1	FLORID	BEFORE THE A PUBLIC SERVICE COMMISSION
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3		DOCKET NO. 050257-TL
4	In the Matter of:	
5	COMPLAINT OF BELLSOUTELECOMMUNICATIONS,	
6	MIAMI-DADE COUNTY FO	OR ALLEGED
7	COMPANY IN VIOLATION STATUTES AND COMMISS	N OF FLORIDA
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10	THE OFF	VENIENCE COPY ONLY AND ARE NOT ICIAL TRANSCRIPT OF THE HEARING,
11	THE .PDF VI	ERSION INCLUDES PREFILED TESTIMONY.
12 13	PROCEEDINGS:	AGENDA CONFERENCE ITEM NO. 6
13	BEFORE:	CHAIRMAN BRAULIO L. BAEZ
15		COMMISSIONER J. TERRY DEASON COMMISSIONER RUDOLPH "RUDY" BRADLEY COMMISSIONER LISA POLAK EDGAR
16	DATE:	Tuesday, August 2, 2005
17	PLACE:	Betty Easley Conference Center
18		Room 148 4075 Esplanade Way
19		Tallahassee, Florida
20	REPORTED BY:	LINDA BOLES, RPR, CRR Official FPSC Hearings Reporter
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1	APPEARANCES:		
2	NANCY WHITE, ESQUIRE, representing BellSouth		
3	Telecommunications, Inc.		
4	DAVID HOPE, ESQUIRE, representing Miami-Dade County.		
5	ADAM TEITZMAN, ESQUIRE, representing the Florida		
6	Public Service Commission Staff.		
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PROCEEDINGS

Attorney.

CHAIRMAN BAEZ: Very well. Oh, we're back on 6 then.

My apologies.

Mr. Teitzman, you want to tee this up for us, please.

MR. TEITZMAN: Yes, Chairman. Adam Teitzman on behalf of Commission staff.

Commissioners, Item 6 addresses Miami-Dade County's motion to dismiss in Docket 050257-TL. It's the complaint of BellSouth Telecommunications against Miami-Dade County for alleged operation of a telecommunications company in violation of Florida Statutes and Commission rules. Staff recommends the Commission should deny the county's motion to dismiss because BellSouth has stated a cause of action for which relief may be granted, and the motion to dismiss was not timely filed. The parties are here this morning and would like to address the Commission.

CHAIRMAN BAEZ: And who do we have from the County?

MR. HOPE: Assistant County Attorney on behalf of

Miami-Dade County. With me is our Manager of Information

Systems and Telecommunications, Maurice Jenkins, and our, and our Chief of Telecommunications, Pedro Garcia.

CHAIRMAN BAEZ: Sir, I didn't get your name.

MR. HOPE: David Stephen Hope, Assistant County

CHAIRMAN BAEZ: David Stephen --

MR. HOPE: Hope, H-O-P-E.

CHAIRMAN BAEZ: I'm sorry. Thank you.

Mr. Hope, it is your motion.

MR. HOPE: Thank you. Commissioners, this is my first time in front of the PSC, so if indeed I need to reserve time for rebuttal, let me know if there's such a thing. If not -- I've already spoken with the PSC counsel, Adam Teitzman. He has allowed me or given me the ability to bring some documents here to present to the Commission, so I have those here. So if you tell me the best form for handing those out, then we will do that. I can either give them all out as a package for you to refer to later on or however the Commission desires.

CHAIRMAN BAEZ: If you've got them ready to distribute, you can go ahead and do that now.

MR. HOPE: Yes.

CHAIRMAN BAEZ: I will, I will tell you up-front,
Mr. Hope, I almost shudder to say it, but we're rather informal
on the motion practice here. All we ask is that you get to the
point, and if you do have to rebut, you'll be given ample
opportunity.

MR. HOPE: Not a problem. I can make my whole presentation now. The documents will be there for you to review at a later point in time. So our manager, Maurice, can

hand them all out.

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CHAIRMAN BAEZ: And if you can make sure and provide

Ms. White with a copy, if she hasn't been provided with one

already.

MR. HOPE: Yes. Actually she has every single document that we are providing, but I can give additional copies to her.

