

17 MR. LA BELLE: No. When I came down here I wanted to
18 get Bell. You can't get it. You have Sprint and you are
19 locked in with it. You cannot have another company. I had
20 Southern New England Telephone Company for like 30 years in
21 Connecticut. You cannot do anything down here except Sprint.

22 CHAIRMAN JABER: Mr. Twomey wants to ask you one.

23 MR. TWOMEY: Mr. La Belle, if you did have access to
24 or availability of another local company, would it be worth it
25 to you to pay almost \$7 more per month?

1 MR. LA BELLE: Who came up with the \$7? Who said
2 that?

3 MR. TWOMEY: Well, aren't you aware from the sheet
4 that is handed out that Sprint is asking for their local rates
5 to go up \$6.86 per rate class? So my question is if you pay
6 6.86 and that got you another company that gave you the same or
7 lesser quality service, would you see that as good deal?

8 MR. LA BELLE: It's a lot of food for thought right
9 now. It bothers me with Sprint. I can call Kissimmee from my
10 house in Beverly Hills, and for five minutes it costs me
11 \$11.60. I have got the bills. But I can call my sister in
12 Maine and talk 30 minutes and it costs me something like \$3.

13 CHAIRMAN JABER: Mr. Twomey asked a good question.
14 Let me just follow up on that. Is there any incremental
15 increase that you think would be appropriate if it could give
16 you two or three providers? And I'm not saying it could, my
17 question is really just to follow up on Mr. Twomey. Is any
18 increase to be considered that may give you a choice of two,
19 three, or four providers?

20 MR. LA BELLE: That would be worth it. I would like
21 to be able to be given that choice, which I am not. That has
22 been my big gripe since I have been down in Florida since 1989.
23 You don't have a choice. That is one of the few things in this
24 world that doesn't give you a choice, you have to take it.

25 CHAIRMAN JABER: And you live in Ocala?

1 MR. LA BELLE: No, I live in Beverly Hills, Florida.
2 Well, with these numbers they are throwing around you would
3 think it was California.

4 CHAIRMAN JABER: That is a good place to end, isn't
5 it?

6 MR. LA BELLE: Yes, ma'am.

7 CHAIRMAN JABER: Thank you, Mr. La Belle, for your
8 testimony.

9 MR. BECK: The next witness is Barbara Weese.

10 BARBARA WEESE

11 was called as a witness on behalf of the Citizens of the State
12 of Florida and, having been duly sworn, testified as follows:

13 DIRECT STATEMENT

14 MS. WEESE: The first thing I have to say is the bus
15 is leaving at 3:00, so I hope you have your watches on. I also
16 came up with a group that started in Clermont today, and was
17 put together very rapidly. We were very happy to see we could
18 come to Ocala. Our other choice was Orlando at 6:30 at night
19 in the middle of downtown or somewhere. It wasn't appealing to
20 the seniors, let's put it that way. Everything I was going to
21 say has been said here. I also work with the elderly. I live
22 in a gated community. I know that we have a lot of people
23 whose pride is very strong, but their income is very, very low.
24 And they need all kinds of special services, and unfortunately
25 many of them fall between that Lifeline crack.

1 But I also agree with Ms. Miller, because I didn't
2 think enough people know about Lifeline. And, in fact, right
3 now I am working with a group of women in Eustis, Florida, who
4 are going to try and get the information out in their
5 community. But I do want to come up because I do have a number
6 of sheets -- of your sheets that came from people who could not
7 be with us today, and I wanted to make sure they were
8 delivered. And thank you very much for coming to Ocala.

9 CHAIRMAN JABER: Thank you, Ms. Weese. Thank you all
10 for being here.

11 MR. BECK: The next witness is Howard Barry. Howard
12 Barry. Kayelea O'Ryone.

13 KAYELEA O'RYONE

14 was called as a witness on behalf of the Citizens of the State
15 of Florida and, having been duly sworn, testified as follows:

16 DIRECT STATEMENT

17 MS. O'RYONE: Good afternoon. Most of what I wanted
18 to say has been said, of course, and said very well. But there
19 is something that I did want to say. Competition is supposed
20 to bring rates down, not up. So I don't believe this
21 competition thing at all. I think it is a big scam. And we
22 have been subjected to a lot of scams, we don't want anymore.
23 And thank you for pointing out exactly what is going on here.
24 I appreciate that very much from the AARP. From what I see,
25 there are -- like the lady before me said, there are so many

1 old people and people who don't have the money to have their
2 phone bills raised. I'm over 65. I live in a mobile home. I
3 can't afford -- I live out in the country. I cannot afford to
4 have my phone bill doubled. I will be without a phone. And
5 when you are without a phone you can't call the police, you
6 can't call the fire department, you can't call anybody for
7 help. And I am all alone. And I know that there are a lot of
8 people who live around me are in the same boat, only they are
9 older than me. And so this is just -- it is a big stab at the
10 elderly from what I can see. Stab at the elderly population.

11 Wages are going down, people have lost their jobs.
12 Many people can't make ends meet. Foreclosures and
13 bankruptcies are sky high. Higher than they have ever been,
14 and yet people who work for big companies, big companies like
15 Sprint, and we all know the names of these companies, they
16 think that because things are little tough and a lot of people
17 have lost their phones, they can't afford a phone anymore, they
18 will just take it out on the rest of us. We can't afford it,
19 either. They need to do like the gentleman said before, these
20 companies need to get their wages in control. Bring their
21 wages down like everybody else's wages have gone down, and
22 maybe then they can -- they won't have to come along and
23 basically rip off their customers. We are the people who have
24 made them wealthy, and then they turn around stab us in the
25 back at every opportunity. I really resent it.

1 And I want to tell you one more thing, too. I think
2 they should be investigated for double charging. If you have
3 ever made, and I have, a cash payment to Sprint or BellSouth,
4 you better keep your receipt in a safe, because they will
5 charge you for that again. I want to thank you very much to
6 coming and listening to us. And I beg you, please, do not let
7 them get away with this.

