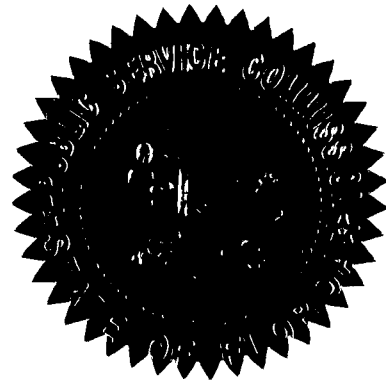


BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080159-TP

In the Matter of:

JOINT PETITION TO INITIATE RULEMAKING  
TO ADOPT NEW RULE IN CHAPTER 25-24,  
F.A.C., AMEND AND REPEAL RULES IN  
CHAPTER 25-4, F.A.C., AND AMEND RULES  
IN CHAPTER 25-9, F.A.C., BY VERIZON  
FLORIDA LLC, BELLSOUTH TELECOMMUNICATIONS,  
INC. D/B/A AT&T FLORIDA, EMBARQ FLORIDA,  
INC., QUINCY TELEPHONE COMPANY D/B/A TDS  
TELECOM, AND WINDSTREAM FLORIDA, INC.



PROCEEDINGS: STAFF WORKSHOP

DATE: Wednesday, May 14, 2008

PLACE: Betty Easley Conference Center  
Room 148  
4075 Esplanade Way  
Tallahassee, Florida

TRANSCRIBED FROM  
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3 Telecommunications Companies.

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7 CompSouth.

8 JOE GILLAN, representing CompSouth.

9 DAVID KONUCH, representing FCTA.

10 MIKE B. TWOMEY, ESQUIRE, representing AARP.

11 J. R. KELLY, PUBLIC COUNSEL, and CHARLES J. BECK,  
12 ESQUIRE, representing the Citizens of the State of Florida.

13 GAIL MARIE PERRY, representing the Communications  
14 Workers of America Council of Florida.

15 DOUG NELSON, representing Sprint Nextel.

16 CECILIA BRADLEY, representing the Office of the  
17 Attorney General.

18 SANDY KHAZRAEE, representing Embarq.

19 STAN GREER, representing AT&T.

20 DULANEY L. O'ROARK III, representing Verizon.

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22 CINDY MILLER, ESQUIRE, DALE MAILHOT, BETH SALAK, RICK  
23 MOSES, SALLY SIMMONS, LISA HARVEY and BILL DICKENS,  
24 representing the Florida Public Service Commission Staff.

25

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

1  
2 MS. MILLER: Okay. We're about ready to get started  
3 here. We welcome you to this rule development workshop on  
4 May 14th, 2008, in Docket Number 080159-TP. This is the joint  
5 petition to initiate rulemaking to adopt new rule in Chapter  
6 25-24 and amend and repeal certain other rules. I'm Cindy  
7 Miller, an attorney in the General Counsel's Office. And we  
8 have with us, we have Dale Mailhot, Rick Moses, Beth Salak and  
9 Sally Simmons from the Competitive Markets Division, and we  
10 have Lisa Harvey there.

11 Today we've divided the workshop into Parts 1 and 2.  
12 Part 1 is on the rule revisions and repeals and Part 2 is on  
13 the new draft rule on streamlined regulation. Technical staff  
14 have added more rule revisions to the package because there's  
15 some rules that they also believe need updating or are no  
16 longer necessary or could be clarified.

17 A couple of housekeeping things. One is we will take  
18 a real lunch break today, so we'll have an hour, a little bit  
19 more. Another thing is that we need you to say your name each  
20 time you speak. And I know that's going to be really hard to  
21 remember, but we will have this transcribed, but we don't have  
22 a court reporter here to see you. And that's why we also have  
23 the sign-in sheet to make sure we have the right spelling of  
24 your name.

25 Bill Dickens, who is sitting over there in that right

1 corner there, is going to be working on the statement of  
2 estimated regulatory costs, we call it the SERC, and he will be  
3 probably sending out some questions at some point in this  
4 process.

5 Also you should have a handout that technical staff  
6 have prepared. It looks like this. If you don't have it,  
7 there are some extras, I believe, over there and on both sides.  
8 And this is to kind of help walk through these.

9 Dale Mailhot is going to do the walk-through of these  
10 rules and kind of lead the discussion. But first I thought if  
11 you have any initial comments that you would like to make, we'd  
12 be glad to take those now.

13 MS. CLARK: Cindy, it's Susan Clark. Yes. I  
14 guess -- I think the notice indicates or something indicates  
15 introductory comments. And as the Petitioner, I think we would  
16 like to sort of set the stage for the participation in this  
17 workshop.

18 First off, we want to thank you for the opportunity  
19 to make the comments today and for your considering our  
20 proposed rule amendments and repeals as we have indicated in  
21 our petition.

22 Also as indicated in our petition, we think it's  
23 widely acknowledged that the retail telecommunications  
24 environment around the country and particularly in Florida has  
25 dramatically changed over the last few years. Florida has many

1 competitive providers vying to meet the telecommunications  
2 needs of Floridians. With that in mind, we looked at the  
3 Commission's telecommunications rules and evaluated whether  
4 each one made sense in this competitive environment. Rather  
5 than the burdensome standard suggested by staff, we believe  
6 that a rule should be retained only if it is appropriate in the  
7 current environment and repealed or revised if it is not. If  
8 rules are obsolete, unnecessary or confusing, then they are de  
9 facto burdensome and they should be eliminated.

10           The Commission has statutory authority and  
11 responsibility to eliminate any rules or regulations which will  
12 delay or impair the transition to competition. Further, as a  
13 state agency, the Commission also has the authority and the  
14 obligation to revise its rules to clarify them and simplify  
15 them, to eliminate rules that are obsolete or unnecessary, and  
16 to repeal rules that are redundant of statutes. So generally  
17 speaking, we offer the proposed rule amendments and repeals  
18 because they make sense in today's environment. Justifications  
19 to, as to why rule revisions and repeals were suggested were  
20 given in Attachment C, and we're prepared to discuss those at  
21 the appropriate time.

22           However, we're unsure how fruitful it is to discuss  
23 the specific benefits to customers and companies of each  
24 proposed rule amendment or repeal also as suggested by staff.  
25 Indeed, many customers appear to find the rules irrelevant, as

1 demonstrated by their switching to providers that are  
2 unregulated and under no obligation to comply with these rules.  
3 However, we do acknowledge that the proposed rule amendments  
4 and repeals would benefit both customers and companies by  
5 freeing the ILECs from compliance with obsolete or unnecessary  
6 regulations which do not apply to their competitors, thus  
7 allowing them to focus on providing quality service to their  
8 customers.

9           Those are our general responses to staff's discussion  
10 points and we're prepared to go through these rules with you  
11 and as Dale asks us to do that. Thank you, Cindy.

12           MS. MILLER: Thank you. If we go down here -- no --  
13 I'm seeing a lot of heads shaking no. Vicki Kaufman.

14           MS. KAUFMAN: Thank you, Cindy. I'm Vicki Gordon  
15 Kaufman and I'm here today on behalf of the Competitive  
16 Carriers of the South, Inc. And with me today we've got  
17 numerous representatives from CompSouth, including  
18 representatives from NuVox, Cavalier Telephone, CBeyond and  
19 Time Warner Telecom. And also with me is Mr. Gillan, who will  
20 comment as appropriate.

21           We've gone through the rules and we look forward to  
22 working with you to take a look at the rules to see what makes  
23 sense. We're prepared to do that. And we're also interested  
24 in having the opportunity to ask questions or get clarification  
25 in regard to some of the rules that are on the table. So we

1 look forward to a fruitful and a collaborative discussion  
2 today. Thank you.

3 MS. MILLER: Thank you.

4 MR. KONUCH: David Konuch from Florida Cable Telecom  
5 Association. And we've also gone through the rules and we want  
6 to understand a little bit more what the purpose of all of them  
7 are and we want to try to figure out which of these are there  
8 to preserve competition and, and retain a level playing field,  
9 and those are the ones that obviously we're interested in the  
10 most. And we're here to just listen and, and learn and  
11 comment, if necessary.

12 MS. MILLER: Thank you.

13 Mike?

14 MR. TWOMEY: Thank you, Cindy. Mike Twomey on behalf  
15 of AARP. I don't propose to make any comments now. I'd like  
16 to, on behalf of AARP and its large membership in this state,  
17 listen to what the Petitioners have to say, listen to the  
18 comments by staff and other interested parties, particularly  
19 Public Counsel, and then perhaps, as appropriate, ask  
20 questions, make comments then. Thank you.

21 MS. MILLER: Thank you.

22 MR. KELLY: Good morning.

23 MS. MILLER: Good morning.

24 MR. KELLY: J.R. Kelly for Office of Public Counsel.

25 We appreciate the opportunity to work with you folks on

1 possible rule amendments.

2           Basically what we're concerned with is how any  
3 changes that may be made are going to affect consumers. We  
4 certainly feel that consumers are entitled and should receive  
5 the highest quality of service. And to that extent any changes  
6 that might reduce the quality of service standards does concern  
7 us and, therefore, we will look forward to working with you  
8 folks and seeing how any changes that may be made will affect  
9 the consumers. Thanks.

10           MS. MILLER: Thank you. Do we have any other -- Gail  
11 Marie, did you --

12           MS. PERRY: Gail Marie Perry with the Communications  
13 Workers of America. I represent workers in both large LEC,  
14 small LEC, local government telephone in all sides of the  
15 competition. So my members are watching what's going on here  
16 with great interest, and I do believe there's another time that  
17 we'll be able to speak. But we're very interested in seeing  
18 what, what will happen to the consumers with a change in  
19 regulations.

20           MS. MILLER: Thank you. Yes.

21           MR. NELSON: Good morning. I'm Doug Nelson with  
22 Sprint Nextel. And we're here for many of the reasons that  
23 have already been articulated. There's a lot to this petition,  
24 there are a lot of rules at stake, and we want to listen to the  
25 discussion, the justification for removing some of these rules.



1           We do want to talk about the effects on customers and  
2 companies as a result of taking some of the action requested  
3 and particularly with respect to retaining and encouraging a  
4 competitive level playing field. Thank you.

5           MS. MILLER: Thank you. Do we have anyone else who  
6 would like to speak?

7           MS. CLARK: Excuse me.

8           MS. BRADLEY: Cecilia Bradley on behalf of the  
9 Attorney General's Office. And we don't really have any  
10 comments right now but are very interested in, I think, as  
11 Mr. Kelly stated so well, the effect this may have on  
12 consumers. So we're very interested in the proceedings and how  
13 that's going to work out. Thank you.

14           MS. MILLER: Thank you, Cecilia.

15           MS. CLARK: Cindy, this is Susan Clark. I just  
16 wanted to let you know that in addition to being here on behalf  
17 of the Petitioners, we do have representatives from various  
18 companies who will participate as appropriate, and they'll say  
19 their names before they make their comments.

20           MS. MILLER: Thank you. Also we should mention for  
21 planning purposes that at a set time, 1:30, Dr. Taylor, who the  
22 Petitioners had file a report and an affidavit, will be calling  
23 in. So that might help for folks to know.

24           Any other points anyone needs to make before Dale  
25 starts the walk-through? Great.

1 MR. MAILHOT: Okay. My name is Dale Mailhot and I'm  
2 with Commission staff. And hopefully most of the people  
3 sitting up front will have a handout. It's titled "Staff's  
4 Attachment C." It's 44 pages, copies front and back.

5 What we did there was we took the Petitioner's  
6 Attachment C and we tried to add staff's additional rule  
7 changes. And if there were any rules that we thought that we  
8 had comments on, specific comments, we tried to include those  
9 in the last column where it says "Staff's Comments." And what  
10 I'd like to do is just go through this rule by rule. There's  
11 approximately 25 rules in this handout, and we'll get started  
12 on Page 1.

13 The first rule there is staff's proposed change. We  
14 tried to go through these rules and look at, you know, what you  
15 were trying to accomplish, which is to clarify what rules apply  
16 to which companies and that sort of thing. And what we found  
17 was within 25-4.002, application and scope, that there's an  
18 incorrect statement in there. When it says that the rules,  
19 certain rules apply only for residential service, that's just  
20 not an accurate statement so we're suggesting taking that out.

21 MS. CLARK: This is Susan Clark. I'm a little  
22 confused by that because that particular sentence was put in  
23 there in 2005 in a rulemaking.

24 MR. MAILHOT: And to be perfectly honest, it was  
25 probably an error. I mean, if you took it literally, I mean,

1 you'd look at Part 2 of our rules, I mean, those rules apply  
2 both to residential and business. I mean, this is -- what it  
3 was was an attempt -- okay. Back in 2005 there were a couple  
4 of rules, three or four rules that were applicable just to  
5 residential service, and this sentence got broadened somehow  
6 from those three or four rules which, which only apply to  
7 residential service, it got broadened to these whole parts and  
8 it's just plain wrong.

9 MS. KHAZRAEE: This is Sandy Khazraee with Embarq.  
10 And I have to apologize to Susan because I'm the one that told  
11 her it was 2005. And I went back and did further research and  
12 I'm sorry, Susan, I was wrong. It was actually a 1999  
13 rulemaking is when this was put in here this way. So it's been  
14 this way for almost ten years. And I guess my question would  
15 be so why change it now?

16 MR. MAILHOT: Well, I think it actually went in in  
17 2005. I tried researching this. It was the rule changes -- it  
18 was a '99 docket.

19 MS. CLARK: Right.

20 MR. MAILHOT: The '99 docket that took forever.

21 MS. KHAZRAEE: Oh, okay. So, Susan, you were right.

22 MR. MAILHOT: 2005. So the change was made in 2005.

23 MS. CLARK: Well, I guess I remain confused about  
24 that because it did seem to me that there was a specific intent  
25 not to make those, those rules in Part 2 and 5, it was a

1 specific decision not to make them applicable to business  
2 customers. And we certainly think changing it back or taking  
3 this out is, is a step back from what we're trying to  
4 accomplish today.

5 MR. MOSES: I think to alleviate your concerns, it's  
6 added back in on those specific rules that was intended to be  
7 only residential and you're just seeing the scope of the rule  
8 right now. If you'll look at the rules further down that we'll  
9 be discussing later, you'll see the residentials back in there.

10 MS. CLARK: I guess if that is the case, why is there  
11 a need to --

12 MR. MOSES: The problem with, the problem with the  
13 statement the way it is right now, it even applies to  
14 regulatory assessment fees. And we know that's not true, that  
15 it shouldn't be applicable. So it was a mistake when the  
16 language was put in the rule to begin with.

17 MS. CLARK: We're willing to work with you on how to  
18 make that, do that appropriately, but we certainly don't think  
19 there should be any change to, to have more regulation of the  
20 business service.

21 MR. MAILHOT: We've also suggested in one, two,  
22 three, four, in Line 4 of the rule change that we change the  
23 word "utility" to "company."

24 In the next to the last sentence in paragraph, or  
25 next to the last line in Paragraph 1 we're also suggesting

1 adding the proper chapter reference for competitive local  
2 exchange telecommunications companies.

3 MS. CLARK: Dale, are you looking for us to make  
4 comments as you go through them?

5 MR. MAILHOT: If, if any -- well, actually, if  
6 anybody has any objection, that would probably be, you know, a  
7 more appropriate comment, you know, if somebody thinks  
8 something different should be done or if it was done  
9 incorrectly or whatever.

10 MS. CLARK: Okay. We'll, we'll use that direction.

11 MR. MAILHOT: Okay. On the next page, Page 2,  
12 staff's recommending or suggesting that we add in two  
13 definitions. They're just simple definitions for price  
14 regulated local exchange telecommunications company.

15 MR. GREER: Excuse me, Dale. This is Stan Greer with  
16 AT&T. Can I go back to that Chapter 25-24? The way it's read,  
17 it says the rules contain in Part -- okay. The "Part" may be  
18 what -- does the Part, Part 15 only apply to the CLECs? Okay.  
19 Okay. I'm sorry, I just --

20 MR. MAILHOT: Right. The issue there is it just  
21 doesn't reference the chapter.

22 MR. GREER: Unfortunately the rules on y'all's web  
23 don't show the parts.

24 MR. MAILHOT: Well, yeah. What's more important  
25 really is that they're in Chapter 25-24.

1 MR. GREER: Well, and 25-24 has, has a lot of things  
2 as far as regulations for various types of carriers, so I just  
3 wanted to make sure that it was just limited to the --

4 MR. MAILHOT: Yeah. This really doesn't change  
5 anything.

6 MR. GREER: Okay. Okay.

7 MR. MAILHOT: I mean --

8 MR. GREER: Okay.

9 MR. MAILHOT: -- it's just to clarify, you know,  
10 where you find the part.

11 MR. GREER: No problem. Okay.

12 MR. MAILHOT: On Page 2, as mentioned, staff has a  
13 couple of suggested definitions to add to the rule that  
14 includes our definitions. The first one is for price regulated  
15 local exchange telecommunications company and the second one is  
16 for rate-of-return regulated local exchange telecommunications  
17 company. And the reason we added that is because, or suggested  
18 that we add this is because we use these terms fairly often  
19 throughout the rest of the rules, and we just wanted to make it  
20 reasonably clear which companies we were talking about as  
21 opposed to trying to go back to the statute and figure who we  
22 may or may not be talking about. You know, hopefully this  
23 helps to clarify, clarify the situation. It's not really meant  
24 to limit anybody to anything.

25 On Page 3, this is the first of the suggested changes

1 by the Petitioners, and that is to repeal Rule 25-4.006. Our  
2 belief from looking at it is it may be appropriate to repeal  
3 it. We, we don't really have any questions on it.

4           The next rule, 25-4.007, the Petitioners want to  
5 repeal that. I think the only question we had there really was  
6 it's not that we disagree necessarily with you being able to,  
7 you know, file for a declaratory ruling. It's just that we  
8 thought that this might give you a little bit of additional  
9 leeway in asking for an opinion. I don't know that we strongly  
10 object to repealing it. We just wanted to understand, you  
11 know -- I mean, do you feel like 120.565 gives you all the  
12 rights and avenues and everything else that you need?

13           MS. CLARK: I certainly do. And I think it would be  
14 confusing to suggest that you could get an interpretation you  
15 could rely on just by writing to the Commission. I think you  
16 need to go through the process of having it noticed and so the  
17 petition is known, so the particular interpretation is known to  
18 everyone. I mean, that's one of the reasons the declaratory  
19 statement is done the way it is. So I think it is important to  
20 delete this rule.

21           MR. MAILHOT: On Page 4 of the handout the  
22 Petitioners have suggested making several changes to this rule  
23 basically to indicate that it applies to only rate-of-return  
24 companies, rate-of-return regulated companies. You can see in  
25 our comments there what -- we're kind of looking at an

1 alternative or suggesting an alternative, and that is simply to  
2 change the title of the rule. And you can see from our comment  
3 basically in a multipart rule we believe it's simpler and  
4 clearer to change the title of the rule as opposed to trying to  
5 insert the words "rate-of-return" throughout the rule. And we  
6 have done this in the past. You can see we've referenced Rule  
7 25-4.141 where we simply changed the title as opposed to  
8 changing all the individual references. It just saves a reader  
9 from trying to read through every paragraph to figure out if  
10 one of those paragraphs applies or doesn't. So we just thought  
11 it was a simpler approach.

12           We've kind of taken the same position on the next  
13 couple of rules. On Page 5 is the depreciation rule. What  
14 we're suggesting there is, you know, simply changing the title.  
15 You can see in the last column actually the words that we're  
16 looking at, you know, to hopefully make it clear exactly who  
17 the rule applies to. And we think it's just simpler than going  
18 through the rule paragraph by paragraph and changing, changing  
19 the words there.

20           Does anybody have any questions on our approach to  
21 this? I mean, is everybody clear on what we're suggesting?  
22 Joe?

23           MS. CLARK: Dale, this is -- oh, I'm sorry.

24           MR. GILLAN: Joe Gillan, CompSouth. I just had a  
25 question. Is there a separate rule that applies Part 32 to the



1 price cap carriers? Because my understanding is Part 32 does  
2 apply to them. Or is it just under federal rules that it  
3 applies and that you don't have a parallel state rule?

4 MR. MAILHOT: We don't have a parallel state rule.

5 MR. GILLAN: Okay. Thank you.

6 MS. CLARK: Dale, this is Susan. I would just  
7 indicate I see the rationale and the validity of doing it so  
8 you'd just look at the title of the rule.

9 MR. MAILHOT: The next rule is on Page 10 of the  
10 handout. Okay. This rule is currently just entitled  
11 "Depreciation," and we're suggesting changing the title of it  
12 to include "Rate-of-Return Regulated Local Exchange Companies."  
13 It's the same as the prior two rules in our suggested changes.

14 Okay. The next rule, I believe, begins on Page 19,  
15 and this is another depreciation related rule. And we're  
16 suggesting simply changing the title to, to indicate that it's  
17 for rate-of-return regulated companies.

18 And the next rule is on Page 23. We're halfway  
19 through our attachment already. What we have here is the, the  
20 Petitioners have suggested entirely repealing this rule,  
21 records and reports, in general. You've indicated that you  
22 think that certain sections of the statute basically covers it  
23 all, and we, we kind of tried to look at it and we're still  
24 looking at that idea and thinking about it.

25 One thing that we were concerned about was that I

1 think you've referenced 364.18 as one of the statutes. 364.18  
2 doesn't apply to price regulated local exchange  
3 telecommunications companies. So we're down to basically  
4 364.183 and 185 and, as I said, we're still reviewing it to see  
5 exactly what's there and, you know, what's covered by the  
6 statute versus what's covered by the rule.

7 I do know that, you know, one of the things we have  
8 identified, I believe, is in the last sentence of the third  
9 paragraph of the current rule where it says, "During such  
10 visits the company shall provide the staff member(s) with  
11 adequate and comfortable working and filing space" and so on,  
12 that that's really not covered in the rule or covered in the  
13 statutes rather, you know. And as I said, a lot of the rest of  
14 it we're looking at to be positive of what, you know, what's  
15 actually covered in the statute. And I think at this point  
16 we're recommending or suggesting at least that -- you can see  
17 in the first paragraph we want to take out the one sentence  
18 that refers to the annual reports because we do recognize that  
19 most of the companies no longer file annual reports, so.

20 MS. MILLER: Susan, do you all want to discuss a  
21 little more about why you think the whole rule should be  
22 repealed?

23 MS. CLARK: Well, you know, one of the things we  
24 indicated we looked at was whether or not these things were  
25 covered by, by statutes, and we believe they are and the rule

1 adds little. I think what we'd like to do is, is think about  
2 what the staff is suggesting here because this is the first  
3 time we've seen the change that you have proposed. So unless  
4 anyone has any comments right now, we may want to come back to  
5 you with our assessment of the suggestion you've made.

6 MR. MAILHOT: Okay. The next, on Page 24, the top of  
7 the next page, this is a staff suggestion. There's a Rule  
8 25-4.021, System Maps and Records. We think it may be  
9 appropriate to repeal this rule. There's a couple of reasons.

10 One is the rule itself is simply a requirement that  
11 the company keep maps and records. It's not even a requirement  
12 that you file them with us. And I think this dates back to  
13 like even before I started when there were maybe 30 telephone  
14 companies and a lot of them were very small and some of them  
15 didn't have maps and records unless they were told to have  
16 them. So, you know, we think it may be, you know, appropriate  
17 to, to repeal this rule.

18 The other consideration we looked at is that you are  
19 required to file maps with your tariffs and file exchange maps,  
20 and those are primarily the maps I believe that we work with.

21 The next rule on the list 25-4.022, Complaint -  
22 Trouble Reports, Etc. -- I'm sorry.

23 MS. SALAK: Since that's the first time you've seen  
24 that, I'm just curious what you think about the repealing of  
25 that rule off the bat.

1 MS. CLARK: The 25-4.021?

2 MS. SALAK: Yes.

3 MS. CLARK: Yeah. We would, we would be comfortable  
4 with that. I think that we had it in our streamlined section  
5 that it wouldn't apply, but I think it's appropriate not to  
6 have it apply to anyone.

7 MS. SALAK: Anyone else have a feel for that?

8 Thanks.

9 MR. MAILHOT: The next rule, Complaints - Trouble  
10 Reports, Etc., I don't know -- if maybe y'all could explain a  
11 little bit more about what you're accomplishing. What are you  
12 trying to accomplish with this rule change maybe? We're just a  
13 little unclear on -- I mean, I understand, you know, putting  
14 it, you know, in electronic or paper format, by other means,  
15 but what you're deleting there, I'm trying to understand  
16 exactly what that means.

17 MR. GREER: Well, this is Stan Greer with AT&T. I  
18 mean, essentially the electronic and paper format kind of speak  
19 for itself.

20 MR. MAILHOT: Right.

21 MR. GREER: But the other portion is that we believe  
22 the rules, the current rules for retention of records has that  
23 information that you will retain for a certain period of time  
24 to address issues that may come up in a complaint. We see the  
25 evolution of customers filing complaints and dealing with the

1 individual issue themselves versus having a rule on that. And  
2 if, I guess if a company doesn't have the records to support  
3 their case, then they probably will end up on the short end of  
4 the stick on the complaint.

5 MS. MILLER: Stan, is your, is your mike on? For  
6 some reason --

7 MR. GREER: I believe so.

8 MS. MILLER: Okay.

9 MR. GREER: I've never been accused of being too  
10 soft. I'll scoot up some.

11 MS. CLARK: You know, Dale, this is Susan again. It  
12 just seems to me that, that this type of thing -- we do think  
13 it should acknowledge how people keep records these days. And  
14 for any need you may have regarding a complaint regarding  
15 trouble or service, those records would be required to be  
16 retained under another rule. So in effect having it here is  
17 redundant of those other rules.

18 MS. KAUFMAN: Cindy, Vicki Kaufman from CompSouth.  
19 We, we have a general -- it's really more of a clarifying  
20 question that applies to this rule and some of the next rules.  
21 And we actually, I think, don't have a problem with the ILEC's  
22 position, but we wanted to just get some clarification that  
23 this rule and some we're going to talk about as we go on,  
24 repeal or revision of these rules is not going to have any  
25 impact on the fees (phonetic) issues and issues of parity

1 between the wholesale and retail market and some of those  
2 analogs. I know that Lisa is here and she can speak to that.  
3 And so that would be our only concern. If it doesn't have any  
4 impact, if it's not related, then, you know, we don't have a  
5 position and we could actually support the, the changes that  
6 have been proposed by the ILECs. But we just need that  
7 clarification on this and some other rules I'll mention as we  
8 go along.

9 MR. GREER: This is Stan Greer with AT&T. That's my  
10 understanding is that this wouldn't impact the wholesale side  
11 of any of the things that Vicki, Ms. Kaufman mentioned.

12 MR. BECK: Cindy, this is Charlie Beck. The way the  
13 rule is written now, it seems to differentiate between signed  
14 written complaints which the company is willing to leave in,  
15 but then it wants to take out others that are reported to the  
16 repair service, and I would take it that would be calls or some  
17 other means where the, where the customer communicates with the  
18 company. And it just -- I would like to know why you'd be  
19 willing to keep the written complaints but not complaints  
20 transmitted to the company through some other means. It seems  
21 to me like it would exclude something that is being reported  
22 now and that it would be a good idea to leave that in.

23 MS. MILLER: Did you state your name?

24 MR. BECK: I did, but I'll do it again. It's Charlie  
25 Beck with the Office of Public Counsel.

1 MS. MILLER: Is there a response to that question?

2 MR. GREER: This is Stan Greer with AT&T. I'm just,  
3 I'm reading it and trying to put it in Charlie's context.

4 This is Stan Greer with AT&T. I don't believe that  
5 we would change -- if we captured the information today, we  
6 would have that still under the same requirement, the retention  
7 of records type requirement. I don't think we're trying to  
8 eliminate, you know, the calls in. If they're recorded on the,  
9 on the customer's record or something of that nature or repair  
10 report, then that would be still captured because it's, it's  
11 encompassed in the retention of records. I think that kind of  
12 stuff is encompassed in that, that verbiage. I may have to go  
13 back and look at it again, but.

14 MR. BECK: I'd still be concerned because you're  
15 leaving -- the way the rule is proposed is that you're leaving  
16 in the signed written complaints but then taking out the  
17 others. And I'd be concerned that if you took out the section  
18 that the company has proposed, that that would exclude a  
19 category, particularly when you're leaving the other in. I  
20 think I'd be uncomfortable with the changes the company is  
21 proposing, but certainly would be willing to listen to more.

22 MR. MOSES: Stan, would y'all have objection to  
23 removing the words "all signed written" just so you have a  
24 record of all complaints?

25 MR. GREER: I don't think I would, but --

1           MR. MOSES: I think that would alleviate Charlie's  
2 concerns.

3           MR. GREER: I mean, because I'm going -- generally  
4 that's how we deal with the complaints that are written. But,  
5 I mean, if we've got complaints that we capture -- I'm just,  
6 I'm trying to think what would, what would we capture outside  
7 of somebody calling in and we're noting something on the  
8 customer service record or we're noting something on the  
9 trouble report which is captured in the paper document. I  
10 don't know. I just can't think of anything that we would not  
11 capture if somebody called in and made, and registered a  
12 complaint. Because, I mean, if they don't make some log of it,  
13 I don't have anything to reference. So I'd have, probably have  
14 to check back with our folks and see if there's an issue with  
15 that. But I don't, I don't see one right off the top of my  
16 head.

17           MS. CLARK: Cindy, this is Susan Clark. I just want  
18 to be clear. Charlie is concerned, as I see it, that there may  
19 be -- if it is a customer complaint that is not signed and  
20 written, it may somehow not be retained. Is that your concern?

21           MR. BECK: Yes. And also the sentences that follow  
22 that also give a listing of what's required to be maintained  
23 and it would also want that with all complaints that are  
24 communicated to the company, no matter what the form. You see  
25 where it says, "This records shall include," and then it lists



1 a whole number of things? We'd want to have that retained as  
2 well. In other words, the means of communication shouldn't  
3 affect the record that's kept, it would seem to me.

4 MR. GREER: This is Stan Greer with AT&T. I think  
5 we'll just have to look at it and see. I mean, I think that, I  
6 think that kind of information is captured in the retention  
7 where you have to retain any type of complaint. Like we have a  
8 group that somebody could call in anonymously and, and file a  
9 complaint and that would be captured information. I think  
10 that's captured in the retention stuff. But, you know, we'll  
11 have to check and see.

12 MS. SALAK: Would the other ILECs like to respond  
13 also please to Charlie's --

14 SPEAKER: I'll just say I'm agreeing with Stan. I  
15 mean, I think I'm -- I think, Charlie, we need to go back and  
16 look and consider what you're saying. I'm not sure I  
17 completely am following what his concern is, but we'll go back  
18 and look at it.

