

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

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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.

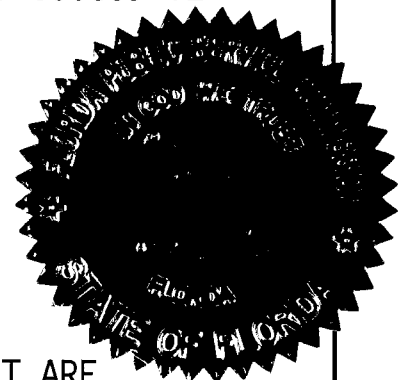
DOCKET NO. 030867-TL

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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

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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



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PROCEEDINGS: SARASOTA SERVICE HEARING  
  
BEFORE: COMMISSIONER J. TERRY DEASON  
COMMISSIONER CHARLES M. DAVIDSON  
  
DATE: Friday, October 17, 2003

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TIME: Commenced at 10:00 a.m.  
Concluded at 1:05 p.m.

PLACE; Sarasota County Administration Center  
Commission Chambers, 1st Floor  
1660 Ringling Boulevard  
Sarasota, Florida

REPORTED BY: LINDA BOLES, RPR  
Official FPSC Reporter  
(850) 413-6734

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## P R O C E E D I N G S

1  
2 COMMISSIONER DEASON: Okay. If I could have  
3 everyone's attention. Can you hear me now? I sound like  
4 Verizon, don't I?

5 Okay. We will begin by having the notice read.

6 MS. CHRISTENSEN: By notice issued September 23rd,  
7 2003, this time and place has been set for a hearing in Docket  
8 Numbers 030867-TL, petition by Verizon Florida; 030868-TL,  
9 petition by Sprint-Florida, Incorporated; and 030869-TL,  
10 petition by BellSouth Telecommunications, Inc. The purpose of  
11 this hearing is as set forth in the notice.

12 COMMISSIONER DEASON: Thank you. Appearances.

13 MR. BECK: My name is Charlie Beck. I'm with the  
14 Office of Public Counsel.

15 MR. TWOMEY: I'm Mike Twomey appearing on behalf of  
16 AARP.

17 MR. CIAMPORCERO: Alan Ciamporcero for Verizon.

18 MS. CHRISTENSEN: Patricia Christensen appearing on  
19 behalf of the Commission with Mr. Bob Trapp.

20 COMMISSIONER DEASON: Thank you. Let me take this  
21 opportunity first to introduce myself. My name is Terry  
22 Deason, I'm a member of the Public Service Commission, and  
23 seated to my immediate right is Commissioner Chuck Davidson.  
24 He also is a member of the Commission. We constitute the  
25 two-member panel of Commissioners which will be hearing the

1 matter today. This matter, when it is ultimately decided in  
2 December, of course, will be voted upon by the full five-member  
3 Commission.

4 I want to welcome everyone here. It is important  
5 that you are here. We're here to receive information from  
6 customers that only you can provide to us as we go about  
7 considering the petitions which have been filed before the  
8 Commission. These petitions have been filed pursuant to  
9 legislation which was passed this -- the immediate past  
10 legislative session. It allows the companies to petition the  
11 Commission to rebalance their rates, which means basically an  
12 increase in local rates and a reduction in access charges which  
13 they charge to the long distance carriers.

14 We're going to have initial presentations -- first an  
15 introductory presentation by our staff to give some background  
16 information. This will be followed by presentations from  
17 Verizon, from Public Counsel's Office and then from the AARP.  
18 These presentations will be short, but I think you will find  
19 them helpful.

20 At the end of the presentations, those members of the  
21 public who wish to testify, I will ask that you stand and to be  
22 sworn in. And this is necessary so that your statement can  
23 become part of the record in this proceeding. If you will  
24 notice to my far left, your far right, there's a court reporter  
25 who is recording what is taking place today. This is an



1 official hearing and the evidence that we take that you provide  
2 will become part of the record and is available and will be  
3 relied upon by the Commission in making its decision in these  
4 matters which have been filed by the three largest telephone  
5 companies.

6 I would point your attention to the Special Report.  
7 I notice that many of you have received this. I encourage you  
8 to, to read it. It provides you with some good information.  
9 If you will notice, the last page of, of this handout is  
10 designed to be detached and -- so that you can write comments.  
11 To those members of the public who do not wish to make a formal  
12 statement today on the record but still wish to communicate  
13 with the Commission and have your thoughts known, you can avail  
14 yourself of this opportunity.

15 Also, in the front of the Special Report, I guess  
16 it's actually on the second page of the Special Report, there  
17 are some contact numbers that you also can call or else you can  
18 use the Commission's Web site as well.

19 With that, I'm going to turn it over to  
20 Ms. Christensen to make staff's initial presentation.

21 MS. CHRISTENSEN: Thank you, Commissioner. We are  
22 here today, as was previously stated, to hear from the  
23 customers regarding the petitions filed by Verizon, Sprint and  
24 BellSouth in this matter. And staff has put together a short  
25 presentation to provide you an overview of this legislation and

1 the process.

2           The first slide, as it indicates, there have been  
3 three dockets that have been established to address the  
4 petitions filed by the companies, and those petitions that were  
5 originally filed have been revised and refiled, and for Verizon  
6 it was refiled on October 22nd, 2003.

7           Section 364.164 is entitled, "Competitive Market  
8 Enhancement." Under this section, local telephone companies  
9 may decrease the rates charged to long distance companies for  
10 access to its network in a revenue-neutral manner.

11           The PSC must consider four criteria in reaching its  
12 decision on each company's request. The Public Service  
13 Commission must consider whether saying yes to the petition  
14 would result in the four following criteria: First, whether  
15 removing the current support for basic local telecommunication  
16 services that prevents the creation of a more attractive,  
17 competitive local exchange market for the benefit of  
18 residential customers; second, induce enhanced market entry;  
19 third, require intrastate switched network access rate  
20 reductions to parity over a period of not less than two years  
21 or more than four years. Parity means that Florida's in-state  
22 rate, access rates equal those for state-to-state calls. And  
23 finally, whether these petitions will be revenue neutral.  
24 Revenue neutrality is defined as changes in access revenues  
25 offset by equal changes in local rates.

1           Today we are having a customer hearing, and the  
2 purpose of that customer hearing is to receive testimony from  
3 the customers, you, regarding to what extent there is  
4 competition in your area for basic local telephone service and  
5 what types of competition you would like to see; second, your  
6 comments on the extent of competition that already exist in  
7 your area; third, whether you believe there are any other  
8 options available to you for local telephone service; and  
9 finally, whether you would like more options or services than  
10 you are currently -- than are currently available to you and  
11 what those types of services might be. Most importantly, the  
12 Public Service Commission wants to hear from you, the customer.

13           The Commission's process. First, the requests were  
14 filed by the local telecommunications -- local telephone  
15 companies and refiled, as I stated earlier; second, the process  
16 must be completed in 90 days; third, there are public hearings  
17 that are being held around the state to allow customers to  
18 provide testimony; fourth, there will be a technical hearing  
19 that will be held in Tallahassee on December 10th through 12th;  
20 and fifth, during those technical hearings the companies and  
21 the opposing parties will present evidence to litigate the  
22 issues, specifically, the four criteria mentioned earlier.

23           At the technical hearings each party is responsible  
24 to file testimony, conduct depositions, attend prehearing  
25 conference, which will be held in Tallahassee. They'll be

1 responsible for putting on witnesses and conducting  
2 cross-examination of those witnesses.

3           Finally, after the hearing, staff, that's Commission  
4 staff, prepares a recommendation based on the testimony given  
5 at the hearing. When the recommendation is presented to the  
6 Commissioners for their consideration, there's no participation  
7 from the utilities or the customers. Finally, a final vote and  
8 an order are issued. Once the final vote and order is issued,  
9 a party may seek to review the decision by the Commission to  
10 the Florida Supreme Court.

11           Thank you for your attention.

12           COMMISSIONER DEASON: Mr. Ciamporcero.

13           MR. CIAMPORCERO: Thank you. Good morning,  
14 Commissioners, and good morning to everyone. Thank you for  
15 coming. I can only say I hope most of you are Yankees fans  
16 because I'd hate to face any Red Sox fans this morning. I'm a  
17 little afraid of that.

18           Before I start, I'd like to say that we, we have a  
19 number of specialists today out in the lobby who are here to  
20 answer questions. Debbie Kampert (phonetic), would you stand  
21 up, Debbie, please, is with Verizon. She, she's brought  
22 people, experts in billing, in ordering, customer service, and  
23 so either before or after or during the hearing or your  
24 testimony, we have a table outside and we can hopefully answer  
25 those questions, things like how do I sign up for Lifeline, am

1 I eligible, if you have a problem with your service and you  
2 haven't been able to get it satisfactorily dealt with.

3 As you've heard, Verizon has filed a proposal to  
4 restructure our telephone prices. Let me tell you what's in  
5 it. We are asking the Commission's permission to reduce our  
6 carrier access charges by \$76 million over three years. That  
7 will reduce the in-state access fee from about 5 cents a minute  
8 to about 1 cent per minute.

9 The in-state access fee is the fee that carriers,  
10 long distance companies pay to local companies like Verizon to  
11 originate and terminate their costs. That is a component of  
12 the cost that goes into long distance, the long distance rates.  
13 There will be, therefore, \$76 million of cost taken out of the  
14 long distance rates, and they will show up -- we can't -- we  
15 don't know exactly where or exactly how, but it's a very  
16 competitive market and they will show up in everything from  
17 AT&T charges to Verizon long distance charges, we're a resaler,  
18 to, to people like Sam's, who is also a resaler in that  
19 competitive market. All that money will, will accrue to the  
20 benefit of consumers. That's in the law. The law says that  
21 the long distance companies have to pass that through.

22 As we reduce the basic access charges, we will make  
23 equal, we will make equal adjustments in basic monthly rates.  
24 Residential rates will be adjusted in three steps: \$1.58 in  
25 2004; \$1.58 in 2005; and the balance, which is going to be

1 about the same, probably about \$1.57 in 2006. Business will be  
2 adjusted, too, so that all business zones will have a uniform  
3 price of \$32 by 2006. There will also be some adjustments in  
4 nonrecurring costs, which are the hookup costs. We have a  
5 sheet out at the table with all the details, if you'd like  
6 details.

7 I believe these changes are going to promote  
8 competition and benefit consumers in the economy. We've made a  
9 very, a detailed and lengthy filing with the Commission  
10 providing the testimony of experts and economists as to why  
11 this is the case.

12 Local residential service is currently provided below  
13 our costs, and because of that, not surprisingly, I think,  
14 nobody, nobody has come out to compete for your residential  
15 service. This, we think, is not the way a market should work.  
16 For example, compare the wireless market to the wired market,  
17 the wired telephone market, the home market. There are no  
18 subsidies in the wireless market, and lots of companies go  
19 after each other and every customer. Service and calling plans  
20 become cheaper and better and more customer-friendly every  
21 month, and all the companies are investing in new technology,  
22 which is good for the economy and good for jobs as each company  
23 tries to outdo each other. We want to see and believe there  
24 will be the same kind of excitement in the wired market.

25 Now you're going to hear people say today, that's

1 crazy, you would never support -- you, a big company like  
2 Verizon would never support a plan that would bring you more  
3 competition. People are going to say that because they've said  
4 that at every hearing. And at first when you think about that,  
5 you think, yeah, that makes sense. Why would, why would I  
6 support a plan that's going to bring me more competition? The  
7 answer is this: The answer is with the current price  
8 structure, because of the subsidies, you have essentially 20 or  
9 30 percent of the customers subsidizing the other customers,  
10 where do the competitors go? The competitors go after the  
11 customers who are subsidizing customers, the high value  
12 customers, the big spenders. They ignore everybody else. They  
13 ignore the neighborhoods and they ignore you. That's not good  
14 for us because we're faced with competing with somebody who  
15 will only fight us where and when they choose. That's like  
16 the, you know, the British in the Revolutionary War. We're  
17 fighting a gorilla war and we are -- we've got, we've got to  
18 take care of everybody, and we want to take care of everybody,  
19 but we want our competitor to have to face us everywhere.

20           The current -- the way things currently work, it  
21 just, it's no good. It means a slow death for the local phone  
22 companies. And it's bad for you because you don't see  
23 competition in your neighborhoods and we think you should.

24           Finally, I want to emphasize that Verizon really is  
25 getting no new revenue out of this plan. It's a \$76 million

1 reduction on one hand and a \$76 million increase on the other  
2 hand. In fact, we lose some money because the Lifeline rates,  
3 the Lifeline rules were changed. We supported that, but we  
4 also subsidize every Lifeline customer ourselves by \$3.50. So,  
5 so we don't come out of this whole. We do lose money.

6           And I want you -- I want to encourage you all --  
7 there have been a lot of people who have come up and said, you  
8 know, I don't, I can't get my medicine, I can't pay for my  
9 food. I know this is true. I also know that many of those  
10 people qualify for Lifeline, which is \$6.50 a month, and this  
11 is important. You know, if you think you qualify, please talk  
12 to Debbie or talk to the Commission staff because that can be  
13 very helpful.

14           Thank you for your time. We appreciate having the  
15 opportunity to serve you. We love our Verizon customers, and I  
16 look forward to hearing your views. Thank you.

17           COMMISSIONER DEASON: Thank you. Mr. Beck.

18           MR. BECK: Thank you, Mr. Chairman. My name is  
19 Charlie Beck. I'm with the Office of Public Counsel. You may  
20 not be familiar with our office. Our office is completely  
21 independent of the Commission. We do not report to them. We  
22 appear as a party in proceedings before the Commission and  
23 advocate on behalf of the public. We get to cross-examine the  
24 witnesses; we'll present our own testimony. We expect to have  
25 two expert witnesses file, file testimony in this case. And we



1 can appeal their decisions to the Florida Supreme Court.

2           Jack Shreve was Public Counsel for 25 years, you may  
3 know him, and he is in the audience today. Jack, could you  
4 just raise your hand or stand up? You know Jack Shreve. Jack  
5 was Public Counsel for 25 years and he retired this past June,  
6 but he's appearing here at these proceedings on behalf of  
7 Attorney General Charlie Crist. He's attended every one of the  
8 hearings, and I think he plans to attend all the rest as well.

9           A little bit about the proceedings. Verizon filed  
10 its first petition late August of this year. We filed motions  
11 to dismiss their case. We felt that their petition violated a  
12 provision of the statute that required the rate increases to  
13 take place over a period of no less than two years. About two  
14 weeks ago the Commission granted the motion to dismiss, and  
15 Verizon promptly refiled another case where now they've spread  
16 out the increases over two years instead of 12 months as they  
17 had previously. That decision by the Commission to dismiss  
18 their case shows that they have broad authority to either grant  
19 or deny the petitions that the companies have filed, and that  
20 makes your testimony very important here today because what you  
21 say will be part of the record and the Commission will take  
22 that into consideration when they decide whether to grant or  
23 dismiss the petitions.

24           So thank you for coming here today, and we look  
25 forward to your testimony. When the times comes, I think very

1 shortly, I'm going to try to call everybody in exactly the  
2 order in which you signed up outside the door here. Thank you  
3 much.

4 COMMISSIONER DEASON: Mr. Twomey.

5 MR. TWOMEY: Mr. Chairman, Commissioner Davidson,  
6 ladies and gentlemen, good morning. My name is Mike Twomey. I  
7 represent the AARP in these cases, who have intervened in the  
8 three cases in order to represent the interests of their  
9 approximately 2.6 million members in the State of Florida.