8 CHAIRMAN JABER: Thank you.

9 MR. BECK: The next witness is Bill Meinzer.

10 CHAIRMAN JABER: Mr. Meinzer, can you spell your last
11 name?

12 MR. MEINZER: M-E-I-N-Z-E-R.

13 CHAIRMAN JABER: Thank you.

14 BILL MEINZER

15 was called as a witness on behalf of the Citizens of the State
16 of Florida and, having been duly sworn, testified as follows:

17 DIRECT STATEMENT

18 MR. MEINZER: Thank you for appearing before us this
19 afternoon and giving us the opportunity to visit with you and
20 let you know our views. I am going to take a slightly
21 different approach. I have Sprint service on landline at the
22 present time, and I brought my bill along as of September 13th,
23 and local phone service for me is \$4.97. And assuming that
24 Sprint charged me the average which they are talking about and
25 increasing it 6.86, that would be a 138 percent increase over a

1 period of three years. So in 2006 my basic service would go
2 from 4.97 to 11.83. And if I take into consideration
3 inflation, and assuming 3 percent that the government talks
4 about, my current bill without long distance -- and I did away
5 with long distance because of its cost -- is \$19.16. And with
6 the 3 percent inflationary factor for the next three years, my
7 bill in 2006 would be about \$27.50, which would be a 42 percent
8 increase. And I think that is what most of the people here in
9 the audience are facing.

10 Now, let's take this a little bit farther. We
11 dropped the long distance because of its cost. We, too, have a
12 prepaid card. We have found it necessary. It has been very
13 good for us, at least from a cost point of view. Now, let's
14 approach this in a slightly different -- from a slightly
15 different angle. At \$4.97 times 12, my basic cost is about \$60
16 a year. Standard and Poor suggests that Sprint's operating
17 profit is somewhere between 25 and 30 percent. So if we used
18 25 percent, that would mean that about \$15 of that year for
19 basic service like mine, if it were capitalized at 12 percent,
20 which is a fairly high capitalization rate, would make that
21 phone worth about \$125 just for my \$4.97. If it goes to 11.83,
22 and you multiply that by 12 and take 25 percent as an operating
23 profit, and capitalize it at 12 percent, that phone line is
24 worth about 295 to \$300.

25 Now, the information you have given us says that

1 Sprint will obtain an increase or was asking for an increase
2 about 142 million. If we divide that by 12, divide it by 6.86,
3 and it was suggested the Sprint has about 1,725,000 phone lines
4 here in Florida. Now if you look at that, if that is true, if
5 there is a 1,725,000 phone lines, at the existing rate if
6 everybody had the same rate I have and it is worth, say, \$125,
7 that would indicate that Sprint's balance sheet would reflect a
8 value of about \$215 million for the type of service that I have
9 currently. If it is increased to \$11.83 in three years,
10 Sprint's balance sheet would reflect a value of about \$517
11 million. I would say this is a nice piece of legislation if it
12 was worth \$300 million to Sprint. I would like to get in on
13 that. And I'm sure everybody else would.

14 Now, as far as competition, this may generate -- this
15 may generate some competition because Sprint may decide that
16 they can sell part of this service off in pieces and sell it at
17 a premium. And that premium, whether it is 10 percent more or
18 whether it is 25 percent more, it can be worth a lot of money.
19 That is looking at it from a business point of view.

20 From an individual point of view, from my point of
21 view, I'm against the proposal. I ask that you reject it and
22 that you reconsider and approach it from another angle. Thank
23 you.

24 MR. BECK: The next witness is Milo Mannino.

25 UNIDENTIFIED SPEAKER: Excuse me. Can I ask you how

1 you get your rate at \$5 when the rest of us are paying 20?

2 UNIDENTIFIED SPEAKER: What's your secret?

3 CHAIRMAN JABER: Sir, let you just remind you, the
4 court reporter can't capture your comments because she needs
5 the microphone. But the question was, and I wrote it down,
6 too, I would love to see your bill. You said the basic local
7 service was 4.97. Do you mind just letting Ms. Salak over here
8 take a quick -- did you bring it with you?

9 MR. MEINZER: I brought it with me. I'm sorry, that
10 is a vacation rate, a summer rate.

11 CHAIRMAN JABER: Just for the purposes of the court
12 reporter, I asked what the 4.97 was, because I wanted to
13 understand whether that was the basic local rate. And Mr.
14 Meinzer said that was the vacation rate. Okay.

15 Mr. Beck, the next witness.

16 MR. BECK: Yes. The next witness is Milo Mannino.
17 Milo Mannino. Diana Pohlman.

18 DIANA POHLMAN

19 was called as a witness on behalf of the Citizens of the State
20 of Florida and, having been duly sworn, testified as follows:

21 DIRECT STATEMENT

22 MS. POHLMAN: Madam Chairperson, ladies and
23 gentlemen, thank you very much. I have just been listening to
24 everything and I agree with everything that has been said. I
25 do have -- incidentally, am I the last person, the last

1 speaker?

2 CHAIRMAN JABER: No, ma'am.

3 MS. POHLMAN: Because I thought maybe I might be
4 the -- what do they call it, a cleanup hitter.

5 CHAIRMAN JABER: While we are at just a slight break,
6 let me ask who else in the audience intends to speak by a show
7 of hands? And the only reason is I'm trying to determine
8 whether to give the court reporter a five-minute break now or
9 to wait, that's all. So I see three, four, maybe five hands.
10 Just to put you on notice -- that's six hands -- right after
11 Ms. Pohlman, we will take a very short break. Just five
12 minutes, let the court reporter relax her hands a little bit,
13 and we will quickly come back. Ms. Pohlman.