19 MR. O'ROARK: This is De O'Roark with Verizon. I  
20 don't have anything to add to that.

21 MS. SALAK: Does Windstream have anything to add or  
22 TDS? Okay. Thank you.

23 MS. MILLER: It's probably a good time to mention  
24 that we're planning to have the transcript available by  
25 June 2nd, and then any comments post-workshop would be

1 June 16th.

2 MR. McCABE: Cindy, Tom McCabe with TDS Telecom. I  
3 guess the only comment I would make on that is when I'm looking  
4 at this rule, to me it has to do with a customer complaint as  
5 opposed to a customer calling and reporting trouble. I mean,  
6 it doesn't necessarily mean that it's a complaint. And that  
7 information is kept and tracked in a different format. I mean,  
8 we have a trouble tracker system and things of that nature. So  
9 perhaps it's not that that information disappears by striking  
10 this but it takes it out of the realm of this which is specific  
11 to a complaint.

12 MR. MOSES: Well, if you look at the title, Tom, it's  
13 not just complaints. It's trouble reports, too.

14 MR. GREER: But generally wouldn't -- this is Stan  
15 Greer with AT&T. Sorry. Generally wouldn't that be for a  
16 customer, a specific customer trouble or a complaint? I mean,  
17 it's not going to be just general widespread keep all this type  
18 information.

19 MR. MOSES: That's true.

20 MR. GREER: Okay.

21 MR. O'ROARK: Cindy, De O'Roark. Minor point, I see  
22 June 15th is a Sunday. Do you want to move that to the 16th?

23 MS. MILLER: 16th.

24 MR. O'ROARK: Oh, maybe I misheard you.

25 MS. MILLER: Yes. 16th.

1 MR. O'ROARK: Okay.

2 MS. MILLER: So it would be two weeks after the  
3 transcript is available.

4 MR. MAILHOT: Okay. On the next page, Page 25,  
5 there's a Rule 25-4.024, Held Applications for Service. The  
6 Petitioners are recommending that it be repealed.

7 MS. PERRY: Excuse me. I'm so sorry to interrupt,  
8 but I didn't know if I could speak and I did want to say  
9 something in regards to the trouble reports. And I just wanted  
10 to make sure I brought it to your attention no matter what you  
11 do in regards to this issue --

12 MR. MAILHOT: Please state your name first.

13 MS. PERRY: I'm Gail Marie Perry with Communications  
14 Workers of America. I just want to make sure you keep in mind  
15 when you are making your decision that trouble reports lead to  
16 maintenance and to update in the infrastructure. So  
17 maintaining those reports, keeping -- I know as a customer  
18 service associate myself I go back and when a customer calls in  
19 and complains, I go back and look at the records to make sure,  
20 yes, he was out of order here, here, here, and, and maybe  
21 there's some more we need to do for the infrastructure in the  
22 area. So I just wanted to make sure you kept that in mind with  
23 whatever decision you decide.

24 MR. MAILHOT: Okay. On Page 25 we have the rule on  
25 held applications for service. As I said, the Petitioners are

1 recommending or asking it to be repealed. I think at this  
2 point at least staff probably thinks that's, you know,  
3 reasonable. I mean, it's our understanding that, that this  
4 occurs extremely infrequently in today's world anyhow. I  
5 suspect when this was originally implemented it was a lot more  
6 of a problem.

7           On Page 26 we have the rule on tariffs. It's Rule  
8 25-4.034. The company has proposed to eliminate Paragraph  
9 3 and it's, I mean, for two reasons. One is that it talks  
10 about the business offices and all, but it also mentions that  
11 Section 364.041, that they could provide it in accordance with  
12 that. And I think we had a question or two on that.

13           MS. SIMMONS: Yes. This is Sally Simmons. I think  
14 we certainly acknowledge that business offices are, are not as  
15 prevalent as they were in the past. I had a little bit of  
16 concern about relying upon Section 364.04(1), Florida Statutes,  
17 and the reason being is that whole section is prefaced by the  
18 condition upon order of the Commission.

19           So what we were thinking is that there might be need  
20 for some specific rule language that would, you know, require  
21 copies upon request, something along those lines. Because as  
22 they say, there is that condition that is at the beginning of  
23 the reference statute.

24           MR. GREER: This is Stan Greer with AT&T. I think  
25 the driving part behind this is that we just don't -- you know,

1 we have -- if a customer came in, came into my office and said  
2 I want to see your tariff, I'd pull it up on the Internet and  
3 say, here, what pages do you want, and print whatever they  
4 needed, needed out. You know, we just don't keep them in that  
5 format anymore. It just says the Commission has our website  
6 address on their -- when they pull up our company name, they go  
7 to our tariff website. So now -- and we would make a copy of  
8 whatever they needed, I would imagine, so I don't know that  
9 we'd have a big issue.

10 MS. SIMMONS: Okay.

11 MR. GREER: But, you know, that's just me.

12 MS. SIMMONS: Well, we were just thinking that it  
13 would probably be important to say that a copy would be made  
14 upon request, not that we would expect you to keep one.

15 MR. GREER: Yeah. I don't --

16 MS. SIMMONS: Is that cause for concern?

17 MR. GREER: I don't, don't think so. I mean, I think  
18 the driving force behind most of, behind this was the fact  
19 that, you know, we just -- it's -- in today's environment we  
20 just go to the web and make a copy of whatever we have there.

21 MS. SIMMONS: Sure. Sure. Yeah. No. Certainly the  
22 situation has changed. And if we can simply have a copy  
23 available upon request, we think that's fine, don't have a  
24 problem with that. We were just thinking that some specific  
25 rule language might be needed because of how that statute is

1 worded.

2 MR. GREER: The only issue I might have is, you know,  
3 and I'm just thinking out loud, so my attorney may hit me in  
4 the back of the head, is that we get, you know, our tariffs are  
5 very large volumes, as you're aware, and making, making a copy  
6 of a whole tariff for a specific section -- I could see the  
7 avenue of a customer, somebody coming in and saying I want a  
8 copy of your whole tariff. And if you had that verbiage  
9 pursuant to your rule, we'd have to give them a copy of our  
10 whole tariff, which is binders.

11 MS. SIMMONS: Right. I understand what you're  
12 saying. So maybe it would have to be limited in some fashion.

13 MR. GREER: Yeah. I mean, yeah.

14 MS. SIMMONS: Okay. Yeah. I know what you're  
15 saying. Yeah. Somehow or another there would need to be a,  
16 quote, reasonable request, whatever that means.

17 MR. GREER: Yeah. I mean, I don't have a problem  
18 with them sitting in my office and looking at whatever pages  
19 they want to look at.

20 MS. SIMMONS: Sure.

21 MR. GREER: I mean, you know, I don't think we would  
22 have that kind of problem. But, you know, to make a copy of,  
23 you know, thousands of pages if they've got one specific little  
24 piece they want.

25 MS. SIMMONS: Right. I understand your concern.

1           MR. McCABE: Tom McCabe of TDS. I guess the question  
2 I have, sometimes we have rules in here that really don't need  
3 to be in there from the standpoint that they're not a problem,  
4 they're not an issue. I mean, and I think that's what we're  
5 looking at when we're looking at eliminating some of these  
6 rules is that we don't have any issues with -- I can't tell you  
7 in the ten years that I've been over at Quincy that I've had  
8 somebody call and ask for a copy of my tariff or even a page of  
9 my tariff. So now I understand that may be different for the  
10 larger companies, but it's not like those requests when they're  
11 made aren't being fulfilled. And so then the question becomes  
12 is it really necessary? And then on top of that, if it's  
13 already in the statute, why does it need to be in the rule?

14           MS. SIMMONS: Well, as far as your first part of your  
15 comment about, you know, this being very infrequent, you know,  
16 when you would ever get a request, I would expect that to be  
17 the case. It would be infrequent. And as I say, my concern  
18 about just allowing or relying, I'm sorry, on the statute is  
19 the statute is prefaced by "Upon order of the Commission." So  
20 if the Commission doesn't have a rule, order or something, it  
21 seems that that might leave a gap. That's, that's all I'm  
22 pointing out. In practice, I agree, you probably get requests  
23 very infrequently.

24           MS. SALAK: So you're saying it never happens in your  
25 office, and I would think TDS would have it more frequently

1 than anyone else.

2 MR. McCABE: Well, no, I don't, I wouldn't say that  
3 it never happens, but it's not an issue. It's not -- I mean,  
4 we've never had a situation where somebody had to go to the  
5 Commission and say that we wouldn't provide them a copy of the  
6 tariff. That's all I'm referring to. And I don't know that  
7 that's the case with any of the local phone companies. So then  
8 the question is do you need to have a rule for something that's  
9 not a problem? I kind of thought that that was, you know,  
10 somewhat of the purpose of having some of the rules is to  
11 ensure that, you know -- and you look at the history, I think  
12 it speaks for itself that it's not an issue. But if you make  
13 that change -- it doesn't matter to me. I'm just questioning  
14 the need for it. That's all.

15 MS. SALAK: Do you have any -- well, maybe -- do you  
16 have any materials? I mean, most people order by phone, I  
17 mean, I would assume. Do you have -- if someone wanted to sit  
18 down with someone and do rate comparisons, you know, among the  
19 different offerings that you have, would you just print  
20 something off your Internet and give it to them or do you  
21 actually have fliers or anything like that that you'd be able  
22 to give them with your current rates?

23 MR. GREER: This is Stan Greer with AT&T. I would  
24 imagine that, you know, depending on the customers, they would  
25 have -- our marketing folks would sit down with them and figure



1 out what's the best service for them under the circumstances  
2 that they may have.

3 MS. SALAK: Right. But you have --

4 MR. GREER: Would they, would they specifically look  
5 at tariff pages? Probably not.

6 MS. SALAK: Right. Would that all be communicated  
7 orally or do you actually have written materials where  
8 somebody --

9 MR. GREER: We have materials for the given services  
10 that they're offering. You know, we have, I expect, Complete  
11 Choice® materials and all the other type of service materials  
12 that we offer that we're marketing. I'm sure they have  
13 materials when they select, select a service. But you're,  
14 you're indicating like beforehand if somebody -- give me all  
15 your, give me your materials on Complete Choice® plus whatever  
16 services there are.

17 MS. SALAK: Right.

18 MR. GREER: I expect we would have materials. I  
19 won't say we have it for all of them, but I would expect we  
20 would have materials to provide them with that information.

21 MS. SALAK: Okay.

22 MR. O'ROARK: I imagine that's true for -- this is  
23 De O'Roark for Verizon. Beth, I imagine that's true for  
24 Verizon also. As I sit here right now I don't know.

25 Just to add to Tom's point just as a, for a

1 philosophical matter, where we're coming from is hoping to  
2 encourage the Commission to look at its rules and build from  
3 the ground up rather than looking at a rule and saying, well,  
4 you know, that's not that difficult to comply with, let's keep  
5 it. We'd like you to look at it and say, is there really any  
6 need for it? And to build on Tom's point with this last rule,  
7 I think it's probably fair to say that we're not getting many  
8 requests for our tariffs. That's one aspect to the question,  
9 whether there's really a problem here.

10 But the other is, you know, if one of our customers  
11 calls and says, hey, you know, I'm interested in this service.  
12 Can I please see your tariff on it? I have no doubt that we'd  
13 say, sure, how can we get it to you? And so we really wouldn't  
14 need a rule to tell us to help our customer out by giving them  
15 the information that they wanted. So that's why we would  
16 suggest that we really don't need anything for (3).

17 MS. SIMMONS: Okay. This is Sally Simmons again. I  
18 certainly can understand that perspective. I think you're  
19 saying that if something is going to happen anyway, what is the  
20 need for a rule? And I guess we'll take that under advisement  
21 and think about that some more.

22 MR. O'ROARK: Okay. Thank you.

23 MS. SIMMONS: Thank you.

24 MR. MAILHOT: Okay. On Page 27 we have a rule on  
25 traffic, 4.039. The companies are suggesting repealing it. We

1 think that may be appropriate. In looking through the statute  
2 there's still, we still believe that the statute provides some  
3 requirement that information, telephone calls and billing and  
4 all be kept confidential. So the statute, I mean, the rule may  
5 be a little bit redundant of that, but, you know, we're looking  
6 into that.

7 Okay. The next page, Page 28 --

8 MS. MILLER: Dale, I think Gail Marie Perry was --

9 MS. PERRY: Gail Marie Perry with the Communications  
10 Workers of America.

11 My members would say they hate monitoring. And for  
12 me to be here just again to remind you, there was, there has  
13 been a lot of talk on Capitol Hill both in Tallahassee and in  
14 Washington in regards to security and privacy. And if it is  
15 redundant like you're saying, then I understand what you're  
16 talking about here. But I just want to make sure that we don't  
17 delete something in the law that, that we're trying -- that our  
18 nation is trying to strengthen in other places.

19 MR. MAILHOT: I think the section of the statute that  
20 we're referring to is 364.24 where it says "penalty for making  
21 telephone message or customer account information known," that  
22 more specifically provides penalties; whereas, I think our rule  
23 at this point just suggests that management needs to, needs to  
24 tell the employees about the, you know, needs to inform the  
25 employees. Okay.

1           On Page 28 of the rules, of the handout, Telephone  
2 Directories and Directory Assistance, I think we're -- most of  
3 the changes I think we believe are reasonable. I think we're  
4 suggesting a few additional words be struck out that just are  
5 kind of redundant. I think if you look down in staff's  
6 comments, you'll see that about three-quarters of the way down  
7 there's a line that starts with "1." And then it says,  
8 "'911' instructions for exchanges with '911' service." We're  
9 just recommending in addition to what y'all have proposed that  
10 maybe those words can be struck out as simply redundant.

11           I believe our real question that we have on your  
12 proposal has to do with the words that you want added into its  
13 Section 4(e) which in this attachment is Page 30.

14           MR. GREER: Yeah. This is Stan Greer with AT&T of  
15 Florida. I mean, today Florida is the only state in our  
16 22-state footprint that has a requirement to list the  
17 individual payment agencies. Essentially what happens today is  
18 that they, in all the other states it's my understanding that  
19 they send -- give them a Web address where they can go pull up  
20 the payment agencies. A customer could call the business  
21 office and ask where they can make a payment. They'd have the  
22 same access. But that's, that's really our concern is that  
23 it's, it's one out of 22 that we're having to try to deal with.

24           MS. SALAK: So when you say where customer payment  
25 locations can be found, you are actually thinking about sending

1 them to a Web so that they could sit --

2 MR. GREER: Something like that, yeah. That's what  
3 we do in other states.

4 MS. SALAK: Okay. That was the question. We, we  
5 didn't know whether to interpret that where the location was,  
6 the location is or if you were just going to give them a Web.  
7 That was our question, what you were intending by that. We  
8 didn't think that was your intent, but that's the way we read  
9 it. Okay.

10 MR. GREER: Okay.

11 MS. SIMMONS: This is Sally Simmons just with a quick  
12 question. I was curious, do these customer payment locations  
13 change quite a bit?

14 MR. GREER: Being that I have just taken over that  
15 responsibility, I'm not for sure the past history of it. But I  
16 would imagine that they come and go fairly frequently depending  
17 on, on the location itself. But I have, as I said, I just  
18 started handling that.

19 MS. SALAK: Is the same true for the other ILECs,  
20 that you send them to a Web page?

21 MR. O'ROARK: This is De O'Roark with Verizon. Beth,  
22 I don't know.

23 MS. KHAZRAEE: Yeah. I don't think we send them to a  
24 Web page, but I would -- I can find that out. I'm not sure.  
25 But I would agree that putting the actual locations in the

1 phone book is not from a customer service standpoint a good  
2 idea. Because even if they don't change often, if they change  
3 at the wrong time, you know, right after you've issued a phone  
4 book, then you've got it out there for almost a year with  
5 people having incorrect information.

6 MS. MILLER: Please state your name.

7 MS. KHAZRAEE: I'm sorry. Sandy Khazraee with  
8 Embarq.

9 MR. McCABE: Tom McCabe with, Tom McCabe with TDS. I  
10 agree with Sandy's comments. I think we have situations where  
11 we have had the location change. If a customer calls up, we  
12 inform them where they can go make a payment.

13 MS. WILLIS: Bettye Willis with Windstream. The same  
14 would apply for Windstream as what Sandy and both Tom said.

15 MS. SALAK: Okay. Thank you.

16 MR. MAILHOT: So is the idea here then that what you  
17 would have in your phone book is the Web address? I mean,  
18 there'd still be something in the phone book; is that correct?

19 MR. GREER: Yes. This is Stan Greer with AT&T. Yes,  
20 that's correct.

21 MS. KHAZRAEE: Yeah. I think the preference would be  
22 to have something in the phone book that tells them where they  
23 can find the information. Perhaps for all companies it  
24 wouldn't be a Web address, but however they could get the  
25 information, that's what would be in there.

1 MS. SALAK: So a phone number or something like that.

2 MS. KHAZRAEE: Right. Sandy Khazraee with Embarq.

3 MS. SALAK: Beth Salak with staff. I haven't been  
4 doing it either.

5 MR. MAILHOT: Okay. The next rule is on Page 33 of  
6 the handout. Okay. The companies -- the Petitioners are  
7 suggesting that this entire rule be repealed. I think we had  
8 some specific questions on this.

9 MS. SIMMONS: Right. I guess, I guess my initial  
10 reaction to this was that, you know, certainly there is a fair  
11 amount of information in the, in the statute. I did notice the  
12 comment from the Petitioners about it should be addressed on a  
13 complaint basis. I was wondering whether the Petitioners  
14 believe that it should be done only that way and that staff  
15 should not investigate on its own. I was wondering about that.

16 MR. GREER: This is Stan Greer with AT&T. I'm not  
17 for sure. I mean, I don't think it would be my intent to tell  
18 the staff that they can't investigate something on the cost. I  
19 mean, I don't think it's been the practice in the past. Could  
20 it be in the future? It could be. So I don't know that -- I  
21 mean, because you would have that kind of information under,  
22 you know, providing information and records and all that kind  
23 of stuff. To me, that kind of falls into that. So if you send  
24 me a request, I'm going to have to, I'm going to respond to the  
25 request.

1 MS. SIMMONS: So the request, however it comes about,  
2 whether it's precipitated by a complaint or a staff inquiry,  
3 you would handle it the same way, you believe.

4 MR. GREER: Oh, I believe so. Yes.

5 MS. SIMMONS: Okay. All right. Thank you.

6 Just another comment on this. While there is a fair  
7 amount of information in the statute, I mean, there's a cost  
8 standard in the statute -- let's see how it reads. It talks  
9 about the total long-run incremental cost and mentions that it  
10 means service specific volume and non-volume sensitive costs.  
11 So there's a fair amount of direction there.

12 One area that I believe might benefit from a rule is  
13 this question of what constitutes a service specific cost.  
14 Because I do think there are some issues that come up  
15 occasionally in that arena, perhaps differences of opinion  
16 between directly attributable costs -- I'm sorry, I didn't mean  
17 to say directly attributable -- directly assignable costs which  
18 clearly are product specific. But then there are also costs  
19 that might be causally attributed to a service and sometimes  
20 there are questions about those and whether those constitute  
21 service specific costs. So I think there is a little bit of  
22 ambiguity there. I could possibly see some benefit from having  
23 a rule to just clarify that point such that it's not something  
24 that would have to be addressed, you know, each time we get  
25 into looking at an incremental cost study. So, I mean, that's,



1 that's the concern I have.

2 MR. GREER: And this is Stan Greer with AT&T. I  
3 understand what you're saying. In the ten years that I've been  
4 with AT&T I'm not for sure I've ever run across one other than  
5 in the, in the arbitration and stuff we have with the CLECs as  
6 far as an in-depth look at the individual costs. I' sure  
7 there's been some on the promotion side since Mary Rose handles  
8 that. But I don't see why you couldn't handle it on an  
9 individual complaint basis. Because, as I said, I see them  
10 very rarely. When we file service or tariffs at the  
11 Commission, we generally have the cost support data for those  
12 tariffs and we put some blurb in there that they cover the cost  
13 so that it would be consistent with the statute requirements on  
14 covering your costs. I just don't know that it makes sense to  
15 have a rule on a very infrequent review.

16 MS. SIMMONS: And I can kind of see it both ways. I  
17 mean, you're right, it doesn't come up too often. I did have  
18 the issue come up recently with one ILEC. But I understand  
19 your point, it may not come up too often. That's the only area  
20 that I was all, at all concerned about because I don't think  
21 the statute really gets, gets specifically at the question of  
22 what is a service specific cost. I understand your argument  
23 you could handle it on a case-by-case basis. So I can kind of  
24 see this one both ways. I just wanted to point out the only  
25 concern I did have. Thank you.

1           MR. GILLAN: Joe Gillan on behalf of CompSouth. The  
2 principal concern we have with this proposed rule change is,  
3 is -- well, there's two basically. One is we don't want this  
4 rule change to change the type of information that would be  
5 available. We see this rule, proposed rule change only  
6 addressing when it would be made available, not really changing  
7 what type of information.

8           In terms of the when it would be available and the  
9 how it would be available, our concern is if they move to  
10 filing this information from the initial filing to a complaint,  
11 we would be okay with that so long as the rules for the  
12 complaint process clearly identify that if a CLEC objects and  
13 requests the cost information, that they will provide it. Our  
14 concern is simply that if you take it out of here and you put  
15 it over there, that we don't want to end up some day filing a  
16 complaint and then being told, well, you don't have standing  
17 or, you know, there's -- you have to first demonstrate that  
18 there's a likelihood that it doesn't pass the cost test before  
19 we provide you the information. This is just a question of  
20 moving it out of this process into a different process. We're  
21 okay with it so long as there aren't any new hurdles placed  
22 over the complaint process to get it if the complaint is filed.

23           MS. MILLER: Is there language that you would  
24 suggest, Joe, to -- or you might file in your comments?

25           MS. KAUFMAN: I think that when we file our comments,

1 we would be prepared to suggest some language that we might put  
2 in the complaint rule so that we could address the issue.

3 MR. MAILHOT: Okay. The next rule is on Page 35.  
4 It's Extension of Facilities - Contributions in Aid of  
5 Construction. I think the question I had at least on the  
6 company, on the Petitioner's proposal is I think what you're  
7 suggesting is this language could be covered in a tariff. And  
8 I was kind of wondering would that be a requirement that this  
9 stuff be, that this information or types of things be covered  
10 in a tariff? I mean, if there's nothing out there that says  
11 that this ought to be in the tariff, then, you know, I mean,  
12 what's, what's the requirement that it be in a tariff? We're  
13 trying to understand what you're trying to accomplish here by  
14 eliminating this language.

15 MR. GREER: This is Stan Greer with AT&T. We do have  
16 these, the, the, some of the verbiage in the tariff. Now is it  
17 just because we have a rule? I don't know. It may be.

18 But I think that the gist of it is that in a  
19 competitive environment, and I've looked at this over, over and  
20 over because we do discuss it on occasion in various  
21 proceedings that we have here at the Commission, and in a  
22 competitive environment it should be left up to the tariff  
23 provisions that are in the tariff as far as the service that  
24 you're providing and those kind of things, not a specific rule  
25 on extension of facilities.

1           Now I did notice that this was one of the ones that  
2 would include the business portion to that I think with your  
3 change in 002, if I'm not mistaken. And I don't know that it  
4 makes sense for the Commission to direct us to extend  
5 facilities to provide, to provide service to business  
6 customers.

7           MR. MAILHOT: Well, to be honest, we believe it  
8 applies now. But, I mean, regardless of --

9           MR. GREER: Well, but if you look at the, the gist of  
10 the statute that, that is the main support for this 364.15,  
11 that deals with when the Commission makes a finding on an  
12 individual case basis type thing versus a general direction on  
13 extension of facilities. You know, in a competitive world I  
14 know we have left the five times the annual revenue, but in a  
15 competitive world, you know, is it appropriate for the ILECs to  
16 be eating five times the revenue? Given the circumstances,  
17 maybe. Some circumstances I don't know. But that 364.15 also  
18 applies to the CLECs as well, and I don't think there's a rule  
19 that applies to them on that.

20           So I've got -- although we have proposed some  
21 verbiage change, you know, I, I have a big concern with it  
22 being opened up to business because I don't think it's  
23 necessary. And in the competitive world I'm not sure it's  
24 necessary on the resale -- on the residential side as well.

25           MR. BECK: Dale, this is Charlie. Can I make a

1 comment?

2 MR. MAILHOT: Yes.

3 MR. BECK: This is Charlie Beck with the Office of  
4 Public Counsel.

5 If the company's concern is simply where this  
6 requirement appears as a rule as opposed to a tariff, I don't  
7 think there's any major concern there. But if what the  
8 companies want to do is a substantive change, in other words,  
9 change the criteria or the events when they can charge a  
10 customer for line extension charges, then that's a big deal.  
11 And I think if what they're trying to do is allow charging for  
12 line extension where they can't now, that's a whole different  
13 ball game and we'd be opposed to that. But we're certainly not  
14 opposed if the only reason they want the change is to where the  
15 requirement appears. A substantive change is something  
16 different.

17 MR. GREER: This is Stan Greer with AT&T. I don't  
18 think it's an effort to try to change how we, how we, how we  
19 bill customers for extensions. I think it's, it's an effort to  
20 recognize the competitive environment and the change in the way  
21 things have been done in the past versus here. And all that  
22 stuff will be laid out in the tariff as far as, as far as what  
23 can be charged and what can't be charged as it is today, I  
24 think, in the special construction section of the tariff, if I  
25 remember right. That's just my take.

1 MR. BECK: Okay. And this is Charlie Beck again. I  
2 think that takes us back, Dale, to what you said in the  
3 beginning, that if -- perhaps there should be something that if  
4 it's allowed, these criteria are allowed to be placed in a  
5 tariff, perhaps the rule needs to say that, that those sorts of  
6 things appear in the tariff. I mean, we don't really care how  
7 or where it appears as long as the substance of what's required  
8 does not change.

9 MS. SALAK: Since this rule change is being motivated  
10 by competition, would the competitors like to address how they  
11 handle this same issue? That would be cable, that would be  
12 CLECs, wireless.

13 SPEAKER: We'd be glad to address it in the comments.  
14 We're not prepared to address, to walk into it right now.

15 SPEAKER: Right. I would echo that.

16 MS. SALAK: All right. Thank you.

17 MR. MAILHOT: Okay. I guess the next rule for  
18 discussion is on Page 37, Metering and Recording Equipment.  
19 The company hasn't or the Petitioners haven't made any proposal  
20 there. This is one of staff's changes that we're considering.  
21 We think that most of this rule is probably outdated at this  
22 point in time.

23 MS. KHAZRAEE: Well, this is Sandy Khazraee with  
24 Embarq. And I think in our petition we had said that this rule  
25 should not apply to competitive markets, so I'd be fine with

1 taking it out completely.

2 MS. CLARK: We had addressed it as not applying to  
3 streamline companies, but we certainly think it's appropriate  
4 not to have it apply at all.

5 MS. KAUFMAN: Cindy, this is Vicki Kaufman for  
6 CompSouth. This is another one of those rules that we would  
7 not object to the staff's position. But, again, we want to be  
8 sure that there's no unintended consequences on the SEEMs  
9 metrics like invoice accuracy and data timeliness, and we would  
10 just want that to be clear in any rule amendments or adoptions  
11 that were ultimately finalized.

12 MR. MAILHOT: If there's no other comments then, on  
13 the next page, 38, there's some proposed changes there to the  
14 hearing and speech impaired persons, to that rule. The  
15 companies have suggested deleting the language where the  
16 companies provide the, the TDD devices and other equipment. I  
17 think it's simply, I think the company's proposal is simply to  
18 update this to reflect what's going on today.

19 MS. CLARK: This is Susan Clark. That's correct.

20 MR. MAILHOT: Okay. I'm not sure that we have any  
21 real objection to what you're all proposing. We just need to  
22 think on it just a little bit more.

23 On the next page, Page 40, we have Telephone Number  
24 Assignment Procedure. The company is proposing to eliminate  
25 this rule or repeal it. The only question that I had and

1 wanted to make sure of is that it's our understanding at least  
2 that the North American Numbering Council has written  
3 procedures to cover all this anyhow, I mean, that you will have  
4 to follow.

5 MR. GREER: This is Stan Greer with AT&T. That's my  
6 understanding as well.

7 MR. MAILHOT: Okay. So it's really not a matter of  
8 the companies keeping written procedures these days, it's  
9 really the North American Numbering Council has written  
10 procedures that apply to everybody.

11 The next rule, 25-4.215, Limited Scope Proceedings,  
12 okay, we're into a couple of rules here that just -- well, this  
13 rule just applies to small local exchange companies. I went  
14 back and researched the original rulemaking for this and  
15 basically it became clear from that that this rule is only  
16 applicable to rate-of-return regulated small local exchange  
17 companies. I kind of suspected that because if you're price  
18 regulated, you can't file -- or Section 364.05 does not apply.  
19 So when I actually went back and looked at the original  
20 proposal from the small companies, it was real clear there that  
21 it was just rate-of-return regulated companies. So what we're  
22 suggesting is simply adding that language to make it clear who  
23 this rule applies to.

24 On Page 41 we have the first rule in Chapter 25-9,  
25 and staff has proposed a change there. And what the change



1 accomplishes really is it limits so that only Parts 1 and 2 of  
2 this chapter apply. I don't know if, if nobody can -- can  
3 anybody tell what the parts are? Maybe not.

4 SPEAKER: I show Part 2 starts with 25-9.020 through  
5 9.034. Is that right?

6 MR. MAILHOT: I believe that's correct. Yeah. Okay.  
7 Part 1 is 9.001 through 9.010. Part 2 is 9.020 through 9.034.  
8 Okay. By changing this rule to, to just apply Parts 1 and 2 to  
9 local exchange companies, what that does in effect is it  
10 eliminates Rules 9.044 and 9.045 because those are the two  
11 rules that are contained in Part 3. So that's, I mean, that's  
12 the effect of this change that we're suggesting here is to, the  
13 practical part is just to eliminate those two rules so that  
14 they don't apply to local exchange companies.

15 Are there any questions about that or is that  
16 straightforward or confusing or --

17 MR. GREER: This is Stan Greer with AT&T. We had  
18 some of the, I believe, in the streamlined, and I assume we'll  
19 talk about that once we get to that point.

20 MR. MAILHOT: Right.

21 MR. GREER: Okay.

22 MR. MAILHOT: Yes. In reviewing the rules, we just  
23 thought this was, a more direct solution to some of these rules  
24 was just to eliminate that part. So it makes it clear it's not  
25 just for streamlined companies or, you know, this or that.

1 It's just local exchange companies.

2 MR. GREER: Okay.

3 MR. MAILHOT: Let's see. On the next page, Page 42,  
4 the companies have suggested an addition to Rule 25-9.034,  
5 Contracts and Agreements. About halfway down the page there  
6 the companies have suggested adding in these words to make it  
7 clear that this rule doesn't apply to telecommunications  
8 companies or their agreements. I don't know that we object to  
9 that. I mean, we agree that this rule does not apply to  
10 telecommunications companies, but we think it's fairly clear  
11 already but we're still reviewing this change.

12 And on Page 43 the companies had wanted some language  
13 added to Rule 9.044 to make it clear that it doesn't apply to  
14 telecommunications companies. We would suggest that our change  
15 to 9.001 already eliminates this rule for telecommunications  
16 companies. So basically no change is necessary for the rule at  
17 this point. There is a little bit in the footnotes about what,  
18 about the authority and the law implemented, and we can take  
19 care of that.

