State of Florida



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

DATE: September 3, 2003

TO: Blanca S. Bayó, Commission Clerk and Administrative Services Director

FROM: Lila A. Jaber, Chairman

RE: Docket Nos. 030867-TL/030868-TL and 030869-TL

Please place the attached correspondence in the above-referenced docket files.

cc: J. Terry Deason

Braulio L. Baez

Rudolph "Rudy" Bradley Charles M. Davidson

Beth Keating

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STATE OF FLORIDA

CHARLIE CRIST ATTORNEY GENERAL

September 2, 2003

Lila A. Jaber, Chairman Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850

Dear Chairman Jaber:

Among the most debated pieces of legislation emanating from the 2003 legislative session was the Tele-Competition Innovation and Infrastructure Enhancement Act. The highly spirited discussions revealed both legitimate concerns and legitimate benefits for consumers were the bill to become law.

During the session, the Attorney General was urged to express either support or opposition to the bill. A related bill was approved by the 2002 Legislature but vetoed by Governor Bush due to insufficient protections for consumers.

The 2003 bill enhanced those protections and provided the Public Service Commission with a mechanism that sought to balance consumer protection with the deployment of free market forces. These provisions resulted in a bill that enhances competition while providing a forum for close public scrutiny on any proposed rate increases. In addition, the proposed legislation required that any increase in basic rates be offset by an equal reduction in intrastate long distance charges. Based upon these safeguards, it was my decision to neither publicly support nor oppose the bill.

In late spring the bill became law, and now the first test is before the Commission with some of the providers seeking increases in basic telephone rates. While this is consistent with established practice - as well as the 2003 legislation - it is imperative to ensure that all provisions of the legislation are given equal weight. Any approved increase in basic rates must have corresponding decreases in long distance rates or other services.

This office has the expectation, and great confidence, that the consumer will receive the highest consideration from the Commission and that the Act will perform as advertised. We will closely monitor the proceedings and stand ready to offer the Commission any assistance necessary in achieving the law's intended results.

Sincerely.

Charlie Crist

CC/im