10 Let's start off with the craziness part that  
11 Mr. Ciamporcero told you was coming. He said somebody was  
12 going to say this is crazy, and it's me. And the logic, ladies  
13 and gentlemen, when these companies wrote this law, which they  
14 did, and introduced two-thirds of the way through the last  
15 legislative session was they went to the legislators and they  
16 said, here's the deal. We're going to pay millions, if not  
17 tens of millions of dollars, in order to get this law passed  
18 and file cases with the PSC. We want to raise our customers'  
19 rates. We don't plan to make a penny from it. It may cost us  
20 money, as Mr. Ciamporcero said. And if we're successful in  
21 this effort, this costly effort, we're going to lose customers  
22 and lose the money we get from those customers.

23 Now, ladies and gentlemen, nobody believes that.  
24 Nobody believes it. It is a bunch of craziness. The real  
25 reason we think they did it is that they were losing their

1 shirts, all of them, all three of them in a business called  
2 access money that they get from the long distance companies.  
3 We believe that access monies, it can be demonstrated by FCC  
4 documents, to be going down by 9 or 10 percent per year, 9 or  
5 10 percent per year out of a pool of money that's hundreds of  
6 millions of dollars. So what they've done with this  
7 legislation is they've taken responsibility in these cases for  
8 \$355 million a year and the access fee money that's going down  
9 10 percent every year or thereabouts and they've shifted, they  
10 want to shift the responsibility for that \$355 million from the  
11 long distance companies over to the backs of residential and  
12 single-line business customers. And that's what will happen if  
13 the PSC approves these cases. So they're smart to do that to  
14 protect their shareholders because they're losing money. They  
15 can put it on your backs.

16 Now they also told the Legislature, Verizon and  
17 Sprint told the Legislature, well, people claim it's going to  
18 make our customers' rates go up, but we're going to spread it  
19 out over four years. Okay? Well -- and BellSouth said three  
20 years. Well, they came in, all three of them filed on exactly  
21 the same day to bunch up the work of the staff and the PSC  
22 Commissioners and the Public Counsel. And you know what they  
23 said? We want to do it in two years, not the three or four  
24 years we promised the Legislature. Verizon is still only  
25 trying to do it in three years, and you've got to count the

1 days and months and figure out what a year is.

2 But the reason we allege they're trying to do it  
3 faster than the three years, the four years that they told the  
4 Legislature is because, if I'm correct, this pot of money is  
5 going down 10 percent. When do you want to switch it, sooner  
6 or later? You want to switch it as soon as you can capture the  
7 most money. Okay.

8 Now you saw the list of the things on your TV screen  
9 was the purpose of the Commission hearing here. You can  
10 address those things, if you want, ladies and gentlemen, but  
11 I'm going to suggest to you that if you came here to say that  
12 either you can't afford these rate increases or you don't want  
13 to pay them, you don't think they're fair, talk about that.  
14 And as far as the competition issue, address whether you want  
15 to pay, if you're a Verizon customer, \$55.32 more a year just  
16 for the mere potential of having other companies that will  
17 serve you at those higher rates.

18 AARP thinks it's better to have reasonably good  
19 quality of service at lower rates than pay more for  
20 competition, which doesn't make any sense. What's the real  
21 notion of competition in this country? Competition is supposed  
22 to bring you higher quality goods at lower prices. Right?  
23 What we have here turns that theory on its head and says we're  
24 going to raise your rates in the hope of getting competition,  
25 and, by the way, at levels of quality of service that can be

1 lower in as little as two years.

2 The Public Service Commission has the discretion, as  
3 Mr. Beck said, not to grant these rate increases if these  
4 companies don't prove their cases. And AARP, along with the  
5 Public Counsel, says they are not going to be able to prove it.

6 Now I want to distinguish very briefly to you what  
7 will happen if they deny the increases versus what will happen  
8 versus increases.

9 As far as rate increases, if they deny these  
10 petitions, your rates can only go up the rate of inflation less  
11 1 percent, which is -- most of these companies are hitting you  
12 with these increases right now, which is less than 1 percent,  
13 in anticipation of putting the bigger increases on later in  
14 January. So rate increases would be inflation less 1 percent,  
15 which is less than 1 percent now. If they grant it, the  
16 increases will go up from 35 to as much as 90 percent starting  
17 in January of next year. And following that, they can increase  
18 their rates 20 percent per year without asking anybody's  
19 permission. Excuse me. I've got a bit of a cold. 20 percent  
20 per year without permission.

21 Quality control I mentioned. Right now the Public  
22 Service Commission has the ability to monitor and fine the  
23 companies if they don't measure up to quality of control. If  
24 they deny the petitions, that'll stay that way. If they grant  
25 the petitions, these companies can try and opt out of quality

1 control in as few as two years.

2 Lifeline eligibility. There may be people here today  
3 testifying trying to make you think that the expansion of  
4 Lifeline to 125 percent of the federal poverty level is  
5 contingent upon the Commissioners increasing your rates.  
6 That's not true. The 125 percent level stays the same whether  
7 they increase rates or not. Okay? However, if they increase  
8 the rates, then Lifeline customers will be exempt from the big  
9 increases you will experience the first year or two, but in as  
10 few as two years those people can experience the same level of  
11 increases as well.

12 If the Commission denies -- and we, AARP, fears that  
13 a lot of those people will lose the ability to afford service  
14 if they have to have their increases go up. If the petitions  
15 are denied by the PSC, no one will get rate increases,  
16 including the Lifeline people.

17 Mr. Ciamporcero talked to you about long distance  
18 decreases. I don't recall hearing him, he may have, saying  
19 they were limited to in-state toll. Some of you may not make  
20 many in-state toll calls. AARP believes that big businesses,  
21 day in and day out, make most of the calls. If these petitions  
22 are increased, granted, your rates will go up, single-line  
23 business customers will go up, but big business customers  
24 pursuant to the law these industries wrote don't get any local  
25 increases at all. The in-state rate reductions for toll can

1 go, as much as 99 percent can go to their big business  
2 customers and 1 percent to y'all and it'll be perfectly legal.  
3 We fear that. And if, if the petitions aren't granted, we  
4 don't have to worry about it. We don't have to worry about it.  
5 Y'all use your Sam's cards and that kind of stuff and you'll be  
6 just fine. Let me check real quick here.

7           AARP disagrees that there are any subsidies. When  
8 they calculate the fact that there are subsidies for your local  
9 service, they disingenuously refuse to count the money you pay  
10 them for vertical services like call waiting, caller ID, they  
11 don't count revenue they get from calling information, they  
12 don't count revenue they get from the long distance companies  
13 for using that wire to complete or originate calls. It borders  
14 on dishonest.

15           So in the end, get up and testify, ladies and  
16 gentlemen. If you don't testify, be sure and fill out the, the  
17 form and hand it in the PSC has. Additionally, make sure that  
18 you have a -- take home one of the AARP handouts. There is a  
19 link on there to AARP's Web site. If you have a computer and  
20 the Internet service, you can go there and you can fill out  
21 comments and see what the AARP is doing in Florida. So  
22 testify, and thank you again for your attendance.

23           COMMISSIONER DEASON: Thank you. We now have arrived  
24 at the time where we're going to hear customer testimony. As I  
25 indicated, I need to swear those individuals of the public who

1 wish to testify.

2 Before I do that though, which microphone are we  
3 going to be using? This microphone for customer testimony?  
4 The microphone to my right, your left. As Mr. Beck indicated,  
5 he will be calling you by name. When your name is called, if  
6 you'll please come forward to the microphone and begin by  
7 stating your name and your address. If you think it would be  
8 helpful to the court reporter, you may wish to spell your name  
9 so that it is recorded correctly in the record, then you can  
10 proceed with your statement. And there may be a question or  
11 two following your statement, so wait for just a moment to see  
12 if there are any questions pending.

13 With that, all members of the public who wish to  
14 testify, if you will please stand and raise your right hand.

15 (Witnesses collectively sworn.)

16 COMMISSIONER DEASON: Thank you. Please be seated.

17 Mr. Beck.

18 MR. BECK: Thank you, Mr. Chairman. Thank you.

19 Mr. Chairman. The first witness is Pat Bulmash.

20 MS. BULMASH: Oh, dear. That's me.

21 MR. BECK: Come right over here.

22 PAT BULMASH

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 MS. BULMASH: My name is Pat Bulmash. It's  
2 B-U-L-M-A-S-H. I live at 11 Sunset Drive here in Sarasota.

3 Commissioners, I continually ask myself, when does  
4 the federal government or, for that matter, the government in  
5 Florida find their conscience and halt the onslaught of  
6 companies demanding and getting whatever they want? I also ask  
7 myself, when does the public realize that they are being taken?  
8 The elderly and less affluent remain silent, but they are as  
9 disgusted as I am with the mechanics of government. They hold  
10 very little hope that their government will change gears and  
11 assist them instead of catering solely to big business. But  
12 then ask yourself, why should state governments be any  
13 different than the federal government? Why should state  
14 governments -- the federal government lowered taxes primarily  
15 for the rich and left the middle class and poor dangling for  
16 air in the long-run. The role model is Washington, and it's  
17 become a pathetic role model whether you are a Republican or a  
18 Democrat.

19 We now have three telecommunications companies  
20 drooling at the thought of gouging the public by asking for  
21 exorbitant rate increases. Instead of coming up with new  
22 innovations and how to make their product more appealing and  
23 efficient, it is far easier just to increase fees of the  
24 average citizen who can barely afford a telephone as it is. I  
25 think this really stinks. I'm so tired of political figures

1 breaking their promises once elected, as our Governor has done  
2 by allowing this gouging to happen. I'm so tired of hearing  
3 the same old whining excuse each and every time from industry  
4 that increases will, quote, encourage competition, unquote,  
5 when, in fact, it never does. The only thing that it  
6 encourages is more gouging.

7 I'm so tired of the rich getting richer and the  
8 middle class and poor just trying to make it. I'm also tired  
9 of watching high rollers come into my city solely to build  
10 high-rise monstrosities which will accommodate only the very  
11 rich, with no thought given to serving the lower classes.

12 I'm very weary of officials seeking out and catering  
13 only to the rich and powerful while the lower classes are left  
14 to drown. What does Florida do when they run out of  
15 millionaires?

16 We are exhausted at being beaten by greed. The  
17 people who have little money or influence find that when there  
18 is a battle of greed in Florida, greed usually wins. I truly  
19 wish this Commission would have the courage to say no to these  
20 three companies, but in all likelihood you will once again roll  
21 over and let the devouring begin, which will really be no  
22 surprise to those of us battling to survive.

23 And I don't like speaking in front of people, and I  
24 apologize if I sounded nervous or if I was stuttering, but I  
25 truly believe in what I'm saying. We just, we can't take it

1 anymore. I mean, Medicare is going up. Everything is going  
2 up. We all live on fixed income. A great many of us here in  
3 Florida live on fixed income. Whether you believe it or not,  
4 as things stand, a great many of us in Florida live on fixed  
5 income, and there's only so many ways we can stretch the  
6 dollar. Anyways, thank you very much.

7 MR. TWOMEY: Mr. Chairman. Ma'am -- I'll hold off.

8 MR. BECK: The next witness is Frances Scott.

9 FRANCES SCOTT

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

12 DIRECT STATEMENT

13 MS. SCOTT: I'm Frances Scott, and my name is  
14 F-R-A-N-C-E-S. Some people mistake it for a man's name. I'm a  
15 woman.

16 I may have a little difficulty because I'm having a  
17 throat problem, so please excuse me. I've written down what I  
18 want to say to make sure that I get it all said. I might not  
19 remember it if I didn't.

20 I'm a low income senior citizen and I live in Venice.  
21 My phone service is with Verizon. I do not want and can't  
22 afford increased phone rates. TV called this raise, quote, one  
23 of the biggest consumer ripoffs yet, unquote. TV also said,  
24 quote, the phone companies say this will eventually reduce  
25 rates by bringing in competition, but don't hold your breath on

1 that one, unquote. It is also called, quote, the largest phone  
2 rate increase in Florida history, unquote.

3 In return for the increase, they agreed to reduce the  
4 access fees for in-state long distance calls. Out-of-state  
5 long distance calls will remain the same. I believe most long  
6 distance calls in Florida by the consumers are made out of  
7 state, possibly to family up North. So that really won't help  
8 much, will it?

9 Also, it was not stated how much that will lower the  
10 customers' rates or when that will take effect. Did you notice  
11 that? They also tried to sneak in another raise in 366 days,  
12 calling that two years. Any moron knows better than that. One  
13 day past the 365 doesn't make two years; right?

14 Do you people recall a large pink sheet that came in  
15 your phone bill stating that, quote, beginning September the  
16 1st, 2001, these rates will change, unquote? That's what it  
17 says right here. 35, yes, 35 changes are listed on here. This  
18 was beginning September the 1st, 2001. 35 changes were made at  
19 that time. That was -- excuse me. My throat problem. That  
20 was besides the three other rate increases that were listed on  
21 our previous month's phone bill at that time, three others.

22 That was around the same time that I understand  
23 Verizon was fined \$20 million after they admitted to labor and  
24 processing problems causing their service to be, quote, not up  
25 to par, unquote. They admitted to that. Are we customers by

1 any chance paying off that fine with all these rate increases?

2           Personally I have my own problems with Verizon, and  
3 I'm happy to meet Debbie Kampert, who I have spoke to many  
4 times on the phone but have not had a chance to meet you  
5 before, Debbie. And she dealt with me, along with a lot of  
6 other people, through the problems that I've had.

7           Every month since 1998 I've had single rings in the  
8 middle of the night on my phone. It was determined by Verizon  
9 that these are not harassment calls. They disturb my sleep and  
10 I often am awake for hours. No one is on the line.

11           Verizon asked me to keep count. In six years, since  
12 1998 through 2003, so far I have kept count. And, as you can  
13 see on this list, if you were close enough to see it, I have  
14 616 of these calls. 616, sir, of these calls that came in the  
15 middle of the night waking me up. Sometimes -- I'm a light  
16 sleeper. Sometimes I couldn't go back to sleep for hours.

17           The most in one night was seven. How would you like  
18 to be wakened up seven times in one night? The most in one  
19 month was 26. There were times when I didn't get them every  
20 night or every week, but the most in one month was 26. This  
21 has been going on, remember, ever since 1998, and still goes on  
22 to this day.

23           Repairmen have been to my home many times. They  
24 tried to find the problem with various pieces of equipment, and  
25 they finally said they could not spend anymore time on my

1 problem. It was like, quote, hunting for a needle in a  
2 haystack, unquote. That's what the repairmen told me.

3 So they sent a letter saying that they were closing  
4 my case, and that was over a year ago, after which I contacted  
5 the Public Service Commission. They worked on it for  
6 approximately eight months doing many of the same things that  
7 Verizon had already done. Then they sent me a letter closing  
8 my case, also.

9 So for many months now Verizon doesn't deal with this  
10 problem, the Public Service Commission doesn't have the  
11 problem, I am the only one that still is stuck with the  
12 problem. And it still is happening. I had one just last week.  
13 And I don't know where to turn for help. I pay my phone bill  
14 each month, but I don't have the peace of mind that other phone  
15 customers do. I don't get the service that I deserve now from  
16 Verizon, so why should I be forced to pay them a higher rate?  
17 So please don't allow this increase. It's not fair. Thank  
18 you.