20 And the last rule is on Page 44, and this is Rule  
21 25-14.001. And what we're suggesting is the addition of a  
22 sentence towards the end of the rule where basically what the  
23 sentence does is it excludes all of this chapter as being  
24 applicable to competitive local exchange companies or price  
25 regulated local exchange companies. We believe that that's the

1 situation as it exists today anyhow and that this simply makes  
2 that perfectly clear.

3 Does anybody have any questions about what we've gone  
4 over in this packet, in this attachment?

5 MR. GREER: This is Stan Greer with AT&T.

6 MR. MAILHOT: Sure.

7 MR. GREER: Dale, when we first started on 25-4.002,  
8 you said that, I think -- what I thought you said was that you  
9 were going to put into the individual rules the fact whether  
10 residential was, it was residential only. I don't recall  
11 seeing any of those in this. Is it -- does it come in the  
12 Part B section?

13 MR. MAILHOT: No. We had talked about that  
14 possibility. We were trying to identify which rules that that  
15 is true for. It's true -- I think it's primarily when you get  
16 into the, some of the service quality rules.

17 MR. GREER: Yes.

18 MR. MAILHOT: It's really, I'm not sure how  
19 Part 2 got into this at all, into this sentence, because I  
20 believe all of the rules that that's true of are within -- I  
21 think they're all contained in Part 5.

22 MR. GREER: So, I mean, is that something you're  
23 still looking at or, or --

24 MR. MAILHOT: It's something we're still trying to  
25 make sure we know which rules are residential only.

1 MR. GREER: Because based on what you've got right  
2 here so far, you haven't identified any that are just, just  
3 residential.

4 MR. MAILHOT: Right.

5 MR. GREER: Okay. Okay. Because that's, that goes  
6 back to our previous discussion on adding business back in.

7 MR. MAILHOT: Right. We may be able to give you -- I  
8 mean, we're going to try to --

9 MR. GREER: Okay. Okay.

10 MR. MAILHOT: You know, we're working on a list so we  
11 understand exactly which ones -- you know, in that last  
12 rulemaking, certain, I believe certain of those rules at that  
13 time were identified as residential only. And somehow instead  
14 of getting into the individual rules, it just ended up as a  
15 broad statement at the front of the rules.

16 MR. GREER: That's no problem. I just, I just wanted  
17 to make sure I didn't miss something.

18 MR. MAILHOT: Okay. Okay. I think that's -- I mean,  
19 does anybody have any other questions concerning Attachment C?  
20 Because I believe we're going to take a break and then -- yes.

21 MS. PERRY: Gail Marie Perry with the Communications  
22 Workers of America. I, I just, being a novice at this, please  
23 excuse me if I'm going to say the wrong thing. I was -- the  
24 next to the last one that we looked at was change of ownership.  
25 I just wanted to make you aware -- I don't know how this

1 affects the company. In other words, if they, if they sell off  
2 a piece of their corporation and customers, does this now say  
3 in current rule that they have to notify you or am I just  
4 totally off base in what I'm talking about?

5           And I'll tell you why I'm bringing it up. Because  
6 I -- my members in, in New York, upper New England and in  
7 Virginia have staved off the local exchange company selling off  
8 their, their least profitable areas, which the majority of the  
9 time is the rural areas. And we just had a concern that that  
10 could all happen and nobody would know about it if it's taken  
11 out of rule. I could be totally all wet in what I'm talking  
12 about, but I'm positive about the New England and we staved it  
13 off in Virginia. I just want to make sure that you're aware,  
14 and I don't -- I want to make sure the general public knows  
15 when the company they're getting service from is being sold to  
16 another company.

17           And the one other thing that I wanted to go, go back  
18 on was on Page, it's 25-4.25, Applications Held. I know in the  
19 real world we call that cable facility problems. And, again, I  
20 would like to -- they are a lot of trouble for the employees.  
21 So, again, I'm going to say my employees would just die if I  
22 was sticking up to, to speak about this, but the last thing my  
23 members said to me was to protect the consumers. And in  
24 regards to held orders, that is -- I know no one spoke up about  
25 it and it, and it got by me before we went on, but held orders

1 is another indication when there's trouble that leads to, leads  
2 to updating the infrastructure of the system. And we're  
3 concerned regarding the infrastructure. It needs to be  
4 maintained so that when there's another hurricane we, we have  
5 people in service instead of waiting for service. So I know no  
6 one spoke about that.

7           And the biggest headache that we have is cable  
8 facility or held orders once a customer wants service. It's  
9 very hard to explain to a customer why they can't get service  
10 when they want it. So I know it's a heartache for everyone  
11 involved, but not to -- and maybe there should be no penalty on  
12 the company if there is a penalty, but you should keep track of  
13 it. If you want to be sure that the infrastructure that we  
14 have, the backbone that we have here in the State of Florida is  
15 maintained, making sure you have something to look at to see if  
16 five people in this area aren't able, in an area that's already  
17 established within the footprint aren't able to get service  
18 within 30 days and what might be that reason. Again, if  
19 there's a penalty or a fine, maybe that's something that should  
20 go away. But you need to make sure that the citizens in  
21 Florida -- I know everybody said earlier that the majority of  
22 people have cell phones. But we're still talking about  
23 70 percent of the people in Florida still have landlines and  
24 that's the backbone of our state. So we're concerned about  
25 making sure that backbone stays intact. And, again, if there's

1 penalties that go along with held orders, maybe that needs to  
2 go away. But you still need to make sure you have access to  
3 see that the backbone is being maintained.

4 In a few years from now I might be whistling a  
5 different tune. We'll see what happens with competition. But  
6 right now there's 70 percent of the people in Florida depending  
7 on that backbone. And I know that there's 300 and some odd  
8 companies in the state doing business, and I have some  
9 information that I brought also that shows there are  
10 44 companies in the state, alternate companies in the state  
11 that have a switch, but I contend that all ride that backbone  
12 of the landline.

13 MS. MILLER: Gail Marie, it sounds like you're moving  
14 into our Part 2 a little bit.

15 MS. PERRY: Okay. Well, I just want to make sure  
16 because that held -- thank you for letting me know where I am.  
17 That held order does give you --

18 MS. MILLER: Right. Right.

19 MS. PERRY: -- insight where you need to get repaired  
20 over here or you, you need a whole new infrastructure over here  
21 because the infrastructure is so bad. Thank you.

22 MS. MILLER: Doug.

23 MR. NELSON: Thank you. I was actually caught by  
24 surprise. I'm now speaking about the last item, 25-14.001, the  
25 In General provision. I'd like to reserve -- you know, we'll

1 probably comment on that. But my, just reading this, I'm just  
2 kind of reading it out of context. Can I ask for clarification  
3 that, that this would not eliminate wholesale and  
4 interconnection related rates and charge regulation for price  
5 cap ILECs? Is that clear to us or is that something else to  
6 look at?

7 MR. MAILHOT: I believe it is. I mean, these rules,  
8 primarily 25-14 are accounting type rules that are used in  
9 calculating revenue requirements for rate-of-return regulated  
10 companies.

11 MR. NELSON: Okay.

12 MR. MAILHOT: You know, that's why they still apply  
13 to like electric companies and gas companies, water and  
14 wastewater companies.

15 MR. NELSON: Okay. Thank you. We may still have  
16 some comment on that.

17 MS. MILLER: All right. We can take a break until  
18 11:00.

19 (Recess taken.)

20 MS. MILLER: Okay. We're getting ready to start back  
21 up again. And for planning purposes, what we're going to do is  
22 we're going to go through the list of rules that are listed for  
23 the market test, which would not, would not apply if streamline  
24 regulation is found. And then we're going to break at 12:15  
25 and come back at 1:30, and we'll take up Dr. Taylor. And then



1 if we haven't gone through the list, the full list, we'll  
2 continue with the list, and we'll also have a chance for  
3 everyone to make general statements as well. But Mr. Mailhot  
4 is kind of a tough driver here and he wants to get through the  
5 rules, so.

6 MS. CLARK: Cindy, this is Susan Clark. Can we -- I  
7 would appreciate the opportunity just to make some preliminary  
8 comments on this so we can sort of understand the picture of  
9 competition today and keep that in mind as we go through these  
10 rules.

11 As I said earlier, the market in Florida has changed  
12 drastically and there is a significant level of competition in  
13 Florida. And we believe the level of competition ensures that  
14 no competitor can exercise market power to the detriment of  
15 customers. Since there is not the presence of market power,  
16 the justification for these regulatory rules no longer exists.  
17 Therefore, the company should be able to seek and receive  
18 streamlined regulation in those areas they face competition.

19 To not change the rules would be harmful because it  
20 will result in asymmetrical regulation. That is harmful  
21 because it distorts the competitive process and ultimately  
22 harms customers. Since this Commission should not and cannot  
23 extend the rules to cover presently unregulated carriers, the  
24 only way to move towards regulatory symmetry is to remove the  
25 rules that are currently applicable to wireline ILEC carriers,

1 and that is the context in which I think we should review these  
2 rules.

3           One thing I'd like to go back to and assure myself  
4 that we're on the same page, going back to the first change to  
5 25-4.002 where we had the discussion of deleting the phrase  
6 that these rules only apply to residential customers, I've  
7 indicated to you we will go back and look at this, but we want  
8 to make it very clear that we feel to the extent you are  
9 extending rules that currently do not apply to business  
10 customers is clearly a step back and should not be done. Thank  
11 you, Cindy.

12           One other thing. I think it's relevant for this, for  
13 us as we go through this to take, look at something that came  
14 out in USA Today. It says, "Customers ditching landline  
15 phones." And if I can just read the first paragraph, I think  
16 it's very relevant to what we're doing today.

17           "Traditional landline phones, once the bedrock of  
18 communications in the USA, are quickly going the way of  
19 eight-track tapes as consumers go for wireless or choose  
20 Internet-based phone calling." It's where we find ourselves  
21 and I think we need to keep that in mind as we go through these  
22 rules. So thank you.

23           MR. MAILHOT: Did anybody else have any preliminary  
24 comments? Mr. Twomey?

25           MR. TWOMEY: Yes. Thank you. Mike Twomey for AARP.

1 In response to Ms. Clark's comments, the petition in general by  
2 the Joint Petitioners as we see it has two main thrusts, if you  
3 will. One is that certain rules are no longer applicable  
4 because the companies are no longer rate-of-return regulation,  
5 pardon me, regulated and that, therefore, the appointed rules  
6 for deletion are just inapplicable, no longer necessary. And  
7 AARP thinks there's a certain logic to that argument in some  
8 respects. And as we've seen the last two hours or so, I think  
9 the staff has recognized that there are some rules that are no  
10 longer necessary for the regulatory function to be maintained  
11 because of the lack of rate-of-return regulation. And AARP is  
12 prepared to defer to the staff primarily and Public Counsel  
13 secondarily in determining which rules you think are no longer  
14 necessary to fulfill yours and the Commission's function of  
15 statutory regulation.

16 The second thrust is one we're going to address now,  
17 I think, that argues that the telecommunications environment in  
18 the State of Florida is effectively competitive to the point  
19 that the Commission's rules, many of them regarding quality of  
20 service are no longer necessary because the market will  
21 control. And that if quality of service by a provider, a  
22 landline provider is inadequate in some sense, that the  
23 customer will have the option of moving to another provider  
24 and, therefore, the ILECs will be given adequate motivation to  
25 maintain their quality of service. And to not delete these

1 rules or make them inapplicable otherwise would result in  
2 asymmetrical regulation.

3           Now we reject that notion, and we reject it primarily  
4 because we don't believe that the alternative access  
5 communications methodologies are equivalent communications to  
6 landline service. It doesn't matter how many of them a given  
7 number of customers have access to in terms of having passing  
8 cable, having the ability to obtain service from cellular  
9 companies, wireless and the other. We don't believe they're  
10 effectively equivalent communications if they don't, they are  
11 not in the same range on price, and that's one of our major  
12 concerns is price. We have close to 3 million members in the  
13 State of Florida now, many of whom we believe would want to be  
14 able to have the ability to use their phone without limit for  
15 local calls. And we're not aware of many plans, if any, that  
16 would provide unlimited local calling at costs that are  
17 equivalent to what the ILECs charge now, and for that reason we  
18 don't believe that most, if any, of the rules that relate to  
19 quality of service should be eliminated for these companies.  
20 We're prepared to look at them on an individual basis, but as  
21 an overview our position is, is that quality of service  
22 regulation for the ILECs should be maintained largely as it is  
23 now. Thank you.

24           MR. MAILHOT: Does anyone have, anyone else have  
25 comments? Yes.

1 MS. PERRY: Gail Marie Perry with the Communications  
2 Workers of America. I'd like to echo the customer service that  
3 Mr. Twomey just spoke about. We agree. Everyone says the  
4 market will -- they'll just go to a new carrier. We don't  
5 always see that as the case, so we certainly are in support of  
6 maintaining the quality of service and the standards that are  
7 in place. And we also in our research did show that there is  
8 no comparable company out there that offers any comparable  
9 rates for unlimited local calling.

10 MS. BRADLEY: Cecilia Bradley, Attorney General's  
11 Office. I agree with Mr. Twomey and the others on this. We  
12 see it as a public safety issue. And we certainly welcome  
13 competition, we think that's great and everybody likes new  
14 gadgets, but customers shouldn't be forced to go with a  
15 different phone system merely because they can't get their  
16 older phones fixed timely. Usually when your phone or this  
17 kind of thing goes out, it's at the worst possible time for  
18 them to deal with this type situation. And to say, oh, well,  
19 they can just go to another competitor, they may not be able  
20 to. And these are public safety issues. They need to know  
21 that their phones can be fixed within a reliable period of time  
22 as quickly as possible. We depend on the phones, especially  
23 for a lot of older AARP types and other folks that are  
24 homebound and need their phone system. And I think cost is an  
25 issue for a lot of these folks. But we see it, again, as I

1 said, as a public safety issue, and we would hope that that  
2 would be foremost in your mind when you're looking at them,  
3 what they'd like to do with these rules. Thank you.

4 MR. MAILHOT: Any further comments? Okay. If not,  
5 I'm ready to go through another attachment. Staff's --

6 MS. MILLER: Make sure that you all do have this  
7 attachment. It's another one that's been handed out. And if  
8 you don't have it --

9 MR. MAILHOT: It's titled "Staff's Attachment B."  
10 Before the break there were copies placed towards each corner  
11 there. It's a legal-sized sheet and it's 39 pages.

12 MS. MILLER: And, Dale, is it, is it correct that all  
13 this does is repeat the, the rules for which the exemption is  
14 sought and the comments that the Petitioners made?

15 MR. MAILHOT: Yes, except for where we had staff  
16 comments.

17 MS. MILLER: Okay. Okay.

18 MR. MAILHOT: This should be approximately, I think  
19 like about 48 rules in here, but hopefully we can get through  
20 them reasonably quickly.

21 These, this is a total listing of the rules that the  
22 Petitioners have asked to be exempt from if they're found --  
23 you know, for streamlined regulation. And I thought we'd just  
24 kind of go through these. Most of these I think staff at least  
25 understands what the company or the Petitioner's position is.

1 There's a few of them we do have some questions on, you know,  
2 don't quite understand why you would want an exemption from it.

3           Okay. But, anyway, we'll just start at the  
4 beginning. On some of these we may ask you, you know, to maybe  
5 explain a little bit more fully, you know, why you think the  
6 rule is inappropriate or unnecessary or, you know, what the  
7 problem is with it. Because, you know, I think most of these,  
8 the explanation has been primarily it just shouldn't apply to a  
9 competitive company. But -- and I'm not sure if that's  
10 necessarily, you know, your only concern with the rule or your  
11 entire concern or whatever.

12           Let me start with the first rule, Periodic Reports.  
13 I think this -- I don't know that we have any real questions  
14 about that. I think we pretty much understand your position on  
15 it. Do y'all have any comments in particular or --

16           MR. O'ROARK: Dale, this is De O'Roark with Verizon.

17           MR. MAILHOT: Yes.

18           MR. O'ROARK: I'd note that on the staff comments  
19 portion, at least on a lot of these there aren't any. Does  
20 that mean that staff is still kind of mulling most of these  
21 over?

22           MR. MAILHOT: Yeah. I mean, we don't really -- yeah,  
23 that's about it. We haven't made up our mind one way or  
24 another. We're just trying to understand a little further  
25 what's going on or why you want these particular rules, why you

1 want to be exempted from them.

2 MR. O'ROARK: Okay.

3 MR. MAILHOT: And so that's kind of what we're  
4 looking for maybe is on a few of them a little bit further  
5 explanation. I mean, some of these I think we understand  
6 pretty clearly why you want, you know, to be exempted from it.  
7 But there's a few of them that we're not sure, you know, why or  
8 what your rationale is truly. And so I think we understand the  
9 first one pretty well. I mean, it's pretty clear. I mean, I  
10 believe that you just don't want to report any of this  
11 information.

12 MS. MILLER: Where it's appropriate, if there is  
13 something you can tell us about it being burdensome, kind of  
14 just a little more information on that. We're not saying  
15 that's the standard that applies, but it would be helpful.

16 MR. McCABE: This is Tom McCabe. I'd just make a  
17 couple of comments in terms of how, you know, we, we view some  
18 of this. I have approximately 13,000 access lines. I have  
19 competition from cable providers, wireless providers and the  
20 City of Quincy in my market all competing for 13,000 access  
21 lines. And our issue is, really is that focus on regulatory  
22 parity. If these requirements are not important enough to  
23 apply to other providers, how do all of the sudden they become  
24 so important to provide to me? And what happens when you  
25 provide these -- when I have to meet these specific



1 requirements, it increases my cost. And that's a big focus of  
2 what we're facing with today and from a national, from a  
3 national perspective with all our properties, and it's a great  
4 concern to us.

5 I, I hear folks sitting there saying that it's all  
6 about making sure customers have quality of service, and we  
7 believe that we are taking the steps to ensure that customers  
8 are getting the quality of service. But that's balanced based  
9 on our cost and the prices for which we can charge and we're  
10 constrained by competition. And that is something that we have  
11 to look at in terms of how we want to operate our business.

12 For everyone that's sitting there saying that, you  
13 know, you need to have rules so that the ILEC answers the phone  
14 within 30 seconds, I just would like for someone to guarantee  
15 me that those customers are not going to leave me because they  
16 had to, because of price. What we see is customers going on  
17 price. I've had 11 complaints in the past year. Not one of  
18 them was relating to answer times. There were some billing  
19 issues that we bill on behalf of other interexchange carriers.  
20 Now those are things that are concerns to us. I mean, we're  
21 looking at it from the standpoint of what it is that we need to  
22 provide to our customer today. And one of those big items that  
23 we see is to be able to provide access to broadband services.  
24 And our focus is to get that out throughout our service areas  
25 in Quincy and elsewhere. And it's important that, you know, we

1 manage our costs in order to make sure that we're able to meet  
2 the goals that our customers look for. I mean, those are the  
3 things that are going to enable us to be in business a year  
4 from now or two years from now. Because we're having customers  
5 leave, we've got competitors.

6           And then the question is if, if you increase our --  
7 if you have us operate at costs that are different than other  
8 folks, is that a good thing in the long run? Because we serve  
9 parts of the serving area that nobody is out in. Or, you know,  
10 we're constrained in terms of what we can charge. So, I mean,  
11 there's some universal service obligations that we have that  
12 aren't imposed on other folks, and by driving our costs up, it  
13 has an overall impact on the ability for us to compete in our  
14 marketplace.

15           MR. O'ROARK: De O'Roark with Verizon. If I can just  
16 add a couple of points to that. As we go through each of these  
17 rules, I think it is important to keep in mind that the  
18 assumption here is that whatever market we're talking about is  
19 competitive. I understand that we're going to have discussion  
20 at 1:30 as to what the test for that should be, but whatever  
21 test the Commission adopts, the assumption here is that the  
22 ILEC has met that standard or that it has been proven that the  
23 market in question is competitive, that that competition  
24 effectively substitutes for Commission regulation. So if you  
25 start with that assumption, then you kind of walk through these

1 rules. And I think Dale, you said there's some points where  
2 you'd really like to know why we think that we ought to be  
3 exempt on some of these rules. You understand where we're  
4 coming from on a number of them, but there's some that you'd  
5 like to understand that better.

6 And I'd reiterate something I had said before, that  
7 the, particularly here where we've established that there is a  
8 competitive market, we've met whatever the test is, the  
9 question should really be why should there be a rule at all and  
10 build from the ground up. There may be a reason, but let's --  
11 it shouldn't be why should you be exempt from it, but why in a  
12 competitive market should there be one?

13 MR. GILLAN: Can I ask -- Joe Gillan, CompSouth. Can  
14 I ask a clarifying question from Mr. O'Roark?

15 MR. MAILHOT: Sure.

16 MR. GILLAN: Are you saying that if there wasn't  
17 competition, all these rules are needed, that you support the  
18 retention of all these rules under the hypothetical that you,  
19 that there was no competition out there, that you think these  
20 are necessary? Is it that -- is that your guy's, is that your  
21 position?

22 MR. O'ROARK: No, I don't think it is. But, you  
23 know, regardless of whether they're justified in the first  
24 instance, if there's competition, we think they're not  
25 justified. I don't think we need to get to the point of

1 whether they're justified without competition. That's not  
2 really what's at issue here.

3 MR. GILLAN: I would beg to differ. Because I think  
4 that candidly if you went through -- not candidly. I think  
5 that if you look at these rules and just ask yourself are these  
6 rules necessary and you ask yourself twice are these necessary,  
7 if there is competition or there's no competition, I'm not sure  
8 you get different answers.

9 Your answer that you weren't going to take the  
10 position that they're needed in the absence of competition, I  
11 think you're probably right. But I don't see why we can't go  
12 through this set of rules with the same criteria that we  
13 applied to the rules that we went through this morning and just  
14 talk about what it is that it's trying to accomplish and  
15 whether it should be retained. I'm not sure that you end up  
16 with different answers. I mean, the staff itself took three  
17 rules out of this appendix, put it in the other appendix.  
18 Nobody cared. Nobody said, my gosh, you can't move that rule.  
19 We didn't do a market test, we didn't find out if it's  
20 competition. There was just a recognition it wasn't necessary.  
21 So, I mean, we would like to just go through these rules to  
22 understand, much like what Verizon suggests, why is this rule  
23 still necessary, period?

24 MR. O'ROARK: Well, I guess in response to that, and  
25 others can -- this is De O'Roark again. I mean, if there is

1 consensus in the room that whether there's competition or not  
2 the rule is not necessary, I think the folks on our side would  
3 be happy with that conclusion, and we can get into market tests  
4 and all that later.

5           But I think that my point was that as you staff look  
6 through these rules, to the extent that it is, it matters, you  
7 can assume that there is competition there. If everyone says  
8 it doesn't matter whether there's competition or not for a  
9 particular rule, well, so much the better.

10           MR. GILLAN: Well, I -- Joe Gillan again. I don't  
11 want to leave the impression that I think you're going to find  
12 consensus about all the rules. But I think you're going to  
13 find that the people who want to retain a rule are going to  
14 suggest it should be retained whether there's competition or  
15 not and the people that are going to want to get rid of the  
16 rule are going to want to get rid of the rule whether there's  
17 competition or not. And the question of competition is just  
18 swirling around as an unneeded appendage to the debate. And  
19 the question really is if somebody wants to keep one of these  
20 rules, what objective are they trying to satisfy, is that any  
21 different whether or not there's competition or not?

22           So far I've never seen anyone articulate a reason on  
23 your side to get rid -- that any of these rules are necessary  
24 where there's no competition. I've not heard anyone else  
25 suggesting keeping the rule suggest that competition could

1 allow them to say it's no longer important at all.

2 MS. CLARK: Cindy, I think we're getting a little  
3 ahead of ourselves. And I would certainly appreciate Joe  
4 Gillan indicating which rules that he thinks should go by the  
5 board regardless of where competition is. I think that's the  
6 way to handle it.

7 MR. MAILHOT: I think we're probably ready to move on  
8 to the next rule.

9 MS. KAUFMAN: Actually we have a comment on that  
10 first rule.

11 MR. MAILHOT: Sure.

12 MS. KAUFMAN: We were prepared to go rule by rule and  
13 then we kind of got off a little bit with some remarks and, you  
14 know, we appreciate that. And we just wanted to make our  
15 position clear on what we think should be happening in this  
16 rulemaking.

17 But on the very first rule, Dale, that you wanted to  
18 look at, it kind of goes back to some of the remarks I made  
19 earlier this morning. And I don't think we would have any  
20 objection to the deletion of this rule, so long as there are no  
21 unintended consequences with the SEEMs program and the parity  
22 between wholesale and retail market standards. Because there  
23 are some metrics that look at that in the SEEMs plan, and I'm  
24 not sure, candidly, that that data is, is what these reports  
25 provide. If it's not, then I don't think we would have an

1 objection to the deletion of the rule. If it is, we just need  
2 to be sure again that there's no unintended consequence from  
3 any rules that may be deleted or amended to the, the SEEMs  
4 metrics that relate back to the retail analogs (phonetic).

5 MR. MAILHOT: Okay.

6 MS. CLARK: Cindy, this is Susan. We've answered on  
7 that question. Just to be clear, Vicki, can you give what that  
8 acronym is? I think I understand it, the SEEMs.

9 MS. KAUFMAN: Can I tell you what that stands for?

10 MS. CLARK: Yes.

11 MS. KAUFMAN: Probably not.

12 MS. CLARK: I just want to make sure I'm on the same  
13 page.

14 MS. KAUFMAN: They all know. Self-effectuating  
15 enforcement mechanism.

16 MS. CLARK: I just wanted to make sure we were all  
17 talking about the same thing.

18 MS. KAUFMAN: Yes. And to that point, to the extent  
19 we come to the view that there is no impact, we would just need  
20 that to be clarified or, or codified or whatever in the  
21 ultimate result that comes out of this docket. Thanks.

22 MS. HARVEY: This is Lisa Harvey with staff. And  
23 that's a question that's, you know, extremely difficult to  
24 answer until you actually let the horse out of the barn because  
25 without -- if competition truly exists, then you would expect

1 that their, their performance level would maintain or even  
2 improve. If competition doesn't exist, then their performance  
3 level may degrade and, as a consequence, the level of service  
4 provided to the CLECs may potentially go down as well.

5 MR. GREER: This is Stan Greer with AT&T. And, Lisa,  
6 that may be correct. But as far as filing this report, it  
7 doesn't directly impact SEEMs or any of that kind of stuff.

8 MS. HARVEY: No. I was just talking about it in  
9 general, in general terms. Thank you.

10 MR. GREER: Right. Correct.

11 MS. KAUFMAN: And our concern is just that any data  
12 that's collected or relevant to the analysis we do on the SEEMs  
13 side not be impacted by any rule changes that might occur here.  
14 And we're going to have that same comment on several of the  
15 upcoming rules. So that, that was our -- that's what we're  
16 trying to refer to.

17 MR. GREER: There is Stan Greer with AT&T. I don't  
18 believe that will be the case.

19 MR. MAILHOT: Okay. The next rule is Audit Access to  
20 Records. We're trying to understand more about why the  
21 companies, if there's some particular reason the companies  
22 would not want this rule. I mean, our view is kind of that,  
23 yeah, 364.183 may provide, you know, the legal authority for  
24 access to records. But our thought on this rule is that it  
25 provides some organization, some assurance, you know, if an



1 audit comes up. I mean, that's the only time it's applicable  
2 is when there's an audit. And, I mean, it provides the company  
3 and the staff with some direction, you know, on how to resolve  
4 problems and, you know, what each party's rights and privileges  
5 are and all that sort of thing. And so we weren't -- I mean  
6 we're trying to understand a little bit better if there was  
7 something other than just the concept of this doesn't apply to  
8 a competitive company. Is there other, some other problem with  
9 the rule if --

10 MR. GREER: I guess the first concept is the fact  
11 that it's a competitive environment. But the second is that if  
12 the Commission staff, regardless, you know, if you asked me to  
13 do A, B, C and D in an audit provision, in an audit proceeding,  
14 that's exactly what I'm going to do is A, B, C and D. I'm  
15 not -- and the rule is not necessary in my opinion. You know,  
16 we get audit requests all the time as far as given things and I  
17 don't run back to the rule and see if I'm, if you're compliant  
18 with the audit request. I look at the request and try to  
19 respond to it as best I can. So I didn't see it as a necessary  
20 rule in a competitive environment. Plus the fact that, you  
21 know, we're going to respond to the Commission regardless.

22 MS. HARVEY: This is Lisa Harvey with staff. So can  
23 you expand a little bit more in terms of the competitive side?  
24 Do you believe that, that we still have audit access if you are  
25 deemed competitive?

1 MR. GREER: Yes.

2 MS. HARVEY: Okay.

3 MR. GREER: Pursuant to the statute provisions.

4 MS. HARVEY: Okay. And then surprisingly, just as a  
5 comment, I mean, as recent as last month we've had, had  
6 problems during the course of audits where we've had to go back  
7 to the rule and, and point them out to auditees. So  
8 surprisingly or not, but there have been issues where the rule  
9 has been needed very much.

10 MR. GREER: And I can't tell you that you're not  
11 going to have issues come up in an audit because that's just  
12 nature of the beast, I think.

13 MS. HARVEY: Yeah. Right. Which points out the need  
14 for the rule.

15 MR. GREER: But those provisions, but those  
16 provisions, regardless of the rule, the Commission has the  
17 ability to ask for whatever records they should be able to have  
18 access to. And, and, and I don't know for sure if it was me,  
19 so I'm going to tread lightly, but, but I would imagine we  
20 would work those out between us as we do in all audit cases  
21 that we deal with with the Commission.

22 MS. HARVEY: And that would certainly be ideal.

23 MR. MAILHOT: Okay. Any other comments on that rule?

24 Page 2, the first rule we have listed there is System  
25 Maps and Records. We're proposing to repeal that, that rule.

1           The next one, Report of Interruptions. Okay. I  
2 don't think that we really have any questions about it outside  
3 of maybe the practical side is are we just talking primarily  
4 about the e-mails that y'all send? Is that what --

5           MR. GREER: Well, generally.

6           MR. MAILHOT: I just don't understand.

7           MR. GREER: Yeah, generally, yes, that we -- you  
8 know, this is Stan Greer with AT&T. Sorry. Generally it's the  
9 e-mails that we send on service interruptions. But in a  
10 competitive world getting an e-mail from us telling you you've  
11 got a problem doesn't really address the issue that you may  
12 have. It may be more than just us. So, I mean, and I get all  
13 kinds of -- I get e-mails all the way down to 25 pairs, so I  
14 get a whole bunch of them.

15          MR. MAILHOT: Okay.

16          MS. KAUFMAN: Dale -- I'm sorry, Beth.

17          MS. SALAK: No. I'm sorry.

18          MS. KAUFMAN: I was just going to say this is Vicki  
19 Kaufman for CompSouth. This is another one of those rules that  
20 we just want to be sure doesn't impact the SEEMs wholesale  
21 side. And instead of me interrupting the flow every time, I  
22 think we'll, if it's all right with you, we'll just, we'll just  
23 put those rules in our comments so you know that we have that  
24 concern.

25          MR. MAILHOT: Well, I mean, as I understand this

1 rule, it is literally a reporting rule, I mean.