14 MS. POHLMAN: Okay. And in a way I really plan to
15 be kind of like a cleanup hitter in a way. I have two
16 landlines, one for my Internet access and one for my regular
17 telephone. That way I know I won't miss any calls. I have a
18 big family. And I have a cell phone for emergency purposes,
19 and I used to have long distance service, but I didn't go to
20 Sam's, but I went somewhere else and I got calling cards for my
21 long distance service now. I know a lot of people that are
22 doing that and I have been hearing a lot of people doing that.

23 The reason why I say I am kind of a cleanup hitter, I
24 am just curious about something. And I really apologize to the
25 Sprint gentleman, you have really been taking some hits today.

1 MR. REHWINKEL: That's my job.

2 MS. POHLMAN: He gets the big bucks for that, right?
3 But I would like to kind of direct this to the AARP gentleman,
4 Mr. Twomey.

5 MR. TWOMEY: Yes, ma'am.

6 MS. POHLMAN: And I know that this would affect
7 everybody, not just the senior citizens, but since I happen to
8 be one I kind of figure that. And we have the AARP. Even
9 though we don't win all of our battles, I know that, the AARP.
10 What would happen if -- let's just take a hypothetical. What
11 would happen if, for instance, I dropped my landlines and used
12 my cell phone all the time. And, incidentally, I would love to
13 be a little fly on the wall to find out how many of these
14 telephone people have cell phones in their pockets. Anyway,
15 that is besides the fact. But if I dropped my landline, and
16 every senior citizen in Florida did the same thing, used my
17 cell phone exclusively, and maybe if enough of us did that we
18 would have a directory, right? And if I dropped my Internet
19 line and went with the cable company, who also has Internet
20 access, what would happen? Thank you.

21 CHAIRMAN JABER: We are going to take a very quick
22 five-minute break and let the court reporter relax her hands
23 and we will come back and get back on the record.

24 (Brief recess.)

25 CHAIRMAN JABER: We are going to get back on the

1 record. Mr. Beck, will you call your next witness.

2 MR. BECK: The next witness is Tim Bey, B-E-Y.

3 TIM BEY

4 was called as a witness on behalf of the Citizens of the State
5 of Florida and, having been duly sworn, testified as follows:

6 DIRECT STATEMENT

7 MR. BEY: Greetings. Welcome to Ocala.

8 CHAIRMAN JABER: Thank you.

9 MR. BEY: Well, I have a personal reason for being
10 here. I located my mother here from Philadelphia. She is 85
11 years old. I have been here for approximately a year and a
12 half now. We moved in July about one block away. And my
13 mother has a slight heart condition. You went without a phone
14 for two weeks. We had Sprint as our local and long distance
15 carrier. And it was such a -- during the process of moving,
16 you know, you have to get utilities turned on, things you have
17 to get done. And it was such a major inconvenience. Right
18 along that time I met someone, the dean from a middle school,
19 and she introduced to a company called ACN. You guys are in
20 big trouble.

21 Sprint, MCI, BellSouth, what I have here -- see, I
22 can talk about this company. It has been wonderful. It has
23 made a major change in my life. My mother has the service.
24 She's from Georgia. I was born and raised in New York, and I
25 lived in Philadelphia for about 20 years. So my mother, all

1 she does is talk on the phone, period. That is her thing.
2 Now, I can talk about this company all day, but I have here my
3 phone bill. Anyone is welcome to see it. I talked for -- and
4 most of my business is, by the way, my customers are normally
5 out-of-state. I talked for 423 minutes and 42 seconds and paid
6 \$24.52.

7 CHAIRMAN JABER: You said the name of the company was
8 ACN?

9 MR. BEY: ACN, Inc., yes. You are welcome to see my
10 phone bill, Madam Chairman.

11 CHAIRMAN JABER: Thank you. So you can continue to
12 talk for a minute, let me let you have that.

13 MR. BEY: It appears to people that they have no
14 other alternative but to go with Sprint, MCI, or BellSouth.
15 There are alternatives. You won't see this company. We don't
16 advertise. That is why we can pass these savings down to the
17 customers. We are not going to pay Michael Jordan -- I love
18 him dearly -- Michael 3 or \$4 million dollars for a minute of
19 his time. We are not going to do it. You will find this,
20 however, in Fortune Magazine's September issue. Power
21 Magazine. We are in there, and I don't think we pay to be
22 mentioned in there. We have a four-page ad in there because of
23 what we have been doing for nine years.

24 You guys, you don't have to deal with people in a
25 fair manner, and your motivations could just basically be for

1 profit. I am glad you are here. The more you keep putting
2 your rates up, the more customers I get. So thank you very
3 much.

4 CHAIRMAN JABER: Mr. Twomey has a question for you.

5 MR. TWOMEY: Sir, I'm just curious. Do you all offer
6 long distance, or long distance and local?

7 MR. BEY: Local will start here at the end of this
8 month. I will raise a window. Also we have -- my mother is a
9 senior. My sister has the service, I have two sisters in New
10 York and one in North Carolina. I have a brother here in
11 Florida. They talk for free. Free 24 hours a day. Free is
12 free.

13 CHAIRMAN JABER: Do you have a website?

14 MR. BEY: Yes, ma'am. It is www.ACNinc.com.

15 CHAIRMAN JABER: Thank you. Mr. Twomey, you had a
16 follow-up?

17 MR. TWOMEY: Yes, ma'am. Are you prepared to compete
18 locally without the rate increases?

19 MR. BEY: Yes. That is the whole point, sir. We
20 don't need -- that is felonious. That is totally felonious.
21 We are already here in the State of Florida. Without these --
22 the competition is here. You have competition. We are here
23 now, so it is felonious. That is a bunch of nonsense that you
24 have to raise your rates.