19 MR. TWOMEY: Ms. Scott.

20 MS. SCOTT: Yes, sir. Who said my name?

21 MR. TWOMEY: I did. Mr. Chairman.

22 COMMISSIONER DEASON: Yes.

23 CROSS EXAMINATION

24 BY MR. TWOMEY:

25 Q Mike Twomey from the AARP. The -- first of all, I

1 want to invite you to contact me and, and Mr. Beck with Public  
2 Counsel about your problem. And my suspicion is that the, the  
3 Commissioners would probably want to see your problem  
4 readdressed. But I'll commit to trying to help you with that.

5           The -- I want to ask you though, did you -- do you  
6 realize that if these petitions for rate increases are granted  
7 by these Commissioners and the other three, that the quality of  
8 control jurisdiction that the PSC has now may be eliminated?  
9 You may not be happy with what they've done to help you, but  
10 the possibility exists -- or do you know the possibility exists  
11 that, that the companies can take away the quality of control  
12 service so that the Public Service Commission will have no  
13 ability to deal with it at all, and the theory being that  
14 competition will take care of it? Are you aware of that?

15           A     I was not aware of that, no. I find it very hard to  
16 believe this competition theory that this gentleman from  
17 Verizon was talking about, and it sounds pretty weird to me.  
18 But I understand what you're saying.

19           Q     Are you willing to pay \$55.32 more a year to Verizon  
20 for the potential of competition?

21           A     So my phone can wake me up 26 times? Of course not.

22           Q     Thank you.

23           A     And I have tried my best to get my problem helped,  
24 and I'm still having the problem, and it started in 1998. So  
25 for me to have to pay a higher rate for my phone bill just

1 burns me up because I don't feel like I'm getting a fair rate  
2 now for the service that I get.

3 Q Yes, ma'am. Thank you.

4 A I appreciate your informing me of those things.  
5 Thank you.

6 MR. BECK: Thank you, Ms. Scott.

7 The next witness is Frank Curcillo.

8 FRANK CURCILLO

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. CURCILLO: Good morning, Commissioners. Thank  
13 you for coming to Sarasota to hear our views today.

14 Harry Truman said, "The buck stops here." We hope  
15 coming to Sarasota the rate stops here. My name is Frank  
16 Curcillo. I live at 5533 Avellino, Sarasota. I'm a resident  
17 for 15 years. Presently I'm a subscriber to Verizon and  
18 pay \$3 a month for long distance service for 30 minutes of free  
19 time. I don't use long distance very much.

20 However, I'm here today to represent seniors who are  
21 disabled and can't be here today, as I'm president of the  
22 Seniors Coalition here in Sarasota County.

23 First, I'd like to commend the phone companies for  
24 their participation in the Lifeline program for low income  
25 people, and express gratitude to Jack Shreve, your retired



1 Public Counsel, for implementing the program. Thank you, Jack.

2 I understand the telephone companies, three telephone  
3 companies here on the Lifeline are going to contribute  
4 \$1 million over a three-year program, three-year period, and I  
5 thank them for that.

6 However, I have some reservations, Commissioners.  
7 After the three-year period runs out, these Lifeline users will  
8 be subject to the higher rates and some of those will drop off  
9 usage. I'd like to know what the phone companies are going to  
10 do about the Lifeline subsidy after the period is up.

11 We have approached our legislators on this bill and  
12 to no avail. So you are our next stop, and we hope that you  
13 take this program seriously and our concern seriously to  
14 correct this injustice by this petition.

15 I am opposed to the proposed increase of monthly  
16 service. Verizon is asking \$4.73 over a three-year period.  
17 This rate is over the national CPI, Consumer Price Index,  
18 2.4 percent. This is over the CPI. Please look into it. And  
19 by the way, the CPI is the Bureau of Labor Statistics, and I  
20 checked with their Web site and I have the accurate rate. Not  
21 only that, will it increase the monthly service here, we're  
22 looking at a ripple effect of a triple tax increase because the  
23 basic rate will affect the tapped calculation of three taxes.  
24 We're paying triple taxes here, plus an increase in monthly  
25 service.

1           The federal excise tax is presently 3 percent; the  
2 local communications tax, 5.24 percent; the state gross  
3 receipts tax, 2.3 percent. All these will include the monthly  
4 rate, so our taxes here are going to increase. This is a  
5 tremendous, tremendous increase. It's a ripple effect.

6           So we ask for your careful examination whether you  
7 approve this rate increase or not. We have four increases here  
8 to contend with on this hearing.

9           I understand that the bill that the Florida  
10 Legislature passed will reduce long distance rates when you  
11 rebalance it, but this action penalizes the local users who are  
12 subsidizing the long distance users. Put the rate increase  
13 where the use is, not on the monthly users. We don't use long  
14 distance.

15           This year, as I understand it from the Web site, the  
16 FCC gave Verizon approval to go to other states to sell long  
17 distance service. This is a tremendous growth opportunity for  
18 Verizon. We don't need an increase here in Florida. Have them  
19 seek their opportunities in other states.

20           Verizon is the largest telephone company in America.  
21 According to the 2002 financial report, they had a net income  
22 of \$4.584 billion on revenues of 67.6 percent, \$6 billion.  
23 This company is not in financial trouble. This increase should  
24 be shared by their shareholders. Usually companies, when they  
25 ask for an increase, they share with us the benefits. What

1 benefits? I'll promise a long distance rate reduction? Will  
2 Verizon here guarantee that competition will come in? I don't  
3 think so. That's not business competition in America to invite  
4 your competitors in. Not so, Verizon, not so.

5 This is an injustice here on local users. These are  
6 just weak promises, weak reasons to grant an increase. I ask  
7 you on behalf of seniors here in Sarasota County to reject this  
8 petition. Thank you very much.

9 CROSS EXAMINATION

10 BY MR. TWOMEY:

11 Q Sir. Sir. You spoke about the reductions in long  
12 distance toll rates, so I would ask you, even if you did make a  
13 number of in-state toll calls on a monthly basis, do you have  
14 any idea where you would be able to find what the promised  
15 lower in-state toll rates are going to be?

16 A No. As far as I know, according to the media and the  
17 web sites, there -- I don't know what, what time period are we  
18 going to get these long distance rates and what the rates are  
19 and who the competition is coming in. Is it going to be old  
20 Bell Atlantic or the old GTE? I've been a customer of both.

21 By the way, I'd like to make one point. I called the  
22 customer service for Verizon on Wednesday, October 15th, and I  
23 inquired how taxes were calculated on my bill. I spoke to  
24 three or four people. Finally I asked for a supervisor. The  
25 supervisor never came to the phone. I was on the phone for 15

1 minutes trying to get this information, and I object to that.  
2 Clean up your customer service.

3 MR. CIAMPORCERO: Mr. Chairman.

4 COMMISSIONER DEASON: Mr. Twomey is asking questions  
5 right now.

6 MR. CIAMPORCERO: Oh, I'm sorry. I thought you were  
7 finished.

8 BY MR. TWOMEY:

9 Q The last question, does it make any sense to you to  
10 pay \$55.32 more a year for the possibility of local  
11 competition?

12 A Absolutely not. Absolutely not, sir.

13 COMMISSIONER DEASON: Mr. Ciamporcero.

14 CROSS EXAMINATION

15 BY MR. CIAMPORCERO:

16 Q Yes. Mr. Curcillo.

17 A Curcillo. Yes, sir.

18 Q I just wanted to suggest that Debbie really is able  
19 to take -- if you have a bill or if not, she can, she can take  
20 you through the tax issues. It is, it is very complicated. It  
21 crosses anybody's eyes to try to figure that out, I understand  
22 that. But we do have the people here who can go through it in  
23 detail.

24 A Thank you.

25 COMMISSIONER DEASON: Sir, I would also encourage you

1 perhaps to pick up a copy of a brochure we have which is  
2 entitled, "Navigating Your Telephone Bill," that may provide  
3 some information for you. And if you any further questions,  
4 you can call the Commission's 800 number and --

5 MR. CURCILLO: I'm sure the information is out there,  
6 sir, but when your telephone company says, if you have a  
7 customer service problem, call an 800 number, and you can't get  
8 service, I think there's a problem there.

9 COMMISSIONER DEASON: I agree.

10 MR. CURCILLO: I shouldn't have to wait on the phone  
11 for 15 minutes trying to get an answer on how taxes are  
12 calculated on my bill.

13 COMMISSIONER DEASON: Sir, I'm not trying to deflect  
14 your problem with Verizon. I feel for you. It has happened to  
15 me on occasion, and I'm just as frustrated as you. You should  
16 not have to stay on the telephone line that long. I've had  
17 problems staying on the telephone line just to get somebody to  
18 answer, listening to music. I can put my telephone on mute and  
19 do work on my desk and listen to the music play for 15 minutes  
20 before somebody picks up. So it happens and I feel your  
21 frustration. I was pointing out that there is a publication by  
22 the Public Service Commission which may be of use.

23 MR. CURCILLO: Thank you very much.

24 MR. BECK: Thank you. The next witness is Sarah  
25 Price.

1 SARAH PRICE

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. PRICE: Good morning, Commissioners. Our basic  
6 telephone bill is --

7 UNIDENTIFIED SPEAKER: I can't hear you.

8 MS. PRICE: Is this better?

9 COMMISSIONER DEASON: You might want to pull that  
10 microphone down just a bit.

11 MS. PRICE: How is this?

12 COMMISSIONER DEASON: Does that help any? You may  
13 just have to -- just get your mouth right close to that  
14 microphone.

15 MS. PRICE: Okay. Let's start over.

16 Good morning, Commissioners. Can everyone hear me?  
17 My name is Sarah Price. I'm from Parrish, Florida. Our basic  
18 telephone yearly bill is \$266. This is for a residence line  
19 plus taxes, fees and charges. Please don't add any more to  
20 this. Thank you.

21 COMMISSIONER DEASON: Thank you, ma'am.

22 MR. BECK: The next witness is Hope Haubenreiser.  
23 And I apologize if I'm mispronouncing anyone's name.

24 HOPE HAUBENREISER

25 was called as a witness on behalf of the Citizens of the State

1 of Florida and, having been duly sworn, testified as follows:

2 DIRECT STATEMENT

3 MS. HAUBENREISER: You did very well.

4 MR. BECK: Thanks.

5 MS. HAUBENREISER: Good morning. Can you hear me?  
6 My spelling is H-A-U-B-E-N-R-E-I-S-E-R. And I don't have much  
7 to point out except that most people have already had their  
8 long distance charges brought under control either by the  
9 Internet, the phone cards, cell phones. So what we'd like to  
10 see is the local charges kept under control. Thank you.

11 COMMISSIONER DEASON: Thank you, ma'am.

12 MR. BECK: The next witness is Katharine Anderson.

13 KATHARINE ANDERSON

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. ANDERSON: Good morning, Commissioners and  
18 everyone else here. I'm Katharine Anderson. That's  
19 K-A-T-H-A-R-I-N-E, and it's S-O-N on Anderson.

20 Deregulation took place many years ago, I think, when  
21 AT&T was ordered to split and there were, I believe, five Ma  
22 Bells took over, and then I was part of that. I had 11 years  
23 with the telephone company in Pennsylvania, my husband had 36,  
24 my father had 47, so we're a Bell family. We have seen  
25 tremendous changes, and I'm sorry to say not for the best at

1 this time. The rates continue to go up, the service continues  
2 to go down.

3 At this point the phone is a necessity. It always  
4 has been a necessity. And people who are able to afford it  
5 throughout my lifetime, and they used it for emergencies, for  
6 illness, for any of those purposes. We pay for 911 nowadays,  
7 which is all right. But I feel that people, like has been said  
8 here, are going to have to make a choice. Do they keep their  
9 telephone so that they can buy medicine or food? There is  
10 coming to this point a choice, and I feel sorry.

11 I have a cell phone. It's with Verizon. I used to  
12 keep it for emergencies only in my car. Now I use it for long  
13 distance. I think that's one of the reasons why this, our  
14 local rate is going to or wanting to go into effect because the  
15 money is not there. People are discontinuing their long  
16 distance service. I am one of them. And I feel at this time  
17 for all of us senior citizens that we need a break in life, and  
18 I wish, wish that all of you would consider and have some  
19 compassion. Thank you very much.

20 MR. TWOMEY: Ms. Anderson. Mr. Chairman.

21 COMMISSIONER DEASON: Yes.

22 CROSS EXAMINATION

23 BY MR. TWOMEY:

24 Q Are you willing to pay \$55.32 more a year for  
25 competition?



1 A No, sir. No, sir.

2 Q Thank you.

3 MR. BECK: Thank you. Ma'am.

4 The next witness is Verna Tomasson.

5 VERNA TOMASSON

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 MS. TOMASSON: Good morning. My name is Verna  
10 Tomasson. That's spelled T-O-M-A-S-S-O-N. I'm a senior  
11 citizen and I live alone; therefore, I'm very dependent on the  
12 telephone for both social and emergency meetings. I'm not  
13 destitute, so I don't qualify for Lifeline. But I do live on a  
14 fixed moderate income, which does not go very far with the high  
15 cost of living in Sarasota.

16 I want to give you an example of the use of the phone  
17 as far as I use it because I don't make a lot of long distance  
18 calls. I use the Internet for that. But about three weeks ago  
19 I was going to have breakfast at McDonald's and the door  
20 slammed on my foot and my toenail was ripped off and it was  
21 bleeding a lot. And they asked me, "Do you have a relative  
22 here that we can contact?" And I said, "No." I really didn't  
23 know what to do. I wrapped it in paper napkins, I drove home.  
24 And I called a friend of mine who lived nearby, and she said,  
25 you know, "You really ought to have that looked at." But it

1 was Saturday. The doctor's office was closed. She said, "I'll  
2 drive you to the emergency room." And there I received a  
3 tetanus shot, I got an antibiotic, I got a bandage and I'm  
4 pretty well healed now. And I thought to myself, thank  
5 goodness I could afford a telephone. Because many people with,  
6 especially with rate increases are going to be stuck in a  
7 situation like that where they are isolated and they won't be  
8 able to call anybody.

9 Now I want to say a word about competition. This  
10 whole issue makes me smile because it reminds me of a time when  
11 I lived in Brooklyn, New York, and I was mugged in a rather  
12 isolated neighborhood. Two rival gangs were fighting over my  
13 pocketbook, throwing it up into the air. And it was mighty  
14 scary, let me tell you. But I saw a police car about three  
15 blocks away and I ran out in the street and I went, "Help.  
16 Police. Police." And they went right on driving.

17 So I hope you see the connection here that rival  
18 gangs, if they do come in, are going to be fighting over my  
19 pocketbook, and I hope you will be the regulators that will  
20 prevent that from happening. Thank you very much.

21 MR. BECK: Thank you, Ms. Tomasson.

22 The next witness is Kerry Kirschner.

23 KERRY KIRSCHNER

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

## DIRECT STATEMENT

1  
2 MR. KIRSCHNER: Good morning. My name is Kerry  
3 Kirschner, and I'm the executive director of The Argus  
4 Foundation, which is a public policy foundation made up of  
5 presidents and CEOs of companies in Sarasota and Southwest  
6 Florida. We're happy to appear here today in support of moving  
7 basic local service rates toward cost-based levels.

8 As much as consumers like a bargain, in a deregulated  
9 world, where all parties are not treated equally, local  
10 exchange companies are looking to add on services in support of  
11 wire line service as opposed to being paid based upon the cost  
12 of service being provided.

13 In alternative instances where market participants  
14 are not required to provide rural service, we are only seeing  
15 competition in wire line service being provided in areas where  
16 critical mass, be it residential or commercial, makes  
17 profitable sense. The Argus Foundation believes that the  
18 marketplace will eventually determine the life cycle of  
19 landline service, and that the penetration of cable television  
20 and wireless are factors beyond regulatory price control.