2 MS. SALAK: I just wanted to ask about the reporting  
3 to the FCC. I went in and read that rule. Can someone in  
4 their comment, in their replies tell me exactly what that rule  
5 means? I've read it several times and I think it's very  
6 confusing exactly what you're reporting. So if I can get a  
7 clear picture.

8 MR. GREER: I've read it, too. This is Stan Greer  
9 with AT&T. I've read it, too, and I tend to agree with you.  
10 But we can make sure that that's clear in our comments.

11 MS. SALAK: Thank you.

12 MR. McCABE: Tom McCabe. I've just got a question in  
13 terms of as we're trying to go through this dialogue, when you  
14 simply state that you understand what our position is, if, you  
15 know, maybe we can get some dialogue back and forth in terms of  
16 whether you agree or disagree with that because, you know, we  
17 can end up at the end of the day not answering your question  
18 because we may not know what it is. I mean --

19 MR. MAILHOT: Yeah. I mean, we're trying, if we have  
20 specific questions, to ask them.

21 MR. McCABE: I guess I was referring to the fact  
22 that, you know, for example, this rule, you say, we understand  
23 what your concern is. And does that mean that you agree,  
24 disagree, or we think that it's important to have this rule for  
25 X, Y and Z and, in fact, we think that it's important enough

1 that it should apply to other folks? Maybe that's not the  
2 intent that we're going to get to here. But at the same time I  
3 don't know that at the end of the day we, we get any further  
4 than where we are right now. It's just a thought.

5 MS. SALAK: I'll continue to make some comments then.

6 On Part 2, if I had a better understanding exactly  
7 and we all agreed on what we were reporting to the FCC and we  
8 thought, you know, that that was successful -- and do you  
9 believe you're going to continue that reporting? I mean, do  
10 you -- so I, you know, perhaps that can be an alternative was  
11 that, all right, you slip us a copy of what you're reporting.

12 The first part is that we need to coordinate more  
13 with our Consumer Affairs group because a lot of that  
14 information is needed for them to pass on to consumers, oh,  
15 wow, you have an outage in that area. You don't need to file a  
16 complaint. It'll be taken care of, we believe, in X number of  
17 hours. And it's more of an outreach effort that we have. So  
18 that function, we would need to consider whether or not that's  
19 okay for that function to go away or not, and I don't have the  
20 answers to that today. But that is something that we do with  
21 that information is we let our consumer group know so that when  
22 they get calls, they can provide some assurance to the  
23 community, you know, whoever is being affected that that will  
24 be repaired and we believe it will be in such an amount of  
25 time. So we do have that function to consider, too. And that

1 would be a concern. And otherwise we'll just be taking the  
2 complaint and then you'll have to answer the complaint, I would  
3 assume.

4 MR. McCABE: Certainly. I understand.

5 MS. SALAK: I mean, it may be a tradeoff. If you can  
6 give her some information up-front -- is that something that's  
7 worked its way into your thought process is that, it's actually  
8 information that we can give? And did you consider that piece  
9 of it?

10 MS. CLARK: I would only make the observation I think  
11 it's more likely that the customers are going to call their  
12 carrier about it.

13 MS. SALAK: That could be.

14 MS. CLARK: And that's what happens with other  
15 competitive markets. So I don't see the fact that there may be  
16 a complaint here that could be helpful as a reason to continue  
17 to require it. You know, when my power goes out,  
18 notwithstanding the fact that you don't regulate the City of  
19 Tallahassee, I'm on the phone to them. I just don't see where  
20 this is helpful in any way in a competitive environment, just  
21 the notion of Consumer Affairs having it, but that's my --

22 MS. SALAK: Right. It's just that -- and I guess  
23 I'll ask you, I hate to use the burdensome word, but you're  
24 going to be notified anyway, you're going to know about your  
25 outages anyway, I assume. And just an e-mail to us saying,

1 hey, this outage is here, it can actually help you in the long  
2 run in my mind because if we have the information, they don't  
3 file a complaint, that's less work you have to do. That was my  
4 thought, but -- because otherwise you'll have to answer the,  
5 reply to the complaint, one or the other, so.

6 MR. MOSES: And in talking with our consumer -- this  
7 is Rick Moses with staff. In talking with our Consumer Affairs  
8 Department, they do get calls from people during outages. So  
9 there are a significant number of people that do call.

10 MS. SALAK: So --

11 MR. GREER: This is Stan Greer with AT&T. And I  
12 understand that they, they probably do. But, you know, in  
13 those circumstances, I mean, what do they do if they're  
14 competitive carriers or carriers that y'all don't get this  
15 information from?

16 MR. MOSES: The difference, I think, is you've got  
17 the majority of the outside plant out there as opposed to your  
18 competitors. Not many -- the cable companies have their own  
19 facilities, but you do still have the majority of the outside  
20 plants. So when you have a cable cut from a cable locator  
21 device such as a backhoe, if we know about it, we can let them  
22 know about it. If they do get calls, there's no complaint  
23 filed with your company. So if you would rather reverse one  
24 e-mail and have a whole bunch of complaints filed, that's fine.  
25 That's up to you. What we're trying to tell you is this rule

1 really is to your benefit more so than it's not.

2 MS. SALAK: At least that was our thought process.  
3 But if -- that's what we were thinking. But if you don't  
4 agree, then you would know more.

5 MR. GREER: Well, there's a couple of issues -- this  
6 is Stan Greer with AT&T. There's a couple of issues that I  
7 deal with with this rule in that, one, fiber cuts, I'm not sure  
8 whether I'm a thousand or more because generally it's, it's  
9 routed a different way and it's not an issue. But I don't  
10 know, so I send you an e-mail. And the other is the fact  
11 that -- I've lost my train of thought. Excuse me.

12 The, the question of whether or not, you know, what's  
13 going to happen if I happen to miss one, generally I get a call  
14 that says have you got a cable cut in so and so area, and I go  
15 look it up and see. I don't know. I mean, I try, I try to get  
16 the information to you as quick as I can. And I don't think,  
17 as far as I know I haven't been beat up with the fact that I  
18 may have missed one. But I get hundreds of these things all  
19 the time of somebody digging in their yard or something of that  
20 nature. As I said, they go all the way down to 25 pair for me.  
21 So I, you know, I just, I'm a little uncomfortable having the  
22 rule there, but, you know, I understand your issue on letting  
23 the Consumer Affairs bunch know.

24 MS. SALAK: Well, let me just ask it. So if this  
25 rule went away, would you still get notified of that stuff or



1 was that (simultaneous conversation.)

2 MR. GREER: I would not tell, I would not tell them  
3 to stop. I would rather know and get the information and, and  
4 make, let me make a call on whether or not it's a real major  
5 issue that I need to let you guys know about, which I would do,  
6 you know, if we hear anything, anything anyway.

7 MS. SALAK: Okay. How about the other ILECs? Is  
8 this a function that would go away or one that you'd still  
9 maintain and -- I'm trying to figure out if we're just talking  
10 about forwarding an e-mail or if we're talking about a workload  
11 situation.

12 MS. KHAZRAEE: This is Sandy Khazraee with Embarq.  
13 I'm not really sure what decision we would make, but it's  
14 certainly one that we would no longer need to be involved in  
15 and we would not need to get those e-mails anymore. That's the  
16 only reason we deal with them is because we're required to  
17 report them to you because the FCC reporting is done in a  
18 different location, not through us.

19 MR. MOSES: Sandy, this is Rick Moses. Yours comes  
20 directly out of your network operation centers. I don't even  
21 get e-mails from you. So it's --

22 MS. KHAZRAEE: But we keep them all and we deal with  
23 them because they go to you.

24 MR. MOSES: Okay.

25 MS. KHAZRAEE: So.

1           MR. O'ROARK: This is De O'Roark with Verizon. Beth,  
2 I'm not sure what we would do. But I guess this kind of comes  
3 back to a point made previously that even if there's no rule,  
4 that doesn't mean that we can't voluntarily send you e-mails  
5 when it makes sense to let the public know. And that may be a  
6 better way to proceed here.

7           MS. SALAK: Tom.

8           MR. McCABE: Tom McCabe. You know, I don't  
9 necessarily have a problem with the rule. My only problem  
10 would be in terms of you have a very limited number of people  
11 and it would have to come to me and then it comes to you. So,  
12 I mean --

13          MS. SALAK: Okay.

14          MR. McCABE: -- it's not a concern.

15          MS. SALAK: Okay. Thanks. I have to tell you, still  
16 the confusion about what's reported to the FCC, I'm still hung  
17 up on that.

18          MR. MAILHOT: Page 3, Availability of Service. I  
19 don't know that we had any specific questions about that. I  
20 assume your main disagreement with the rule is just the concept  
21 that it shouldn't apply to a competitive company.

22          MS. CLARK: This is Susan. Yes. I figure shaking of  
23 the head is not going to get it to the, to the tape, so.

24          MR. MAILHOT: Okay. Page 4, Maintenance of Plant and  
25 Equipment. I don't believe we have any specific question about

1 that rule. Yes.

2 MS. PERRY: Gail Marie Perry with the Communications  
3 Workers of America. I think I spoke a little bit earlier in  
4 regards to the maintenance of the infrastructure, and we do  
5 believe this is a concern. I can bring you to just about  
6 anyplace where my members are and ask them on the spot without  
7 asking them in advance or letting them know in advance, if we  
8 had a whole bunch of money to fix the plant, what, what is the  
9 worst plant in your area, and they'll, they'll be able to point  
10 it out to me. And we just want to make sure that those areas  
11 do stay maintained so that everybody has access to the  
12 communications network.

13 MS. SALAK: Well, I guess I'll ask a naive question  
14 then. ILECs, do you have a plan -- I mean, currently I would  
15 assume that you have a plan that talks about safe, adequate and  
16 continuous service. But is it -- well, maybe it's not -- do  
17 you have a 95 percent guideline or how often service has to be  
18 intact? I mean, I would assume over time that you don't have  
19 the 100 percent requirement which sounds like this has anymore.  
20 Do you have internal guidelines on how often something has to  
21 be maintained and all that?

22 MR. GREER: This is Stan Greer with AT&T.

23 MS. SALAK: Yes.

24 MR. GREER: We have internal measures that the  
25 network folks have that look at, you know, troubles and

1 interruptions and things, and we have groups that, that look at  
2 chronic problems or they look at, you know, we're continuing to  
3 see troubles on this piece of facility, our network folks,  
4 that's what they do. So, I mean, that's their effort is to try  
5 to ensure that we have available services to their customers  
6 because that's the way we make money. Now, granted, there is  
7 always some level of balancing between the amount of dollars  
8 you have versus what you can do. And so they sequence plans  
9 and projects throughout, throughout the time to comply and get  
10 the service out there that they can, that they need to provide.

11 MS. CLARK: Cindy, this is Susan Clark. Just  
12 listening to the questions about what the companies may or may  
13 not have, I just, I guess it brings me back to the idea that  
14 these sorts of things and their decisions and their  
15 requirements to provide good service are going to be driven by  
16 the competitive market, as it should be. Whether or not they  
17 have these -- whether or not you're looking to that for the  
18 assurances that these rules should go away I don't think is the  
19 right way to look at it. Is competition going to do these  
20 things such that regulation no longer needs to?

21 MS. SALAK: I thought, I truly thought it was an  
22 opportunity for you to answer, to respond to some concerns that  
23 were being expressed.

24 MS. CLARK: Okay. Okay.

25 MS. SALAK: And --

1 MS. CLARK: Well, I guess it would be helpful to us,  
2 too, to know if there are any concerns that you may have that  
3 the competitive market will not accomplish something that you  
4 think is important. I mean, we see this workshop as sort of  
5 getting better, better information as to what may be of concern  
6 to you as well.

7 MS. SALAK: Well, I will say that earlier today when  
8 we were talking about competition, everybody said that  
9 competition was based on price and there was some alluded,  
10 allusions to quality of service but not as the main focus of  
11 what people are going for. So if it's based on price and  
12 you're trying to keep prices down, then obviously your revenues  
13 aren't going to be as high so you won't have as much money to  
14 spend on maintenance and other type items. So carry that a  
15 step further, and then you have areas that are highly  
16 concentrated in competition and then you have areas that  
17 aren't. And because -- it would seem that for quality of  
18 service purposes that you would, because it's price and quality  
19 of service, that that's a driver of competition, that that's  
20 where you would see your maintenance put. And there might be  
21 some less maintenance in areas that aren't as competitive. You  
22 don't have as many competitive choices. That would be a  
23 concern.

24 MR. O'ROARK: This is De O'Roark with Verizon. You  
25 know, talking about somebody who's not here is always easier to

1 do -- wireless. As you know, in particular if you go back  
2 several years ago, lots of quality of service concerns, dropped  
3 calls and all that, and Verizon Wireless's tagline is "Can you  
4 hear me now?" They're competing on quality of service, and we  
5 have to do that too. And I think that's where you come back  
6 around to competition being able to displace these kinds of  
7 regulatory requirements. If we don't provide the quality of  
8 service that the customers demand, we're going to pay for it in  
9 the marketplace. And, you know, that, I, I understand that  
10 that can sound a little theoretical to somebody who gets, deals  
11 with customer complaints a lot. But I think the wireless  
12 industry is an example of how customers, companies really do  
13 compete on quality of service and have to.

14 MR. MOSES: De, this is Rick Moses. I think what  
15 Beth is saying though -- and you're mentioning wireless. That  
16 may be an alternative. But there are areas of Florida that are  
17 rural that now that the carrier-of-last-resort is going away  
18 and it's sunseting, there's going to be people out there that  
19 don't have either. And it's expensive for you to serve those  
20 areas and we're concerned that those areas are still served.

21 MR. O'ROARK: De O'Roark again. Rick, fair point.  
22 But, again, I'd circle back to sort of a prefatory comment that  
23 these rules are only going to kick in in markets that you  
24 determine are competitive. So if it's some rural market where  
25 there really is insufficient competition, you're protected.

1 MR. MOSES: Okay.

2 MR. McCABE: Tom McCabe with TDS. I guess I look at  
3 things a little bit different in terms of we serve rural areas.  
4 I mean, that's predominantly our marketplace. And we operate  
5 on a national basis. I mean, we don't differentiate and say,  
6 okay, we're going to treat, we're going to have policies and  
7 procedures in place that are going to create a poor level of  
8 service in Quincy compared to Georgia or some other state. I  
9 mean, we do things trying to gain efficiencies by  
10 standardization. And, you know, I think we, there are some  
11 assumptions that without service quality rules you're going to  
12 turn around and provide bad service, and I don't think that  
13 there's any real evidence that that's the case.

14 Certainly when you look at -- we look at customer  
15 loyalty when we look at customer surveys in terms of whether  
16 we're meeting those customer needs. And our customer loyalty  
17 results in Florida are not significantly, if any, different  
18 than they are, say, in Georgia where I don't have a lot of  
19 these same requirements. So I think we're making an assumption  
20 that by eliminating these requirements then you have bad  
21 service. And we don't think we're going to be providing bad  
22 service.

23 MS. SALAK: I wasn't implying that you would provide  
24 bad service.

25 MR. McCABE: No, I wasn't --

1 MS. SALAK: I'm just saying the pressures might be a  
2 little different. That was all I was --

3 MR. McCABE: But I'm just pointing out that we don't  
4 have a lot of these requirements in other states, yet we don't  
5 see significant issues in other states that we're not  
6 providing, you know, service that isn't as good as what we have  
7 here in Florida. That's all.

8 MS. WILLIS: Bettye Willis with Windstream. I'd like  
9 to echo Tom's remarks because we too provide service in rural  
10 markets. And as Stan indicated for Windstream, we also have  
11 some internal measurements and those dictate what we do in  
12 terms of what we think we need to do to provide adequate  
13 service for our customers, and we, we do that across all of our  
14 16 states. And we don't -- we have not done anything that  
15 would make us provide bad service here. We, we -- the things  
16 that we have internally determine our service, and we have  
17 customer satisfaction type surveys and those sorts of things  
18 that help us gauge what our customers deem to be appropriate  
19 service and that's what we base what we do on. So I agree with  
20 Tom that there seems to be an assumption that we're going to  
21 provide bad service if we don't have these rules in place, and  
22 that's not the case at all.

23 MR. TWOMEY: Mike Twomey again for AARP. Let me make  
24 a couple of observations. We're not here concerned about the  
25 cell companies because this Commission doesn't have any



1 jurisdiction over them. That's just, that's it plain and  
2 simple. It's not that we couldn't in this state have  
3 jurisdiction over elements of cell service if we pass statutes,  
4 and we can't, we can't know that that will never happen. But  
5 the bottom line is that you don't have, this Commission doesn't  
6 have jurisdiction over cell companies. And we find it a little  
7 wanting to suggest that because you can't regulate cell phone  
8 companies that you shouldn't regulate companies that you  
9 clearly have statutory responsibilities for, which is the ILECs  
10 primarily and CLECs to a far greater -- or lesser extent.

11           The -- a lot of -- I'm not -- I don't propose to go  
12 through and comment on each and every one of the rules that we  
13 see as affecting quality of service. We can do that in our  
14 comments. However, a lot of the rules that you have now that  
15 we are concerned to see that you maintain are objective. They  
16 deal with objective standards such as a company answers  
17 95 percent of its calls within 30 seconds, things of that  
18 nature, if service is provided within so many days, outages are  
19 corrected within so many hours or days and that kind of thing,  
20 a certain percentage. We like that.

21           And these companies aren't here arguing today through  
22 their joint petition that the numbers are unreasonable, that it  
23 shouldn't be 95 percent of calls answered within 30 seconds but  
24 rather 85 percent answered within 90 seconds or whatever. No.  
25 They're saying that they shouldn't be there at all.

1           Now we take from that that they want to provide  
2 something less than what's required by your rules now. If they  
3 were willing to keep providing, and that is assuming they're  
4 doing it now because we know, most of us know there are some  
5 companies at times that have a hard time always meeting the  
6 rule requirements. But if they were willing to keep the  
7 requirements and meet the requirements that you have by rule  
8 now, they wouldn't be trying to get rid of them in our view.  
9 So we don't buy the argument that they will maintain the same  
10 level of quality of service, the same level of readiness to  
11 repair, provide service and that kind of thing, without the  
12 rules as they must under the current rules.

13           MS. SALAK: Well, let me ask, in a competitive market  
14 do you think that they should?

15           MR. TWOMEY: Beg pardon?

16           MS. SALAK: In a competitive market do you think you  
17 should? I mean, by virtue of your comments -- I mean, they  
18 all -- I mean, they all have goals. But do you think they  
19 should be the standards that were set by the PSC or do you  
20 think they should be internal goals like their competitors?

21           MR. TWOMEY: Well, Beth, it depends on what you mean  
22 by a competitive market and whether you accept their definition  
23 of a competitive market, which would, under their definition  
24 and criteria, let them out of these rules. And as I tried to  
25 suggest earlier, AARP doesn't accept for now the argument that

1 having access, customers having access, a certain percentage of  
2 customers having access to other alternative access  
3 communication methodologies is competition in our view  
4 sufficient to do away with any of the quality of service rules.  
5 Does that answer your question?

6 MS. SALAK: I think so.

7 MR. GREER: This is Stan Greer with AT&T. As the  
8 staff is well aware, we have discussed the percentages over the  
9 last umpteen years, I'm sure, and that was part of the, part of  
10 the focus change that we went to in our SGP plan was to meet  
11 the commitment of the customer that we make to the customer and  
12 meet that commitment, not necessarily the given percentages  
13 that are in the Commission rules today. And we think that's  
14 the more appropriate avenue is to, to satisfy the customer, not  
15 necessarily focus on the individual service quality rules.

16 MR. O'ROARK: This is De O'Roark with Verizon. Just  
17 one other point in response to Mr. Twomey's comments.

18 You know, most of these rules that we're looking at  
19 now apply to ILECs and not to CLECs. The fact that the rules  
20 don't apply to CLECs, I think they would tell you does not  
21 change the fact that they take customer service very seriously  
22 and that the world keeps spinning on its axis.

23 MR. MOSES: Let me comment on that. This is Rick  
24 Moses. The problem that we have not addressed with the CLECs  
25 is they're still dependent on your ordering systems. Whenever

1 they try to place an order, there's a long period of time where  
2 you all trade back and forth information. That's the only  
3 reason these things have not been proposed to be on the CLECs.  
4 We've done service evaluations on the CLECs and they're doing  
5 quite well when it's under their control. But there's a lot of  
6 time period that goes by because you've got control of that  
7 portion of it.

8 MR. O'ROARK: De O'Roark again. I'm not suggesting  
9 that these rules should apply to CLECs. That's -- I'm heading  
10 in the opposite direction.

11 MR. MOSES: I understand.

12 MR. O'ROARK: As you say, you said that when CLECs  
13 have control, they do quite well without being regulated, and  
14 so can we.

15 MR. McCABE: Tom McCabe with TDS. I'd just make a  
16 quick comment. I mean, you're basing the assumption that the  
17 rules that you have in place today are what customers expect  
18 and that's where the difference is. You know, we think that  
19 our customer surveys, our, our surveys regarding service  
20 loyalty are good indicators in terms of how customers view the  
21 quality of service that we're providing, not necessarily coming  
22 to you today and saying we think that the rule should be  
23 85 percent for answer time. I could tell you, you know, from  
24 our studies that we've done it's quite expensive as you move up  
25 the chain in terms of answering the phone within a certain

1 period of time. And, you know, we look at it where we have to  
2 balance that objective.

3 MR. MOSES: Well, I've got to ask a really dumb  
4 question, and this is Rick Moses again. What has changed over  
5 the years for a customer's expectations to get something fixed  
6 when it breaks? Why would I accept five days or two days or  
7 whatever your time is now as compared to the 24 hours we have  
8 in the rule? Why would I expect any less? I can't switch to  
9 get it fixed because my phone is already broken. I'm going to  
10 have to pay a \$100 fee to go to somebody else in order to get  
11 installation costs. So I want to pay an additional fee to  
12 switch to somebody else that may or may not fix it any quicker?  
13 I don't know.

14 MS. CLARK: You know, if I could just answer that in  
15 general, having been on the Commission and also been a  
16 customer. You know, there may be -- they may have dug up my  
17 yard and I'm not going to get service for a while, but they  
18 say, we're going to give you a cell phone or we're going to do  
19 something that allows you to get, to compensate for that  
20 otherwise. I may be okay with it being out for a certain  
21 amount of time.

22 I think the point to be made is what should drive  
23 those decisions is the competitive market and customers.  
24 Because if they're not getting the service that they want, they  
25 will move to another carrier.

1           MR. GREER: And this is Stan Greer with AT&T. We, we  
2 negotiate with the customers on when, when's the best time for  
3 them. I mean, is it 24 hours? In some cases absolutely. Is  
4 it a day or two? For me it wouldn't matter. I mean, you have  
5 to work on what's, what's the customer's expectation more so  
6 than the individual specifics in the rule. I mean, what makes  
7 24 hours the right time? I don't think there's any dead set  
8 reason why it's 24. It's -- but our focus is more on focusing  
9 on what the customers' expectations are and what services  
10 they're looking for for the prices that they're paying.

11           MS. SALAK: Would any of the competitors like to  
12 comment on what their customers' expectations are for service  
13 quality on their telecommunications part of the service?

14           MR. GILLAN: They want their phone on all the time.  
15 You know, I mean, realistically all this is about how quickly  
16 do you respond to something that was outside of your control.  
17 People don't design bad service into their networks. You try  
18 to design a network to stay on all the time. But life comes at  
19 you fast. Sorry, it was just -- I just couldn't -- I had to  
20 have something that you can hear me now. Which, by the way, I  
21 mean, if you think about it, "Can you hear me now" is the  
22 cellular industry admitting to the world what the world already  
23 knows: Hey, our service isn't very good.

24           Now we all like it because it's mobility. But to sit  
25 in a room full of adults trying to have an honest conversation

1 and suggest that our paradigm for high quality phone service is  
2 the cellular network and that the presence of wireless is  
3 what's going to keep wireline networks high quality when  
4 there's just a fundamentally different technology in place that  
5 has the capability of different quality of service, it's kinds  
6 of misleading.

7 I mean, part of your problem here is that the ILECs  
8 are going to try and convince you that there's something out  
9 there called competition that you can reduce to a binary test  
10 that gives you a zero or a one and that you can take that  
11 binary test and then look at these rules and say, oh, this  
12 isn't needed because the binary test came up zero or this is  
13 needed and the binary test came up one. That's a fool's  
14 errand.

15 What you need to do is just continue to talk about  
16 these rules. Which ones of these are you willing to sacrifice  
17 as an agency, recognizing that you're not going to have a  
18 guaranteed result? If you get rid of a rule that requires the  
19 phones get answered in a certain parameter, maybe nothing will  
20 happen because they've already designed the systems to achieve  
21 it. And in the real world it takes, you know, they'd have to  
22 spend money to unwind that, and why would they? There may be  
23 other rules that you figure that you need for some other set of  
24 reasons about how quickly something comes back in service. But  
25 the only way you're really going to get through this is to look

1 at each one of those individually and figure out which ones do  
2 you want to keep your fingers in and which ones do you not want  
3 to. And I'm just partly here to tell you there's no such thing  
4 as a binary metric that you can look out there and a formula is  
5 going to tell you zero, one, green, red. It's just not going  
6 to happen.

7 All the ILECs are right when they're telling you it's  
8 in their best interest to provide quality of service. Guess  
9 what? They already spent the money to build a network that  
10 provides high quality service. They couldn't unwind from five  
11 nines if they wanted to today because it would cost money to  
12 make their networks less reliable. That's not the danger you  
13 should be worried about. And that's the last time I'm going to  
14 agree with them about anything.

15 MS. SALAK: But from a CLEC point of view could you  
16 comment on your quality of service and what you do to maintain  
17 it?

18 MR. GILLAN: CLECs do the same thing that  
19 Mr. Moses -- Joe Gillan, CompSouth -- that Mr. Moses pointed  
20 out. The things that are within their control they build to  
21 high quality. The things that are outside of their control  
22 they pray for. They develop plans like the SEEMs plan that is  
23 designed to make reluctant suppliers and the people on my  
24 right, some of whom used to be friends -- well, I guess you're  
25 still friends and I guess you're still on my right -- anyway, I



1 mean, to make them behave in ways that we can't count on them.  
2 You know, we can, we as wholesalers -- other retail competitors  
3 cannot rely on them to provide us wholesale services at high  
4 quality. We need institutional mechanisms like this Commission  
5 to provide that.

6 Are all the same institutional mechanisms necessary  
7 for retail services? I don't think so. Are these rules in  
8 Attachment B any different than the rules in Attachment C? I  
9 don't think so. Each one of them presents you a challenge: Do  
10 you want to keep it or not keep it? That rule in Attachment A  
11 is a fool's errand because it's not going to, it's not going to  
12 answer any of the questions you care about.

13 MR. KONUCH: And I would, I would tend to, tend to  
14 agree. I mean, the challenge for you today is to determine  
15 which of these rules are institutional mechanisms, to borrow  
16 Joe's phrase, that will ensure that, you know, the companies  
17 can provide the service that they want to provide.

18 As, as a cable telephony provider we're trying to  
19 provide the best possible service that we can provide, but a  
20 lot of times things are not within our control that we might  
21 still need inputs from the ILEC. And where there's a  
22 possibility that something can be changed that we don't have  
23 control over, that's where this Commission needs to step in.  
24 And there are a lot of rules at issue here, and, and many of  
25 them could very well impact our ability to provide our service.

1 And the challenge is to determine which, which ones those are  
2 and those -- and maintain them. And if there are ones that,  
3 that don't, don't matter, then they can be gotten rid of.

4 But that's why we're here today because not  
5 everything is completely within our control. There is still  
6 things that we need to get from other parties like the ILECs  
7 and we're here to just make sure that we can continue to do  
8 that so that we can get everything that we need to provide the  
9 highest quality service that we can provide.

10 MS. MILLER: Thank you. It's about time to break for  
11 lunch, unless somebody has something they just really need to  
12 say. And we'll be back at 1:30 starting with Dr. Taylor, and  
13 then we'll revert back after that to going through these rules.

14 (Recess.)

15 MS. MILLER: Okay. We're ready to resume the  
16 workshop.

17 Okay. From my perspective -- and this is Cindy  
18 Miller again -- that first three hours of the workshop was  
19 really productive. And I thought the discussion was, for me,  
20 really helpful.

21 I want to mention that we had asked the petitioners  
22 to provide the statute, or rule cites, or orders from the other  
23 state commissions or other states, where they had mentioned in  
24 their petition that they had taken some steps in this way. So  
25 we have copies over there, and we're getting more copies made.

1 So if anybody doesn't get one, they are on the way.

2 Other kind of housekeeping things, when you file your  
3 post-workshop comments, those will go to the clerk. And, also,  
4 the transcript becoming available on June 2nd, that will be on  
5 our web site so you will be able to get it that way. And if  
6 you can't, you're welcome to contact me.

7 Let's see if there are any other kind of initial  
8 housekeeping things.

9 Floyd.

10 MR. SELF: Hi. This is Floyd Self. The handouts  
11 that you've had today, will those be available on the web site  
12 electronically, or did you already say that?

13 UNIDENTIFIED SPEAKER: We hadn't planned to, but I  
14 guess they could be if the demand is high enough.

15 MR. SELF: It would be helpful for our clients that  
16 aren't physically here to send them that information. Thank  
17 you.

18 MS. MILLER: That sounds good.

19 MR. SELF: Thank you.

20 MS. SALAK: As long as it's recognized that that's a  
21 working document and not necessarily the final, final, final  
22 anything.

23 MS. MILLER: Right. That's something we had noted  
24 when it came up was that it was a staff document; and, of  
25 course, the Commissioners haven't reviewed it or gotten any

1 kind of approval in any way. But Dale had thought, and I can  
2 understand it, that would be helpful for people to see the way  
3 that staff was thinking on some of these rules rather than  
4 knowing it down the road.

5 Let's see. We have Dr. Taylor on the line, and,  
6 Susan, you're going to kind of introduce him, right?

7 MS. CLARK: Yes. Dr. Taylor, you can hear me?

8 DR. TAYLOR: Just fine, thanks.

9 MS. CLARK: Good.

10 Yes, Cindy. Susan Clark, and I did want to make some  
11 initial comments about the rule, which we propose to be the  
12 test to determine whether or not companies should be subject to  
13 the streamlined regulation.

14 I'm not going to read the rule, because everybody has  
15 it, but I do want to make some comments. We believe the  
16 proposed test is economically sound and ensures that no single  
17 competitor can exercise market power to the detriment of  
18 customers. The test focuses on current and prospective  
19 factors, not historical market -- not on historical market  
20 shares for declining products. It also recognizes the  
21 increasing trend of customers cutting the cord and moving away  
22 from traditional wire line services. And I think the article  
23 in the USA Today underscores that point. We believe the test  
24 is really more stringent than necessary as it focuses on  
25 current competitors and ignores entry and expansion into

1 adjacent markets by existing carriers and the potential entry  
2 of new carriers.

3 Focusing on local service access alternatives is  
4 appropriate, because the bulk of customers that currently have  
5 such alternatives will discipline the terms and conditions and  
6 service quality offerings for all the services currently  
7 subject to regulation. The test is based on households,  
8 because, as explained by Dr. Taylor, if residential service is  
9 competitive, then business services will be, as well. And we  
10 would note that this Commission, we believe, in the amendment  
11 to 25-4.002 has already made the determination that it is  
12 competitive.