CHAIRMAN BAEZ: Well, if you're providing them in a package, it's probably more convenient if we're going to refer to them as part, as part of the discussion if she can have something in front of her. And, Mr. Teitzman, were you provided with a copy as well?

MR. TEITZMAN: I will need a copy, Chairman.

CHAIRMAN BAEZ: Okay. If you can provide Mr.
Teitzman, staff counsel, with a copy.

MR. HOPE: May I proceed as they're giving out the documents?

CHAIRMAN BAEZ: Go ahead, Mr. Hope.

MR. HOPE: Thank you. Mr. Chair, Commissioners, the county's motion to dismiss should be granted. There are no disputed facts and no issues of disputed facts. In fact, if you look at staff's recommendation, staff recommends proceeding under Section 120.57(2) of Florida Statutes, which outlines administrative proceedings where the proceedings do not involve disputed issues of material fact. But staff cites as our

motion being untimely and BellSouth cites as our motion being untimely pursuant to 28-106.204, Florida Administrative Code, which deals with matters that have disputed issues of fact, and that's incongruent. Staff recommends, as the County has said, that there are no disputed genuine issues of material fact here. The proper section under the Florida Administrative Code to deal with it is 28-106.303. That section does not have any time limit for when an entity can submit a motion to dismiss. Therefore, the county's motion is timely. We would ask that the Commission accept the county's motion to dismiss and rule as a matter of law that there is no issue here and this matter should go away.

Why? The county's system and service has been in existence since 1982. It started in 1982 with the lease and then purchase of the eventual service that BellSouth is speaking of today, and the shared tenant service provision has been in existence for 18 years approximately. Now in 1982, and that's one of the resolutions that you have in front of you, R-361-82, the County authorized the purchase or lease of two telecommunications systems: One for the airport and one for the hotel at the airport. BellSouth, then Southern Bell at the time, was an unsuccessful bidder in that event. At that time in the early '80s no one bought these switches because of the inherent cost for bringing onboard a switch like that.

Either people leased their switches, leased with the option to

buy their switches like the County, or financed their switches, which was a leasing over a period of time and then purchasing it like Greater Orlando Aviation Authority. Orlando financed their switches from BellSouth over a period of eight years and purchased theirs. The County leased its systems with the option to buy, even though initially staff had recommended purchasing them, and then purchased the airport-specific switching in '87, and then purchased the rest of the system, which was the airport system, in 2002. But over that entire time from the inception of the switches in '82 until now the same entity that sold the switches to the County, initially leased them to the County, eventually sold the systems to the County, has been the same, the same entity that has managed those assets either on behalf of the County or now solely as the county's management agent.

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Now in 1987 the Commission came out with the rule that has allowed airports in Florida to operate in the way that it now currently operates and allows for the provision of shared tenant services and intercommunication behind the switch of multiple buildings. And that was pivotal in terms of the Commission identifying the unique nature of airports and why it is so important for the safety and safe and efficient movement of passengers and cargo for there to be intercommunication and shared tenant services behind the switch different from shared tenant services of any other entity. And because of that, the

Commission also instituted in 25-204.580 of the PSC rules the airport exemption, which exempts airports who provide shared tenant services for the safe and efficient transportation of passengers and cargo from the PSC rules; hence, certification and other PSC rules. And also caveated that if, indeed, the shared system was going to provide services to a hotel, the trunks to that hotel needed to be partitioned, and if it provided services to industrial parks or shopping malls, it needed to be partitioned.

Now what BellSouth is arguing is that the concessions at Miami International Airport, because there might be stores that might exist in a shopping mall, then that's akin to providing service to a shopping mall, and it's not. Even more so, what's interesting is BellSouth's argument -- its sole argument is the county's purchase of the rest of the assets in 2002 constitutes a new provision of shared tenant services and, hence, the necessity to now get a PSC certificate of necessity. That is false. That is why the county's motion to dismiss should be granted. That is why there is no issue here.

As identified in PSC Order 94-0123-FOF-TL, which was a demark (phonetic) issue in front of the PSC in 1994, as also identified in internal BellSouth memoranda, the County has been a shared tenant service provider under the airport exemption since circa 1993, 1994. Specifically let me read for you a couple of things that outline that.