21 In a recent national survey of cell phone ownership  
22 conducted by Scarborough Research and released this week, it  
23 was found that two-thirds, 66 percent, of households nationally  
24 own cell phones, and these consumers spend an average of \$60 a  
25 month for their service. In the Tampa, St. Petersburg,

1 Sarasota markets the percentage of households who subscribe to  
2 cellular service is 64 percent. By any measure, landline  
3 service is affordable in comparison.

4 In the meantime, we need to recognize that if the  
5 subsidy necessary to provide wire line service continues to  
6 grow, there will not only be no one interested in competing in  
7 providing infrastructure, but we will find the local exchange  
8 company's level of service, especially in areas of high cost,  
9 will get poorer and poorer.

10 We know of no regulation that requires private  
11 enterprise, where there is a guarantee not to make money or  
12 even break even, to compete in such an arena. At this point in  
13 the product life cycle of basic phone service on the basis of  
14 public health, welfare and safety it is more critical to worry  
15 that the cost of basic service is not a money loser and that  
16 adequate service be provided.

17 We commend your attention be directed to the cost of  
18 local facilities attributable to providing basic local  
19 telecommunications services. Thank you for your time. Yes,  
20 sir.

21 COMMISSIONER DEASON: Mr. Twomey.

22 MR. TWOMEY: Yes, sir, Mr. Chairman. Thank you.

23 CROSS EXAMINATION

24 BY MR. TWOMEY:

25 Q Mr. Kirschner, where did you get your data upon which

1 you base your assertion that, that local rates don't pay for  
2 themselves?

3 A Well, I think it's quite evident by the fact, the  
4 fact that there is no, no competition particularly out in rural  
5 areas. If you look at the competition in this marketplace that  
6 has come in in hard line, it's only racked in the areas of high  
7 concentration of phone service. The rural areas are, are not  
8 allowed. And based upon the 1999 study of the Commission, the  
9 report on the relationship of costs and the charges of various  
10 services provided by local exchange companies, it seems to draw  
11 the conclusion that the add-on services are the things that are  
12 supporting landline charges.

13 Q Yes, sir. But do you realize that -- do you realize  
14 that the, the add-on services they talk about there utilize the  
15 local loop that -- the same way the local service does? I  
16 mean, do you realize, do you realize that the other services  
17 the companies exclude revenues from in trying to assert that  
18 there is a subsidy or that there's not local service rates  
19 don't pay for themselves, let me finish please, that those  
20 services that they exclude from their calculation couldn't be  
21 provided without the existence of the local loop wire that runs  
22 to the house? Do you understand that?

23 A Yeah. I guess they'd be in the cellular business  
24 then and everybody would be paying the average cost of \$60 a  
25 month. I'm no rate expert, but it's obvious, I think, from

1 what has happened in the marketplace based upon Judge Green's  
2 decision that hard cost landlines are going to be like railroad  
3 tracks. They're going to be laid, and there are many abandoned  
4 landlines already in America that, that people are not using  
5 because, as you can obviously see by the research and what's  
6 happening in the marketplace, people are abandoning landline  
7 phones for cellular phones. In fact, the penetration in  
8 Atlanta is up to 75 percent of all households.

9           So it, it -- and, unfortunately, the people who are  
10 being hurt are these same people who are out here who are  
11 testifying because they're the ones that are dependent upon the  
12 landlines. And those people who can afford it are moving into  
13 cellular telephones.

14           Q     The Argus Foundation, do you -- are you a single-line  
15 business or do you have multiline?

16           A     We represent 50 different business organizations as  
17 far as categories of business. Our members are 160 presidents  
18 and CEOs of companies.

19           Q     Do you know if most of those are larger businesses  
20 that have more than one line?

21           A     I would say many of them are smaller businesses. I  
22 have no idea how many telephone lines each of them have.

23           Q     Yes, sir. Do you understand that, do you understand  
24 that businesses that have multiline service aren't going to be  
25 affected by these rate increases?

1           A     I did not know that until I heard that, that  
2 statement made today. No.

3           Q     Okay. The -- do you know how many -- you mentioned  
4 that the -- I think you mentioned that the -- there's  
5 competition because of the density of businesses and so forth,  
6 did you not?

7           A     Yes.

8           Q     Okay. Do you know how many of your foundation  
9 members are taking service from competitive business providers?

10          A     No, I don't.

11          Q     If, if it's true that there is competition for  
12 business at current rates, why would it argue for raising the  
13 rates of residential customers?

14          A     Well, I imagine, as I mentioned in my testimony, if  
15 it no longer becomes even affordable to break even and if  
16 companies continue to lose money, they eventually go out of  
17 business. So I would commend to you -- again, I am not a rate  
18 case expert, but if, in fact, you expect people to provide  
19 landline service over a long period of time, if they are not  
20 able to recover their costs of operation, they will no longer  
21 be in business and everybody will be forced into a cellular  
22 business that is completely uncontrolled by any ratemaking  
23 case. And it's again, I think, evidenced by the Scarborough  
24 research, the \$60 a month, I think many of these people would  
25 be without telephone service entirely.

1 Q Okay. And lastly, I want to ask you, have you  
2 been -- has it been suggested to you by anybody that your  
3 membership, your members would, would share in the fruits of  
4 the reduced long distance in-state?

5 A No. No. In fact, quite honestly, sir, our position  
6 is, is solely based upon companies being able to charge what  
7 they need to be able to charge in order to stay in business,  
8 not to be in a, what is portrayed as a deregulatory environment  
9 in which all players aren't treated equally.

10 Q Thank you.

11 COMMISSIONER DEASON: Thank you, sir. Next witness.

12 MR. BECK: The next witness is Arlene Flisik.

13 UNIDENTIFIED SPEAKER: I can't hear you.

14 MR. BECK: The microphone seems to go on and off by  
15 itself. The next witness is Arlene Flisik.

16 ARLENE FLISIK

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

19 DIRECT STATEMENT

20 MS. FLISIK: Good morning. Is this on? Yes. I live  
21 at 746-1991.

22 COMMISSIONER DEASON: Could we have your last name  
23 again, please?

24 MS. FLISIK: Flisik. Excuse me. I didn't want to  
25 eat this. F-L-I-S-I-K.



1 COMMISSIONER DEASON: Thank you.

2 MS. FLISIK: And you did pronounce it properly.

3 First, I'd like to confess that I am not technically  
4 grounded, so I'm not looking at this issue from that type of  
5 perspective. As a consumer, I do feel that this is the wrong  
6 approach to overall revenue reception by the phone companies.  
7 This revenue shuffling is not a help to the thrifty individual  
8 consumer. And though it might be revenue neutral to the  
9 telephone companies, it is not necessarily at all cost neutral  
10 to the consumer.

11 The yellow sheet here says that we should consider  
12 whether granting the petitions will help to create a more  
13 attractive, competitive local telephone market for the benefit  
14 of residential consumers. Well, perhaps it would, but it is  
15 going to be at a higher cost to residential consumers and  
16 not -- that would not be a benefit to them. It asks what type  
17 of competition might the consumer like, what options and  
18 services might they be interested in. I feel that that's not  
19 material to this question. If there are extras that are  
20 available, these are choice items for a consumer to take or not  
21 take. But we're talking about raising the basic cost that the  
22 person has to have in order to have a telephone.

23 People need telephones these days for emergency  
24 needs, to prevent isolation, to perhaps let the telephone do  
25 the work that otherwise would have to go into driving around



## DIRECT STATEMENT

1  
2 MS. HOLDER: Yes. My name is Bonita Holder,  
3 B-O-N-I-T-A, Holder. And I live on Becky Drive, Becky Circle  
4 in Venice, Florida. I took the time and trouble from a busy  
5 day today to just come here and give my two cents' worth on an  
6 issue that I've spoken up about before, but I've been 60 years  
7 on this planet and I know that two cents doesn't buy much  
8 access or attention in this state or any other.

9 I've talked with dozens of retirees on this tax and  
10 rate increase, written elected officials, thanked those few who  
11 did stand up for us, and I've done letters to the editor when  
12 this came up before. But I knew then when the elections were  
13 over and this issue came up again in the Legislature like it  
14 did, that it would pass since these always do. Even with the  
15 newspapers against it, AARP, Consumers Union and so many other  
16 groups and individuals, I don't believe it carries enough clout  
17 to keep business interests from slanting the playing field.

18 My household makes very few long distance calls, but  
19 like most people today, we have to have a phone in the house.  
20 So do my parents who are in their late 80s. They've dropped a  
21 long distance carrier because it's a useless luxury. They and  
22 I don't make many long distance calls, and we just don't like  
23 subsidizing those who do. Let's hope the oil companies don't  
24 take a hint and raise the price of regular unleaded gas so they  
25 can lower the price of premium. That's the way I look at it.

1 I grew up in Florida. I have relatives scattered all  
2 over, and most long distance calls I make are in the state. If  
3 this increase goes through and if in-state long distance calls  
4 actually do go down for me without being offset by other fees,  
5 I will absolutely be in shock. And I hope you will consider  
6 everything everyone says here today. Thank you.

7 COMMISSIONER DEASON: Thank you.

8 MR. BECK: Thank you.

9 The next witness is Charles Miller.

10 CHARLES MILLER

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 MR. MILLER: My name is Charles Miller. I live in  
15 Palmetto. I want you to think I'm approaching this from a  
16 little broader perception. I'm approaching this from a  
17 different perspective, it's broader. But the telephone, the  
18 proposed telephone rate increases requested by the three  
19 virtual monopolies in Florida comes at a time when older people  
20 on fixed incomes and the average working American is facing  
21 difficult times because of some questionable policies and  
22 actions enacted by our state and federal government. Our  
23 buying power is dwindling; the dollar buys much less. Jobs  
24 previously available in this country have been shipped to other  
25 countries, and the people who have previously enjoyed good

1 living, good wages now find themselves out of work, losing  
2 their homes, families are breaking up because they're being  
3 forced into poverty, and this is all taking place while large  
4 corporations and their CEOs are always seeking increasing  
5 profits for exorbitant compensation packages.

6 I am on a fixed income. I can afford a modest  
7 increase in the telephone rate, but not these, the ones being  
8 suggested. The telephone companies still have to prove that  
9 these rate increases are going to benefit the residential  
10 customers. As I understand it now, a lot of these businesses  
11 are going to receive some sort of a break in the increased rate  
12 proposal. I would daresay that some of these are involved in  
13 the telemarketing business, and that's what we don't need is  
14 any more telemarketing in the State of Florida.

15 This rate structure over a period of years is going  
16 to mean a lot of older people will have to consider phone  
17 service versus prescription drugs, phone service versus food.  
18 For your information, Medicare insurance rates just went up  
19 13.5 percent. And I just want to ask you one question. Do you  
20 want to be responsible for the heartaches that are being  
21 suffered now by so many people at the poverty line? Thank you.

22 COMMISSIONER DEASON: Thank you, sir.

23 MR. BECK: Thank you, Mr. Miller.

24 The next witness is Gary Roberts.

25 GARY ROBERTS

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. ROBERTS: Hi. My name is Gary Roberts. That's  
5 G-A-R-Y R-O-B-E-R-T-S. I live at 105 137th Street Northeast in  
6 Bradenton. I've been enjoying Florida for the last 18 years.  
7 Wonderful state.

8 There's been a lot of misinformation and I've been  
9 hearing testimony from these fine folks here. But there's a  
10 lot of misunderstanding and a lack of specific information as  
11 to what will and will not happen. I hear statistics thrown  
12 out. I don't know where those statistics came from. I guess  
13 I'm saying this, is that I hope the Commission doesn't take  
14 things always at face value, that they have staff dig into  
15 things, that they keep things in perspective because there is a  
16 lot of misinformation out there.

17 By the way, I'm a former regional director for AARP.  
18 I don't like the fact that Mr. Twomey is here representing me.  
19 He never asked my opinion. In fact, I don't know if AARP ever  
20 asked any Florida members' opinions with regards to  
21 telecommunications issues other than the volunteer leaders who  
22 they deal with on a regular basis. That's been 20 years  
23 experience.

24 I've also done some work with the telecommunications  
25 industry. I helped put together a consumer fraud prevention

1 program with the Public Service Commission and BellSouth on  
2 crime prevention. It ran for three years, reached almost  
3 2 million seniors in the State of Florida. I make that point  
4 in that I also hear a lot of telephone companies are the big  
5 bad guys down here, that they're basically only after, you  
6 know, profits. Yes, they're after profits. Making profits  
7 shouldn't be a negative thing. If it was, these folks out here  
8 wouldn't have retirement benefits. I wouldn't be looking  
9 forward to retirement benefits. I'm almost going on 60. I  
10 hope in five, six, seven years that I have retirement benefits  
11 and I have a fixed income.

12 I believe from what I've read, and I've still got  
13 some more studying to do, that competition is good. I know  
14 that there is no competition to address your questions that  
15 you've had in the yellow sheet.

16 The extent of local competition is nonexistent.  
17 There's reasons why it's nonexistent. One gentleman up here  
18 tried to, to stipulate why it's nonexistent. If you can't make  
19 money at something, you're not going to get into it. And you  
20 can't make money at local service, if that's all you do is  
21 provide local service. There's no money there.

22 Other options available to me? Yes, there are:  
23 Wireless. Except that I happen to live in an area where I get  
24 a lot of dropped calls or sometimes I've got to walk into my  
25 backyard in order to even get wireless service. So that's

1 really not an option.

2           Would I like more options? Yes, I would. What type?  
3 One would be multiline local service with one phone number, not  
4 three phone numbers, for example. Am I willing to pay 50  
5 something dollars, because I know Mr. Twomey is going to ask me  
6 this? Yes, I am. I'm willing to do that. Because I know, and  
7 I think there's historical precedence for this, economic  
8 precedence, that I go in to buy a TV set, a 37-inch for \$1,500,  
9 I can go and buy a plasma, in-wall one now, for almost as much  
10 money. Why? Competition. Because there isn't just one  
11 telephone, excuse me, one TV manufacturer out there anymore.  
12 If you want to see what happens when you continue to have one  
13 individual, look what our cable bills are today. I know what  
14 my cable bill is. It's outrageous. There's no competition in  
15 cable.

16           Does Verizon want competition? I don't know if they  
17 do or not. I don't know if BellSouth does or not. I don't  
18 know if Sprint does or not. I know if I was in their position,  
19 I probably wouldn't. But if I was as regulated as they are, I  
20 would be looking for ways to be able to break out of it so I  
21 could basically make more money. And making more money isn't a  
22 bad thing. I hope they do. I hope the stock goes back up.

23           I ask the Public Service Commission to look at the  
24 long-term, not the short-term. I mean, sometimes we look at  
25 the short-term and say, gee, I'm going to get a 50 something



1 dollar increase, you know, in three years, over three years.  
2 To tell you the truth, folks, we don't know what the  
3 telecommunications industry is going to look like in three  
4 years. The gentleman is right. You know that for the first  
5 time in the State of Texas there are more wireless customers  
6 than there are landline? That's a fact. That's from the  
7 (inaudible), okay, because Mike will probably ask me that, too.