25 And also by the way, folks, this is a phone bill that

1 you can read. You can read this. You can actually look at
2 this phone bill, you know. I am not the most well-educated
3 person, all right, but at 16 I was reading at a second year
4 reading comprehension. I cannot read the bill, man. It's
5 crazy. My mother is 85. She shouldn't have to scrutinize and
6 feel like, am I being treated -- yes, I have had to like call
7 Sprint up because I have billing questions and double billing.
8 And the taxes. How many times are you going to tax me for the
9 same thing? I have three pages. They give very little
10 information on my phone calls and a whole bunch of taxes. So
11 how is it that I can get -- there was no interruption in my
12 dial tone, none whatsoever. I get a bill. This is it. The
13 taxes, that's it. This is it. It is comprehensible. I can
14 read it. I can understand it. If there is a question, I can
15 look at something and -- well, I have a question with this
16 hearing. I don't know if I talked this long or whatever, it is
17 legible. I don't have to go through like Sprint school, or MCI
18 school, or BellSouth school to learn how to read or interrupt a
19 bill that I have to pay for. It's a matter of principle.

20 You know, I have -- I am a representative, I will
21 have local service before it will be offered to customers. We
22 are going to get the kinks out. This tells something about
23 this company that I represent. You know, we do have morals and
24 we do realize that we have parents, and nobody wants to have
25 their parents taken advantage of. So right at this present

1 time, my mother is free from you all guys and she is happy and
2 she spends less money and she talks more.

3 CHAIRMAN JABER: Thank you, sir.

4 MR. BEY: Bye-bye.

5 MR. BECK: The next witness is Nathaniel Gwinn.

6 Nathaniel Gwinn. Joe O'Leary. Joe O'Leary or Nathaniel Gwinn
7 here? Louis Monaco.

8 LOUIS MONACO

9 was called as a witness on behalf of the Citizens of the State
10 of Florida and, having been duly sworn, testified as follows:

11 DIRECT STATEMENT

12 MR. MONACO: Let me see what I have to say. Jesus
13 said in the Bible that to love your neighbor. This thing, the
14 phone, I got AT&T, and I don't think it is going to affect me.
15 But if I move to Ocala, which I plan to do in the near future,
16 it will affect me. But in the Holy Bible, the New Testament,
17 Jesus says to love your neighbor, and we have got to love our
18 neighbor. We have got to think about our people that we live,
19 you know, and I am here for the people, you know, and I want to
20 speak for them.

21 And we got three branches of government, the
22 legislative, judicial, and executive. And there are three
23 different powers, they can't overstep their boundaries. And
24 what really this is these are federal mandates. I am also
25 doing something else with the stormwater tax. I'm out there

1 once a week getting signatures because I believe that was also
2 a federal mandate from the federal government. They
3 overstepped their boundary, threatened the county commissioners
4 that they would get fined or in prison. Well, they can't do
5 that.

6 Your lawyers are speaking for the people here. You
7 know, you have got to know that it is unconstitutional for the
8 federal government or the state to make mandates to raise the
9 phone bill. It is unconstitutional. And that is what I wanted
10 to say. I want to say God bless you.

11 CHAIRMAN JABER: Thank you, Mr. Monaco. Thank you.

12 MR. BECK: Mr. Monaco was the last witness who sign
13 up ahead of time.

14 CHAIRMAN JABER: Let me go ahead and ask at this
15 point is there anyone else in the audience that would like to
16 speak? Take this gentleman up first and then this gentleman on
17 the right. If there is anyone -- great. Let me ask you all to
18 go ahead and stand and raise your right hand if you have not
19 taken the oath. Thank you, sir.

20 (Witnesses collectively sworn.)

21 CHAIRMAN JABER: I need you to state your name for
22 me.

23 MR. NASH: My name is Arthur Nash, N-A-S-H.

24 CHAIRMAN JABER: Thank you.

25 ARTHUR NASH

1 was called as a witness on behalf of the Citizens of the State
2 of Florida and, having been duly sworn, testified as follows:

3 DIRECT STATEMENT

4 MR. NASH: I live in Rolling Green mobile home
5 community of about 950-plus homes, and there are approximately
6 1,600 or 1,700 people in that community. And I would say from
7 the surveys we have made that approximately 90 percent of those
8 people make long distance calls back north out of Florida.
9 Only about 10 percent have calls made in the state. Therefore,
10 this charge really affects them very much.

11 You asked in your writeup here about competition. To
12 the best of my knowledge, Sprint that is no competition here in
13 Marion County, and that is what's wrong. If they had
14 competition, you would not see these requests for increases. I
15 don't know how they can have competition here. I don't know
16 what the regulations are or anything else, but as an example,
17 in our community we have one TV cable company that charged us
18 for basic service plus a few extra channels, 29.95 a month. We
19 had an opportunity for another cable company to come in and
20 give us 40 channels for 19.95 a month. Competition. What
21 happened? The first cable company right away lowered their
22 price from 29.95 back to 19.95 because they were losing
23 business. And that is what happens when you have competition.

24 You mention in here to what extent is there
25 competition in our area. To the best of my knowledge there is

1 none. So we are a captive audience. We have to take what they
2 give us if we want their service, and that is what is wrong
3 here in Marion County. And I don't know how it affects the
4 rest of Florida, but you should look closely at competition in
5 an area, and if there is a captive audience, I think you should
6 consider those captive people. Thank you.

7 CHAIRMAN JABER: Mr. Nash, before we entertain Mr.
8 Twomey's question, let me just --

9 MR. NASH: Excuse me. I have two hearing aids and
10 this one just went out.

11 CHAIRMAN JABER: No problem. What I was going to say
12 is Mr. Twomey has a question for you, but before we take that
13 question let me ask of you and those of you that just stood up
14 to speak, on your way out if you could make sure that Mr.
15 Durbin has your name and address for our record, we would
16 really appreciate it, because these sheets we do hang on to for
17 our recordkeeping. Go ahead, Mr. Twomey, you have a question?