13 We've talked about the lack of the presence of market  
14 power justifying moving away from these rules for those  
15 carriers in competitive markets. One thing I would like to  
16 also touch on, as we did in our petition, is that many other  
17 states have already responded to their states' competitive  
18 markets by revisiting their regulatory frameworks and making  
19 needed changes. Between October 2005 and December 2006, nine  
20 states have adopted new laws affecting the regulatory regimes  
21 of their local carriers, and 17 reviewed or adopted new rate  
22 plans for one or more of their incumbents, and 18 states  
23 deregulated the rates of certain local exchange services. And  
24 we've provided you with a list of the citations to some of  
25 them, those states we cited to.

1           Many of the states have gone further than we are  
2 proposing today, often in environments with less competition  
3 than in Florida. For example, in Texas the test to determine  
4 whether a market should remain regulated is based on the  
5 population in that market, and markets of at least 100,000 were  
6 immediately relieved of regulation and are no longer subject to  
7 regulation.

8           In Texas, markets with smaller populations are  
9 subject to a competitive test. We understand that there are  
10 additional states that have or are developing competition  
11 tests.

12           It is also worth noting that many of these states are  
13 rural and/or less populous than Florida and enjoy a less  
14 competitive market than in Florida, yet those states have found  
15 that existing competition is sufficient to discipline the  
16 market and have move forward with lessening unnecessary  
17 regulation. If reduced regulation is appropriate and has been  
18 successful in those states, it is certainly appropriate and  
19 will be successful in Florida.

20           I do want to turn to some points that were brought up  
21 this morning. The petitioners wish to make it clear their  
22 intent is not to impact service provided wholesale to other  
23 parties represented here today by CompSouth and others. The  
24 focus of what we are requesting by our petition is retail  
25 service.

1 I would now like to turn it over to Dr. Taylor to  
2 discuss in more detail the appropriate test to determine if a  
3 market is competitive. I would also ask him to address another  
4 point made this morning, and that is the need to maintain what  
5 has been called institutional controls, and by that I interpret  
6 it as regulations, that apply only to one carrier in a  
7 competitive market as a means of assuring that that carrier  
8 maintains an appropriate quality of service.

9 And with that, I'll turn it over to Dr. Taylor to  
10 walk through the rule and the test briefly.

11 DR. TAYLOR: Okay. Thank you, Susan. You've  
12 summarized most of what I thought I was going to say. Let me  
13 address, first, the point that you just asked me to, namely the  
14 need to maintain institutional control for quality of service,  
15 by which I think we mean retail quality of service, because  
16 nothing here is aimed at changing the rules for wholesale  
17 quality of service.

18 Retail quality of service from an economic  
19 perspective is just the other side of the coin from price in  
20 some respects. When you talk about regulation, you generally  
21 talk about price regulation and market power being the ability  
22 to raise price. You could just as equally be saying the  
23 ability to lower quality, and the two are flip sides of the  
24 same coin in some respects. Ergo, what we will show here in  
25 Florida is that because there is no market power for any firm

1 in the markets for which the companies are asking for some  
2 removal of quality of retail service regulation, because they  
3 don't have market power they also don't have power over  
4 quality. And, of course, what that means is that there are  
5 wireless carriers, and cable carriers, and CLECs, and all sorts  
6 of people who provide service and provide alternatives for  
7 customers if they don't like the service they're getting.

8           Now, that's one side of it. That's why there is no  
9 harm where there is no market power in relaxing service  
10 quality. There is a huge advantage, or a huge importance of  
11 relaxing service quality in circumstances like this, and that's  
12 because of the dangers of asymmetric regulation. Back in the  
13 old days when the Bell System had a monopoly, so to speak, one  
14 could set service quality regulations wherever you wanted to.  
15 It was sort of a regulatory fiat that determined what that  
16 service quality might be. Even back then we didn't know, the  
17 companies didn't know, the regulators and the staff didn't know  
18 what the costs and the benefits were from small changes in  
19 service quality. We just figured better quality is more  
20 desirable and so let's hold them to a pretty high standard,  
21 which worked out okay.

22           It doesn't work out okay in competitive markets where  
23 people have a choice. If they don't want to pay money in order  
24 to be able to have 80 percent of their calls to the business  
25 office answered within 30 seconds, they don't have to. They



1 can go to some carrier that doesn't, an unregulated carrier  
2 that doesn't provide that quality of service. And it's very  
3 dangerous to have service quality regulation of that kind in a  
4 market that is open to competition and for which the rules  
5 don't apply to everybody.

6 Now, we may well have gotten it wrong in Florida that  
7 customers just may not be willing to pay for that level of  
8 quality for calls to the business office; and, therefore,  
9 carriers that have to provide it are at a competitive  
10 disadvantage to carriers that don't. Well, that's my story of  
11 sort of service quality.

12 Let me give you the quick economic logic that I think  
13 is going on here, because there is one piece of it that is  
14 possibly misleading. The logic is we show, I show that there  
15 is no ability to raise price, no market power, or in those  
16 markets where there is no market power, that relaxing certain  
17 regulations makes sense. So, in a sense, that's a little slow.  
18 What we would have said as economists was once these markets  
19 were opened to competition, forget whether customers have  
20 alternatives, forget whether there is market power, once it's  
21 opened to competition, there are many rules that could be  
22 relaxed and should be relaxed so that the competition that we  
23 get is competition on the merits and not competition distorted  
24 by regulatory rules.

25 Now, obviously, some of the rules have to do with

1 control of service quality. For example -- sorry, control of  
2 market power, service quality being an example. And for rules  
3 like they should be in place until you can show there is no  
4 market power. So that's the link here, that we deal with a  
5 showing or a rule based on an assessment of market power.

6           The assessment that we make is a fairly simple one.  
7 I guess I should say before I go into the assessment that in  
8 most cases where we're talking about market power and relaxing  
9 regulation, we're really talking about removing price  
10 regulation. And I guess it's important to realize that that  
11 isn't what we are doing here. There will come a time, I'm  
12 sure, for all of the companies in Florida that such a showing  
13 will be made and people will be making that argument, but that  
14 isn't what's going on here. And if nothing else, it's  
15 important to recognize that there are a lot of rules on the  
16 list that really have nothing to do with the presence or  
17 absence of market power and could be dispensed with  
18 irrespective of what we decide, what you decide, staff,  
19 Commission, on the state of market power in Florida.

20           All right. That said, how does this thing, this test  
21 work? Well, it's different from a formal antitrust market  
22 power test. It's essentially a trigger that has the advantage  
23 that it's actually doable in a finite period of time. I mean,  
24 I don't think people in that room, the room that you guys are  
25 in, will ever agree whether the competitive glass is half full

1 or half empty, no matter what showing is made. But you can  
2 agree on triggers, and you can agree whether or not customers  
3 in a particular area have three local alternatives, and you can  
4 count noses and see whether two-thirds of the households in  
5 that area have access to three or more.

6           So the advantage of having a trigger is that it can  
7 actually be done in finite time as opposed to going through  
8 market by market trying to do an antitrust study of market  
9 power, doing a hypothetical case of what would happen if prices  
10 were held five percent above a competitive market level for  
11 some period of time. So this is a doable thing to do. That's  
12 the reason we have the trigger nature of this test.

13           As Susan explained, and as I'm sure you read, it  
14 comes in two flavors, or there are two parts to it. The first  
15 looks at streamlined regulation in a market, and that takes the  
16 market perspective. It says, effectively, what proportion or  
17 how many customers who actually buy services in that market  
18 have access to three or more alternative carriers. So it's a  
19 measure of competition in a market based on households, which  
20 is the way that local service is bought in this market as  
21 opposed, for example, to access lines.

22           One of the problems that we have in this intermodal  
23 world is that competition measured by access lines may not make  
24 much sense when you have the cable companies and wireless  
25 companies and companies that provide broadband services that

1 translate into many access lines. Access lines are not a fair  
2 measure of what competition is doing in a market.

3           The second half of the test, Part Two, is  
4 company-wide. It says that if a particular company has  
5 two-thirds of its access lines -- again, this is access lines,  
6 because that's a convenient way to measure for a company the  
7 fraction of its -- a wire line company for the fraction of its  
8 business that is subject to competition in a market. So lines  
9 is convenient for that. In that case all of the rules, or the  
10 rules would be omitted, would be removed for all of the  
11 territory or the markets in which that carrier serves.

12           Well, that's the overview. Somebody yell when I'm  
13 taking too much time. I can't see your faces, so it's hard to  
14 tell.

15           On the market power issue, the difficult thing, or  
16 the different thing here is that this move toward streamlined  
17 regulation is being justified in our rules, the proposed rules,  
18 by the presence of competition; that is, it's not looking at  
19 the market share. It's not a backward-looking test; it's a  
20 forward-looking test. The issue is whether given a change -- a  
21 desire to change prices, whether customers who wanted to switch  
22 in response to a price change have an alternative to switch to.  
23 So that's a structural test, if you like. Are there  
24 alternatives for customers to turn to?

25           Now, in telecommunications it happens that because we

1 have large fixed costs, all carriers do now. This is ILEC,  
2 CLEC, wireless, cable, probably not VoIP, but almost all of the  
3 carriers we're talking about have large fixed costs. And the  
4 nature of that is you don't have to lose very many customers  
5 when you try to raise a price to make that price increase  
6 unprofitable. Because when those customers leave, the revenues  
7 go with them. They don't pay you anymore, but they don't take  
8 any costs with them. And that means that compared to an  
9 ordinary firm or ordinary technology with lots of variable  
10 costs, the standard by which a price increase becomes  
11 unprofitable is much easier to meet in telecom than it is  
12 anywhere else.

13 Another element is often in states where the subject  
14 is price deregulation, and we're doing market power tests for  
15 price deregulation, a concern arises for pockets. I mean, it's  
16 more a concern about the definition of the market, of the  
17 geographic market or the product market. But a concern is what  
18 do you do about pockets of rural customers who may not have the  
19 same alternatives that you do in a large urban area, or for  
20 some particular services for which there may not be not many  
21 alternatives so that people would have a limited choice if  
22 somebody tried to raise a price.

23 Well, there is less concern in the current case where  
24 we are talking about rules than there would be if we were  
25 talking about price, because it's difficult to think about the

1 relaxation of rules in a way that a company that had pockets of  
2 customers in a rural area didn't have a choice but could take  
3 advantage of that in a way that they could conceivably take  
4 advantage of it, but unlikely, by changing prices in that area.

5           The fact that struck me when I looked at the rules  
6 was how many of them only made sense on a company-wide basis;  
7 that is, you can't think about changing accounting rules, for  
8 example, for particular geographic areas of a company. You  
9 know, it doesn't make sense. And for that reason, the details  
10 of geographic and product market definition are probably less  
11 important here than they might be if we were talking about  
12 relaxing price regulation.

13           Let's see. We went over the service quality rules,  
14 which was, I think, the last thing on my list.

15           Well, I guess I should say what I've been going over  
16 was the attachment to the company's filings, Attachment D,  
17 which is my affidavit, sort of the economic reasoning behind  
18 all of this. There is also attached to, I think, the same  
19 filing was a report that Harold Ware and I did on intermodal  
20 competition in Florida. In fact, the second of those, which  
21 shows, I think, why this effort to change rules is so  
22 important, just because the competitive landscape is so  
23 important and so broad-based across Florida. And in addition  
24 to that, though I don't think anybody filed it here, I'm sure  
25 you all are aware of the Florida staff competition studies

1 which are filed every year or so, which also show -- give a  
2 basis for the extent of competition that we have in Florida.  
3 And I think those two documents together make a very good case  
4 for why we're here and why the rules ought to be changed.

5           The main reason we have to change the rules, given  
6 all of this, is that asymmetric regulation, regulation now  
7 between wire line carriers who can be regulated by the  
8 Commission, wireless carriers who largely cannot, cable  
9 companies, I'm not sure quite where they fit, and VoIP  
10 suppliers, I'm not sure what regulatory authority you have over  
11 them, either. But in any case, whenever you have vigorous  
12 competition under asymmetric rules, you're going to get results  
13 that you don't intend and that make customers worse off.

14           So that's my summary. I would be delighted to answer  
15 questions.

16           MS. MILLER: Thank you. Let's see if we have some  
17 questions. I don't know if you've studied our situation in  
18 Florida, but do you think that, you know, most of the companies  
19 would already meet the test, or have you looked at that at all?

20           DR. TAYLOR: Well, if you look at our, Harold and my  
21 NERA report, it does have -- I think we have some things by  
22 company territory. And, you know, obviously, we would have to  
23 do it -- the companies would have to do it one at a time, but  
24 the overall numbers that I have in that report suggests that  
25 it's fairly likely.

1           For example, just look at wireless, 99 percent of  
2 households have three or more carriers, 99.8 have two or more  
3 carriers. These are Florida numbers. For broadband, 99  
4 percent of zip codes in Florida have four or more broadband  
5 providers; therefore, can get VoIP in competition for local  
6 service. For cable telephony, 85.9 percent of homes passed  
7 have cable telephony in Florida. Those are all numbers from  
8 the NERA report from the -- I guess it was the 1996, I don't  
9 know if that's the most recent, Florida staff study. What is  
10 it, out of 277 exchanges in Florida, 273 have two or more CLECs  
11 providing service; 259 have three or more CLECs.

12           So if you are just counting noses, we've got  
13 wireless, we have broadband, we have cable telephony, and we  
14 have CLEC. Those are four noses and they are available widely.  
15 Penetration is in the 90s across Florida. That may not  
16 translate -- you may find particular rural areas where none of  
17 them are particularly dense, but still -- yeah, I would expect  
18 that it would be likely that most carriers would pass the test  
19 that's proposed here in most areas of their service  
20 territories.

21           MS. CLARK: Cindy, this is Susan Clark. I can answer  
22 that maybe more specifically. We did some preliminary  
23 assessments, and we think that, yes, that the companies who are  
24 part of this petition would likely qualify. But, of course,  
25 they will have to do the research to get the data and do the



1 analysis and provide it as part of the petition.

2 MS. MILLER: Okay. Let's just go around the room  
3 here, Dr. Taylor, and we'll see if there are any more  
4 questions.

5 Mike.

6 MR. TWOMEY: Good afternoon, Dr. Taylor. I'm Mike  
7 Twomey. I represent AARP in this proceeding, an organization  
8 which has very close to three million Florida members now.

9 I thought I heard you say that under the conditions  
10 of telecommunications competition that you see existing in  
11 Florida today that under asymmetric regulation that consumers  
12 or customers would be disadvantaged. Did I hear you correctly?

13 DR. TAYLOR: Yes.

14 MR. TWOMEY: Okay. My question to you is this: You  
15 should be aware that the ILEC rates in the state of Florida  
16 today are, essentially, frozen, absent inflation increases, and  
17 that we have, as you are aware, I think, under the present  
18 regulations what I would consider to be fairly strict quality  
19 of service requirements by this Commission. That is, in terms  
20 of the number of calls that have to be answered by the company  
21 in so many seconds, the time limits within which service has to  
22 be provided, initiated, repairs made, and that kind of thing.

23 Those requirements under the rules for quality of  
24 service exist now and will remain that way unless changed by  
25 this Commission. The prices remain the same. I took from most

1 of your comments that quality of service would necessarily be  
2 degraded if the rules were changed as the joint petitioners  
3 wished. If that's the case, how can consumers be worse off  
4 than they are now?

5 DR. TAYLOR: Okay. Easy answer. First, let me just  
6 say I wouldn't assume necessarily that quality would be  
7 degraded. I gave you the example of 80 percent of calls  
8 answered in 30 seconds. Where my sense is in a competitive  
9 market, that isn't what people are willing to pay for. When  
10 you call the airline, 30 minutes is closer to the answer than  
11 30 seconds. But the way that consumers are better off is that  
12 if carriers compete over both price and quality of service.  
13 And it may be that the ILEC rates are frozen, but there is  
14 nothing that the state commission can do to freeze wireless  
15 rates; and, therefore, what the market would move to if these  
16 quality of service regulations were removed is a pair of price  
17 and quality of service that customers would be willing to pay  
18 for; that is, if wire line companies figure out that if they  
19 degrade their service in a sense of how long it takes to answer  
20 a phone at the business office and drop the price, that they  
21 can compete better against wireless carriers, then they are  
22 better off and customers are better off.

23 You can't sort of nail a level of quality of service  
24 and say that's the right quality of service, force one carrier  
25 in a competitive market to provide it, and say, you know, any

1 degradation of that quality of service is going to make  
2 customers worse off. Well, it isn't. It's going to make  
3 customers' quality of service lower, but if it does, it will  
4 make their price lower, as well, and it may well be that they  
5 prefer it.

6 MR. TWOMEY: Yes, sir. But you are not aware of any  
7 discussion of any of the ILECs decreasing their rates for  
8 anything in connection with this proceeding, are you?

9 DR. TAYLOR: No. Nor am I aware of any statement  
10 they would make requiring or suggesting that they were going to  
11 degrade service. Mine is a theoretical point that we don't  
12 know what customers are willing to pay for quality of service,  
13 and it may well be the case that we've set that quality of  
14 service too high or too low, who knows. But have I heard --  
15 well, to answer your question directly. Have I heard anything  
16 about cutting prices, I haven't. But look at the numbers in  
17 the study. ILECs and CLECs are losing access lines in  
18 aggregate. So that's not going to go on forever. Losing an  
19 access line, as I say, is very unprofitable because you lose  
20 the revenue, but you don't lose the cost.

21 MR. TWOMEY: Thank you.

22 DR. TAYLOR: Sure.

23 MS. SIMMONS: Dr. Taylor, this is Sally Simmons on  
24 the Commission staff, and I had a question for you.

25 DR. TAYLOR: Sure.

1 MS. SIMMONS: I've heard some concerns that the  
2 situation in terms of how competitive the market may be could  
3 well vary for residential customers as compared to business  
4 customers. Could you comment on that, because I don't believe  
5 your test differentiates between residential customers and  
6 business customers. I believe it's a composite of the two. So  
7 could you comment?

8 DR. TAYLOR: Actually, I don't think it is a  
9 composite as I understand the test. And, Susan, check me if  
10 I'm wrong, that the test is based on residential access lines.  
11 Am I correct, or are we talking about total access lines?

12 MS. CLARK: We were talking about residential access  
13 lines.

14 DR. TAYLOR: Right. We're talking about households  
15 in the first instance and residential access lines in the  
16 second. So it's not a composite. It's on the residential  
17 side.

18 I think I agree with you that in many respects --  
19 well, in some respects, competition has progressed more for  
20 business customers than for residential customers for the  
21 obvious reasons that business customers are where the money is.  
22 They tend to be in denser central business districts and they  
23 tend to have more business. So, you know, you can hook up a  
24 DS-1 to a business location. You probably can't for a  
25 residential location.

1           That said, there is plenty of competition in the  
2 residential market and most of the intermodal competition that  
3 we're talking about, most people would agree is aimed today,  
4 primarily, at the residential market; that is, wireless and  
5 cable, cable initially, because that is where their service  
6 territory initially built out. Wireless because -- well, we  
7 all have one. So looking at competition measured by -- in this  
8 trigger, measured by proportion of households that have  
9 alternatives, in a sense is a conservative way of looking at  
10 it.

11           I think that's also borne out in the Commission  
12 staff's study for CLECs. So for intramodal stuff where, if I  
13 remember the numbers right, the last 1996 -- 2006 business CLEC  
14 line share was about 33 percent. CLEC resident share was about  
15 seven percent. So, you know, if you're basing your trigger on  
16 what's happening in the residential market, that's fairly  
17 conservative, I would think, given that the business market  
18 appears to be certainly more competitive than the residential  
19 market.

20           MS. SIMMONS: Dr. Taylor, I have a follow-up  
21 question. I mean, I understand particularly you're talking  
22 about the statistics from the Commission's competition report,  
23 and there would appear to be a higher market share of CLECs in  
24 the business area. I guess what I've heard recently, and you  
25 kind of alluded to it, you were talking about intermodal

1 competition and how that has really helped residential  
2 customers.

3 DR. TAYLOR: Yep.

4 MS. SIMMONS: More so than business customers. I've  
5 recently heard concerns that business customers may not  
6 actually have as many practical alternatives as residential  
7 customers. Could you comment on that?

8 DR. TAYLOR: Sure. For the two intermodal platforms  
9 that most people are talking about, namely cable and wireless,  
10 it is certainly true that those two platforms were in the past  
11 aimed more at residential customers than at business customers.  
12 Both of them, however, having matured are providing service and  
13 proposing to provide service for business customers, as well.

14 Certainly, business customers -- let's take wireless  
15 first. Just as many households have both a wire line phone and  
16 a wireless phone, most businesses, people who work in those  
17 business have business wireless phones, some more than others.  
18 Plumbers, people who drive around a lot have almost nothing but  
19 wireless phones.

20 A wireless carrier, Nextel, grew up with a marketing  
21 plan that went only to business, or essentially to business,  
22 the push-to-talk feature, if you remember. And it was aimed  
23 almost exclusively at business customers. And you may not find  
24 too many businesses that don't have some kind of wire line or  
25 broadband connection to their premises, because they have such

1 need for data as well as voice. But, certainly, wireless does  
2 take up many of the calls that a business would have made on a  
3 wire line case.

4           For cable what we have is, I think, if you look at  
5 the web sites of Cox, particularly, and Cablevision, Comcast,  
6 Bright House, they all have sections devoted to business that  
7 you can -- there are citations in the trade press from Comcast  
8 and Cox vice presidents saying that's where the money is going  
9 to come, where the growth is going to come in the future,  
10 because the revenue is so high that you attach to a business  
11 location, and much, much more business comes from that than  
12 attaching even to a multiple dwelling unit, an apartment house  
13 or something like that.

14           So if we were to try to measure penetration, I think  
15 you would still find that the share of businesses that are  
16 exclusively wireless is probably pretty small. The share of  
17 businesses who get all of their service, local service,  
18 including data from cable is probably comparatively small as  
19 compared to the residential side. But the infrastructure is in  
20 place, and the companies are moving in that direction. So if  
21 you're looking at the ILEC or a CLEC's ability to raise its  
22 price for business services based on the fact that businesses  
23 have no alternatives, well, that's probably not a particularly  
24 good solution in the long run, that customers do have  
25 alternatives and will make more use of them if people attempt

1 to raise price.

2 MS. MILLER: Okay. Let's see if there are any more  
3 questions.

4 MS. SALAK: Could you just comment on -- the way the  
5 rule is written, it basically says you have to have three local  
6 service access alternatives. And it's my understanding that an  
7 affiliate could be considered an alternative. And then, of  
8 course, bundles are offered by the affiliates. I'm just  
9 wondering does that give you any cause for pause at all?

10 DR. TAYLOR: Not really. It certainly doesn't for  
11 the affiliate of the ILECs that we're most familiar with,  
12 namely the wireless affiliates, I guess, for AT&T and for  
13 Verizon. The wireless affiliate doesn't bother me, because the  
14 wireless affiliate isn't tied to any particular geographic  
15 area. It competes across, you know, a wide area, not just  
16 Florida, the national market. Plus they all compete with  
17 themselves and with unaffiliated carriers, like Sprint, who,  
18 you know, have no wire line service that they would want  
19 somehow to coddle.

20 So, I think in the wireless case, I don't see a  
21 problem at all. The only other affiliate that I can think of,  
22 and I guess I don't know enough facts to really answer this, is  
23 some ILECs have CLEC affiliates that are used for various  
24 purposes. And for those, I guess it might be fact specific.  
25 It's hard to imagine a CLEC affiliate of an ILEC competing with



1 the ILEC in its territory in a way that, you know, you really  
2 shouldn't count it as a competitor because they are owned by  
3 the same firm. But that would be fact specific. I mean, I  
4 could imagine a CLEC affiliate of an ILEC that mainly competed  
5 out of region, for example, or out of the ILEC service  
6 territory. For that, that wouldn't bother me. But, anyway,  
7 the bottom line is wireless affiliates, fine. CLEC affiliates,  
8 fact specific.

9 MS. SALAK: Okay. You talked about wireless and you  
10 talked about CLECs. What about broadband?

11 DR. TAYLOR: Ah. Well, broadband is interesting. I  
12 think the way the companies have proposed the rule, they would  
13 not count a broadband affiliate service as an alternative. On  
14 the other hand, I probably would, in the sense that once you  
15 have a broadband connection, you can have VoIP service over  
16 that broadband connection from anybody. You know, you can get  
17 it from the ILEC that gave you your broadband connection or  
18 from the cable company that gave you the broadband connection,  
19 but you can also get it from Vonage. So that gives you, you  
20 know, an alternative for local service once you have the  
21 broadband connection, irrespective of who you get it from.

22 MS. SALAK: Let me just ask the ILECs a question real  
23 quick. Is that true about broadband, you would not use an  
24 affiliate?

25 MS. CLARK: I think the key is that they have access

1 to -- I can't think of how we said it in the rule. Certainly,  
2 if they have broadband, then VoIP can be put on that service,  
3 but not everywhere broadband is deployed necessarily currently  
4 has the access to voice service.

5 MS. SALAK: So is Dr. Taylor correct in the  
6 statement, though, that that is not intended in this rule that  
7 any affiliate broadband would be considered -- would not be  
8 part of the test? That's what I heard him say. I just -- I  
9 don't see that in the rule, and I just was wondering if that  
10 was --

11 MS. CLARK: I want to get the rule in front of me.

12 MS. SALAK: Okay.

13 DR. TAYLOR: Well, let's see. Maybe the way to read  
14 it is if there were a broadband offering without a voice  
15 component, then that's not local telephony service. Now, how  
16 you would have a broadband offering without a voice component  
17 is an interesting question. You know, you can get a broadband  
18 service with a voice component. For example, that's what cable  
19 telephony, digital cable telephony is. The only example I can  
20 think of is possibly DSL if you did not have unbundled DSL, so  
21 you were required to buy your DSL provider's local service to  
22 get the DSL service. It seems to me, then, the DSL service  
23 certainly shouldn't count as extra local service, because it's  
24 not really an alternative. Maybe that's what I was thinking.

25 MS. CLARK: I'm going to let Tracy answer your

1 question so we're clear. I mean, the issue is whether or not  
2 the broadband has -- you can get naked broadband, which doesn't  
3 have the voice capability.

4 MR. HATCH: If I understand your -- this is Tracy  
5 Hatch with AT&T. If I understand your question, Beth, is that  
6 does a broadband connection in and of itself qualify as a local  
7 service alternative? The answer to that is not necessarily.  
8 If there is a voice component over that broadband facility,  
9 then, yes, it is a voice alternative. You can get naked DSL,  
10 which means you don't have a voice component with it. But once  
11 you have that, then you can secure a voice alternative, and  
12 there are a number of them out there, such as what was  
13 mentioned earlier, Vonage.

14 MS. SALAK: The statement I heard  
15 Dr. Taylor say was, though, if you have broadband and it has --  
16 and maybe I was reading too much into it -- and it has a voice  
17 alternative, and it's your affiliate, can that count?

18 MR. HATCH: Yes. Yes.

19 MS. SALAK: Okay. That's a yes. Okay.

20 MS. SIMMONS: Dr. Taylor, this is Sally Simmons again  
21 on staff. I had kind of a comment and a question for you, and  
22 it went to the cable companies. They're incumbent providers in  
23 the residential market as far as TV is concerned, but they are  
24 not really incumbent providers in the business market. I  
25 wonder if you would comment about how readily you believe the

1 cable company would be able to penetrate the business market  
2 given that they do not have incumbent status.

3 DR. TAYLOR: Well, by incumbent status there are sort  
4 of two issues. I mean, one is to what extent can their network  
5 as it stands reach business locations? That's the first. And  
6 then the second is sort of the marketing one that if you are  
7 IBM looking for service, do you think of calling Comcast?

8 Taking them separately, for network, in those areas  
9 where there are large agglomerations of businesses, I'm  
10 thinking of both downtowns in cities as well as industrial  
11 parks, there is often cable television service, mostly because  
12 businesses require cable television service for many things. I  
13 mean, I know I'm in a large building speaking to you, from a  
14 large building in downtown Boston, and we have a cable  
15 alternative that we could purchase here. And given that, we  
16 have access to various cable television services if we wanted  
17 to buy them. Of course, we are on VoIP, so we wouldn't.

18 So, I think it's a factual fact-dependent question as  
19 to exactly how much cable networks overlap business locations.  
20 You know, they weren't initially built for doing that, but  
21 people and businesses in some places live close together, and  
22 the fact that businesses are most often in dense locations  
23 makes it profitable to expand to those if necessary.

24 On the marketing end of it, I don't see any problem  
25 of being an entrant in that business at all. Your name is

1 well-known, and telephony service and data service, all of  
2 those things together, are -- it's not like Coca-Cola, people  
3 don't have strong preferences, a bid is a bid. And if someone  
4 can come up with a package that's attractive, I think it isn't  
5 difficult to get people to switch. The rates at which  
6 customers switch out of, for example, wireless carriers is  
7 amazing, I mean, compared with switching out from Coke to  
8 Pepsi, or whatever.

9 MS. MILLER: Susan has a follow-up.

10 MS. CLARK: No. I would just indicate we would like  
11 him to stay on the line as we go through these rules, because I  
12 think there might be --

13 MS. MILLER: Okay.

14 MS. CLARK: -- some comments that people offer to  
15 those specific rules that we may benefit from him weighing in  
16 on them.

17 DR. TAYLOR: Happy to. And just let me say one other  
18 thing, that as far as business competition is concerned, there  
19 may be -- it may be that cable and wireless are slower in that  
20 market than in the residential market. But remember that CLECs  
21 are much more intense in that market than in the residential  
22 market. The idea that 33 percent of businesses, business lines  
23 are CLEC lines in Florida, 33 percent is a pretty big number.

24 MS. CLARK: Dr. Taylor, this is Susan Clark. I would  
25 just like to ask if you've actually -- if he has gotten copies

1 of the handouts that we were given here?

2 DR. TAYLOR: I don't know. What handouts were given  
3 there?

4 MS. CLARK: You were supposed -- we hoped to have  
5 e-mailed you from a staff person here at the PSC, so that you  
6 could follow along in the discussion, and I just need to know  
7 if you got anything this morning.

8 DR. TAYLOR: Oh, I think so. The rules?

9 MS. CLARK: Yes.

10 DR. TAYLOR: Yes, I have those. Sorry.

11 MS. CLARK: Okay.

12 MS. MILLER: We're going to take a five-minute break  
13 now before we revert to our -- (inaudible).

14 (Recess.)

15 MS. MILLER: Okay. Let's get started back.

16 So, I talked to a number of you. We're going to  
17 go -- since it's kind of been coming up now with Dr. Taylor's  
18 testimony, we thought we would go ahead and focus on Attachment  
19 A on the proposed new rule on streamlined regulation, and then  
20 go to Dale's ride through the rules.