8           But we're headed towards wireless. Why? Because  
9 it's not regulated. Why? Because there's a lot of  
10 competition. It's the future. What's going to happen to  
11 landline customers out here? Right now, you know, Verizon has  
12 to serve you. They have no choice. As a competitor, if I  
13 competed with Verizon, I don't, I don't have to serve you. I  
14 don't have to give you a darn thing. I can go out and get any  
15 customer I want. I don't have to serve everybody like Verizon  
16 or BellSouth has to because they used to be a part of AT&T.  
17 That's the only reason why they have to is because they were  
18 part of AT&T at one time when they split AT&T up.

19           Do I think AARP represents my viewpoint? No, like I  
20 said, I don't think it does. Do I think that, you know, by not  
21 allowing companies to generate an income -- and you hear, you  
22 know, Verizon is worth billions, you know, it's worth billions.  
23 What you want to do is like every time I do my taxes, okay, is  
24 you don't look at adjusted growth. After you pay all the bills  
25 and the pension funds and the debt related and all the kind of

1 stuff, what's left? All I can tell you is I know Verizon stock  
2 has gone from, you know, in the 60s and now it's down around,  
3 you know, the 30s. That's a big, big hit, okay, when you're a  
4 company, a big hit on available monies to do things with.

5 Do I think, you know, landlines eventually could be a  
6 slow death? As I stated, yeah, I think basically it's going to  
7 slowly die. But I think it's going to be -- we'll never see  
8 it, I'll probably not see it, but my kids will see it. I've  
9 got kids in New York right now who are going strictly to  
10 wireless. They're getting rid of their landline phones because  
11 the plans are getting better and better. I'd like to see that  
12 kind of thing happen at the local service for the landline. I  
13 want to see competition come in because like with the TV set  
14 and like with the computers, it used to be expensive. I'm  
15 willing to take that, you know, shock for a year because I  
16 know, just like with TVs and like with computers, eventually  
17 that price is going to go down. That price is going to go  
18 down. It's going to happen. It's happened with other things  
19 and I think it'll continue to happen in the case of  
20 telecommunications. That's all I can say.

21 MR. CIAMPORCERO: Mr. Chairman, may we have order,  
22 please?

23 COMMISSIONER DEASON: Mr. Ciamporcero, I will run  
24 this hearing. Okay? You just mind your business over there,  
25 please.

1           MR. ROBERTS: And I'm going to sum this up. If you  
2 really want to take a look at something, some people brought us  
3 some very, very interesting -- I think there should be more  
4 done with Lifeline for low income. I know they're low income  
5 seniors. I think they're in the minority. (Inaudible) the  
6 statistics, okay, from the Department of Elder Affairs in the  
7 State of Florida and it's decreasing. I don't think  
8 telecommunications should be a welfare issue. Okay? I don't  
9 think it was ever intended to be, I don't think it should be.  
10 But I think we need to look after people who can't afford  
11 things, and a telephone is a necessity. That's a basic fact.  
12 So Lifeline, I think -- more should be done by AARP, the  
13 Consumers Union, the telephone companies, and I know the PSC is  
14 doing an awful lot to basically get more people enrolled in  
15 Lifeline if they're eligible for it and to protect that, okay,  
16 that aspect of it.

17           I would like to see, and I don't think the PSC can do  
18 anything about it, but if you look at your telephone bill, your  
19 telephone bill right now, start adding up all the taxes,  
20 service fees, do you know you're still spending for the Spanish  
21 American War on your telephone bill? It's on the tax. You're  
22 still paying for it. Why? You know, look at the taxes and the  
23 fees and this kind of stuff that you end up with. It's almost  
24 half of your local telephone bill. If you really want to do  
25 something, let's start looking up about all these taxes and

1 service fees and all this kind of stuff that get tacked onto  
2 the telephone bill because it's safe, you know. If they tacked  
3 it on property taxes, this room would be full, okay, of people  
4 yelling, don't raise my property taxes. So it's an easy and  
5 safe haven. Let's tack it on the telephone bill.

6 With that, I'm going to thank you for the hearings,  
7 thank you for giving us an opportunity to speak. I thought,  
8 you know, when I came here I was just going to listen, I didn't  
9 think I was going to say anything, then I started hearing some  
10 thanks out in the hallway. You got to do a balancing act, and  
11 it's a very hard thing to do. I'm glad you're the  
12 Commissioners and I'm not. A very difficult job. I want to  
13 thank you for the job that you have done and the support that  
14 you've given seniors and all Floridians. I want to thank you  
15 for these hearings. I appreciate the opportunity to, to talk.  
16 Yes, sir.

17 COMMISSIONER DEASON: Mr. Twomey, you have questions?

18 MR. TWOMEY: Yes, sir, Mr. Chairman, I do.

19 CROSS EXAMINATION

20 BY MR. TWOMEY:

21 Q Mr. Roberts, thank you. You addressed generally the  
22 notion of misinformation, and I want to ask you a couple of  
23 questions about what might be facts in this case. And I want  
24 to start by asking you if you realize that it is a fact that  
25 residential rates will increase by \$55.32 a year if Verizon

1 gets from this Commission what it has asked for in its  
2 petition?

3 A You've asked that several times of people and, yes,  
4 I've heard it several times.

5 Q Okay. Do you also realize, Mr. Roberts, that it is a  
6 fact that the lower in-state toll rates that are promised and  
7 which it is -- by which it is suggested that some residential  
8 customers might break even on their total monthly bill are not  
9 included anywhere in this case?

10 A Yes, I was -- I don't think there are any guarantees,  
11 okay, with regards to a lot of things in business.

12 Q Okay. Did, did you hear me say in my opening  
13 statement that Verizon can raise your residential rates  
14 20 percent per year automatically after it reaches parity in  
15 two years?

16 A Yes. Can and what will happen sometimes is a very  
17 different situation. I think implying that it's going to  
18 happen is wrong, just as well as saying it may never happen is  
19 wrong. I think the truth is somewhere in between.

20 Q Yes, sir. But isn't it true that we know by the fact  
21 that we're sitting here right now that they're going to,  
22 Verizon is going to try and, if they're successful, increase  
23 your rates by from 38 to 47 percent if they're successful in  
24 these, in these rate increases?

25 A Well, I don't use percentages because it's all -- it

1 always depends upon where you start with the figure. And if  
2 you haven't had rate increases, you know, local service rate  
3 increases, you know, over the last ten years or whatever and  
4 all the sudden you're saying, you know, this is a rate  
5 increase -- you see, I also know, too, excuse me, I also know,  
6 too, when I was working with AARP when local telephone  
7 companies, we called them RBOCs, wanted lower rates and the  
8 AARP started coming out saying that's predatory pricing, that's  
9 anticompetitive, you can't do that. So it's almost like if you  
10 lower prices, you're a bad guy. If you want to raise prices  
11 for competition, you're a bad guy. If I'm a company and I'm  
12 doing business, I can't go this way, I can't go that way.  
13 Which way do I go? I'm dead in the water.

14 Q What I want to know is if, if Verizon is successful  
15 in raising rates here by 38 to 47 percent, how many years after  
16 that are you willing to risk 20 percent increases in the  
17 pursuit of obtaining local service competition?

18 A I believe you'll see it probably within three years.

19 Q Now with Lifeline, Mr. Roberts, do you realize that  
20 if the Public Service Commission increases these rates by these  
21 petitions, that the Lifeline recipients will be subject to  
22 paying the same increases in as few as two years without a  
23 penny more of financial assistance to pay their bills?

24 A If that's factual, I think the Public Service  
25 Commission owes it to those people to look into that.

1 Q Okay. Thank you.

2 COMMISSIONER DEASON: Mr. Ciamporcero, you have  
3 questions?

4 MR. CIAMPORCERO: No, Mr. Chairman. I apologize. I  
5 just couldn't hear. I was having trouble hearing.

6 COMMISSIONER DEASON: Very well. Thank you, sir.  
7 Next witness.

8 MR. BECK: The next witness is Nancy Taylor.

9 NANCY TAYLOR

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

12 DIRECT STATEMENT

13 MS. TAYLOR: My name is Nancy Taylor, and I live at  
14 3866 Wilshire Drive, Sarasota, Florida 34238. And I thank you  
15 all for the opportunity to be here today.

16 I'd like to ask a question just for my, my own  
17 information, which I don't know the answer to. What -- in  
18 terms of Healthline (sic.), what is the cutoff? How do you --  
19 what is your income for Healthline, Helpline (sic.)?

20 COMMISSIONER DEASON: This legislation increases that  
21 threshold to 125 percent of the poverty level.

22 MS. TAYLOR: And may I ask what that figure is.

23 COMMISSIONER DEASON: Mr. Beck can help us.

24 MR. BECK: The income level depends on your  
25 household, how many people are in your household. For a single

1 person household it's \$11,225. So you can make up to that  
2 amount and qualify for Lifeline. For four people it's \$23,000.  
3 So it depends on the household level.

4 MS. TAYLOR: Okay. Thank you. I have a friend whose  
5 income is about \$12,500, so she doesn't qualify. She lives  
6 alone, she's widowed and has no other resources in  
7 that \$12,500. She, she is one of the people that falls in  
8 between on every single thing that happens. She can't get  
9 help, and she's too rich to use some of the services that are  
10 available. So I, I have to mention that because I keep hearing  
11 about Helpline, and I just really didn't know what that income  
12 was. It does mean she can't go out, we can't go out for dinner  
13 very often or at all.

14 But the question that I have -- this is very  
15 enlightening. I don't understand about the competition because  
16 I was taught in school that you lower rates for competition,  
17 and now Verizon, who happens to be here, so we can hit on you,  
18 wants to raise rates. I don't understand how raising rates  
19 helps competition. I want to get my phone services and  
20 everything else from the people who give the lower rates or the  
21 lower, lower, and sometimes I get the midrate because I think I  
22 get better service. I don't know. But I'm looking for the  
23 lowest rate in terms of my telephone. And particularly I'm  
24 looking for a lower interstate -- intrastate rate because that  
25 costs me more money than long distance or certainly local



1 calls. So that's a big bugaboo when I call someplace in Tampa  
2 or someplace in Jupiter where I have a friend and it costs me  
3 more to call her than it does to call California. So that  
4 service, I would like that to be lowered. And I find that a  
5 competitive point since everybody seems to charge more for  
6 that.

7           As far as long distance is concerned, I've been using  
8 10-10 numbers, and they were 5 cents a minute without any other  
9 fees. So I wonder whether the phone company is going to make  
10 my long distance rate lower than that? Is it going to be 3  
11 cents a minute with no fees. And also not being knowledgeable  
12 and just being a consumer, presently I have MCI for long  
13 distance, which I no longer really use it because they charge  
14 a \$6 fee, and then the times that I can call for their lower  
15 rate are times I don't, I'm not awake at night or in the  
16 morning, and so I keep paying it. Meanwhile, that's costing  
17 me \$6 plus all the fees, so somehow it seems to be  
18 about \$10 or \$11, which I can't do the math.

19           And with all due respect to someone who is here to  
20 help me with my bill, there's something odd and bizarre about  
21 looking at a bill -- I know when I buy a dress or a pen, it  
22 says \$42 or 37 cents, I add it up, and that's what I pay. I  
23 don't know why the phone bill isn't like that. And everybody  
24 says it's very complicated. Why? Why don't you make it clear?  
25 Why do we have to get notices in our bill that says -- explains

1 it us to? It just should be simple. I might be willing to pay  
2 a little more for a simple bill, but I probably wouldn't.

3           And then -- oh, yes, what I wanted to tell you was my  
4 personal situation, which I really wanted -- now after  
5 listening to this I need help on. So MCI is my long distance,  
6 though I use a 10-10 number mostly. AT&T is my cell phone,  
7 which I use in emergencies. I pay \$19.95, but I'm paying  
8 20 percent on taxes because I don't use it except in an  
9 emergency. And I have 60 minutes, so I do use it and I may use  
10 about ten minutes of it, but I have 60. And my \$20 is \$25 with  
11 all the taxes on it, which I'm not a mathematician, but that's  
12 maybe -- maybe it's less than 20 percent, but it's a lot of  
13 money for taxes, which people pay even when they're on a  
14 \$12,000 income.

15           But so I have MCI long distance, AT&T cell phone and  
16 Verizon for my local phone. I originally just wanted to talk  
17 about that because I don't, I don't understand what you mean by  
18 competition when I have all these different companies that I'm  
19 using, and in my phone bill from Verizon I've gotten a notice  
20 saying I can get all of this, plus call waiting, plus all the  
21 different things that you offer for \$49.95 plus taxes. So I'm  
22 thinking, gee, maybe that's a good idea. And a friend of mine  
23 did that last month and said, you ought to do it. And then I  
24 got the notice, and I keep saying to myself, when am I going to  
25 do that? I've got to do it and I'm going to do it today, and

1 if there's someone here who can help me with all of this. And  
2 now I'm listening to me, and to me that's competitive. Verizon  
3 is going to give me this. But then the other side says now  
4 they're going to raise their rates. So I don't know what  
5 that's going to be like, and I'm a little confused as to  
6 whether I should go ahead with Verizon, which will cost me  
7 \$49.95 and I'll get all these extra things. Are you going to  
8 lower the intrastate rate?

9           The other thing, I can't help but feel, and it's  
10 personal feelings, but there are millions of us out there with  
11 these personal feelings, and that is there are people who have  
12 gotten up here today and said the most amazing things, things  
13 that I'd been thinking and I didn't know anybody else thought  
14 that way. And then a gentleman got up and he was pro the  
15 profit, which you can't be against profit, of course, but he  
16 was the only one who spoke, if I may use the word, against what  
17 everybody else so far has been saying. And my heart fell  
18 because I thought, along with a lot of people, friends -- I  
19 wanted friends to come here today and be present to express  
20 their opinions. And they said, oh, it's not going to help.  
21 People feel speaking up isn't going to help. I hope that's not  
22 true and I hope the Commission takes it into account that  
23 there, that there are real people out there with real problems  
24 and real issues. And if you're going to raise our rates,  
25 please don't use a word like competition. That makes no sense

1 at all. And I thank you for this opportunity.

2 COMMISSIONER DEASON: Thank you.

3 MR. BECK: The next witness is Doug Heinlen.

4 DOUG HEINLEN

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 MR. HEINLEN: Yes. My name is Doug Heinlen. I live  
9 the 5128 Windward Avenue here in Sarasota. And just building  
10 on what Nancy just said there about the, sort of the cynicism  
11 and the people who aren't here and so forth, the Public Service  
12 Commission is really kind of our last defense to sort of  
13 counterweight the power and influence that the telephone  
14 companies and a lot of major companies have. And not just to  
15 pick on Verizon because you guys are here, MCI and the other  
16 guys aren't here, but many companies have a lot of power and  
17 influence in the Legislature, and you're kind of our last hope.  
18 So there are a lot of people who aren't here because they kind  
19 of think -- the people here today say it doesn't make any  
20 difference. We'll get up here and talk, but it's a fixed deal,  
21 it's going to happen, and this is like just a Wednesday morning  
22 we're spending time here or Thursday morning, whatever it is,  
23 Friday morning, I guess. It's Friday morning. Okay? So I  
24 hope that's not the case. All right? And you guys are  
25 really -- we're counting on you to get this thing under

1 control. Okay?