18 MR. TWOMEY: Yes, ma'am. And if I may preface it
19 with a statement, that is to tell Mr. Nash and the others, and
20 anybody who wants to correct me if I'm wrong, it may be
21 important to understand, sir, that these telephone companies,
22 including Sprint, have been subject to competition, legal
23 competition since 1995. Now, what is happening here is they
24 are saying that you have to -- they have to increase their
25 rates in order to entice competition in. And all of that is

1 true, like you said. My question to you is how much more are
2 you willing to pay them in order to have a likelihood that
3 someone else will come in and compete for your service at a
4 higher rate?

5 MS. CANNON: Zero.

6 CHAIRMAN JABER: I'm sorry, forgive me. Remember,
7 the court reporter can't pick up your comments since you are
8 not by the microphone. So let's let the witness answer that
9 question.

10 MR. NASH: If there was competition, if there was
11 competition. Naturally I'm sure everybody would look at the
12 type of service you would receive for the price they are asking
13 and they would take the best price and the service that they
14 request. But here with Sprint we do not have any choice. If
15 we want a landline, it is Sprint or else nothing.

16 MR. TWOMEY: Yes, sir. But my question is very
17 specifically are you willing to pay \$6.86 more per month, which
18 is by my calculations \$82.32 a year more, not counting the
19 applicable taxes and fees, on the off chance that will bring
20 somebody else in to compete with them? Do you want to pay \$82
21 more per year in order to bring in competition at that level?

22 CHAIRMAN JABER: Excuse me, ma'am.

23 MR. NASH: You are asking a tricky question.

24 MR. TWOMEY: I didn't mean for it to be, but I am a
25 lawyer.

1 MR. NASH: I'm not willing to pay more money that
2 Sprint is wanting now with no competition, no.

3 MR. TWOMEY: Thank you very much.

4 CHAIRMAN JABER: Thank you, Mr. Nash. I will ask the
5 members of the audience to respect -- we have to respect each
6 other's time and each witness is allowed to say whatever they
7 want when they want when it is their turn to speak.

8 MS. CANNON: I wanted to simply ask him if he
9 understood the question.

10 CHAIRMAN JABER: Thank you, ma'am. I think he
11 understood perfectly. But, thank you.

12 Mr. Beck, the next witness. Come on up and state
13 your name, please.

14 FRED CLARK
15 was called as a witness on behalf of the Citizens of the State
16 of Florida and, having been duly sworn, testified as follows:

17 DIRECT STATEMENT

18 MR. CLARK: My name is Fred Clark, and I am a
19 resident of Citrus County and I am a small businessman. And I
20 realize that much of what is going on here today is kind of
21 tilting at windmills because the legislature has kind of
22 mandated the opportunity for the telephone companies to raise
23 their rates, and possibly our only hope is that the electorate
24 continues to harangue their legislators to reverse this. And I
25 already know my legislator is in my court and would love to see

1 this legislation reversed. So all we can hope out of the PSC,
2 I think, is for you folks to mitigate the speed and severity
3 with which the phone companies have decided to take advantage
4 of this legislation.

5 I think going from 10 or \$11 a month and increasing
6 that by amounts of ranging between 5 and \$7 over the next 13
7 months to put it into a two-year time frame is kind of, shall
8 we say, aggressive and savage marketing and/or savage approach
9 on their part. I kind of remember, as this gentleman
10 mentioned, cable companies. I kind of remember the comment
11 several years ago when cable legislation came through that
12 said, don't worry, there may be some interim price increases,
13 but it is going to improve competition. Well, I remember that
14 legislation when my monthly bill with two prime channels was
15 16.95. It is now 39.95, and I have eliminated my two movie
16 channels because I am working harder now to pay for the
17 increases so I don't have time to sit around and watch the
18 movies. So I eliminated those. So, so much for competition.

19 Will this bring competition? Like I said, I am a
20 small businessman. I don't think so. Why? Because the cost
21 for somebody to come in and develop a land-based competitive
22 system to operate against somebody that already has an
23 established monopoly is expensive. Is very high. The only
24 people that are going to knock the land-based systems back on
25 their butts are the cellular phone systems. When cellular

1 phone gets down to the point where it can compete on a
2 permanent rate with the landline systems, you will quickly see
3 those rates come back down to compete against the cellular
4 phones. I think in the not too distant future in the major
5 markets you will see that.

6 Unfortunately we are not in major markets. It is
7 going to be a long time coming for the Citrus County, the
8 Marion County, the Levy, the Hernando, the Sumter Counties in
9 the State of Florida and across the United States. I think the
10 increases are too abrupt, too excessive. And we are also
11 forgetting about some hidden costs. Remember the universal
12 service fee that every one of us pays; 50 cents for a small
13 consumer represents a bigger chunk of the monthly bill than it
14 does for somebody who has a very large bill, but only one or
15 two lines.

16 But that universal service fee pays for a lot of
17 other things that will go up with this. Schools that are
18 getting some of their fees paid at \$11 a line are suddenly
19 going to be getting those paid at 16 and \$17 a line. Where is
20 that going to come from? It is going to come from the
21 universal service pool. What is that going to do to that pool?
22 That is going to go away faster. What does that mean that the
23 universal service fee is going to have to do? It is going to
24 have to go up. So isn't that interesting. We have a tax that
25 gets increased to provide services because the phone company

1 raised their rates.

2 So we, as a consumer, especially the small consumer,
3 the small businessman like myself, the single mother, the
4 welfare work family are going to get a whammy if we don't have
5 access to a government aid program and can apply for Lifeline.
6 So if I am a grandmother raising a couple of kids, but I'm not
7 getting anything other than Social Security and Medicare, my
8 bill is going up \$7. Somewhere down the road my universal
9 service fee is going to go up, too. Can they afford it? Not
10 on 800, 900, \$1,100 a month on Social Security. Can a
11 business, the multi-million dollar business afford it? Yes.
12 My question is why do we -- and I understand the economics of
13 scale. We always seem to bang the little guy. Maybe the
14 little guy needs to wake up. Like I wake up and get up here
15 and take the time to say enough is enough. Let's look at who
16 can afford it versus who can't afford it and let's look at the
17 hidden costs because there is plenty of them out there. This
18 is only the tip of the iceberg, and let's get rid of the crap
19 that says this is going to improve competition, because it
20 ain't going happen. It is just too excessive to get in bed and
21 try to compete with a land-based capital intensive system.