21 Let's see here. Susan, are you planning to kind of  
22 do a talk about the rule itself or just respond to questions?

23 MS. CLARK: Well, I thought we would respond to  
24 questions, because we kind of walked through the --

25 MS. MILLER: Right.

1 MS. CLARK: -- market test that we propose in the  
2 rule. Did you have any questions? I know staff -- I think  
3 we've answered most of the questions you initially sent out.  
4 You did ask if there would be -- what other markets might be  
5 defined.

6 MS. SALAK: I had a question under -- I'll just go  
7 ahead and ask my question. (1)(b)1, where you say other  
8 technology approved by the Commission, first of all, just a  
9 question about the approved by the Commission is meant to  
10 modify the technology and not all those others, right, that's  
11 your intent? I mean, I can read that one either way and I just  
12 wanted to make sure.

13 MS. CLARK: I'm hearing yes, I agree with that, that  
14 it would be something that you would have to -- the Commission  
15 would have to agree to, but it would be proposed by the  
16 applicant.

17 MS. SALAK: In your filing? So when you come in with  
18 your petition, at that point in time, is that your --

19 MS. CLARK: And I think the thought was that we don't  
20 know what may be out there as a possible competitive  
21 alternative.

22 MS. SALAK: Uh-huh.

23 MS. CLARK: And looking ahead, leave it open, so that  
24 others can be proposed as part of the request.

25 MS. SALAK: Is there magic, for lack of a better

1 term, to the two-thirds -- the two-thirds of households? Why  
2 did you select two-thirds instead of three-quarters or some  
3 other percentage, or half, or whatever?

4 MS. CLARK: Bill, can you chime in on that, because I  
5 do recall a conversation about that.

6 DR. TAYLOR: Sure. No, there is no magic to  
7 two-thirds. You know, I think a number above half and less  
8 than one is something that one was looking for. This is all  
9 feeding in as a trigger to suggest when -- hang on a minute --  
10 to suggest when there are enough customers that have this  
11 access so that if the ILEC raised its price it would be  
12 unprofitable. Two-thirds isn't a magic number, but it's large  
13 and it's between a half and one. That's about the logic that  
14 goes with it, I think.

15 MS. SALAK: Back to (1)(a). You give a market may be  
16 defined, and you give several different choices for that. I  
17 will say as an old-time regulator that anytime you see a list  
18 of options like this, it leads -- sometimes it might lead you  
19 to believe that that's because you want to manipulate how you  
20 determine it and how you define it to best serve you. So why  
21 is there are so many options in here?

22 MS. CLARK: Well, we do think that these were the  
23 appropriate options to consider when you look at a market.

24 MS. SALAK: Uh-huh.

25 MS. CLARK: I think some people may argue that other



1 markets should be in there, and that was why we thought we  
2 should leave it open so that when they came in, they would  
3 propose it, and you would have to agree that that is the  
4 appropriate market. I mean, it's the same sort of thing, sort  
5 of leaving it open so it does address possibly --

6 MS. SALAK: Any possible situation?

7 MS. CLARK: Yes.

8 MS. SALAK: So can I just ask if you all were to file  
9 today, AT&T, what would you file under, which of these choices?

10 MR. GREER: This is Stan Greer with AT&T. It would  
11 probably be either a MSA basis, something like that.

12 MS. SALAK: Okay.

13 MR. GREER: Having not looked at all the data and all  
14 that kind of stuff, it could be a DMA, which is -- depending on  
15 the analysis. I just don't know, but I would imagine something  
16 like that.

17 MS. SALAK: Okay. Verizon?

18 MR. O'ROARK: De O'Roark with Verizon. We would  
19 probably apply a footprint line.

20 MS. SALAK: Embarq?

21 MS. KHAZRAEE: We haven't made the decision yet,  
22 because we haven't really gone through all of this, but I think  
23 my leaning at this point would be footprint, service territory.

24 MS. SALAK: Right.

25 MS. KHAZRAEE: We don't have metropolitan statistical

1 areas that cover all of our service territories, so that's not  
2 an option for us, really.

3 UNIDENTIFIED SPEAKER: Footprint.

4 MS. SALAK: TDS. Bettye.

5 MS. WILLIS: We haven't made that decision  
6 (inaudible).

7 UNIDENTIFIED SPEAKER: Thank you, Bettye.

8 MS. MILLER: Bettye, could you say that into a  
9 microphone so the transcript will pick it up? Thank you.

10 MS. WILLIS: Bettye Willis with Windstream. It would  
11 likely be our footprint.

12 MS. SALAK: Does anybody else have any more -- oh,  
13 sorry.

14 MS. SIMMONS: This is Sally Simmons again with staff.  
15 I have, I guess, just a nuance to ask, and it just pertains to  
16 the wording under (1)(b). Under (1)(b(2)), there is the caveat,  
17 including the telecommunications company seeking streamlined  
18 regulation. Does the telecom company seeking streamlined  
19 regulation count as one of the three alternatives in (1)(b(1)),  
20 or not?

21 UNIDENTIFIED SPEAKER: Yes, I believe it does.

22 MS. SIMMONS: Okay. All right. Thank you.

23 MS. PERRY: This is Gail Marie Perry with the  
24 Communication Workers. I understood what footprint means, but  
25 I wasn't quite sure I understood what everybody else was

1 saying. So I just want to ask -- I know in another federal  
2 regulation they show competition in a zip code, and the numbers  
3 can be skewed. If it's a very large zip code, it might only  
4 provide service in one particular area, and the rest of the zip  
5 code, let's say rural, doesn't have any service in it. So if  
6 it were service footprint, I would understand that that takes  
7 in everybody, but if it's within a zip code then it would not  
8 take in the whole service area. So I just wanted to clarify  
9 that for myself. Is it two-thirds of their service footprint  
10 or two-thirds of what is in a zip code?

11 MS. CLARK: As the rule is worded it would be the  
12 service territory.

13 MS. PERRY: Thank you.

14 MR. GREER: This is Stan Greer with AT&T.

15 I think it would be based on what your definition of  
16 the market would be. And in AT&T's case I mentioned that it  
17 could be MSA that we might file, and metropolitan statistical  
18 area would be like -- I believe, like Miami -- Dade County and  
19 Broward County are one metropolitan statistical area, if I  
20 remember right. So it would be that entire geographic area for  
21 that MSA.

22 DR. TAYLOR: But then the question arises if AT&T  
23 only served a part of the MSA, would you count the households  
24 outside of your territory in that MSA in trying to count the  
25 two-thirds? I think that was the question.

1 MR. GREER: I don't believe you would. This is Stan  
2 Greer with AT&T. I don't believe you would.

3 DR. TAYLOR: Okay. So you interpret it as your  
4 service territory in the MSA if you picked MSA as your market?

5 MR. GREER: Yes, because that's how the rules are  
6 applied to the -- you know, if I go outside of my service  
7 territory, generally I do it on a CLEC basis.

8 MS. SALAK: Do any ideas come to mind on that part  
9 that or on such other basis as submitted by the company? Did  
10 you have a thought, or just you didn't know what was going to  
11 happen in the future?

12 MS. CLARK: Well, I think it's covered when they talk  
13 about a direct marketing area or wire centers, but those aren't  
14 bases that we're representing to you today that we would use,  
15 but they might be another basis that could be used.

16 MS. SALAK: And then that would have to be approved  
17 by the Commission to use that? I mean, is that the way it  
18 would be -- it says or any other basis, and, I mean, it's not  
19 like the other one where you can use another technology as long  
20 as it's approved by the Commission. This one doesn't get  
21 approved by the Commission, it's just at their choice?

22 MS. CLARK: Yeah. And I think that would make sense.  
23 Because if they can show the competition is there, it makes  
24 sense to give them streamlined regulation in that area.

25 MR. GREER: This is Stan Greer with AT&T. As Ms.

1 Khazraee pointed out, all MSAs don't cover all the service  
2 territory. Generally, DMAs do. So that's kind of why we  
3 mentioned DMA, too, because it may be that that's the best  
4 thing to use because it covers all of our territory service,  
5 rural as well as metropolitan.

6 MS. SIMMONS: Dr. Taylor, this is Sally Simmons again  
7 with one further question. Why do you believe it's appropriate  
8 for the ILECs under this proposed rule to be able to define the  
9 market, basically, as they see fit in terms of geographic area?

10 DR. TAYLOR: I guess the reason is that the ILECs  
11 that are proposing this change in the rules are, as I  
12 understand it, very different ILECs. I mean, they have  
13 different mixes of rural and urban territories. And,  
14 certainly, if you were to do an economic merger guidelines  
15 definition of the geographic market, you would probably get a  
16 different answer for each of them, or it's conceivable that you  
17 could. So if it can't be specified in advance, it seems to me  
18 that it makes sense to let them choose.

19 MS. SALAK: I wanted to ask some questions about the  
20 time line. Forty-five days would be the original decision, the  
21 way I understand this, and, of course, taking into account that  
22 we have to file 12 days in advance, normally, that gives us 33  
23 days. So what do you envision us doing with this? I mean, you  
24 are going to come in, you'll do a filing, you'll tell us this  
25 is the area, you'll say two-thirds of the households have

1 access. What kind of showing are you going to make? Is there  
2 a showing? I mean, what are we going to have to work with and  
3 how -- well, really, how are we going to get that done in 33  
4 days?

5 MS. CLARK: Well, I guess, I would view it as the  
6 petition would make the prima facie case that they meet the  
7 requirements of the test. They would put in the petition and  
8 the necessary accompanying data, just as we have done in terms  
9 of suggesting to you that this rule is correct. You have the  
10 affidavit that we attached to explain to you some of the  
11 economic justifications for it.

12 MS. SALAK: So you would file -- I mean, it's your  
13 intention that you would file enough information -- I mean,  
14 you'd see an application, but -- so in your application you're  
15 saying there will be enough information for us to read it, get  
16 the feel, ask questions, and make an appropriate determination  
17 in that time frame?

18 MS. CLARK: I guess I viewed it, and I would ask  
19 people to chime in, it's somewhat analogous to a need  
20 determination where when you come in, you put everything out  
21 there that staff needs to look at to agree with your conclusion  
22 that it is appropriate to provide streamlined regulation.  
23 That's not to say that there aren't issues that may come up  
24 that you need questions, and they would be -- it's in their  
25 interest to answer those questions and give you comfort that

1 the data does support their request.

2 DR. TAYLOR: And the one advantage of this particular  
3 rule is that it is a trigger. Everything here is observable.  
4 It doesn't have strange things like no market power or, you  
5 know, arguments like that. It's simply counting noses.

6 So, you know, I would envision a filing like this  
7 being like, you know -- I've forgotten the phrase for it, but a  
8 filing when the Commission has told the company what to do, and  
9 it comes back in with a filing following those orders. It's  
10 rather straight forward.

11 MR. MOSES: This is Rick Moses. Let me ask you one  
12 other question. What happens if, say, you were granted relief  
13 from the rules in a competitive area and then all of a sudden  
14 the competition in that area went away, say they went bankrupt  
15 or something; what happens then?

16 MS. CLARK: I don't think it changes it. It just  
17 seems to me that once you determine that it is competitive, it  
18 should remain competitive. I think --

19 MR. MOSES: Even though competition went away?

20 MS. CLARK: Well, I guess the question then becomes  
21 if a particular competitor went away, that's unlikely, but is  
22 it still competitive? It seems to me that you would only react  
23 to that, you know, if there was an opportunity to exercise  
24 market power, and it was being exercised to the detriment of  
25 the customers. I wouldn't see you going back just because

1 somebody left.

2 DR. TAYLOR: And I guess my view is -- first of all,  
3 that it's unlikely, of course. But my understanding is that  
4 the Commission still retains its authority to change or repeal  
5 any rule that's adopted. What I don't think makes any sense is  
6 to automatically revert to the rules that were in place before.  
7 Those rules were for an old time, and they don't apply. And if  
8 something drastic happened, and competition went away, and the  
9 Commission felt it had to do something, then that's fine, the  
10 Commission has the authority to do it. But it seems awfully  
11 unlikely that the thing that they ought to do is put back in  
12 place the old accounting rules, et cetera, et cetera. It seems  
13 like something new would be required.

14 MS. CLARK: Right. I think the point is whatever the  
15 circumstances are, you would look at what is required. You  
16 would not automatically say you go back to what was there.

17 MR. MOSES: Okay. Thank you.

18 MS. SALAK: So I note that you put that we can extend  
19 the time frame upon mutual agreement, that that is the way it  
20 reads. So that way in total it would be 90 days, the way I  
21 read this. Is that right? So how do you envision that  
22 happening? Like, wow, we're panicked, so I call somebody from  
23 the company and say we need another 45 days? Is that how you  
24 envision it? And then we would mutually agree on -- how would  
25 that work? I mean, it says we can do it. I just don't know



1 how.

2 MR. GREER: This is Stan Greer with AT&T. That's  
3 what I expect you would do, that you would probably call Jerry  
4 and say, Jerry, I need another 45 days.

5 MS. SALAK: And then we would relegate that to  
6 writing, so we all --

7 MR. GREER: Probably. Yeah, probably so.

8 MS. SALAK: But it doesn't envision going to the  
9 Commission and asking that? I mean, I'm just making --

10 MS. CLARK: No. I think the way it is done now, but  
11 that you've communicated with companies and then there is  
12 something filed in the docket to indicate that there is an  
13 agreement that it be extended.

14 MS. SALAK: I just don't know if we have a rule that  
15 really says that.

16 MS. CLARK: I'm sorry. This is Susan again. I don't  
17 think you need a rule. It would be part of the practice in the  
18 procedure that you would follow it in the course of the  
19 proceeding and docket.

20 MS. SALAK: Okay. Let me ask about the part about  
21 telling you exactly about the -- well, I read this as tell us  
22 exactly why you're denying this. That wouldn't happen in  
23 the -- well, say, for example, the staff were going to  
24 recommend saying no. I mean, if that happened. I mean,  
25 obviously -- well, at least I think we would, hopefully, have a

1 reason why we were saying no, and is that sufficient? If the  
2 Commission agreed with us, and an order went out reflecting the  
3 reasons, is that what you're thinking of, or are you thinking  
4 of something more than that?

5 MS. CLARK: I think we're just saying that we don't  
6 want an order that says denied. That you would explain where  
7 you disagree with the proof that has been provided that we  
8 believe triggers the streamlined regulation.

9 MS. SALAK: All right. Well, let me ask, then. So,  
10 say part of it is -- say we say you didn't meet your burden of  
11 proof, or you didn't do something, like we couldn't tell that  
12 two-thirds of the access lines were really -- had competitive  
13 offerings. Is that sufficient? If we said something like  
14 that, or are you talking about -- would you envision --

15 MS. CLARK: I think you need to explain why you don't  
16 believe that it meets the burden of proof. Did we not use the  
17 right resources? Do you have information that contradicts it?

18 MS. SALAK: I just didn't know what you were  
19 envisioning. This is also unusual language for a rule, that's  
20 why I was trying to figure out --

21 MS. CLARK: Well, I do think that it has some  
22 precedent in other things. I'm thinking of a power plant  
23 siting where when you have filings that people are supposed to  
24 say, you know, here are the issues I have with what you filed,  
25 so that you can focus on what is at issue as opposed to the

1 thing that people agree on or are not at issue.

2 MS. SALAK: Okay. All right. I just didn't know --  
3 I mean, I just figured there was a reason that this was in  
4 here, and I was trying to find out what that is. I mean, is  
5 there some experience that you have had, or is there some  
6 example that you want to give of what you don't want to happen?

7 MR. O'ROARK: Beth, this is De O'Roark with Verizon.  
8 I don't have an example for you, but I think the idea would be  
9 we come in, we file our application, the Commission looks at  
10 it, doesn't think that it meets the requirements, and you tick  
11 off, okay, one, two, three, here is where you fell short. The  
12 idea is that it would be a constructive process. When we get  
13 it back and we can look at it, say, okay. The next time we  
14 apply here is what we've really got to focus on to fix the  
15 problems that you perceive. If we don't have that, then it's a  
16 guessing game on our side.

17 MS. SALAK: Okay.

18 MS. CLARK: Beth, may I interject again? This is  
19 Susan. It sort of has some genesis in the MFRs. You know,  
20 when -- as I recall it's either the MFR or the test rule that  
21 you are supposed to come back, and if you don't take issue --  
22 if staff doesn't say they're deficient, then they are deemed  
23 sufficient, and that point goes away.

24 MS. SALAK: Okay.

25 UNIDENTIFIED SPEAKER: Beth, not related to the rule,

1 but a couple of folks from my shop have indicated that the  
2 audio drops on and off. I don't know if you are aware of that.  
3 The audio has been dropping --

4 UNIDENTIFIED SPEAKER: (Inaudible.)

5 MS. SALAK: I just want to note that the 90 days  
6 would also be difficult. I mean, you know that, that's a very  
7 streamlined -- depending on how many people you have  
8 intervening -- (inaudible).

9 MS. CLARK: Beth, this is Susan. I think we felt  
10 that it was important because this is a competitive market,  
11 things move fast, and this is something that doesn't need to  
12 drag on. If the triggers are met, the streamlined regulation  
13 ought to apply.

14 MS. SALAK: And that's a speech I give a lot, so I do  
15 understand that. You also say this is a final order within 90  
16 days, which means we would have to have the hearing, the  
17 decision, and the order out fairly quickly. It's not even --  
18 it's not a decision, it's a final order, is that right?

19 MS. CLARK: Well, yes, we wanted to be clear that we  
20 had the final order that allows the streamlined regulation to  
21 go into effect.

22 MS. SALAK: Right. It's just when you put final  
23 order, that cuts off a couple of weeks for us. If you have a  
24 decision it seems like within 90 days it can still meet your  
25 needs.

1 MR. MAILHOT: I was looking at the questions that  
2 were put out in the original notice and trying to compare what  
3 we have already answered and everything, and I think there is  
4 one question that I'm not sure that we've actually answered.  
5 It was Question Number 3, and what it was asking was -- okay,  
6 in the proposed rule it says in (1)(b)(2), the rule uses the  
7 term two-thirds of households, okay, and I think we have  
8 clarified that that is residential. But if you go on, a couple  
9 of parts later on, it's in (2)(a), it refers to two-thirds of  
10 its access lines.

11 MS. CLARK: Yes.

12 MR. MAILHOT: And our question really was there where  
13 it refers to two-thirds of its access lines, are we talking  
14 residential and business combined, are we talking households,  
15 or --

16 MS. CLARK: We are talking about residential.

17 MR. MAILHOT: Okay. So in (2)(a), even though it  
18 says just plain access lines, we're referring to residential?  
19 Okay. Just for clarification.

20 I think that kind of covers the questions that we had  
21 related to the new rule, at least in what was in the notice.

22 MS. MILLER: I think I have a couple.

23 Susan, on the cites to the other states, did any of  
24 them use a competitive market test for streamlined regulation?  
25 A list of the states that --

1 MS. CLARK: Hang on and let me get them in front of  
2 me. I do have a matrix somewhere.

3 Let me just -- yes, Alabama did have a test, and the  
4 test is based on competitors in the market. Yes.

5 From Mississippi there was a flash-cut for some  
6 companies, but for others there was a requirement for  
7 competitors in the market.

8 MS. MILLER: In which state?

9 MS. CLARK: That was Mississippi.

10 MS. MILLER: Mississippi.

11 MS. CLARK: For Indiana, the direction is to the PSC.  
12 They could eliminate rules and regulation if no longer  
13 necessary -- necessary as a result of meaningful competition.

14 For North Carolina, there was deregulation on certain  
15 long distance services, and then it says services can be  
16 deregulated after hearing when it is found that the service is  
17 sufficiently competitive and that such deregulation or  
18 exemption from regulation is in the public interest. And the  
19 Commission was directed to develop policies to promote  
20 efficiency, technological innovation, economic growth, and  
21 allow telecom companies to compete in a competitive market.

22 Yes. And in Virginia, and I believe this was what  
23 the Commission did, the factors to be considered are ease of  
24 entry into the market, the presence of other providers  
25 reasonably meeting the needs of customers, and other factors

1 the Commission deems relevant.

2           And then I think I did touch on Texas where if there  
3 was over 100,000 in the market it was deregulated, flash-cut,  
4 as part of the legislation. For the smaller markets, if the  
5 population is between 30,000 and 100,000, and there are three  
6 competitors.

7           MS. MILLER: Thank you. I think one of the things  
8 that we're looking at, too, is the statutory authority, and  
9 we've talked about that a little bit. But our Chapter 120 is  
10 so demanding on kind of having real express and specific  
11 authority. So if there is any additional statutes that you  
12 want us to look at on that --

13           MS. CLARK: Well, maybe I can -- may I ask the  
14 question -- this is Susan again. It seems to me that what  
15 we've cited to you as statutory authority not only gives you  
16 the authority, but requires you to make these rule changes to  
17 address a competitive market. I mean, in effect, you are  
18 repealing these rules for certain companies, and I'm not sure  
19 the same tests that you might develop if you were developing  
20 rules is necessary.

21           I mean, I do understand the notion of there being  
22 strict requirements when you do rulemaking, but that's when you  
23 are proposing rules as opposed to when you're repealing them.  
24 I mean, when your authority goes away statutorily, does that  
25 mean you no longer have the authority to repeal the rules that

1 you no longer have authority for? I don't think so.

2 MS. MILLER: I think the actual repeals, that the  
3 statutory authority there would be less of a question than with  
4 developing the market test itself.

5 MS. CLARK: Okay. I see.

6 MR. NELSON: Can I sort of comment? You're asking  
7 about the statutory authority for granting the relief they are  
8 requesting -- this is Doug Nelson from Sprint Nextel -- we  
9 would just like to point out that there is statutory authority  
10 for variances and waivers on the books now. And it's very  
11 specific when a company doesn't believe -- or believes -- it's  
12 essentially a hardship test -- believes it's not being treated  
13 fairly why a rule should be waived. And there is a whole  
14 process set out for doing that.

15 One thing the Commission and staff may want to  
16 consider is is that the proper venue for these requests? You  
17 know, if you read through these draft rules, they are  
18 essentially asking the rules be applied, rules that say apply  
19 to all ILECs be applied only to certain ILECs. Constructively  
20 that's a waiver with respect to the price cap ILEC seeking  
21 relief here today. And I just wanted to put that into the  
22 record and into the mix. It's 120.542.

23 Thank you.

24 MS. CLARK: Cindy, this is Susan. We're aware of  
25 that waiver provision, and it just doesn't address this kind of



1 suggestion as far as waiving the rules on -- I mean, of not  
2 applying the rules that no longer have validity in a  
3 competitive market.

4 MS. MILLER: The only other question I had is about  
5 the -- if you all think we're going to have any difficulty  
6 getting some of the data to show the test is met from entities  
7 that we don't regulate.

8 DR. TAYLOR: Well, much of the data is publicly  
9 available. I mean, looking at, for example, your own -- the  
10 staff's own competition report, you have detailed data from  
11 CLECs who report to you, but you also have publicly available  
12 data from wireless carriers and cable companies. And the ILECs  
13 who are making this case and who have the burden of proof can  
14 find from publicly available data even finer information on  
15 where cable service, wireless service, broadband connections  
16 are available.

17 MS. MILLER: Okay. Let's see who else has questions.

18 MS. KAUFMAN: Cindy, this is Vicki Kaufman for  
19 CompSouth. We don't have any questions, but whenever the time  
20 is right we do have some comments that we would like to make.

21 MS. MILLER: I think now is a good time.

22 MS. KAUFMAN: I'm going to let Mr. Gillan address  
23 generally the market test. We spent a lot of time talking  
24 about a lot of the details that create a lot of difficulties.  
25 We want to step back a bit and talk about it in a more general

1 way. And I'm going to let Mr. Gillan do that.

2 MR. GILLAN: This is Joe Gillan on behalf of  
3 CompSouth.

4 I guess I'm going to begin by indicating the things  
5 that I agree with Dr. Taylor on, both because it's a relatively  
6 short list and it happens so infrequently. Dr. Taylor  
7 mentioned that lots of these rules, really, whether you keep  
8 them or not don't matter, don't tie back to competitive  
9 factors. And at core, that's our conclusion, as well.

10 There is a problem here with the, quote, market test  
11 rule or trigger. I'll just call it the trigger rule. The  
12 trigger rule claims to be finding when a market is competitive,  
13 but the reality is that's not its role. Its role here is a  
14 trigger to decide whether these rules in Attachment B should  
15 continue to apply to these companies.

16 As a rule to figure out whether rules should continue  
17 to apply, it's a ridiculously complicated and unnecessary step.  
18 As someone who loves irony, I can't help but enjoy the irony of  
19 the telephone companies proposing a completely unnecessary rule  
20 as a solution to unnecessary rules. We only need to go through  
21 this list of rules and ask should they continue?

22 You know, I look at a rule -- I'll just point one out  
23 that was one of the first ones I came to when I opened this up,  
24 on Page 7, transmission requirements. Now, saying whether this  
25 rule should continue or not based on whether there is

1 competition, either means you don't care about the result that  
2 the rule is intended to preserve, or you think competition is  
3 somehow going to guarantee that result. The reality is when I  
4 look through these sets of rules, I agree with Dr. Taylor's  
5 conclusion. These rules have nothing to do with whether there  
6 is a competitive environment. Competition is not going to tell  
7 you whether the objectives of these rules are going to be  
8 satisfied.

9           In fact, I think Dr. Taylor was quite honest when he  
10 pointed out that the point of getting rid of these rules is not  
11 whether competition will produce the same result, but the fact  
12 that you don't really care about whether this result is  
13 achieved anymore or not. And I think a fair reading of these  
14 rules tells you that it's time to change them, and this is a  
15 rulemaking to change them. And the most procedurally inept way  
16 at changing these rules is to adopt a rule that tells you when  
17 you can change these rules when you can just look at the rules  
18 to decide whether to change them.

19           As a test to judge whether the markets are  
20 competitive, the proposed rule in Attachment A is completely  
21 inadequate. But before we worry about its adequacy or  
22 inadequacy at judging whether markets are competitive -- I  
23 mean, even Dr. Taylor said it's not looking at whether there is  
24 market power. When you look at this set of rules, there's no  
25 reason for us to apply a market test or a trigger to see

1 whether they should continue to apply.

2 Another illustration as to why this unnecessary layer  
3 is truly unnecessary. Staff took several of the rules and  
4 already threw them into Appendix C. Nobody cared. They didn't  
5 need to meet a trigger. We didn't need any data. You didn't  
6 have to wait 45 days. You didn't have to go through what will  
7 ultimately turn into a hellish procedure to decide whether you  
8 needed to get rid of them. You recognized that it was time for  
9 them to go.

10 Another example. The, quote, market test rule that  
11 proposes to look at different markets and apply triggers. We  
12 all know that not every place in Florida is as competitive as  
13 every other place.

14 But the reality is none of these rules can be changed  
15 on anything other than a company-wide basis. Does anyone  
16 really believe that adequacy -- on Page 7, again, adequacy of  
17 service, that you could do a trigger and find 60 percent of the  
18 state qualifies under the trigger, but 40 percent doesn't, but  
19 you're going to continue an adequacy of service rule in 40  
20 percent of the state and not 60 percent of the state, and  
21 somehow the telephone company could run their company in some  
22 other way than to either comply or not comply?

23 At the end of the day we're looking at a whole bunch  
24 of rules that the Commission has to decide are these going to  
25 continue or aren't they going to continue? And, you know, I

1 don't believe that at the end of the day you'll have complete  
2 consensus of this group. You're going to have some dispute.  
3 But the ILEC trigger test is a position masquerading as a rule.  
4 In that case, in that hearing if there are residual rules that  
5 the Public Counsel wants to keep and the ILECs want to get rid  
6 of, the ILEC position is that because the market is competitive  
7 they can be eliminated.

8           And the Public Counsel's position is either going to  
9 be the market isn't competitive or we don't believe that the  
10 competition is going to produce the result that we want to  
11 preserve, that we actually want to do what Dr. Taylor advises  
12 against. We want a rule to guarantee a quality of service, not  
13 diminish, even if a competitive market, if one existed, might  
14 cause it to diminish. That's a valid public policy position  
15 for the Public Counsel to take. But, again, it doesn't require  
16 that you have a trigger test to decide whether or not these  
17 rules should be retained.

18           Now, very briefly, and briefly not because I couldn't  
19 go on forever about all the things that are wrong with this  
20 rule if you wanted a market test rule to find out if markets  
21 are competitive. I could go on forever. But since my primary  
22 message to you is you don't -- the rule itself isn't being held  
23 out as something that determines if markets are competitive.  
24 It's being held out only to determine whether or not companies  
25 should get streamlined regulation. And shock among shocks, we

1 support them getting the streamlined regulation. Because when  
2 we look through these rules, we don't see that you are  
3 protecting consumers to any degree that's significant. We  
4 might have difference agreements with the Public Counsel on  
5 that, but that's where it lays out.

6           What are all the many things that are wrong with this  
7 in terms of judging whether a market is competitive? First,  
8 there is no split between residential and business.  
9 Residential products are very different than business products.  
10 It's not just a case of whether or not somebody has a network  
11 that is, quote, nearby, and some economist can hypothesize that  
12 it's easy to extend the network to serve a customer you are not  
13 connected to. If all competition took was extending a network  
14 that was nearby, then we would see pretty robust competition  
15 from AT&T into that little Liechtenstein area of Orlando that  
16 Embarq serves, right? An area that Embarq serves is completely  
17 surrounded by AT&T, and yet I'm not aware of any widespread  
18 competition, even though the networks in that world view should  
19 be bristling with, you know, interest of extending out and  
20 competing.

21           Cable companies have entered the residential market.  
22 We all know that. Have they entered the residential market for  
23 every layer in the residential market, small users, medium  
24 users, large users? I don't think so. I think mostly when you  
25 look at what cable companies are in a position to do is provide

1 customers that want a relatively high end bundle of services a  
2 great competitive alternative to the relatively high end bundle  
3 of services that the ILEC offers. But down market from that,  
4 do you see competition for smaller packages, smaller bundles?  
5 Maybe in some places, maybe in others, but it's a different  
6 business decision and a different economic set of conditions  
7 that will allow them to compete.

8 Does the mere presence of a cable company mean you  
9 can compete in the business market? Not at all. It's not just  
10 a question, Ms. Simmons, about the fact that they are not,  
11 quote, the incumbent in the business market. It has to do with  
12 the fact that the business market requires a completely  
13 different focus than a cable company has had traditionally.  
14 You don't market to business customers in the same way. You  
15 don't provide customer service in the same way. They are more  
16 interested, business customers, today still in TDM-based  
17 services, because their PBXs and their terminal equipment are  
18 all founded on TDM principles of engineering.

19 And the cable company's packet network has advantages  
20 in packet products, but doesn't necessarily easily offer  
21 TDM-based products in the same way. So cable companies have  
22 many business decisions to make in order -- and retool their  
23 companies before they can go into a business marketplace to  
24 offer the services they want, the customer care they want, and  
25 market it in the same way.

1           Another thing about the business market, the very  
2 high end, the enterprise customer, Fortune 500 companies, those  
3 people don't buy phone service one location at a time, all  
4 right. They have IT departments that go out and do RFPs to get  
5 bids across multiple locations, frequently across multiple  
6 states and multiple cities.