2 I really have just two points. Number one, this kind  
3 of phone increase is part of a trend. Business Week recently  
4 had a big article on stealth fees that are going on between the  
5 banks, the credit card companies and so and so forth. The rate  
6 goes up two bucks here, five bucks here, let's just hit them,  
7 because there's millions of consumers out there. Five bucks  
8 from each one of us a month, it fixes Verizon's stock problem,  
9 whatever the problem is. All right? And that is not a good  
10 way to do it. That hurts because it adds up over time. All  
11 right? And people talked today about Medicare insurance going  
12 up next year 13 percent. The stuff you have no choice on, the  
13 necessities are what's going up. Somebody mentioned plasma  
14 TVs. Well, I can skip a plasma TV. You know, they fall in  
15 price. DVDs have fallen from 400 bucks to 39 bucks, laptops  
16 are now from \$1,200 to \$800 you can get one for. I can pass  
17 all those things, but I have to have a telephone. Okay. I  
18 have to have health insurance. I have to have homeowner's  
19 insurance. And the telephone is a necessity; we must have it.  
20 So those are the kind of rates that we can't afford to have.  
21 All right?

22 Insofar as Verizon's problem and so forth on fees,  
23 let them raise fees where we have a choice. Let them raise  
24 caller ID, let them raise the cost of conference calling, let  
25 them raise call interruption or whatever that thing is. We all

1 have choices. Some of them are nice to have; caller ID is  
2 great to have, find out who's calling. But can you live  
3 without it? Yes, you can pass. But I have to have a phone  
4 line. I have no choice on that.

5           And the other thing, which is really to address the  
6 Public Service Commission, you know, this is Florida, not  
7 Silicone Valley. This is Sarasota. And about 35 or 38 percent  
8 of our population is over 55 years old. Okay? So to, to work  
9 your way through this very complex -- it sounds simple, but  
10 it's complex, phone rate structure -- and trying to figure out  
11 what you're going to do with your phone bill takes a lot of  
12 time and effort and it's difficult. Okay? It's difficult for  
13 older people, and older people have to have a landline phone.  
14 I mean, to get my in-laws to switch from the basic phone to a  
15 cell phone or using the Internet is like impossible. It can't  
16 happen. All right? Older people particularly want a basic  
17 landline phone. Okay?

18           Now Florida benefits from older people, you know. We  
19 don't suffer these economic downturns. We have transfer  
20 payments. Sarasota sort of glides through these recessions,  
21 you know, with 3 percent unemployment. Why? Because we all  
22 have income from the government, we have pension plans, we're  
23 not facing layoffs from our jobs and so forth. All right? So  
24 you've got to protect the older people, and that's a special  
25 responsibility I think you have being in Florida. And that's

1 why I oppose this rate increase and hope you guys don't do it.

2 COMMISSIONER DEASON: Mr. Twomey.

3 CROSS EXAMINATION

4 BY MR. TWOMEY:

5 Q Yes, sir. Have you ever heard that the telephone  
6 companies are a declining cost industry?

7 A That they're a declining cost industry?

8 Q Declining cost industry, yes.

9 A I have heard that, yes.

10 Q And let me ask you lastly. The -- let me ask you  
11 first, are you willing to pay \$55.32 more a year for the  
12 potential of competition?

13 A No, I'm not.

14 Q Okay. And lastly on this, you mentioned that you've  
15 observed that DVD prices, laptop prices have come down. Has it  
16 occurred to you why phone rates shouldn't be falling when  
17 virtually all these other high tech electronic devices and  
18 systems are falling and falling rather dramatically?

19 A They should be falling as well.

20 Q Thank you.

21 MR. BECK: Thank you.

22 The next witness is Roy Cotner.

23 ROY COTNER

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

## DIRECT STATEMENT

1  
2 MR. COTNER: My name is Roy Cotner. I've lived in  
3 Sarasota for 17 years. I also would like to express my  
4 appreciation to the Public Service Commission for coming to  
5 Sarasota. When the original calendar of hearings was set out,  
6 Sarasota was omitted from it and we were having to go to Tampa  
7 for that one. So I do appreciate your coming here. Also, the  
8 Office of Public Counsel. I would commend the Public Service  
9 Commission for your Web page. It's user-friendly and very  
10 informative.

11 I have an AT&T card, long distance card that I buy  
12 from Sam's. A Verizon friend mentioned Sam's card. And maybe  
13 the one that has the MCI long distance, I'd say forget that and  
14 get a Sam's card.

15 The whole thing -- and the program on rate balancing  
16 and neutral revenue sharing, I don't have a long distance  
17 carrier. I see there's no possibility for my telephone bill to  
18 be revenue sharing. I ask the Commission to reject this  
19 increase.

20 I have one other step that I'm going to take as a  
21 result of the AARP bulletin. In the meantime, before your  
22 final meeting I am going to contact my legislators and I'm also  
23 going to contact the Governor and ask that this legislation  
24 that has put a monkey on the Public Service Commission's back  
25 to try to sort it out, that that legislation be repealed.



1 Thank you.

2 MR. BECK: Thank you, Mr. Cotner.

3 The next witness is Clive Rucker.

4 CLIVE RUCKER

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 MR. RUCKER: Thank you for getting my name right. A  
9 lot of people change that C to an O.

10 First of all, when we got this card in the mail, I  
11 thought like a lot of people probably thought, oh, why go down  
12 there and say anything. It'll just get passed through like  
13 everything else does.

14 I'm living on a fixed income. I didn't say where I  
15 was from. I'm from 3154 Regatta Circle in Gulf Gate. I've  
16 been here 26 years. My wife and I definitely need a phone.  
17 Just like -- we were up North when the electric went out, so I  
18 don't know if you heard about that, but half of the United  
19 States up there, I guess, was out of power. You don't miss it  
20 until you don't have it.

21 I think that the telephone companies should make a  
22 profit, I think they're already making a profit, but I'm  
23 strictly against this big increase. And I want to thank the  
24 Public Service Commission for being involved here. And I also  
25 had a dealing with them years ago when I had a problem and my

1 wife suggested calling them. And I thought the same thing, why  
2 say anything. Nothing will be done. I was very surprised when  
3 I talked, called and talked to a lady and she told me she'd get  
4 back to me within three days. I thought, yeah, I'll probably  
5 never hear from them. This was due to an electric problem.  
6 Three days later I did get the call back, and I also got -- the  
7 electric company took care of the problem very fast.

8           And I want to thank the AARP gentleman that's been  
9 here representing our members, which I'm also a member of that  
10 organization.

11           Like the gentleman that was talking about the  
12 televisions, I would hope that we wouldn't be comparing  
13 televisions to our telephone because I would hate to have to  
14 call an operator and hear Chinese or some other foreign  
15 language. And what has happened to all our people that have  
16 worked in the different industries in our country that has all  
17 gone overseas now? So with a limited income like I have, I  
18 would hope the Sarasota Commissioners look at this problem.  
19 And, yes, I think that most of my neighbors would have been  
20 here if they would have known how important this is. And I was  
21 very surprised when I came into this room and saw the very few  
22 people that were here, that I know that there's got to be  
23 thousands of them out there that is against this and they're  
24 not voicing their opinion. Thank you very much.

25           MR. BECK: Thank you, Mr. Rucker.

1 The next witness is David Westmark.

2 DAVID WESTMARK

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. WESTMARK: Good morning. My name is David  
7 Westmark. I live at 1825 Gulf Boulevard on Inglewood Beach in  
8 Charlotte County.

9 Commissioners and staff and industry and advocacy  
10 representatives, thank you for hearing all of us speak today.  
11 And I want to expand on that theme that's emerged here late in  
12 the day. We really all should have been here when the  
13 Legislature was considering this legislation, and I hope we're  
14 able to produce the result that we should have produced back in  
15 March in a legislative season where the Legislature spent its  
16 time doing this and not performing its constitutionally  
17 mandated duty, which was to pass a state budget, which they  
18 later convened in special session at great expense to you and  
19 me. Had that money that was used to fund that special session  
20 been channelled into seed money that would attract competing  
21 telephone companies, maybe we wouldn't be here today.

22 And, Mr. Twomey, let me -- first let me say and make  
23 it very clear that I'm against granting the local telephone  
24 rate increases for a lot of the reasons that have been  
25 explained here, but it's really more in principle because I'm

1 in that demographic where I have a cell phone. I wouldn't have  
2 a landline if I didn't have to fax things. I wouldn't have a  
3 landline if I didn't want to get on the Internet on a broadband  
4 connection. If I could get cable service, I would get it, but  
5 I can't on Inglewood Beach, and then I could take advantage of  
6 things like voice over IP to make local telephone and long  
7 distance telephone calls.

8 Mr. Twomey, I would happily pay \$55 a year if I knew  
9 that that money was going to -- without burying or being  
10 diverted in other directions, if I knew it was going to produce  
11 competition. Because competition, as we all have experienced  
12 in our daily lives, is a great thing. When you shop for an  
13 airline ticket, you don't have to buy from a single company at  
14 a fixed price. You can -- if you do your homework, you can go  
15 and find a tremendous value.

16 Mr. Ciamporcero, did I get your name correct?

17 MR. CIAMPORCERO: Perfect.

18 MR. WESTMARK: Okay. Thank you, sir. I'm a Verizon  
19 customer, not with my wireless, but with my local service, and  
20 I have been all my life. I'm pleased with the service. I have  
21 no complaints. I consider it a good value. We take it for  
22 granted a lot of times, and I'm happy that there's a phone  
23 company who's willing to stick it out, and one day, like  
24 insurance companies do, say, okay, well, that's it, we're out  
25 of here. You know, now it's your problem. And, unfortunately,

1 I don't think there's anything analogous to the Florida Joint  
2 Underwriters Association in the telecommunications business so  
3 that if a phone company, if the phone industry decided, well,  
4 Florida is hands-off, we can't make money there, we're not  
5 going to service that need, there's not an association like  
6 that to step in and save the day, save us, you know. So I'm  
7 happy that Verizon and other companies are here to fulfill that  
8 very vital and sometimes lifesaving need.

9           The Legislature is my bugaboo. I don't know what the  
10 administrative process is when the Public Service Commission  
11 gets this dumped in their laps. But in closing, what I would  
12 propose would be to, to tell the legislators -- and let me just  
13 interject. I am so heartened by the State of California  
14 because what they've told us is that there is power in the  
15 vote. And all of my friends who should be here today in my age  
16 group are much the same way, they're very defeatist about it.  
17 Oh, it's only 3 bucks a month, you know. I can buy one less  
18 rum and Coke, or I can buy -- I could spend \$4 less at the  
19 parking meters at the beach. You know, that's how they look at  
20 it. They'll just absorb that cost. The fixed income folks  
21 here I really, I really sympathize for because you can't -- you  
22 know, if you squeeze the balloon here, it's going to bulge out  
23 here. And they really have no -- well, some do. I think a  
24 lot, a lot of you folks maybe are, are sensationalizing it a  
25 little bit, and \$3 a month, you know, come on, it's only \$3 a

1 month. But, but I appreciate the fact that I'm going to be  
2 where you all are, you know, God willing in a few years. So  
3 we're kind of making our nest now.

4           Anyway, what I would do is tell the Legislature that  
5 you haven't, you haven't completed the job. I'm a biologist  
6 with the State of Florida, with the Florida Marine Research  
7 Institute, but I used to negotiate managed healthcare contracts  
8 in a previous life. And in every contract there was a  
9 stop-loss provision. It said, okay, we're going to set up  
10 these incentives, which is what you all are trying to doing,  
11 you're trying to create incentives for competition. But it  
12 said, well, what happens if the behavior doesn't change? We  
13 need to have a safety valve. And what I would propose is if  
14 you grant the increase, set a horizon, a time line by which the  
15 anticipated competition will occur. And if it doesn't, have  
16 the power and the teeth in it to recover that turf and go back  
17 to the phone companies and say, all right, it was a great plan,  
18 but it didn't work. And we want our money back, and roll back  
19 the local prices.

20           UNIDENTIFIED SPEAKER: It's not going to happen.

21           MR. WESTMARK: Well, and I agree. And that's kind of  
22 an idealistic thing. And it's unfortunate that our government  
23 mechanisms aren't set up to be -- they're forward thinking but  
24 they're not forward thinking enough. And if there's an  
25 opportunity for the Commissioners to send that message back to



1 practice.

2 Q Well, my question then would be if, if rates go up  
3 immediately by \$55 and change and if competition results and  
4 they don't come back down and, in fact, go lower than the  
5 current rates, what benefit has been had by these people?

6 A Well, I think the experience in other industries show  
7 that if the consumers embrace the competition, that it'll  
8 ultimately lead to lower prices. That's -- but you have that  
9 other factor that I think Doug brought up that we're talking  
10 about to most folks is a necessity. To me it's not really,  
11 except to the extent that I still want to send faxes and access  
12 broadband, you know, DSL service, which Verizon says I have to  
13 have the voice line to get DSL service. If I could just get  
14 the DSL, beautiful.

15 Q Okay. You said the PSC should attempt to gauge this  
16 thing and then bring, bring prices back down if it doesn't  
17 work. Are you aware that they have no such authority under  
18 this law?

19 A I was afraid of that.

20 Q And if that, in fact, is true, how many, how many  
21 years would you be willing to have these ladies and gentlemen  
22 who claim to be living on fixed incomes and claim that they  
23 cannot afford rate increases of this size, how many years would  
24 you be willing to have them suffer those increases before a  
25 determination could be made that this plan didn't work?



1           A     The idealist in me says zero. The realist in me says  
2 that we are in a transitional period technologically. Change  
3 is -- you can't have an improvement without a change. Change  
4 is scary and it's sometimes costly, but it's necessary.

5                     And I think the analogy of the railroads is good  
6 because you have a costly hard-wired service that's, that's  
7 expensive to maintain. Nobody wants to join that market in  
8 terms of companies because of that expense. They can't make a  
9 buck. They want, they want the up-and-coming, they want to  
10 invest in and research in the up and coming alternatives, which  
11 are wireless and voice over IP and things like that, so.

12           Q     Okay. I'd like to ask you one more question. If you  
13 use your cell phone and you're successful in getting your cable  
14 service so that you can have Internet service that way and  
15 perhaps even use voice over the Internet protocol for telephone  
16 and so forth, did I hear you say that you might get rid of your  
17 landline?

18           A     I did -- when I first moved to Charlotte County, I  
19 didn't get -- I chose not to buy landline service. It was only  
20 when I later found out that I couldn't get cable modem access  
21 because there's not enough competition in the cable industry --  
22 I was -- I had to get voice, I mean, landline service.

23           Q     I mean, if you get the cable, might you get rid of  
24 your landline?

25           A     I probably would.

1 Q And then in that case, you wouldn't be subject to the  
2 local rate increases that the rest of these folks that claim  
3 they need a telephone for as a necessity, would you?

4 A I wouldn't.

5 Q Thank you.

6 A And in that -- I would de facto be kind of excusing  
7 myself from the power to vote with my feet, which is  
8 unfortunate, but I would stepping from, I think, what is an  
9 obsolete or archaic method of communicating over into what's  
10 the up-and-coming.

11 Q In fact, you would have been exercising a vote with  
12 your feet by leaving, wouldn't you?

13 A Right. But I hate to join -- I mean, I hate to leave  
14 the purchasing power of this group in doing so.

15 Q Thank you.

16 A Thank you.

17 COMMISSIONER DEASON: We're going to take a recess at  
18 this time. We will reconvene at 12:20.

19 (Recess taken.)

20 COMMISSIONER DEASON: Call the hearing back to order.  
21 Mr. Beck, you may call your next witness.

22 MR. BECK: Thank you, Mr. Chairman. The next witness  
23 is Henry Sarnecke.

24 HENRY SARNECKE

25 was called as a witness on behalf of the Citizens of the State

1 of Florida and, having been duly sworn, testified as follows:

2 DIRECT STATEMENT

3 MR. SARNECKE: Good afternoon. My name is Henry  
4 Sarnecke; S, as in Sam, A-R-N-E-C-K-E. I live in Venice,  
5 Florida.