22 So my recommendation is everybody in this room that
23 doesn't have a cellular phone, buy one from someone other than
24 the big three and use it and drive those rates down, because it
25 is a little less excessive to build a tower than it is to run

1 30, and 40, and 50 miles of land wires. Thank you very much.

2 CHAIRMAN JABER: Thank you, Mr. Clark. Anyone else
3 in the audience who to wishes to testify? I'm sorry, Senator,
4 go ahead.

5 SENATOR ARGENZIANO: I just want to ask a question
6 very quickly, because I have heard a number of comments. And
7 first before I ask the question, I would like to make a comment
8 that profit is not a bad thing in the State of Florida. And
9 businesses are not in the habit of giving things away free.
10 That is not what I think -- when people are talking about
11 profit here, I don't think they mean that they should not make
12 a profit. I think what they mean is there should be a basis
13 for that profit. And if it is about a little bit of price
14 gauging, then they may be a little ticked off and I can
15 understand why that may be so. And not to belabor the point,
16 but during the seven years that this bill has been around the
17 legislature, I kept asking -- and I remember it was Chairman
18 Julia Johnson the first go around, and I kept asking the
19 telephone entities, please provide me with some type of idea of
20 what the costs are that they are saying are more than what you
21 are receiving back.

22 And at that time I believe -- and correct me if I'm
23 wrong, please -- I believe at that time I had learned that the
24 access fees were created to subsidize the residential rates.
25 So now you have a system where people are getting off of the

1 long distance, they are getting the Sam's cards and doing all
2 of that, and they don't want to pay now for the -- they don't
3 want to be in the long distance, I guess, business with the
4 telephone companies. But what we are trying to avoid here is
5 that like user pays type things. You know, if they are not
6 using the long distance, why should they now have to pay for
7 the long distance to make this parity come about. I hope I am
8 articulating that properly. But that is a problem I have and I
9 could not get an answer in seven years as to basically what the
10 costs were. So in my mind I could never justify saying yes, we
11 need to increase the rates when I couldn't get the answers from
12 the companies. As well as the PSC at that time. Give me some
13 kind of idea of what the costs were.

14 But my question is Lifeline, and I have been
15 concerned with Lifeline. As Mr. Twomey said before, I will be
16 doing a bill because Lifeline was used in this legislation to
17 make a lot of legislators feel comfortable. Somehow it was
18 expanded, they said it was going to be expanded and that it
19 wouldn't be touched. But in the meanwhile, right on Page 21 of
20 that legislation, there is language there that says until --
21 Lifeline rates will stay, they will not go up until the
22 companies reach parity. In two years Lifeline rates go up, so
23 what have we done to Lifeline?

24 And my question is Lifeline costs -- or let's say a
25 family of one, a senior citizen who has Social Security more

1 like \$300 a month than \$900, with my constituents anyway, what
2 would their income, yearly income have to be before they qualify
3 for Lifeline. Can somebody answer that for me?

4 CHAIRMAN JABER: I think, Mr. Beck, you can help me
5 out, but the legislation expanded the Lifeline program to 125
6 percent of the federal poverty level, and that was consistent
7 with two stipulations that were approved for BellSouth and
8 Sprint. And for a family of one, what would you say --

9 MR. BECK: I don't have the exact numbers with me,
10 but it is a little over \$11,000 for a family of one.

11 SENATOR ARGENZIANO: I thought it was about 13,000 to
12 be honest with you. And it may be less. And in that case, and
13 I don't mean this to be -- Lifeline is a good thing, but in
14 that case it is very hard to qualify for Lifeline. And, I
15 mean, it is not being utilized to the rate that it should be,
16 but it is really hard. You almost have to be living in a
17 cardboard box to be eligible for Lifeline. So it is not that
18 great or a big deal, and I think that people need to know that.
19 But I just wanted to ask that question because I needed to
20 bring that back to people who have asked me that and to also
21 make it clear that I don't think profit is what these people
22 are objecting to.

23 CHAIRMAN JABER: I appreciate your effort to make
24 that clear, and it gives us an opportunity also to remind folks
25 that if they are on temporary assistance, Needy Families, food

1 stamp, Medicaid, Supplemental Security Income, LIHEAP, they
2 also qualify.

3 SENATOR ARGENZIANO: Madam Chairman, I was just
4 thinking, if the rates go up for citizens and some of the
5 businessmen, as Fred Clark talked about, I do have to let you
6 know also that many of the people who had to be at work today
7 and could not be here, and some of them were business owners
8 that wanted me to express to you that they would have been here
9 I think, if this were done later, and I'm not saying it
10 shouldn't have, I am glad the seniors got an opportunity to be
11 here, I think you would have four times the amount of people
12 here because they are concerned with it.

13 And not to belabor the point again, I just think
14 that -- I thank you for coming, number one. I really do. I
15 appreciate you giving my constituents the availability of your
16 ear. And I just hope that you take it back and, you know, as
17 we said before, I would like to find out at the end of all of
18 this how overall all the other meetings went. And maybe if we
19 look at some of the actual input, it was great today -- I'm
20 sorry, I knew you guys are tired, I am grateful, but I didn't
21 have to say a lot when I first got up. I didn't want to plant
22 a seed in anybody's mind, and they did their homework. Almost
23 everybody that was here today did a lot of research, and I
24 think presented you with some good points of view. So with
25 that I am just going to end and say thank you again for being

1 here and let's hope that we do the right thing for all
2 involved.