7           Now, when you sit down and you look at the number of  
8 carriers that can satisfy a multi-location request for service  
9 across a whole bunch of large metropolitan areas, you see AT&T  
10 with a giant geographic footprint, you see Verizon with a giant  
11 geographic footprint. You don't see CLECs with big geographic  
12 footprints. They will be in a few of those cities, but not  
13 all. You certainly don't see cable companies with operations  
14 in all the major cities, because even the largest cable  
15 companies have evolved from an environment where they put  
16 together smaller systems that are not designed around where our  
17 large enterprise customers are likely to be located. They were  
18 just a collection of properties they could acquire until they  
19 hit the 30 percent cap, in which case they had to shut off  
20 their growth of their footprint. So in the enterprise market,  
21 I don't even know how well they are positioned to become a  
22 credible competitor to AT&T and Verizon.

23           The middle market, the small business market, where  
24 the CLECs have been successful -- and this goes to your earlier  
25 question about quality. What CLECs fundamentally sell in the



1 small business market is quality, not network quality, because  
2 as a practical matter, network quality you build till you get.  
3 It looks pretty similar across all these companies, but in the  
4 areas of quality that are human driven, CLECs are never going  
5 to move their customer care to Bopai, all right? Large  
6 companies offshore customer care. Large companies sell through  
7 TV ads and through mass mailings.

8           The CLEC industry is founded on the principle that  
9 there is a customer segment out there that you can send a  
10 salesperson to. That that customer is too small for an account  
11 team from one of the major carriers, but they are too big to  
12 want to sign up for their communications services by reading  
13 newspaper ads, listening to TV ads, listening to jingles, all  
14 right? They want a salesman who shows up and who helps them  
15 get up and operating.

16           If you are going to look at competitive conditions in  
17 a marketplace, you have to break it down into customer segments  
18 that are looking for different things and who care about  
19 different things. And this will bring me to my final comment  
20 about wireless. We all know everyone has a wireless phone, so  
21 if wireless was really the substitute for landline service,  
22 landline service would have been gone a long time ago.

23           I'll just read you a few quotes from Ed Whitacre. We  
24 all remember Ed Whitacre, right? He use to run AT&T. And this  
25 is when they were still SBC. So it's a couple of years old,

1 but I still think it's useful to think about it this way. It  
2 is from Texas Monthly, and they asked him, "Do you think the  
3 landline as we know it has a finite shelf life?" "Answer: No,  
4 I don't. I think it will be around when we're dead and gone.  
5 I think it will be strong. There are still 50 million  
6 customers that are out there just with SBC."

7           So what do you do about the market of the future?  
8 And the answer is, well, you offer broadband, because people  
9 want broadband, or you get into the wireless business as we  
10 are. On the other hand, I've seen several articles in which  
11 people talked about going back to landlines because cell phones  
12 aren't as reliable. Landlines are not going away.

13           It is true that wireless service is everywhere, but I  
14 think it's equally true that wireless quality is always going  
15 to lag wireline quality. If the Commission is satisfied with  
16 wireless quality becoming the benchmark and then seeing that  
17 the market drives to it, then you can get rid of all the  
18 quality of service rules. If you're concerned that that might  
19 be an outcome the market would take, but as a public policy you  
20 don't want to see it, then you've got to listen more closely to  
21 what the Public Counsel is going to offer.

22           But, again, none of this has to do whether or not  
23 this market trigger that the ILECs are proposing and the rules  
24 they are trying to address today in terms of the  
25 competitiveness. That's a public policy argument that a

1 trigger isn't going to answer for you. It's a public policy  
2 argument you have to make when you look at the rule.

3 That concludes most of my short -- and, believe me, I  
4 could go on longer on it, but won't.

5 MS. MILLER: Thank you.

6 Other comments?

7 MR. NELSON: Just briefly. Sprint Nextel, Doug  
8 Nelson. We agree fully with what Joe just said with respect to  
9 applying a test when it's not necessary. We submit that if  
10 rules should be removed, if they truly are obsolete and  
11 unnecessary, remove them on that basis.

12 There are a few rules we didn't get to yet that  
13 impact our main concern, as I mentioned before, wholesale  
14 issues and interconnection related rates and their effect on  
15 competitiveness of these providers that they are holding up as  
16 their competitors. Simply showing that someone can get  
17 wireless service and broadband service doesn't show that  
18 competition is healthy and the competitive playing field is  
19 sustainable. The Commission has got to look more broadly.

20 We heard Dr. Taylor say that price dereg is coming  
21 down the pike at some point, and don't think for a minute this  
22 is isn't creating a door for that to happen. And, as I said,  
23 in this proceeding you have to deal with their proposed  
24 elimination of 25-9.005, dealing with the cross-subsidy  
25 information filings. They're informational filings designed to

1 help the Commission prohibit and prevent cross-subsidization.

2           Some of these cases they've cited in other  
3 jurisdictions have acknowledged that you have to do something  
4 fundamental before you even think about removing rules that  
5 protect competition. The petitioners have acknowledged that  
6 3381 is still necessary, and yet they would remove a rule that  
7 this Commission needs to implement 3381, and we don't really  
8 know why.

9           The other commissions have acknowledged that, you  
10 know, if you're going to deregulate the incumbent, you have to  
11 ensure reliable, easy, and low-cost interconnection of calls  
12 between competing providers as an essential element of  
13 promoting competitive offerings. That was in the Virginia case  
14 involving Verizon. So we just think this is bigger than it's  
15 being made to be, and you shouldn't mess around with a  
16 competitiveness test that's unnecessary. You should look at  
17 removing the need for those rules in the first instance, which  
18 is the subsidies that create the potential for  
19 cross-subsidization.

20           I'll give you an example. Dr. Taylor would count  
21 Verizon Wireless as a competitor to its own landline company.  
22 Verizon Wireless pays itself for interconnection access  
23 charges, because ultimately it all goes up to New York and it  
24 hits the books of Verizon Communications. Other competitors in  
25 the market really have to pay these rates.

1           And when you're talking about a competitive level  
2 playing field you have to consider what Tom McCabe mentioned  
3 before, which is making people be able to compete on price and  
4 quality straight, without any -- what they're complaining of is  
5 legacy regulations, and what I'm complaining of is legacy  
6 subsidies. And that's sort of a consideration we think the  
7 Commission should make. We don't think the competitiveness  
8 test is useful at all or necessary. We think you have to look  
9 at competition policy more broadly and make sure that  
10 competition is healthy and protected.

11           Thank you.

12           MS. MILLER: Thank you.

13           Any further comments? Beth, do you have a question?

14           MS. SALAK: I have a question. Can I ask you a  
15 question?

16           MR. NELSON: Oh, I'm sorry.

17           MS. SALAK: That's okay. There were statements made  
18 about wireless information being made public, that you could  
19 get publicly to talk about your coverage and -- is there good  
20 wireless information out there, and what would you suggest that  
21 we would be looking at?

22           MR. NELSON: Well, I will respond to that. I checked  
23 that off in our comments. I will provide a more complete  
24 response. But wireless coverage areas are available on the  
25 Internet, and, you know, the maps are fairly sophisticated.

1 They've come along in recent years. And, again, that's just my  
2 initial reactions. We do our best to make it clear where  
3 coverage exists and where it doesn't. I'm not saying it's  
4 perfect in every instance.

5 MS. SALAK: Along that same line, and you do have  
6 coverage maps, and we probably all recognize that. You have a  
7 coverage map, but it might have areas in it that there may not  
8 be coverage. So is there a certain criteria that you use as to  
9 when you say, yes, you have coverage in an area versus not,  
10 or --

11 MR. NELSON: Like I said, I will put that in the  
12 comment, but --

13 MS. SALAK: I'm just curious.

14 MR. NELSON: I don't know.

15 MS. SALAK: Thank you.

16 MS. MILLER: Further comments? Any responses to any  
17 of the comments that we've had?

18 MR. KONUCH: This is David Konuch with FCTA.  
19 (Inaudible; microphone off.) agree with what Joe Gillan just  
20 said and with what Sprint just said. Each of these rules has  
21 to be looked at on its merits as to whether it helps promote a  
22 competitive playing field for everyone or not. And I think  
23 that's really what we need to -- what we need to try to do  
24 today.

25 MR. McCABE: Tom McCabe with TDS. Not relating to

1 the competition test, but I just want to mention where Joe was  
2 indicating that there is no competition for the lowland  
3 customer, there is a service out there that folks may be aware  
4 of that's called Magic Jack. And Joe can discuss that, but I  
5 don't know how much cheaper it gets when it costs \$20 and there  
6 is no recurring fees for a year, or \$50 and you get it for five  
7 years. I mean, every time you turn around there is some new  
8 competitive opportunity that pops up that's out there that  
9 customers have a chance to subscribe to. And anybody can go  
10 out there that has access to a broadband modem and purchase  
11 Magic Jack, and that's it.

12 MS. PERRY: Gail Marie Perry with the Communication  
13 Workers. I hadn't heard anyone talk about privacy and  
14 security, and I know I personally had an experience this last  
15 summer with the exemption that's in the law. Currently, the  
16 FCC took care of the exemptions, but I was hoping that somebody  
17 would comment.

18 I talked to a business customer on the phone who was  
19 at the brunt of the exclusion in the law. Their carrier went  
20 away as the example was given earlier by Susan. Their carrier  
21 just went away. Their developer went away; their carrier went  
22 away. They, the business, were without a carrier and were  
23 scurrying to get service.

24 Now, they had to reinstall their wiring because of  
25 the substandard wiring that was left at the development, and I

1 was helping the customer with DSL. I had asked him what have  
2 you been doing for a month? How is your business doing without  
3 service? He said the wireless phone, the employees have been  
4 keeping in touch with each other wireless. But they didn't  
5 have any access for their customers for sending contracts  
6 through fax, privacy and contracts through fax, and they didn't  
7 have Internet access. I didn't ask him if he didn't have  
8 wireless Internet; I didn't get into it that far.

9           But I was hoping that somebody would talk about  
10 customer service privacy in regards to is that really part  
11 of -- I know for business customers it is. Resident customers  
12 and myself, I've had a mobile phone since '92. So I'm not  
13 concerned about privacy, but I know there are a lot of  
14 corporations out there that are concerned about privacy. And I  
15 was wondering if this fits in here anywhere, or if that's even  
16 a consideration that the consumers are even worried about  
17 anymore.

18           I know, you know, some corporations wouldn't want to  
19 be sending their private contracts over the Internet because  
20 somebody could pull it off, and that's what this customer was  
21 telling me, that they couldn't send their contracts. They  
22 didn't have, you know, the wireline to do so.

23           MS. MILLER: Thank you. Well, you phrased it, so.

24           Are there any further comments?

25           I believe we need to take a ten-minute break and get



1 back at 3:47, and so that we can wrap up and do Dale's final  
2 walk-through the rules.

3 MS. CLARK: Cindy, could we indicate to Dr. Taylor  
4 it's okay if he drops off the line now?

5 Dr. Taylor, are you still there?

6 DR. TAYLOR: I am.

7 MS. CLARK: This is Susan Clark, and I can let you  
8 know that we're comfortable with you dropping off the line  
9 right now.

10 DR. TAYLOR: Okay. Thank you. So long.

11 MS. CLARK: Thank you.

12 (Recess.)

13 MS. MILLER: Okay. We're ready to resume. I've  
14 heard that some of you have some planes to catch, and we will  
15 try to pick up the speed a little bit.

16 Dale is now going to go back to the rules that we --  
17 the rules for exemption that we've just been talking about.

18 MR. MAILHOT: Okay. To kind of pick up where we left  
19 off earlier, we're on Page 5 of the one that was described as  
20 Staff's Attachment B.

21 I think one thing we would like to find out as we go  
22 through this list of rules -- obviously, the companies are in  
23 favor of waiving each one of these rules, and we've talked to  
24 the -- asked the CLECs, or asked Vicki what their position is  
25 on this. And I think in a nutshell, you know, maybe you can

1 express -- well, actually, if you would, just on the record,  
2 sort of tell us what your opinion -- I mean, your general  
3 overview of these rules in terms of whether or not they  
4 should -- you know, which ones, if any, should be retained  
5 versus being waived.

6 MS. KAUFMAN: I'll try, and I'll stand to be  
7 corrected by any of my clients that are in the room here. But  
8 I think our position is taking into account what we've already  
9 discussed about the market test and our view that that really  
10 has no link to what we're trying to do in this rulemaking,  
11 taking into account our comment about we want to be sure that  
12 any of these rules that are amended or repealed do not have any  
13 impact on the wholesale side, the SEEMs plan, and taking into  
14 account our comment that on the incremental cost data rule, I  
15 believe there is two rules where that's implicated, we don't  
16 have any problem or objection to the appeal of those rules so  
17 long as we are matured, and we may have to look at the complete  
18 rules that if there is a complaint filed, that that information  
19 will be provided, so that we don't have to get into any  
20 argument about we don't have it, you're not entitled to it, or  
21 anything like that.

22 So with those, I guess those were three caveats, if I  
23 counted correctly, I don't think that we have any objections to  
24 any of the rule changes that have been proposed. With one  
25 comment from my partner here.

1 MR. GILLAN: Joe Gillan, CompSouth. Just to make  
2 clear, the fact that we find that the trigger to be irrelevant  
3 doesn't mean we're neutral on it. We think it's fundamentally  
4 bad policy. It implies a finding of competition when that  
5 finding would be incorrect. So while we're willing to,  
6 obviously, work with the Commission to change rules that are  
7 obsolete, we would be strenuously opposed to any rule or any  
8 trigger mechanism that gave an implied finding of competition  
9 when competitive markets aren't, in fact, functioning.

10 And, quite frankly, if the Commission wanted to go  
11 down the path of looking at competitive conditions, we,  
12 ourselves, have a long laundry list -- really not long, but  
13 certainly a list of very important reforms that we think the  
14 Commission would need to look at to make a market competitive  
15 that aren't in place today. We're not asking for that at this  
16 point.

17 MR. MAILHOT: Okay. How does cable feel about any of  
18 this? I mean, in terms of the specific rules that are in  
19 Attachment B. I mean, assuming that you've, you know, looked  
20 at the original petition, I mean, are there any of these rules  
21 that you all have strong feelings about, you know, in terms of,  
22 you know, we absolutely should keep this rule and not allow a  
23 waiver for it, or -- I mean --

24 UNIDENTIFIED SPEAKER: Sure. I think for us we tried  
25 to go through and look at each of these individual rules and

1 determine what effect it would have on our ability to compete,  
2 whether it would give the -- basically, we tried to figure out  
3 what effect it would have on us. Since we're not regulated,  
4 we're not really used to dealing with the rules every day. So  
5 it took awhile for us to really analyze these.

6 I think what kind of is -- what we are monitoring  
7 most closely is that there are just so many of these and a lot  
8 of them we're not sure exactly what function they serve. To  
9 get rid a lot of them all at once purportedly because  
10 competition exists seems to us like it's -- it's almost like --  
11 it's difficult to predict what will happen if you do that. So  
12 it's almost like a big experiment, and that's why I think it  
13 would be best to proceed somewhat cautiously.

14 And there are rules that you can determine really are  
15 archaic and don't need to be there anymore. We saw a number of  
16 those this morning. As for others, it's not as clear what they  
17 do and what purpose they serve. And the ones that are most  
18 important to us are the ones that would enable someone to tell  
19 whether there is a cross-subsidy occurring.

20 As for us, if you can't really determine if  
21 cross-subsidy is occurring, that prevents us from -- it  
22 prevents the market from working. Someone can be taking  
23 revenues from an area where there is no competition and using  
24 it to subsidize their operations where there is competition,  
25 and that makes it difficult for us to compete and for the

1 market to work.

2           So, I think as far as the ones that we think fall  
3 into that category, we probably would address them in our  
4 specific comments, because they are -- it would take a while to  
5 really go through, and some of them are very nuanced and some  
6 we still have some questions on. But there are some, and those  
7 are the ones that fall into that category.

8           Now, we're certainly not here to, you know, advocate  
9 for additional regulations or putting on regulations that are  
10 unnecessary. But for us, you know, we're increasingly -- we'll  
11 see that there are inputs that we need from the ILEC. You  
12 know, there are two -- there are complaint proceedings going on  
13 now that have to do with number portability. That's something  
14 that's not completely within our control. Tomorrow there's  
15 going to be another workshop on OSS, something that is not  
16 within the carrier's control, and yet it created a lot of  
17 problems. It has delayed a lot of orders for our customers,  
18 because it's not within our control.

19           So for a lot of these rules, we just don't know what  
20 effect they are going to have down the line, and that's why we  
21 think the Commission should proceed cautiously and get rid of  
22 the ones that are clear that they have no purpose, but for the  
23 other ones, you know, there should be deliberation, and maybe  
24 they need to stay.

25           MR. MAILHOT: Okay. I hope as we get to each rule,

1 you know, if you strongly object to -- you know, things  
2 shouldn't be waived under any circumstances, that you all speak  
3 up.

4 MR. KELLY: This is J.R. Kelly for Office of Public  
5 Counsel. Basically, I was not going to speak to each  
6 individual rule, because -- I mean, I pretty much spoke broadly  
7 this morning, and that pretty much remains the same. We may  
8 have specific comments that we will submit later. I can't say  
9 we've heard anything that has, I want to say, convinced us  
10 today that we need to blanketly get rid of quality of service  
11 rules. But I wasn't going to speak to every one of them,  
12 because I didn't want to -- we would be here all day, or we are  
13 going to be here all day or night.

14 So our specific comments we'll submit at a later  
15 time. But suffice it to say we haven't heard anything that  
16 would absolutely convince us we need to get rid of them.

17 MR. MAILHOT: Okay. That's fine. I just wanted to  
18 be sure as we go through these rules that I don't, you know,  
19 overlook anybody or, you know, if I don't point to you, you  
20 know, don't feel like you're being left out.

21 Okay. Going back to Page 5 of Attachment B, customer  
22 trouble reports.

23 Yes.

24 MR. NELSON: Actually, I thought we were just  
25 summarizing the rules we were concerned with at the very end.

1 You'll probably go through these rules, but I just wanted to  
2 repeat, you know, that the rule we're looking at in this set is  
3 the rule on information to accompany filings regarding the  
4 cross-subsidization rules. That's the concern. I'm sorry.

5 MS. MILLER: And please make sure the court reporter  
6 has your name and --

7 MR. NELSON: Doug Nelson, Sprint-Nextel.

8 MS. MILLER: Thank you. Sorry.

9 MR. MAILHOT: Okay. I don't know that we have any --  
10 on staff, I don't know that we have any particular questions  
11 about that. I think this is one of those rules that  
12 conceptually you just don't believe should apply to a  
13 competitive company.

14 MR. GREER: This is Stan Greer with AT&T. And that's  
15 true, we believe the focus ought to be somewhat shifted toward  
16 customer satisfaction versus the details of the rule that are  
17 listed in .070, I think is the one you're talking about, right?

18 MR. MAILHOT: .070, customer trouble reports?

19 MR. GREER: Yes. Okay.

20 MR. MAILHOT: Okay. On Page 7 we have 4.071,  
21 adequacy of service. I don't believe that staff has any real  
22 comments or questions on that. I think we understand, you  
23 know, what you're proposing there and why.

24 The next rule there, 4.072, I think we may have a  
25 comment or a question on that.

1           MR. MOSES: This is Rick Moses. I just had a  
2 question to ask the industry. Is there still a forum that you  
3 all participate in as far as coming up with -- I know the ANSI  
4 standards for transmission were developed through a forum with  
5 the LECs and the IXCs getting together to ensure that your  
6 end-to-end connectivity is within a certain range for decibel  
7 level, and noise, and all that type of stuff. Is that still in  
8 existence or -- because the concern I have is if the rule goes  
9 away, and all of sudden these standards are no longer  
10 implemented, how are you going to ensure end-to-end  
11 connectivity is either too low, too loud, or what?

12           MR. GREER: This is Stan Greer with AT&T. It's my  
13 understanding that they are still -- those forums are still  
14 going on now, but I would have to check and see.

15           MR. GILLAN: Joe Gillan, CompSouth. There's an issue  
16 on the horizon that there are some industry bodies looking at,  
17 but it's not as formulized as ANSI, and it has to do with the  
18 fact that the future interconnection and desire for end-to-end  
19 quality is going to be a packet stream, not some sort of TDM  
20 traffic exchange. And in that area there may be a need for  
21 rules in the future, but, you know, we are not ready to adopt  
22 them today. But I do want to describe for you that these  
23 things that go back to, you know, traditional TDM architectures  
24 are pretty well standardized. The issue doesn't really have to  
25 do with that being maintained. That's why we felt comfortable



1 in getting rid of these rules, but we're not comfortable with  
2 the notion that there won't ever be a problem in maintaining  
3 end-to-end quality, because there are new architectures on the  
4 horizon and there are new concerns.

5 MR. MAILHOT: Okay.

6 MR. GILLAN: Just that these don't address it now,  
7 anyway.

8 MR. MAILHOT: Right.

9 Okay. On the next page, Page 8, we have Rule 4.073,  
10 answering time. I think we pretty well understand people's  
11 positions on that.

12 Okay. On Page 9, there is Rule 4.074, intercept  
13 service.

14 MS. PERRY: This is Gail Marie Perry. In regards to  
15 the answering time, I don't know, I didn't hear a lot of  
16 discussion about answering time. The doctor on the phone did  
17 talk about waiting a half hour to get into the airlines, and  
18 someone else did speak about they're not getting complaints  
19 from their customers about being able to get into the phone  
20 company, but I do know that the customers, when there is a long  
21 wait time, that's the first thing they complain about is why  
22 they had to wait so long. So I don't know. No one really  
23 spoke about this.

24 I just wanted to make sure that if you just even step  
25 out of telecomming and go to another industry that was just

1 deregulated the last year in the Legislature -- I want to try  
2 and behave myself -- that was one of the biggest complaints  
3 from the customers, they can't get into the company to talk to  
4 anybody to tell them the problems that they're having. And I  
5 do believe that that would be called answer time.

6 MS. SALAK: When you're talking about answer time and  
7 the complaints that you heard, were you talking -- I mean, are  
8 you talking a matter of seconds or are you talking matters of  
9 minutes, or a half hour, or 15? I mean --

10 MS. PERRY: Well, I'm going to make total comments at  
11 the end, but, you know, I don't know that the customer sits  
12 there and counts the seconds. But when somebody has a half  
13 hour lunch --

14 MS. SALAK: Uh-huh.

15 MS. PERRY: -- and they're spending a lot of time of  
16 that half hour so they don't get a lunch, just waiting to talk  
17 to somebody because they have a problem on their bill, or their  
18 service is out of order and they're borrowing their neighbor's  
19 phone, or their mobile, whichever, whichever, then it might not  
20 be the time that they're currently under. Maybe there needs to  
21 be a change in that if the company is seeing that it's much too  
22 stringent for them to achieve the goals that are set in the  
23 current regulation, then maybe there needs to be a cutback on  
24 that. But to totally do away with it is not anything that I  
25 can see would be a benefit to the customer.

1 MR. MAILHOT: The next rule at the top of Page 9 is  
2 4.074, intercept service. I have a short question on that. Is  
3 section or Paragraph (4)(b), which talks about any seven digit  
4 or other number, when replaced by a universal emergency number,  
5 911, is this paragraph or this Section (4)(b), is this even  
6 applicable today? I mean, would this occur? I mean, because  
7 we have 911 throughout the state, is this something -- is this  
8 situation --

9 MR. GREER: This is Stan Greer with AT&T. It's my  
10 understanding that it wouldn't be an issue. It wouldn't be an  
11 issue because of the 911 application across the state.

12 MR. MAILHOT: Okay. So, I mean, in today's world, I  
13 mean, it's not even --

14 MR. GREER: Right.

15 MR. MAILHOT: Okay. Okay. The next rule, 4.077, the  
16 metering and recording equipment. Staff is looking at the  
17 possible repeal of that rule.

18 Okay. On Page 10 we have Rule 4.083, preferred  
19 carrier freeze. I don't think that we have any specific  
20 questions, but I --

21 UNIDENTIFIED SPEAKER: I think one of the -- oh, go  
22 ahead.

23 MR. MAILHOT: I would say I think this rule -- I  
24 think it would apply to CLECs and to -- a lot of it applies  
25 to -- well, it all applies to CLECs, and a lot of it applies to

1 IXCs, and we were wondering on what basis we would waive this.

2 MR. GREER: This is Stan Greer with AT&T. I think  
3 the main basis that we had was having two different sets of  
4 rules similar to the FCC's preferred telecommunications service  
5 providers rule. I think it's 64.1100 and flows down from  
6 there, I believe. And it didn't make sense to have two  
7 separate rules dealing with the same issue is the main driving  
8 force.

9 MS. SALAK: So if this mirrored the SEC's rule, that  
10 would be fine?

11 MR. GREER: I don't think it mirrors it.

12 MS. SALAK: No, I didn't say it did.

13 MR. GREER: Oh.

14 MS. SALAK: I said if it did. If it mirrored it,  
15 that --

16 MR. GREER: Yeah. I don't see that as a big issue.  
17 I mean, as we've indicated before that, you know, trying to  
18 streamline the operations of the company across a 22-state  
19 region is somewhat difficult when you have cases that are  
20 slightly different. Not too different, but slightly different.

21 MS. MILLER: In this one we did notice the statute  
22 says we must adopt rules on this. So that --

23 MS. CLARK: This is Susan. I think the way to adopt  
24 it is just to sort of say they will comply with the federal  
25 rules and leave it at that, rather than worrying about having

1 to mirror it in the rule.

2 MR. MAILHOT: Well --

3 MS. SALAK: I don't know that we are ready to mirror  
4 them. I was just asking the question.

5 MS. CLARK: Oh, okay.

6 MR. KONUCH: This is Dave, Dave Konuch.

7 This is an example of a rule that could have real  
8 competitive consequences if it were deleted. And, again, it's  
9 difficult to predict what those consequences could be, but just  
10 looking at the rule, it could actually create a lot of  
11 problems.

12 I mean, I actually was at the FCC from '96 to 2000,  
13 and one of the things I wrote was the truth in billing rules  
14 and dealt a lot with preferred carrier freezes. And one of the  
15 reasons you have a rule like this is to prevent slamming and  
16 cramming and to make sure that customers can get information  
17 on, you know, who their provider is, but also that it can't be  
18 changed without the customer's authorization.

19 Well, if you look at just Section (1) of this, a PIC  
20 freeze shall not be imposed or removed on a subscriber's  
21 account without their authorization. Well, you know, the  
22 reverse of that is that, well, maybe we can now, you know, put  
23 a PIC freeze on there without their authorization.

24 Well, if you can put a PIC freeze on there, does that  
25 mean that that's your customer for life? And a lot of people

1 don't even -- a lot of customers aren't aware that a PIC freeze  
2 even exists. But if one is put on there without their  
3 authorization, then they can't switch their service. It can be  
4 done without their authorization, which probably is illegal  
5 under the federal provisions, and it's the kind of thing where  
6 when you're going to make a big change like this, I really  
7 think that there should be some sort of showing that today it's  
8 a problem before we go ahead and delete something that's been  
9 on the books for so long. And, no doubt, it's there for a good  
10 reason.

11           So it just, you know, creates a lot of work for  
12 everyone to just say, well, maybe this one, there are two sets  
13 of them, maybe they should be the same, but why should they be  
14 the same? You know, what's the demonstrated problem that is  
15 created by this. Because if you get rid of it, there could be  
16 problems obviously created.

17           So I think there should be some sort of showing that  
18 this is creating a problem now, and that there is no reason for  
19 these rules to be in existence. And for this particular one, I  
20 mean, slamming and cramming was a big problem maybe five years  
21 ago, ten years ago, and it was a problem that was the result of  
22 competition. People were having their carriers switched  
23 without their authorization and these rules were an effort to  
24 prevent that from happening.

25           So this is an example of a rule that is designed --

1 that exists because competition exists, and it's there to  
2 preserve fair competition. And I just don't see any reason  
3 why -- there is no compelling reason to try to get rid of it.  
4 The reason here doesn't seem very compelling. So, again, there  
5 ought to be a reason for taking some sort of action like this.

6 MR. MAILHOT: Well, I think that this is one of those  
7 rules that it's fairly safe to say that we'll look at really  
8 carefully before we would recommend waiving it or changing it.  
9 But we will look at that. I mean, we'll consider what you said  
10 and, you know, see what the FCC's requirements are and we'll  
11 review it carefully.

12 On Page 12, Rule 4.085, service guarantee program.

13 MS. SALAK: I have a question about the service  
14 guarantee program. Whose plan expires? I thought that they  
15 were all ongoing.

16 MR. GREER: Yes. This is Stan Greer with AT&T. At  
17 least AT&T's continues and we would have to make some kind of  
18 filing petition with the Commission to change it.

19 MS. SALAK: Okay. Does Embarq's expire?

20 MS. KHAZRAEE: I haven't looked at it in a while, but  
21 my recollection is that the language in it says that either  
22 party, which would mean the Commission or Embarq could, I  
23 guess, request that it be ended.

24 MS. SALAK: Okay. And the only other one is  
25 Windstream. Does your expire?

1 MS. WILLIS: (Inaudible; microphone off.)

2 MS. SALAK: Okay. So when you say here such orders  
3 expire or are revised, there is no expiration?

4 MR. GREER: Well, I think what we were talking  
5 about -- Stan Greer with AT&T. I think what we were talking  
6 about was if the orders would drive any circumstances  
7 associated with the changing or modification of the given SGP,  
8 whatever the requirements are in the order, and it wasn't  
9 necessary to have a rule.

10 MS. SALAK: Right. It's just that your company  
11 comments say expire, and I was just confused by that, so I  
12 thought I would ask.

13 MR. GREER: Well, there is some -- if you read the  
14 verbiage in the SGP order, there is some question is if you  
15 eliminate the rule, what happens to the SGP? Does it  
16 automatically go away? That's clearly not our intent. We may  
17 have to -- if we file a petition and we get the streamlined  
18 regulation, then we may have to put a blurb in the order to  
19 cover for that just in case to make it clear that the SGP, at  
20 least AT&T's SGP, we wouldn't plan on it going away. If you  
21 look at the order, there is some language that you could maybe  
22 argue that if the rule goes away, so does the SGP, but that's  
23 not our intent.

24 MS. SALAK: Okay. Thank you for that clarification.

25 MR. MAILHOT: Then do the companies believe that if



1 the rule itself is simply repealed as opposed to, you know,  
2 going through the waiver process and everything, but if the  
3 rule itself is just repealed, do you believe that your service  
4 guarantee plans or programs are still in effect?

5 MR. GREER: This is Stan Greer with AT&T. Yes,  
6 because it would be pursuant to the order.

7 MR. MAILHOT: Okay.

8 MS. SALAK: Does OPC have a position in particular on  
9 this rule, because the original SGP was part of an OPC  
10 stipulation?

11 MR. BECK: One of the problems is that the SGP is  
12 dependent on the Commission's authority to promulgate the  
13 quality of service rules, and the SGP simply gives them a  
14 waiver if they will enter into a plan. And the plans typically  
15 call for payments to customers.

16 MS. SALAK: Yes.

17 MR. BECK: The PSC has no jurisdiction to order that.  
18 So if you get rid of the rule on the quality of service, we're  
19 concerned that that might have an effect on the underlying  
20 authority to the Commission orders that order the SGP.