6 My remarks will be simple. Thanks to the  
7 Commissioners for having this hearing and for all those who are  
8 present.

9 Very simply, I have a problem with reducing the  
10 in-state access fee at the expense of local calling rates on  
11 the possibly empty promise of lower rates overall. I use the  
12 Sam's AT&T calling card for all of my long distance, and I  
13 ignore all of the intrastate and interstate phone company  
14 rates.

15 I have an alternative proposal for the telephone  
16 companies. Why not reduce your state access fees. And if in  
17 three years that results in competition, then come back to the  
18 Commissioners for a rate increase. This concludes my remarks  
19 except to say that I do not believe the proposal is in the  
20 public interest and should be rejected. Thank you.

21 COMMISSIONER DEASON: Thank you.

22 MR. BECK: The next witness is Mary Paul.

23 MARY PAUL

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

## DIRECT STATEMENT

1  
2 MS. PAUL: My name is Mary Paul, and I live in  
3 Venice, Florida. I didn't prepare any remarks, other than I am  
4 afraid, and I think I'm saying the word for anyone else here  
5 who's on a fixed income. Where am I going to get a job to pay  
6 for any increases in food, Medicare, telephone, all these other  
7 good things that are supposed to make my life easier? I can't  
8 get that job. I don't have the earning power. We look for  
9 Social Security. It's a 2.1 increase. Medicare is going to  
10 cost 13 point something. That doesn't match. Where are my  
11 husband and I going to cut our living standard?

12 One thought is if they want to raise, make it 2.1.  
13 Make it according to what Social Security increases are each  
14 year. We've always been responsible in meeting our  
15 obligations. If necessary, we will take the phone out. We'll  
16 die in the house or whatever until our bodies stink and some  
17 neighbor calls.

18 And by any chance, do the CEOs of the telephone  
19 companies and the officers get raises whether there's any loss,  
20 or do they take a cut with the stockholders or with the  
21 profits? I haven't heard of any company where any CEO said,  
22 I'm going to not -- I'm going to skip taking my raise this  
23 year. And I think I've said the word "fear" for those on a  
24 fixed income. And thanks for representing us.

25 COMMISSIONER DEASON: Thank you.

1 MR. BECK: Thank you, Ms. Paul.

2 The next witness is Richard Pell.

3 RICHARD PELL

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. PELL: Thank you so much. I'm going to take a  
8 little different perspective here. Last year my wife and I  
9 visited China, and aside from looking at the antiquities, we  
10 were not prepared to look at modern China. And one of the  
11 things which absolutely struck us was the ubiquitous nature of  
12 cell phones. They are everywhere. China completely skipped  
13 wiring the country. They don't have local loop service.  
14 They've got hundreds of millions of cell phones. You see  
15 people at every level of life, except perhaps the lowest  
16 peasant, with a cell phone, and they're doing very well without  
17 local loop service. You see kids, people on motor scooters,  
18 people in busses, people everywhere have a cell phone. So it  
19 is possible to have an economy that is viable without local  
20 loop service.

21 I think you all have kind of missed what you should  
22 be looking at. I think you're looking to subsidize a covered  
23 wagon maker, and I don't think that that's really what you  
24 should be looking at. I'm very sympathetic to the phone  
25 company. Yes, you can go overseas and make DVD players, you

1 can move them from China to Malaysia to Antarctica, if you want  
2 to, and make them cheaper. But you can't have somebody from  
3 China come and dig up the cable in the ground, come to your  
4 house when the lawn guy cuts the cable and repair it. Those  
5 costs go on and there's not much you can do about it. I'm very  
6 sympathetic to that problem of providing local exchange  
7 service.

8           But I think if you can't do it at a profit, perhaps  
9 the Commission should consider just letting it die. Now  
10 there's a problem here; it's a generational problem. My grown  
11 grandchildren, even those who own their own houses, do not have  
12 wired service. They have cell phone service. That's it. They  
13 have no intention of ever having a wired service. They use a  
14 computer, most of them with cable modem service, a lot of them  
15 with voice service on the cable modem. And my mother won't  
16 even call my cell phone, let alone use a cell phone. Somehow  
17 she thinks it doesn't work, it isn't going to go through. And  
18 it's very difficult. There's a generational problem here.

19           If you look at the thing really, the \$12.12 that you  
20 referred to is really not accurate. It's \$20 a month when you  
21 put the taxes on it. There's a 75 percent tax on that \$12.12.  
22 You can get cell phone service for \$9.95 a month. For \$20 a  
23 month you can get a cell phone service that includes unlimited  
24 long distance service. My service, all calls within the State  
25 of Florida are local calls. Most of my calls are in the State

1 of Florida, long distance stuff, and it's all part of the same  
2 service, part of the same package. There are alternatives.  
3 But I think part of the problem is generational. A lot of  
4 these folks here would just find it inconceivably difficult to  
5 adjust to that lifestyle change, not having a telephone with a  
6 wire attached to it, but that doesn't mean that it shouldn't be  
7 looked at or promoted. And perhaps it's time to say to the  
8 local service providers, can't make a profit? Tough. Get out  
9 of the business. Thank you.

10 MR. TWOMEY: Mr. Chairman.

11 COMMISSIONER DEASON: Mr. Twomey.

12 CROSS EXAMINATION

13 BY MR. TWOMEY:

14 Q Yes, sir. On the, on the profit issue, you're not  
15 under the impression, are you, sir, that these companies are  
16 here asking to increase the rates because they claim they're  
17 not making adequate profits, are you?

18 A Why else would they ask for more money?

19 Q Well, they're not.

20 A Of course they are.

21 Q Ask Mr. Ciamporcero if he's --

22 A He may say that he's doing it for other reasons, but  
23 I don't believe him.

24 Q Let me be clear. My question is, do you, do you  
25 believe or do you have any reason to believe that they're here

1 claiming to these Commissioners they want to raise rates  
2 because they are making an inadequate profit?

3 A That's not what they say.

4 MR. CIAMPORCERO: Mr. Chairman, may I respond?

5 MR. TWOMEY: Sure. Whatever, Mr. Chairman. I'm  
6 sorry.

7 COMMISSIONER DEASON: No. We're going to do this.  
8 The witness is going to answer questions. And,  
9 Mr. Ciamporcero, you can -- I'll give you an opportunity to ask  
10 questions to the witness as well. But right now this is just  
11 Mr. Twomey and the witness.

12 BY MR. TWOMEY:

13 Q If it's your view that they can just die, local  
14 service can just die, if necessary, if they can't compete,  
15 wouldn't it make sense then if the Commission only has two  
16 choices here, this Commission hypothetically only have two, two  
17 choices, one, either to grant the increases as requested by  
18 this and the other companies or, two, deny the increases  
19 outright, wouldn't it make sense to protect these people to  
20 deny them?

21 A I really don't know the answer to that. It doesn't  
22 seem to me that it is fair to subsidize one service at the  
23 expense of another or to subsidize service to one segment of  
24 the population at the expense of another segment of the  
25 population. That I don't think is morally correct.



1 Q Yes, sir. But --

2 A And I can't begin to tell you, because I really don't  
3 know, whether the dollars are justified, whether it should  
4 be \$4 a month or 20 cents a month or \$19 a month. I have no  
5 idea whether the numbers are correct. I leave it to the  
6 Commission to go through all the numbers and try to figure out  
7 what's a fair number and whether they're justified or not.

8 I would say to the gentleman from Verizon, or I would  
9 ask him a question, would he agree to the proposition that if  
10 at the end of the three years there is no increase in  
11 competition, he would agree to have Verizon roll back the  
12 prices to the present day? I would ask him that question.

13 COMMISSIONER DEASON: If you care to -- I'm sorry.  
14 I'm going to --

15 MR. TWOMEY: I'm not finished yet. If I may ask him  
16 one more question before he goes to Mr. Ciamporcero.

17 COMMISSIONER DEASON: This is a little awkward to  
18 have a witness asking questions, but we're going to give you  
19 that latitude. When Mr. Twomey finishes, I'll allow you to ask  
20 that question. And if there is a response coming, we'll hear  
21 the response.

22 BY MR. TWOMEY:

23 Q The last thing, I believe, would be isn't it true  
24 that for your theory about the morality issue of subsidy, it  
25 would have to hinge on whether the facts support the claim of

1 having to subsidize?

2 A That would seem to make sense.

3 Q Okay.

4 A That would seem to be reasonable.

5 MR. TWOMEY: Thank you.

6 COMMISSIONER DEASON: Mr. Ciamporcero, if you want to  
7 respond or add anything at this point, here's your opportunity.

8 MR. CIAMPORCERO: Yeah. You asked the question --  
9 there were two questions, I believe. One, is this, is this  
10 going to increase corporate profits? And Mr. Twomey is  
11 correct, it's revenue neutral. In fact, somewhat revenue  
12 negative, so it won't have any effect.

13 MR. PELL: I didn't ask that question.

14 MR. CIAMPORCERO: Okay. I'm just -- somebody asked  
15 it.

16 MR. PELL: I understand it's revenue neutral as far  
17 as you're concerned. It isn't revenue neutral as far as most  
18 people's pocketbook are concerned.

19 MR. CIAMPORCERO: We don't know the answer to that,  
20 but, okay, immediately.

21 You asked another question though, I think, which was  
22 if in three years there wasn't --

23 MR. PELL: There wasn't local competition for local  
24 loop service, would you agree to roll back prices to the  
25 present day?

1 MR. CIAMPORCERO: I am absolutely confident there's  
2 going to be competition. The question is -- and what I, what I  
3 don't want to guarantee is I don't know what level of  
4 competition in which neighborhood. So if we -- we're going to  
5 have a lot more competition. The cable companies are going to  
6 be providing service, the wireless companies' plans are going  
7 to change, and some of the CLECs, the competitive companies,  
8 are going to move the 85 competitive companies we now have in  
9 the downtown areas, they're going to move out into the  
10 neighborhoods. Now I can't tell you exactly where they're  
11 going to go because I have no control over that. So I can't  
12 make a commitment based on what some other company is going to  
13 do. But I guarantee you there's going to be a lot more  
14 competition than there is today.

15 MR. PELL: I absolutely agree with you. And as this  
16 situation exacerbates with time, are you going to come back  
17 again and say, gosh, we're still not making any money, we need  
18 another rate increase? I think you really have to look at the  
19 thing, and I think you all do. All you guys that have got  
20 plant, stuff sitting on poles and buried in the ground, every  
21 one of you has got to look at the thing, boy, we better start  
22 writing that off and just forget about it. It's obsolete.  
23 It's as obsolete as buggy whips or covered wagons or wooden  
24 ships for the Navy. It's obsolete. And you've got to face up  
25 to that. And I think that's the larger issue, and I think

1 that's what you really need to look at.

2 MR. CIAMPORCERO: Mr. Chairman, should I --

3 COMMISSIONER DEASON: I don't want to engage in a  
4 debate here. I don't think that was a question. That was a  
5 statement.

6 So are there any other questions for this witness?  
7 Hearing none. Thank you, sir, for your testimony.

8 MR. PELL: Thank you.

9 MR. BECK: The next witness is Ron Turner from the  
10 Sarasota County Committee for Economic Development.

11 RON TURNER

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. TURNER: Good afternoon. My name is Ron Turner.  
16 I'm representing the Sarasota County Committee for Economic  
17 Development. We're at 1945 Fruitville Road in Sarasota. I  
18 thank you for being here in Sarasota today to listen to the  
19 testimony that we've heard for the past few hours.

20 For our organization this boils down to an issue of  
21 fairness and competition, and I know we've heard some of that  
22 this morning. And it may be in the minority for the people in  
23 the audience here, the people who have testified today, but it  
24 is our feeling that competition in the local wired market will  
25 be, will be good. It will increase a better level of service.

1 We do think that there will be the potential for rate decreases  
2 over time. I think the gentleman who just spoke just a moment  
3 ago made some very valid points, the gentlemen that spoke just  
4 prior to me about competition in the wireless industries and  
5 cable and different things. But I'm going to keep my comments  
6 very brief, but we do support the petition, the petitions that  
7 are before the PSC, and do believe that competition in the  
8 marketplace is healthy and the market should drive prices and  
9 service. Thank you.

10 COMMISSIONER DEASON: Mr. Twomey.

11 CROSS EXAMINATION

12 BY MR. TWOMEY:

13 Q Would you tell me the name of your organization  
14 again?

15 A The Sarasota County Committee for Economic  
16 Development.

17 Q And who are, who are your members?

18 A We are the economic development, professional  
19 economic development organization for Sarasota County.

20 Q How many members do you have?

21 A We have approximately 300 members.

22 Q 300? Is Verizon a member?

23 A Verizon, to my belief, is a member of our  
24 organization.

25 Q The -- is, is your organization -- do you have

1 multiline telephone service?

2 A It's my belief that we do. Yes.

3 Q Okay. And are you aware that under these petitions  
4 multiline companies won't -- customers won't receive any local  
5 rate increases?

6 A If that's a fact in what you're saying, that's -- you  
7 know, I've heard it here today.

8 Q Okay. Now the, the -- does your business or your  
9 member businesses make a lot of in-state toll calls on a daily  
10 basis?

11 A I would have to survey our companies in Sarasota  
12 County to find that out, so.

13 Q Have you or your organization been, been told or has  
14 it been suggested to you that you or your members might share  
15 in the, the, the promised in-state toll reductions?

16 A No, sir. My appearance here today, as I said, was  
17 just based on our belief in a free market system and  
18 competition in the marketplace.

19 Q Okay. Mr. Ciamporcero said a minute ago, I think I  
20 heard him say, that there were some 85 competitive  
21 telecommunications companies within this, in this area. Did  
22 you hear that?

23 A I didn't hear that remark. I missed that. I  
24 apologize.

25 Q Are you aware of whether or not any of your members

1 take their basic telephone service from competitive companies  
2 as opposed to Verizon?

3 A Again, that's something that I would have to survey  
4 every individual company, so I don't have that information at  
5 hand.

6 Q So it's your testimony, the summary of it is, is  
7 that, is that your organization is willing to have these people  
8 have their rates, these people who are residential and  
9 single-line business customers experience rate increases  
10 ranging from 38 to 47 percent for Verizon when possibly many of  
11 your members won't have any increases on the, on the hope that  
12 competition will result?

13 A What I said was that we believe in a free market  
14 system, we believe in competition in various industries, and we  
15 think that the prices and the market will determine what it can  
16 bear. That's what I said.

17 Q Yes, sir. Let me ask you this. Are you aware that  
18 Verizon has been legally subject to competition in this area  
19 and throughout the state since 1995?

20 A They've been legally -- no, not until you just said  
21 that. If that's a fact --

22 Q That's a fact.

23 A -- then that's the first time I'm hearing it.

24 Q Thank you.

25 COMMISSIONER DEASON: Thank you, sir.

1 MR. BECK: The next witness is Ann Fowler.

2 ANN FOWLER

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. FOWLER: My name is Ann Fowler. I live on  
7 Canterbury Drive here in Sarasota, and I appreciate the  
8 opportunity to speak here. I'm not retired, I'm not on a fixed  
9 income, but I feel it's important for me to be here today  
10 because I represent a demographic that is not getting as much  
11 of a hearing here today.

12 I can afford, as a previous gentleman said, I can  
13 afford the increase that they're talking about. But let's talk  
14 about the fairness issue again. Isn't it interesting that the  
15 parties that have spoken on behalf, have come down squarely on  
16 behalf of this proposal represent the wealthiest components of  
17 this, this area? Argus Foundation represents some of the  
18 wealthiest and most influential businesses in this area.