3 CHAIRMAN JABER: Thank you, Senator.

4 CHAIRMAN GARCIA: We will let you testify and right
5 after you there is lady right here behind the Senator that has
6 had her hand up. You in the white sweater. Go ahead, sir.

7 BARNEY CANNON

8 was called as a witness on behalf of the Citizens of the State
9 of Florida and, having been duly sworn, testified as follows:

10 DIRECT STATEMENT

11 MR. CANNON: My name is Barney Cannon, better known
12 as the husband of the German lady. No one has spoken much
13 today about the younger generation. We are from Levy County.
14 Our basic telephone service is \$16 plus tax, after tax, after
15 tax. About two and a half miles down the road there is a
16 crossroads store that sells gasoline, milk, and various items
17 for the people who live in the community. I would say that the
18 average land out there is possibly one person per every 50
19 acres. At this little corner store there used to be a
20 payphone. And I would say 20 hours a day that payphone was
21 busy, usually by young people, young married people. Quite
22 often a young mother with a baby on the hip and another one on
23 the hand using the payphone. It got so bad they had to put in
24 two payphones. Like I say, we are not a very populated area.

25 I haven't taken a census, so I don't know, but I

1 would guesstimate at least 70 percent of the people out there
2 living in house trailers trying to make a living do not have a
3 telephone just from the number of people I see using those
4 payphones. Now, if they can't afford a payphone at \$16 basic
5 fee, what are they going to do if it goes up 90 percent from
6 that. Now, this is to me rather ridiculous.

7 I heard a commercial broadcast one time who said that
8 within ten years the telephone companies will be giving away
9 landlines because the cell companies would be in such
10 competition with them that they would have to give away the
11 time in order to get any return whatsoever on the wires that
12 they have already laid. That may or may not be true. I really
13 could care less, but I'm trying to speak up for the young
14 people. And I want to leave you with one thought. When I was
15 a young man, possibly in my teens, and, boy, was that a long
16 time ago, and some of the audience here might remember for
17 about three months old Ma Bell had a big ad. Why in the world
18 they needed to advertise, I don't know, they were the only
19 company. And guess what the ad said? We may be the only phone
20 company in town, but we try not to act like it. Thank you very
21 much.

22 CHAIRMAN JABER: Ma'am, did you want to testify?

23 MS. HOWTON: I didn't come prepared to speak, and I
24 am not poor mouthing.

25 CHAIRMAN JABER: It's okay, just give me your name.

1 MS. HOWTON: Ruby Howton, H-O-W-T-O-N.

2 CHAIRMAN JABER: Thank you.

3 RUBY HOWTON

4 was called as a witness on behalf of the Citizens of the State
5 of Florida and, having been duly sworn, testified as follows:

6 DIRECT STATEMENT

7 MS. HOWTON: I have been a widow for 20 years. My
8 husband was on dialysis for two. That broke us completely.
9 Since he died, I live on now \$615 a month, and \$213 of that
10 goes to my 20 percent insurance. I have five different
11 diseases that I have to have medication for. I can do without
12 one and that is pain medicine. I do not take pain medicine,
13 but I have to have the others. Which is high blood pressure,
14 heart disease, colon disease, several others. But how many --
15 get your pencils -- how many of you can live on what I have to
16 live on?

17 I have to have my phone, which they raised a couple
18 of months ago from eight something to nine something. No
19 explanation whatsoever. I do not have a car payment. I do not
20 make debt that I cannot pay. I do not have a credit card. If
21 I broke down on the side of the road, I couldn't rent a car no
22 way, shape, form, nor fashion. But if the phone company goes
23 up, I have to have it. If I have to call a ambulance, I have
24 to have that phone. And I beg you all to come down on these
25 prices. I work -- or I don't work, I volunteer four hours a

1 day at the multipurpose senior center, and it is not hard work.
2 When they have their lunch, I wash the pots and pans. That is
3 my volunteer. I love it, and I am going -- I don't feel like
4 that I am wasting my money on gas to go help somebody else
5 because they cannot afford to ride a van. I mean, they cannot
6 afford to own a car, they have to ride the van. They are on
7 Medicaid. They still have to pay two dollars to ride the van,
8 but I get a pleasure out of going and being with them. And if
9 you all will please lower these phone company rates, ninety
10 percent of what goes out there would have money then maybe to
11 have a little bit of pleasure besides going out there. I do
12 not go anywhere else but to church and Sunday School on Sundays
13 and Wednesday nights unless I go and visit my daughter ten
14 miles away. And that is very seldom.

15 But I don't feel like that we elderly people are
16 being treated right. We are put on the bottom shelf and that
17 high-faluting that I call them get the money that could help
18 us. I have a son-in-law who is an attorney, I have a grandson
19 that will be an attorney in another three months. He works at
20 the State Attorney's Office in Tallahassee. I get a lot of
21 information from both of them. And the son-in-law says -- I
22 say, Greg, what does this mean? Well, if I tell you it is \$250
23 a minute, but that is not so. He don't charge me, and he is
24 not my lawyer. But I appreciate you listening to me, and I
25 appreciate you all being here, and I do get pleasure out of

1 helping other people.

2 CHAIRMAN JABER: Thank you, Ms. Howton.

3 MS. HOWTON: And I feel like if one of you were
4 sick, I wouldn't know you, and say call me and say, Ruby, would
5 you come and wash my dishes for me or make my bed, I would be
6 there. And I think Sprint needs to lower some wages down to my
7 level and see how they could live. Thank you.