21 MS. SALAK: Are you talking about parts of the SGPs  
22 that say, gee, if we get rid of it on a going-forward basis,  
23 you go back to the rules. Is that what you're referring to?

24 MR. BECK: Yeah. The basis for ordering them is that  
25 you're waiving rules on quality of service.

1 MS. SALAK: Right.

2 MR. BECK: If you don't have quality of service  
3 rules, then you don't have the basis for approving SGPs,  
4 perhaps. It is the concern at least.

5 MS. SALAK: Okay.

6 MS. MILLER: You had better tell the court reporter  
7 who you are.

8 MR. BECK: My name is Charlie Beck with the Office of  
9 Public Counsel.

10 MS. SALAK: So that's three companies that have plans  
11 and the rest would just operate -- Verizon, for example,  
12 doesn't have a plan. You would just continue -- we would just  
13 operate without rules?

14 MS. CLARK: Yes. The rules would be waived for them.

15 MS. SALAK: Right. I just wanted to -- so they're  
16 not -- really, the question is are you planning on coming in  
17 for an SGP, anybody else? I'm just curious.

18 MS. CLARK: I don't think that they would come in for  
19 an SGP when the rules were not applicable because of the  
20 streamline.

21 MS. SALAK: Right.

22 MR. MAILHOT: The next rule is 25-4.107, information  
23 to customers. I don't believe we had any specific questions on  
24 that rule.

25 MS. HARVEY: This is Lisa Harvey for staff. I guess

1 the biggest issue for me with this particular rule is the  
2 disclosure of the single line least expensive charge. And how  
3 can a customer, if this rule was waived, how can a customer  
4 obtain that information?

5 UNIDENTIFIED SPEAKER: We would still have the  
6 provision of the statute that says you shall do that for, I  
7 believe, a single line res, if I remember the statute right.

8 MS. HARVEY: Okay. Thank you.

9 MR. MAILHOT: Okay. On Page 13, the rule on  
10 initiation of service. I don't believe we have any questions  
11 about it.

12 On Page 14, Rule 4.109, customer deposits.

13 MS. SIMMONS: I guess I had a question. This is  
14 Sally Simmons. On that deposit rule, is this, I guess, a  
15 request on the part of the petitioners that this rule shouldn't  
16 apply, is this really a function of you just don't believe in  
17 principle that it's appropriate to have the rule, or do you  
18 actually find something about the rule to be objectionable, you  
19 know, some specific provision?

20 MR. GREER: This is Stan Greer with AT&T. I think  
21 the main emphasis is the principle of applying the rule in that  
22 our tariffs and whatever agreements we enter into with our  
23 customers for the given service. I mean, those kind of things  
24 change considerably across the board, and you may have to  
25 collect more of a deposit for certain customer types versus

1 others. But I think it's more or less we want to apply the  
2 tariffs, whatever the requirements are in the tariffs. They  
3 may be a little -- we may change them, depending on the  
4 circumstances associated in a competitive market. We may not  
5 collect them at all.

6 MS. SIMMONS: And so you believe the rule might be a  
7 little too limiting?

8 MR. GREER: Yes.

9 MS. SIMMONS: All right.

10 MR. MAILHOT: Yeah, but even if you didn't have the  
11 rule, you would still have a lot of details or enough details  
12 in your tariff that if we get a new plan or something, we could  
13 deal with it. I mean, is that the idea?

14 MR. GREER: That's my take on it, yes.

15 MS. SALAK: So when you're talking about the  
16 transitioning, the joint -- about how you would transition off,  
17 is you already have a plan in place or is it something we need  
18 to determine? If we got rid of this rule, would we need to  
19 determine that plan prior to rulemaking?

20 MR. GREER: This is Stan Greer with AT&T. We would  
21 probably need to work on a transition plan. We don't have one  
22 in place to deal with the deposits and things that you have  
23 now.

24 MS. SALAK: Okay.

25 MR. MAILHOT: Okay. The next rule is on Page 16,

1 customer billing for local exchange telecommunications  
2 companies.

3 MS. SALAK: Dave, you've evidently worked in truth in  
4 billing. Did you have any comments?

5 MR. KONUCH: Well, I was going to see if the staff  
6 had any comments first, but this is, again, something where it  
7 affects the ability of customers to make decisions. And when a  
8 customer is looking at who to buy service from, they should  
9 have the best information that they can have. So a rule like  
10 this one just requires the provision of clear information.  
11 And, although, the reason given for this one was that there is  
12 two sets of rules, federal and state, and that the federal  
13 rules cover this, in fact, the PSC has different jurisdiction  
14 than the FCC does. So, presumably, there was a state-specific  
15 reason for having these rules. And I think having them there  
16 enables the customer to make a clearer comparison.

17 I know that there was -- at one point there was a --  
18 when truth in billing was being debated, there was a company  
19 somewhere in, I think -- somewhere out west that instead of  
20 using minutes of use, they used -- they invented some unit that  
21 was slightly less than a minute, and it got the customers  
22 incredibly confused. And I think this rule is obviously  
23 intended to get at that kind of conduct.

24 I'm not saying that our brethren at the telcos would  
25 ever do that, but I think this rule serves a purpose, and it

1 enables competitors to -- it enables customers to make an  
2 informed choice. So, again, this one doesn't have anything to  
3 do with whether competition is there or not, it's just to  
4 enable the market to function more adequately.

5 MS. KHAZRAEE: Can I ask a question -- this is Sandy  
6 Khazraee -- since we have a cable person here who worked on  
7 truth in billing. A couple of months Comcast announced that  
8 they bypassed Embarq in the number of residential access lines,  
9 and they are now the fourth largest phone company in the  
10 country. They bypassed us. Do they have to abide by these  
11 truth in billing rules from the FCC for their phone customers?  
12 I'm asking because I don't know.

13 MR. KONUCH: Well, to be quite honest with you, I'm  
14 not the state guy and I'm not the federal guy, so I -- it's  
15 been a while since I worked on the truth in billing rules. But  
16 there are a number of rules that now apply to VoIP services at  
17 the federal level. So there's a lot of rules that have  
18 recently been applied to VoIP at the federal level. As to  
19 truth in billing, I know it applies to wireless and wire line,  
20 but as to cable itself, I just don't know that for sure.

21 MS. SALAK: Could you add that to your comments,  
22 would you mind?

23 UNIDENTIFIED SPEAKER: Go ahead, Tom.

24 MR. McCABE: Tom McCabe with TDS. This is really,  
25 you know, an important item to us. You know, we look at how we

1 might be trying to change our bills in the future. I mean, we  
2 have the FCC truth in billing rules, and if Florida has -- and  
3 our goal is to abide by the FCC's truth in billing rules. And  
4 if Florida's rules are different, that creates an additional  
5 burden. It may eliminate our ability to structure our bills in  
6 the most cost-effective manner for our company. And those  
7 benefits do ultimately, you know, go towards customers, one way  
8 or another.

9 I mean, if we can reduce our cost, you know, it's a  
10 good thing for everybody. And that's what -- you know, we  
11 would like to see this go away and be replaced with the FCC's  
12 truth in billing rules. Recently, you know, we changed our  
13 cellular bill. Why? Because we were able to. We didn't have  
14 to ask permission. The market allows us to do that, and that's  
15 what we are looking for here.

16 MS. SIMMONS: Sally Simmons, I guess, with a  
17 comment/question. I was wondering if anyone here knows to what  
18 extent the federal truth in billing rules comply with Section  
19 364.604, Florida Statutes. And maybe if the commenters could  
20 address that, that might be helpful. The section on billing  
21 practices in the Florida Statutes is 364.604.

22 UNIDENTIFIED SPEAKER: Does that section only deal  
23 with residential? I believe it does, if I remember right.

24 UNIDENTIFIED SPEAKER: I think it does.

25 MS. SIMMONS: I can't tell at a glance. I'm sorry.

1 UNIDENTIFIED SPEAKER: So I would think it would  
2 apply -- the truth in billing would apply to res and biz versus  
3 just residential.

4 MR. MOSES: This is Rick Moses. You're correct.

5 MS. CLARK: Cindy, this is Susan Clark. I think I'd  
6 just like a clarification from David. Is he suggesting that  
7 different truth in billing rules should apply to the ILECs as  
8 opposed to other competitors?

9 MR. KONUCH: Well, what I'm suggesting, I guess, is  
10 we're commenting on these specific rules, and --

11 MS. CLARK: I'm just asking a simple question. I  
12 think that if there are FCC rules that address truth in billing  
13 that apply to this company, what would be the rationale for  
14 having a different standard for other competitors in the  
15 market?

16 MR. KONUCH: Well, we're here to discuss specific  
17 rules, and this is a specific rule that is implementing a  
18 specific Florida Statute, so there's a reason for its existence  
19 and a reason for the regulatory regime that exists in Florida  
20 today.

21 MR. GREER: This is Stan Greer with AT&T. I mean,  
22 the rule itself today, only portions of it deal with -- apply  
23 to CLECs. I believe it's Subsections 11 through 20, if I  
24 recall right. And I would disagree with the fact that it's not  
25 a competitive streamline issue, because it is. You know,



1 having two sets of rules apply to you versus whatever other  
2 carriers have to deal with. It's an issue on a 22-state basis.

3 MS. SALAK: How many states besides Florida have  
4 additional rules?

5 MR. GREER: I don't know right off. I would have to  
6 go look and see. I don't know right off the top of my head.

7 MS. SALAK: Are there other states that have  
8 additional rules?

9 MR. GREER: Yes, I'm sure there are.

10 MS. SALAK: Okay. In the old BellSouth nine-state  
11 region are there?

12 MR. GREER: I believe there is. I would have to  
13 check and see on the specifics.

14 MS. SALAK: Okay. How about for Embarq?

15 MS. KHAZRAEE: There are some of our 18 states that  
16 do have their own state rules in addition to the FCC. I can't  
17 recall how many. It's not all of them.

18 MS. SALAK: Okay.

19 Tom.

20 MR. McCABE: Tom McCabe. I would assume that would  
21 be the same for TDS. But if we're looking to go ahead and  
22 change our bill, we would also be going to those states and  
23 change that, and that's why we're here today.

24 MS. SALAK: I understand. How about you, Bettye? I  
25 didn't mean to skip over you.

1 MS. WILLIS: I'm sure there are some, but then I can  
2 also say there are at least a couple of states where we have  
3 actually gone to compliance with the truth in billing instead  
4 of having state specific rules.

5 MR. MAILHOT: Okay. Are there any additional  
6 comments on this rule?

7 Okay. I think that takes us to Page 22. There we  
8 have the rule termination of service by customer. I don't  
9 think we have any questions on that.

10 The next page, 23, is Rule 4.113, refusal or  
11 discontinuance of service by company. I don't believe we have  
12 any questions.

13 Page 25, Rule 4.114, refunds. I guess we don't  
14 exact -- well, we sort of have a question and a comment on this  
15 one. The rule itself, it starts out with the applicability,  
16 and it mentions all refunds ordered by the Commission. And we  
17 were wondering -- we kind of view this rule as something that  
18 sort of helps in situations where if we do order a refund, you  
19 know what -- you know what the refund rule is, as opposed to us  
20 kind of like recreating the wheel every time there might be a  
21 refund.

22 I mean, it's only applicable if there is a refund  
23 that's ordered by the Commission. And as opposed to us, if we  
24 were to order a refund we would have to specify in the order,  
25 you know, all the details of how the refund is to be carried

1 out and everything. I guess from our point of view it's a  
2 little bit of a step backwards in terms of our relationship in  
3 working with the companies to start from scratch every time  
4 there might be a refund.

5 MR. GREER: This is Stan Greer with AT&T. I think we  
6 can take that back and look at it again.

7 MR. MAILHOT: Okay. I mean, you know, think about it  
8 from that perspective.

9 MR. GREER: Sure.

10 MR. MAILHOT: We don't view this rule as having a  
11 whole lot to do with competition, because it's really the  
12 relationship between the companies and the Commission.

13 MR. GREER: Sure. We'll take a look at it.

14 MR. MAILHOT: On Page 27, I think is the next rule,  
15 directory assistance. I don't believe we have any specific  
16 questions on that one.

17 MS. SIMMONS: I might want to ask just a quick one,  
18 Dale.

19 MR. MAILHOT: Okay.

20 MS. SIMMONS: Sally Simmons. I was curious whether  
21 or not the petitioners really wanted to deviate from the rule,  
22 or is this one of these just as a matter of principle, you  
23 don't believe the rule should apply. I was just curious.

24 MR. GREER: Well, in this day and age I'm not for  
25 sure the rule should apply, because I think AT&T has a waiver

1 of at least a portion of this rule, if I recall right, which is  
2 a home NPA type portion. I think it's (2)(b), I think, but I  
3 would have to look and see. But it just doesn't make sense in  
4 the realm we're in today to me.

5 MS. SIMMONS: Okay. So it's a matter of principle  
6 argument, primarily?

7 MR. GREER: Yes.

8 MS. SIMMONS: Okay.

9 MR. MAILHOT: The next rule on that page is 4.117,  
10 which is about billing for 800 service. If we didn't have this  
11 rule, what would happen? I mean, should you contemplate  
12 billing for 800 service?

13 MR. GREER: This is Stan Greer with AT&T. For my new  
14 merged company, I'm having to rethink, because we didn't do 800  
15 service too much on the BellSouth side, so I'm not sure. I  
16 would have to think about that.

17 MR. MAILHOT: Okay.

18 MR. GREER: Sorry.

19 MR. MAILHOT: That's fine. I mean, you know,  
20 whatever you think if you could just include in your comments,  
21 and that will be fine.

22 MS. SALAK: Anybody else have an answer? No? Okay.

23 MR. MAILHOT: Okay.

24 UNIDENTIFIED SPEAKER:

25 MR. HATCH: This is Tracy Hatch with AT&T. I believe

1 the FCC precludes people billing for 800 number and 877, what's  
2 defined as a toll free number. So I'm not sure that it's -- it  
3 may be redundant.

4 MR. MAILHOT: As I said, if you could find that out  
5 for sure, that would be real helpful.

6 The next rule is 25-4.200. We're moving to the  
7 section of the rules that are designed for the small local  
8 exchange companies. And I guess the next couple is -- we're  
9 really trying to understand why companies would want a waiver  
10 of that, of these next two rules here on the bottom of Page 27.  
11 I'm not sure we really see anything there to waive. I mean,  
12 you know, it's something you might want to think about.

13 Okay. At the top of Page 28 is Rule 25-4.210. We  
14 were really wondering why you would want to waive this rule. I  
15 mean, this rule kind of limits us to not doing the service  
16 evaluation more frequently than every four years, and it puts  
17 other requirements, basically, on the Commission and the  
18 Commission staff. And I would say if you didn't have this  
19 rule, I mean, you know, we might end up auditing you every two  
20 years.

21 MR. McCABE: Tom McCabe, TDS. You know, some of the  
22 rules, I think, are dependent on what you do with other  
23 portions of it. If you do a rewind, and that's to eliminate  
24 the rules, then there is no reason to have this portion of the  
25 rules. Now, if you don't eliminate service quality rules, then

1 I don't know that I would say to eliminate this, because I  
2 agree with you in terms of, you know, it does provide some  
3 benefit. But the bottom line is if the others don't apply,  
4 then this doesn't need to be existing going forward.

5 MR. MAILHOT: Okay. So, basically, you would repeal  
6 this under the assumption that the other service quality rules  
7 are gone?

8 MR. McCABE: Yes.

9 MR. MAILHOT: I mean, is that kind of the logic?

10 MR. McCABE: Yes. I mean -- exactly.

11 MR. MAILHOT: Okay.

12 MS. SALAK: Along those same lines. So if we get rid  
13 of the service quality rules and standards, are you saying that  
14 we could never come in and check your service levels? Are you  
15 saying we shouldn't or that we can't?

16 MR. McCABE: I'm not saying that you can't. I mean,  
17 you know, it just goes back to, you know, what it is that --  
18 you know, the way we think we need to operate our business. So  
19 from that standpoint, we don't think that there is a need for  
20 the Commission to do so. But I would not see that that would  
21 prevent you from going in and saying, you know, we have some  
22 customer complaints, or we have some issues that we don't think  
23 that you're providing good quality service. You go in, you do  
24 an audit. We sit down and try and, you know, work things out.  
25 You know, I feel those types of --

1 MS. SALAK: So if that's true -- I mean, if we can,  
2 then this still would limit us how often we could do it, I  
3 would think. So back to the original question, you might look  
4 at it and see if you really want it to be waived.

5 MR. McCABE: Yeah, I understand.

6 MS. SALAK: I understand what you're saying, too, but  
7 I just (Inaudible; microphone off.) --

8 MR. McCABE: Let me put it this way. If we leave  
9 this rule in place, and I don't have service quality rules, and  
10 you were to come to me and say we've got some problems, we want  
11 to go in and look. I don't think I'm going to tell you you  
12 can't do it, because the four years hasn't passed, you know.

13 MS. SALAK: Okay.

14 MR. McCABE: So that --

15 MS. SALAK: Okay.

16 MR. MAILHOT: The next rule on that page is 4.214.  
17 We don't believe there's any reason to waive it, because the  
18 rule itself says that it applies to rate of return regulated  
19 companies, and so we don't think it's really relevant or  
20 necessary to waive, let me put it that way.

21 The next rule, 25-4.215, limited scope proceedings.  
22 We think it's clear to go ahead and change the language of the  
23 rule so it applies just to rate of return regulated small LECs,  
24 and that was on your other handout.

25 Page 29. Okay. We have Rule 25-9.005, information

1 to accompany filings. We do have a couple of questions there.  
2 We're trying to understand if you just didn't want the rule to  
3 apply for conceptual reasons or -- we're trying to look at in  
4 particular and maybe like looking at Section (3)(a) as the --  
5 is it the cost information, is that the concern about this  
6 rule, or could you help us -- could you explain a little bit  
7 more about what it is about this rule, why you think it should  
8 be waived?

9 MR. GREER: This is Stan Greer with AT&T. And I  
10 think it would probably go for all of the 25-9 ones, is that we  
11 were trying to get the rules applicable in the way we deal  
12 with -- in the price regulation world. I mean, we provide the  
13 Commission with -- does the cost stuff -- is that necessary in  
14 a price regulated world? Probably not.

15 There are some statute requirements that say you  
16 can't cross-subsidize, those would still apply. Generally,  
17 when we file tariffs and that kind of thing, we give statements  
18 to the effect that we're covering our costs. And that, we  
19 think, is more appropriate in a competitive environment versus  
20 all of this stuff.

21 Now, I didn't want -- it was an effort to not change,  
22 and maybe we added some things that we didn't need to, but not  
23 change the Commission's mechanism for tariffs and that kind of  
24 thing. I didn't want to mess with that, and I may have, but  
25 that wasn't my intent.



1 MS. SIMMONS: I just have a quick follow-up question,  
2 Stan.

3 MR. GREER: Sure.

4 MS. SIMMONS: This is Sally Simmons. On (5) under  
5 25-9.005, it deals with a coded copy of the tariff showing the  
6 changes, and it talks about the legislative format. Is that of  
7 concern? It wasn't mentioned in the petitioners' comments.  
8 You know, the comments emphasized the cost information.

9 MR. GREER: No. As far as providing a legislative  
10 format type tariff page, that wasn't one of my concerns.

11 MS. SIMMONS: Okay. All right.

12 MR. GREER: It was just trying to clean up some of --  
13 as you see, these rules have a -- some of these rules are, you  
14 know, 1975, and just trying to clean up some of the things that  
15 really doesn't make sense in a competitive price cap world.

16 MS. SIMMONS: Okay. All right. And just a comment,  
17 because I know there have been some comments earlier from, I  
18 think, the CLEC community with some concerns about information  
19 to accompany filings. You might want to look at the docket and  
20 order in which the Commission set up the procedures to handle  
21 the non-basic service categories.

22 MR. GREER: The price basket statute -- I mean, the  
23 price basket order.

24 MS. SIMMONS: Yes. It's Docket Number 951159-TL. It  
25 was the original docket. There have been a few changes since

1 then. It's been company specific. The relevant order number  
2 is PSC-96-0012-FOF-TL. Because that does address information  
3 to accompany non-basic filings by price regulated companies. I  
4 just mention that.

5 MR. GREER: This is Stan Greer with AT&T. And that  
6 was also part of the reasoning in that that order is somewhat  
7 inconsistent with some of the things that are in here.

8 MS. KAUFMAN: This is Vicki Kaufman for CompSouth.

9 Sally, I'll admit to not remembering or being  
10 familiar with that order, and I'll obviously look at it before  
11 we file our comments. But this is another place where we had  
12 thought that we don't have an objection to the changes so long  
13 as, again, if there is a complaint, the incremental cost data  
14 is made available, and there is not an argument between parties  
15 as to whether it has to be provided.

16 MR. NELSON: This is Doug Nelson from Sprint Nextel.  
17 We'll take into consideration -- I'm not familiar with that  
18 order you just cited, either. But we just urge caution on this  
19 one, because I'll point out again to begin with the rule itself  
20 includes a provision by which a carrier can ask for a waiver of  
21 that rule specifically. So, again, we come back to whether the  
22 waiver is the appropriate way to deal with some of these  
23 issues.

24 And then I would say that, you know, even in a price  
25 cap world there are significant subsidies that remain in this

1 state. And cross-subsidization in the marketplace that the  
2 petitioners are pointing to with video offered by multiple  
3 providers and bundles of service, the cross-subsidization  
4 dangers are actually getting greater, and the Commission needs  
5 to police that.

6 I told you before how Verizon Wireless and Verizon  
7 essentially pay themselves for the intrastate switched access  
8 that applies to their intraMTA calls. Sprint doesn't pay  
9 itself, it pays them. And we are at a disadvantage there. We  
10 are at even more of a disadvantage against the Verizon ILEC if  
11 we're in competition with them, because we don't get paid for  
12 terminating their calls. And AT&T's switched access rates in  
13 Florida are the highest in any legacy BellSouth state. That's  
14 a substantial subsidy. And the last rationale justification  
15 for that high subsidy is going away.

16 As was pointed out before, the carrier-of-last-resort  
17 obligations are sunseting, and one of the justifications for  
18 allowing these supra cost rates to continue to apply for things  
19 like switched access was to pay the ILECs for satisfying their  
20 carrier-of-last-resort obligations. So we have to keep in mind  
21 what's changing in addition to what they point out is changing.

22 Thank you.

23 MR. KONUCH: And I'll just add on behalf of cable --  
24 this is David Konuch. I, also, am not familiar with the  
25 rules -- or, rather, the order that you mentioned, but I jotted

1 it down, and I will take a look at that and address it in our  
2 comments. At first blush this certainly was something that  
3 looked like an anti-trust type rule designed to prevent  
4 predatory pricing, and as such it looks like something that  
5 should stay because it ensures that there's a level playing  
6 field and that there are no cross-subsidies. So we will look  
7 at those orders that you cited and will address it in our  
8 comments.

9 MR. MAILHOT: I believe that brings us to the top of  
10 Page 30, and I believe all the rules on Pages 30 and 31, they  
11 all involve tariffs. And I guess the question is are you kind  
12 of wanting to waive these rules -- I mean, you intend to still  
13 file tariffs.

14 MR. GREER: Well, I mean, the statute gives us the  
15 ability to detariff, but I think there is some discussion about  
16 how to go about that if we decide to do that. But, yes, until  
17 we detariff or intend to detariff, then, yes, we would file  
18 tariffs and be consistent with that.

19 MR. MAILHOT: Okay. Then I guess my question would  
20 be -- I mean, we see these rules as, you know, for consistency  
21 between companies, and, you know -- I mean, because literally,  
22 I mean, we have hundreds of tariffs, I believe, if you count,  
23 you know, the IXCs and all.

24 MR. GREER: But you don't have specific -- and maybe  
25 I'm wrong, and I'll need to check my list of applicable

1 requirements for CLECs. These kind of things are not there for  
2 those folks. I may be wrong, and they can correct me if I am,  
3 but I don't think those rules apply to the CLEC community.

4 MS. SIMMONS: This is Sally Simmons. You're correct,  
5 they do not apply for a CLEC. I guess -- is your concern more  
6 the structural type requirements as opposed to having to ride  
7 the content that's mentioned? Is it you just don't want to be  
8 locked into a particular format?

9 MR. GREER: I don't think I want to be locked into a  
10 potential format, because of the fact of, as I indicated  
11 earlier on numerous occasions, you know, our effort to  
12 streamline our operations and, you know, the tariff stuffs are  
13 all coming together, and they may be slightly different, they  
14 may have different formats associated with them. And I can't  
15 point to any one right now that I can tell you I'm not going to  
16 be doing this one, but I expect that to happen as we move down  
17 the road and don't want have to go for a waiver of a rule for,  
18 you know, technical terms and abbreviations. I'm sure they are  
19 going to be there. It just may be in a different structure.

20 MS. SIMMONS: Right. So it's more of a format issue,  
21 not so much a content issue?

22 MR. GREER: No, no, no, not at all.

23 MS. SIMMONS: Okay. Thank you.

24 MR. MAILHOT: Okay. I don't believe we have any  
25 other comments or questions on those two pages.

1           So, Page 32. The rule is 9.032, telephone utility  
2 exchange schedules. I assume that the rationale there kind of  
3 follows the same as from the prior two pages.

4           MR. GREER: Yes. This is Stan Greer with AT&T. Yes.

5           MR. MAILHOT: Okay. The next rule, 9.045, withdrawal  
6 of tariffs. We don't think that it needs to be on the list any  
7 longer, because in one of our previous suggested rule changes  
8 we were only applying Parts 1 and 2 of 25-9, and this is in  
9 Part 3. So, basically, under our rule change it wouldn't apply  
10 to any LECs.

11           The next rule, 14.001. From there through the end  
12 are all the Chapter 25-14 rules, and we believe that it was  
13 just clearer and simpler to say that those rules don't apply to  
14 any price cap regulated LEC. And that takes us through  
15 Attachment B.

16           MS. MILLER: Okay. So here we are, and it's ten of  
17 5:00. I know we all really appreciate how, you know, earnest  
18 the discussion was and how you stuck with it. So are there any  
19 final comments that need to be made?

20           Gail Marie.

21           MS. PERRY: Gail Marie Perry with the Communications  
22 Workers. I just have a handout I would like to give you while  
23 I make my comments, if you don't mind.

24           MS. MILLER: Good. And I hope they're not real  
25 lengthy.

1 MS. PERRY: I have one extra one, so --

2 MS. CLARK: I'll take it. Thank you.

3 MS. PERRY: And, really, this is something that you  
4 can get on your Internet. These are your reports. They are  
5 not anything that I've prepared. I just want to be able to  
6 refer to them. These are all -- it's a mixture of two reports  
7 put out by the Public Service Commission. And, really, I would  
8 like to make a couple of comments in regards to them. On Page  
9 26 and 27, I want to put forth a case in regards to customer  
10 service, if I could.

11 On Page 26 and 27, it does show that service quality  
12 is needed because of the fines that have been imposed on the  
13 local exchange companies. On Page -- if you'll just page  
14 through, I do believe it's the very next paper-clipped section.  
15 That was from another one of your reports. And, again, it just  
16 shows the fines that have been imposed in regards to customer  
17 service. And it's really kind of funny, but I'd like to make a  
18 little bit of an argument that I have found myself making to my  
19 employees' employer for quite a long time. Obviously, this has  
20 been put forth so that -- because the industry feels that the  
21 standards are a bit too strict. I would say to my employer  
22 you've got 80 percent of the employees not making the  
23 objective, so, obviously, there is some type of problem. I  
24 kind of say the same thing here.

25 Obviously, there is some type of impeding competition

1 or they wouldn't have applied for this much reduction in  
2 competition. But I also contend to you that to do away with  
3 everything is not in the best interest for our consumers. When  
4 competition -- I'm very lucky, because I was around in '94 and  
5 '95, and I helped with some of the drafting of competition in  
6 the state of Florida. And I also am very happy that I was  
7 active in the slamming and the cramming legislation that was  
8 put forth in the state. The consumers were sold on competition  
9 because they thought they were going to get lower rates, not  
10 less service.

11 And the very next section shows the rates. This,  
12 again, is from your report. Other than that Internet carrier  
13 that the gentleman was talking about -- I do believe I wrote  
14 down the name Magic Jack -- that's the only lesser monthly  
15 service that we have heard during this whole proceeding.  
16 Everything else has to do with lesser customer service. And,  
17 again, I contend to you the last section just shows you how  
18 many carriers are in the state of Florida.

19 But I would like to point out to you in the next to  
20 the last section on Pages 98 to 102, it does show -- it's a  
21 really good report that you put together. The first column, of  
22 course, shows all of the competition in the state, whether they  
23 resale -- now, I, as a layperson, really didn't know what all  
24 this meant when I first took a look at it. Resale means they  
25 resell the local exchange. And in the last column you'll see



1 there are a few companies there that do have a switch, but,  
2 again, that switch is not their whole network. They use the  
3 backbone of the local exchange company. And if you turn to  
4 page, in that same section, 110, you will see that these are  
5 Voice Over the Internet Protocol providers in the state of  
6 Florida. And many of those, with a lot of checking, also ride  
7 the backbone of the local exchange hardwired line.

8           Almost anyone, except for -- who has cable for  
9 Internet rides the backbone of the wire line. So I contend to  
10 you that it's not just the residence consumers, it's not just  
11 businesses. It's all the citizens in the state of Florida that  
12 are depending on the backbone to work properly.

13           And, again, competition was sold in this state to  
14 bring down rates. There was never, ever a mention about  
15 customer service. The industries will tell you, oh, the market  
16 will make sure that competition and good customer service is  
17 there. But I contend to you that these rules that you have  
18 already show that even when they were the only monopoly in  
19 town, they still had to have rules and regulations to make them  
20 give the best customer service in the world.

21           So, please, when you're making the decision on  
22 anything that's dealing with customer service in your rule,  
23 please keep in mind that the citizens -- if they are not  
24 getting good service, yes, they can go elsewhere. But we can  
25 just look at other companies and they're not giving the

1 customer service. There may be one or two that someone spoke  
2 of, but we don't see that as consumers, as employees. We don't  
3 see that anybody else is putting the emphasis on customer  
4 service that is in the regulations that you currently have and  
5 that the consumers are depending on not giving away with  
6 competition.

7           Again, I thank you very much for letting me speak,  
8 and I know that you will do what is best for the consumers and  
9 the citizens in the state of Florida.

10           MS. MILLER: Thank you. Any other points anyone  
11 needs to make before we --

12           MS. CLARK: Cindy, this is Susan. I just want to say  
13 thank you. We appreciate the staff holding the workshop and  
14 going through the rules like that.

15           MS. MILLER: Thank you all so much.

16           (The workshop was concluded.)

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STATE OF FLORIDA )

CERTIFICATE OF REPORTERS

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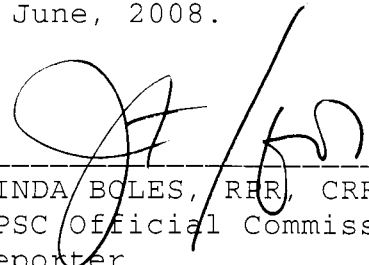
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DATED THIS 2nd day of June, 2008.



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