19 Is it fair to exclude them, that organization and all  
20 those organizations that are represented, from this proposal?  
21 Normally when you -- a lot of times when you look at something  
22 that's being proposed, it takes a while for it to sink in how  
23 it's going to benefit a particular segment or population. This  
24 time it's not hard at all to figure out who's going to benefit  
25 from this. It's written right into there. It's carefully



1 excluding anybody but the residential customers, the very  
2 people that can least afford it. So if you allow this to go  
3 forward, you would be saying, sorry, suckers, you just don't  
4 have enough money and you're not rich enough for us to care.  
5 Thank you.

6 CROSS EXAMINATION

7 BY MR. TWOMEY:

8 Q Miss, are you aware that this law that pointedly  
9 excludes multiline business customers from any rate increases  
10 at all was totally written by the industries affected?

11 A Yes, I had heard that.

12 Q Thank you.

13 A I just, I just want to have one, one further point.  
14 I was fortunate enough that I could rearrange my schedule to be  
15 here. I am representing -- and don't, don't be fooled. I am  
16 representing a very, very large demographic that will see this  
17 for exactly what it is, yet another giveaway to corporate  
18 moneyed interest. Please do not let this go forward.

19 MR. CIAMPORCERO: Mr. Chairman.

20 COMMISSIONER DEASON: I'm sorry. Is there another  
21 question?

22 MR. CIAMPORCERO: A quick question, please.

23 CROSS EXAMINATION

24 BY MR. CIAMPORCERO:

25 Q Do you -- you look to me like you'd have a cell

1 phone. Is that accurate or not?

2 A Yes, I do have a cell phone.

3 Q And do you have any idea -- I don't want to ask you  
4 how much you pay for the cell phone, but presumably it's a,  
5 it's a significant multiple of what the local service price is.

6 A Not significant.

7 Q Not significant. More though?

8 A Yes, it is more.

9 Q Okay. Thank you.

10 MR. TWOMEY: Mr. Chairman, may I ask one question?

11 COMMISSIONER DEASON: One question. That's it.

12 We're going to move on.

13 MR. TWOMEY: One question.

14 FURTHER CROSS EXAMINATION

15 BY MR. TWOMEY:

16 Q Do you think Mr. Ciamporcero's question -- do you  
17 think what you pay or don't pay for a cell phone has anything  
18 to do with the fundamental fairness issue you tried to present  
19 to this Commission?

20 A I think it has absolutely nothing to do with it. It  
21 almost implies that if you don't have a cell phone, then that's  
22 just your bad luck that you're not wealthy enough to afford  
23 one. And I deeply resent the question.

24 COMMISSIONER DEASON: Next witness, please.

25 MR. BECK: The next witness is Mark Hewitt.

MARK HEWITT

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  
4 DIRECT STATEMENT

5 MR. HEWITT: Good afternoon. Thank you. My name is  
6 Mark Hewitt. I'm a Sarasota resident. Actually I'm a new  
7 resident. I have only been here about three years, decided to  
8 sort of semiretire down here. I empathize with your position.  
9 I'm a former chairman of the Alaska Public Utility Board and  
10 have been involved in many of these issues over a long career.

11 This rate increase, while I'm standing here to oppose  
12 it, I stand here to oppose it because it's indicative of a  
13 larger problem that we have to deal with. Florida is one of  
14 the top ten states in the country in terms of its progressive  
15 approach to recognizing the changing venue in  
16 telecommunications and its value to our economic growth and  
17 strength and capability as not only a state, but as a country.

18 I've been very fortunate as a leading technologist  
19 and innovator in this country, I was responsible for the very  
20 first completely national voice over IP network in this country  
21 in the latter part of the last century.

22 Today, companies are delivering services to, full  
23 dial tone services, including 911, completely exempt from the  
24 regulatory structure of traditional telecom for as low as \$8 a  
25 month. Sample communities or early communities such as Moses

1 Lake in Eastern Washington who have taken it on to deliver on  
2 their own the infrastructure that has been demonstrated to us  
3 by the European Union and other countries throughout the world,  
4 have delivered gigabyte Ethernet fiber to homes and residences  
5 throughout their community. And today the average fee for both  
6 phone, video in terms of competitive Comcast type services and  
7 Internet service average less than \$50 a month.

8 Now these are the kind of rates that are possible  
9 through a new infrastructure that is growing up in this country  
10 and around the world in spite of traditional regulatory  
11 opposition to the destructive nature of new and evolving things  
12 that impact our country greatly.

13 As I traveled throughout the world, I was fortunate  
14 enough to be an advisor to the creation of a similar, a similar  
15 body in China as the country was starting to evolve and tried  
16 to open its doors to new technology and communications. And I  
17 was at the heart of the group that created recommendations that  
18 created a wireless community throughout China and its  
19 communities.

20 Today, in Hong Kong and Japan, Korea and throughout  
21 many of the European block nations, they pay less than  
22 one-third the cost of telecommunications that we do here in the  
23 United States. And in August of this year the European Union,  
24 recognizing that there is a staunch difference between the  
25 embodiment of the telecommunications infrastructure, the wires,

1 the cables, the fibers that all deliver services to each of our  
2 homes, our businesses and to each other's communities, was  
3 completely separate from the issue of delivering services;  
4 i.e., dial tone, video, data services. And they created a  
5 structure over two years ago which was formalized this August  
6 in the creation of something called the open services gateway  
7 initiative, which takes the incumbents in those countries and  
8 pushes them into a separation between their responsibility as a  
9 regulated utility to be responsible for infrastructure that  
10 delivers services as opposed to the bodies that are providing  
11 the services themselves.

12 Today, we have mixed all those things in the United  
13 States. We mixed the ability to provide dial tone and the  
14 requirements to regulate it with the requirements and the  
15 billions of dollars' worth of infrastructure that this country  
16 has paid for to deliver fiber, voice, data and other services.

17 A good example of why we pay such huge and unfair  
18 rates for things like cable TV service have to do with the fact  
19 that this country has separated the relationship between  
20 infrastructure and service and made them duplicate their costs  
21 of infrastructure. We have five competitive fully redundant  
22 wireless infrastructures in this country alone as compared to  
23 an average of two throughout the rest of the world, which is  
24 one of the reasons that we pay such high prices for cellular  
25 telephone service and cable TV.

1 I was fortunate last week to be driving down the road  
2 in an early prototype that you will start to see become  
3 available to the general public probably in 2004, early 2005.  
4 I drove down the road in the back of a vehicle with fully  
5 interactive video dial tone services, carrying on a  
6 conversation with full video going 60 miles an hour down the  
7 road with a colleague in Washington, D.C. I was in Salt Lake,  
8 Utah, at the time.

9 These services and technologies will come about  
10 regardless of what we do in terms of regulation and structure  
11 of our existing incumbent wire and telecommunications  
12 providers. If we don't take the opportunity today to continue  
13 to take the lead, as Florida has already shown the initiative  
14 to do, to begin to establish the regulatory structures to  
15 separate the infrastructure from the services, then we as  
16 Florida residents and also in this country will pay a very high  
17 price for being noncompetitive with the rest of the world.  
18 Thank you.

19 COMMISSIONER DEASON: Questions? Thank you, sir.

20 MR. BECK: The next witness is Jim Lawless.

21 JIM LAWLESS

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 MR. LAWLESS: Thank you for the opportunity to speak.

1 Actually I didn't come here today with the idea I was going to  
2 speak, but having heard some of the people before me,  
3 particularly the gentleman that just spoke, I'm going to try to  
4 get your name, address and connect with you, network with you  
5 because I think you really had some profound things to say.

6 My name is Jim Lawless. I'm from Sarasota County,  
7 City of Venice. I'll be brief today. I'd like to -- I'd like  
8 the Commission to look at the situation from a different  
9 perspective. I can remember when there was only one provider  
10 for telephone service. Some of you might not remember that.  
11 And the plan was we were going to take that provider, break it  
12 apart, and we were going to have a multiple competitive, you  
13 know, give everybody a chance to get in here. And, you know,  
14 Ma Bell, AT&T, whatever you want to call it, monopolize the  
15 whole thing. And now it's -- we're down in 2003. I'm 68. I'm  
16 on a fixed income, like everybody else. We're down in 2003 and  
17 it hasn't happened.

18 I used to work in the field of community mental  
19 health. I ran an outpatient clinic for emotionally handicapped  
20 children and people. And I think if I was still working at  
21 Rise West and you came to me today and asked me to give you \$50  
22 a year more, that you're going to create competition from that,  
23 I think, I think I would probably say you need to see a  
24 counselor.

25 One of the areas -- and I don't know if the

1 Commission has such an opportunity or ability to do -- we need  
2 to look at corporate salaries. What is the executive director  
3 of Verizon or Sprint or any of them, what are they paying these  
4 guys? Millions of dollars? Hey, you know, you often hear the,  
5 the negativity about corporate welfare mothers or -- I should  
6 say they are corporate welfare mothers -- welfare mothers  
7 coming out and looking for more services. These are corporate  
8 welfare mothers who are being paid millions of dollars in  
9 salaries and they've got their hand out and they're looking for  
10 a handout.

11           Now I think perhaps what they ought to do and what  
12 this Commission ought to do is look at their salaries, look at  
13 the administrative overhead. You know, how efficiently and  
14 effectively are they running their agencies, their  
15 organizations? I think we ought to look at that, not look at  
16 the bill. The bill is confusing. Forget that. Look at  
17 corporate salaries. It's the same pattern. It doesn't matter  
18 if it's Enron or it's Verizon, we're getting put upon. We've  
19 had enough.

20           And in this area you've got a big senior population.  
21 That young lady that spoke, she's right. The few seniors that  
22 came here today, they don't represent the money. They  
23 represent the many. And if this Commission can't do -- if  
24 you're powerless and you can't do anything about this, I don't  
25 even know why, you know, why you're still in existence. You've



1 got to be able to do something about this. This has got to  
2 stop. And I think you ought to listen to what the gentleman  
3 before me said, because that was your field. Obviously, you  
4 know, there's some good points in there that I couldn't make.

5 But what bothers me, I remember when there was one  
6 provider and we broke it up for competition. And we're coming  
7 back with multiple providers with their hand out, and they're  
8 going to make better competition. Huh-uh. See a counselor.

9 Thank you for the opportunity and thank you for --  
10 oh, yes.

11 MR. TWOMEY: Mr. Chairman.

12 COMMISSIONER DEASON: Yes.

13 CROSS EXAMINATION

14 BY MR. TWOMEY:

15 Q Mr. Lawless, would I be correct in understanding that  
16 you're unaware that the telephone industry wrote and got passed  
17 in 1995 legislation that precluded the prior ability of this  
18 Commission to examine the level of profits and the  
19 reasonableness of the cost to the industry?

20 A I knew that. I wanted to make the point. I know you  
21 don't have any authority over -- to do that. But that's --  
22 somewhere in our government, whether it's state or federal  
23 level, somewhere someone has to represent the people and take a  
24 good look at that. I mean, the executive compensation for  
25 pension -- I'm a New Yorker. I'm from -- born in Manhattan.

1 And I was back there around Christmastime and there were ads on  
2 the, on the TV from Verizon workers. The guys that do the  
3 work, you know, plug the phone in, go up on the pole, they were  
4 letting them go by the bus load, and it was Christmastime.  
5 And, and their theme was, "Can you hear me now?" Executive  
6 compensation at the top part of the hierarchy of your  
7 organization is too much for us to bear. That has to be looked  
8 at. They could have givebacks. Hey, you know, there was a guy  
9 by the name of Dirkson from the Midwest, and he used to say,  
10 you know, a million here, a million there, you know, after a  
11 while it adds up to real money.

12 Let's look at corporate compensation and get a  
13 million here and a million there back, and that'll add up to  
14 real money. Maybe we can do it another way here. Maybe we can  
15 find out it wouldn't be \$4 a month, maybe it would be 50 cents  
16 a month, if it had to be. I'm finished? Thank you.

17 MR. TWOMEY: Thank you.

18 COMMISSIONER DEASON: Thank you.

19 MR. BECK: Chairman, Mr. Lawless was the last witness  
20 that had signed up.

21 COMMISSIONER DEASON: At this point, let me ask is  
22 there any other member of the public who wish to make a  
23 statement at this time? Yes, sir.

24 MR. HOUK: Yes, sir, I would.

25 COMMISSIONER DEASON: You need to come forward. Were

1 you sworn earlier, sir?

2 MR. HOUK: No, sir.

3 COMMISSIONER DEASON: Okay. When you get to the  
4 microphone, if you'll just raise your right hand, please.

5 PHILLIP H. HOUK

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 COMMISSIONER DEASON: Okay. Please proceed and give  
9 us your name and address.

10 DIRECT STATEMENT

11 MR. HOUK: My name is Phillip H. Houk; that's  
12 H-O-U-K. I live at 119 Capris, Palmetto.

13 I hear that this is to create competition. I see no  
14 math. I asked the gentleman during the break and he said, we  
15 just don't have one, we're not sure how it's going to work.  
16 Well, if they would call Langley, Virginia, there's an  
17 organization there that probably could give him a dozen before  
18 dinner. And if he waits until breakfast, he'll have enough to  
19 read for the month.

20 So what I'm saying is if this is going to be such a  
21 good thing, why have the phone companies done such a lousy job?  
22 Now I realize that you people are -- and I, I would like to  
23 have your job. I'd last about 48 hours or less because I'm  
24 afraid I'm very opinionated since I retired. But --

25 COMMISSIONER DEASON: Sir, one day I hope to retire

1 and become opinionated, too.

2 COMMISSIONER DAVIDSON: He's already opinionated.

3 MR. HOUK: No. But I honestly believe that land  
4 service is a dinosaur. Let it die. Thank you.

5 COMMISSIONER DEASON: Questions? No questions.  
6 Thank you, sir.

7 Well, let me take this opportunity to thank everyone  
8 for being here at the hearing today. We've gotten a diverse  
9 group of comments and some very heartfelt statements. We  
10 appreciate that.

11 We are just a little bit over halfway with our public  
12 hearings. I believe this is number eight, and we have six more  
13 to go. And as we reviewed earlier, we will be having technical  
14 hearings in Tallahassee in mid-December, and the Commission is  
15 obligated to make a decision shortly thereafter. The  
16 Legislature has mandated that we make a decision within 90 days  
17 from the time the petitions were first filed. So that's the  
18 schedule we will be following.

19 You can follow this docket through the Commission's  
20 Web site, and we would encourage you to do that. I think one  
21 of the witnesses today indicated how easy it is to access the  
22 Commission's Web site and that is it is friendly,  
23 user-friendly. I'm sorry. I can't get my words out today.

24 Counsel, is there anything we need to address before  
25 we adjourn?

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MS. CHRISTENSEN: No.

COMMISSIONER DEASON: Hearing nothing, this hearing  
is adjourned. Thank you all.

(Service Hearing adjourned at 1:05 p.m.)

1 STATE OF FLORIDA     )  
2 COUNTY OF LEON        ):

## CERTIFICATE OF REPORTER

3  
4 I, LINDA BOLES, RPR, Official Commission  
5 Reporter, do hereby certify that the foregoing proceeding was  
6 heard at the time and place herein stated.

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

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

17 DATED THIS 28TH DAY OF OCTOBER, 2003.

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LINDA BOLES, RPR  
FPSC Official Commission Reporter  
(850) 413-6734