8 CHAIRMAN JABER: Thank you, ma'am. Before I ask you
9 to come down, let me make sure everyone who wants to testify
10 has already testified. Is there anyone else in the audience
11 that wishes to speak today? Sir, come on up. And you are --

12 MR. CLARK: Fred Clark.

13 CHAIRMAN JABER: Mr. Clark.

14 MR. CLARK: I did want to address one comment, one
15 item that I missed. One comment I heard was that the Lifeline
16 doesn't seem to be being very well used. Well, it is
17 interesting, up until recently I almost never saw anything
18 about it anywhere but as an insert in the phone bill. So if
19 you didn't get a phone bill, you didn't know it existed. And I
20 will tell you, I personally have interacted with a number of
21 agencies in Citrus County whose purpose is to help the
22 disadvantaged who up until two years ago when I asked them
23 about it, didn't know it existed. And these are agencies that
24 have been in existence 20 years, but they didn't know that the
25 Lifeline existed. Even now I notice that now there are some

1 ads in the newspapers. Well, how many people on Social
2 Security at 300 and 400 a month that are getting some other
3 kind of aid actually subscribe to the newspaper that costs them
4 10 or 15 bucks a month? Are they going to buy the newspaper or
5 are they going to buy the drugs that they need to stay alive?
6 There needs to be PSA on the radio station. Some of those
7 folks may have TVs, there may need to be PSAs on TVs, and there
8 also needs to be an aggressive marketing campaign to all the
9 social service agencies and all the senior centers through
10 which these people have interaction. That is the only way that
11 the people who need Lifeline are going to find out about it.
12 They are not going to find out about it in the phone bill and
13 they are not going to find out about it in the newspaper they
14 can't afford.

15 MS. HOWTON: I just heard about it today.

16 MR. CLARK: Case in point. The second thing I would
17 like to touch on is something that has been a bug in my craw
18 and I haven't figured out why I didn't bring it up sooner.
19 There are probably people on this staff here today that do not
20 remember when the Touch-Tone fee was put in place. I was a
21 young married man when Touch-Tone fee was put on my phone bill
22 to help bring technology, new technology into the home. Is
23 there anybody in this room that doesn't remember Touch-Tone?
24 There are few I bet right up here. Okay. There is people out
25 here that remember rotary, but there is a lot of people today

1 that have never known anything but Touch-Tone. My question is,
2 why after 25 or 30 years is this fee still on our bills?

3 CHAIRMAN JABER: Actually, Mr. Clark, that is an
4 excellent question. And as Mr. Rehwinkel will tell you, I
5 asked it myself early last year. And as result Sprint has
6 eliminated that fee. Mr. Rehwinkel, can you confirm that?

7 MR. REHWINKEL: Madam Chairman, I think several of
8 the people have testified today the fee was included in the
9 bill, so it is included, but it is not -- I wouldn't say it
10 is --

11 CHAIRMAN JABER: It's not a fee, it is not the
12 dollar --

13 MR. REHWINKEL: It is not a separate fee now, yes,
14 ma'am.

15 CHAIRMAN JABER: It is incorporated into -- what is
16 it, your basic service?

17 MR. REHWINKEL: Yes. Sprint was the last company to
18 do that. All the other companies had already done that.

19 CHAIRMAN JABER: They used to charge an additional
20 dollar on top of their basic fee?

21 MR. CLARK: Well, now as it was pointed out, they
22 have incorporated that into the fee. It is like the soldiers
23 of World War II, you know, and World War I, they suddenly that
24 if they put some bushes in front of the bushes in front of
25 foxhole, the enemy might not know they were there. Well, that

1 is kind of what the phone companies and some of these other
2 companies have done. Well, if we bury it in with everything
3 else, people may forget that it is there. So, I have some real
4 concerns, because as I said, you know, you start looking at
5 balance sheets, you start looking at where people are spending
6 their money. As was mentioned by one gentleman here, Shaq gets
7 \$40 million a year to advertise this outfit and somebody else
8 gets megadollars to advertise some other outfit, but meanwhile
9 there are people like Ruby out here trying to survive on \$615 a
10 month.

11 So, let's get what they are spending out in the open
12 and let's start questioning do people who have monopolies
13 really need to spend \$40 million in public endorsements. One
14 of the things that always makes me real happy is when I know I
15 have just paid an increase in my electric bill and then three
16 weeks later there is the electric company presenting a check to
17 some organization. Some of those organizations are very
18 worthy, I don't have been a problem with it. Some of the
19 things they spend their money on, you know, I chew on for
20 awhile. And I'm saying to myself, huh, that is where my \$2 a
21 month increase went it. Is making them look good by presenting
22 this check. Well, let's get back to doing basic business. I
23 cut my expenses so I can provide a service to my client as
24 cost-effective as possible. I do not hire, you know, a major
25 named ballplayer to advertise my business. I do it by going

1 out there and shaking hands with my potential customers. I
2 realize that you can't do that on a national scale, but there
3 has got to be a point at which advertising budgets need to be
4 sacrificed in order to provide service to those that need it
5 and service to those that can't afford to absorb an increase.

6 CHAIRMAN JABER: Thank you, sir. I want to take a
7 moment for thanking everyone who stuck with us this afternoon,
8 and I appreciate all of the testimony and your willingness to
9 come from great distances to be here today. As we said
10 earlier, this is the fifth public hearing in fourteen, so we
11 are by no means done. We take all of the testimony and we
12 evaluate it into a very deliberative process, and it also gives
13 me an opportunity to give out our website so you can follow our
14 proceeding and keep up with the companies' filings and how we
15 decide those companies' filing at Florida -- spelled out
16 Florida PSC.com. On the yellow sheet you also have access to
17 our 800 Consumer Affairs department number, and I invite you to
18 take advantage of that, as well.

19 Thank you, again, and this adjourns the public
20 hearing in Ocala.

21 (The service hearing concluded at 4:15 p.m.)

22

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

STATE OF FLORIDA)

: CERTIFICATE OF REPORTER

COUNTY OF LEON)

I, JANE FAUROT, RPR, Chief, Office of Hearing Reporter Services, FPSC Division of Commission Clerk and Administrative Services, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 23rd day of October, 2003.

Dinda Boles/for

JANE FAUROT, RPR
Chief, Office of Hearing Reporter Services
FPSC Division of Commission Clerk and
Administrative Services
(850) 413-6732