January 16th, 1995, an internal BellSouth memorandum starts off, "Southern Bell is in an ongoing dispute with DCAD," we were then the Dade County Aviation Department at Miami International Airport, "concerning the provision of local service. DCAD is providing shared tenant services under an exemption in the Florida Public Service Commission's rules and regulations."

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Also, there is a March 28th, 1994, letter from

J. Phillip Carver, who was the general attorney for BellSouth
at the time, dealing with Assistant County Attorney Timothy

Abbott about the same issue that was the basis for the order
that I referred to in 1994. Here on the second page Mr. Carver
says, "As you're well aware, Southern Bell has consistently
taken the position that it is the responsibility of DCAD as a
provider of shared tenant type services to provide to Southern

Bell at no charge support structures that are adequate to allow
us to place our cable to have direct access to the customers."

It goes on to say, "Southern Bell does not pay for its on
conduit because it is the obligation of DCAD as an STS-type
carrier to provide to Southern Bell at no cost support
structures to allow us access to our customers."

Commissioners, this admission which follows specifically from the STS order that was issued in 1987 which authorized the provision of these shared type services by airports and also exempted the airports who had existing

systems like Greater Orlando and Miami-Dade to provide these types of services, this admission points out that already in the '90s it was recognized that Miami-Dade was a shared tenant service provider. Hence, the acquisition of the rest of the property, the infrastructure, and that's all that's happened here, does not now transmogrify the County into a new STS provider.

In closing, Commissioners, let me just highlight a couple of things. There's been no violation of Chapter 364, Florida Statutes. There is no construction or operation of telecom facilities, there is no acquisition of ownership control or organizational control of a telecom entity. All of these things are what's necessary for BellSouth to have standing here and to say we are a new provider and, hence, need certification. And that's outside of the airport exemption.

But even more so, Commissioners, the entity which first leased the telecommunications systems to the County continues to manage those systems on the county's behalf, and there has never been a distinction upon whether or not an airport leased the systems or owned the systems or how it went from the process of leasing to ownership. It was the provision of services. The County, through its aviation department, has provided shared tenant services since approximately 1988 when it first -- and that was first notified by staff, and that was because of the Commission's ruling which allowed the

interconnection to multiple buildings, to the airport campus behind the switch by this Commission.

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And in that hearing, let me just read certain things that the Commission said. "To the extent that sharing of local trunks is limited to this purpose, and that purpose being the safe and efficient transportation of passengers and cargo through the airport campus, there is no competition nor duplication of local exchange service by the LEC." therefore, the argument of BellSouth that we're competing with them, the Commission has already said this type of provision of service by airports behind the switch is not competition. also because of the unique nature of the airport, we consider it to be a single building. And if, indeed, it wants to serve other entities like hotels, shopping malls, industrial parks, then it needs to partition the trunks. The County has partitioned its trunk to the airport. Its concessions are necessary for the safe and efficient movement of transportation and cargo. The concessions here are for the benefit of federal, state and county employees at MIA, passengers, airline flight crews and aviation support entities which support the operation of MIA. And the reason that the concessions are part of the shared system, even though they can directly access with the LEC as pursuant to the STS order and what this Commission has dictated, is because when there is something that happens like on July 11th of 2005, January 21st of 2005, January 12th

of 2005, December 14th of 2004, September 25th of 2004 and August 16th of 2004, those concessions and those concourses have to be evacuated as those dates at Miami International Airport.

Commissioners, please do not fall for the ruse that this is a new operation and, therefore, BellSouth can now use this as a way to try and erode the airport exemption and the ability for airports like Miami International and Greater Orlando to provide shared tenant services and intercommunicate for the safe and efficient movement of passengers and cargo.

CHAIRMAN BAEZ: Ms. White.

MS. WHITE: Thank you. Nancy White for BellSouth Telecommunications.

I'd like to remind everybody where we are again in this, what we're doing here today. We're arguing a motion to dismiss. The County has filed a motion to dismiss BellSouth's complaint. The legal standard for reviewing a motion to dismiss is that the moving party must demonstrate that, accepting all of the allegations in the petition as facially and factually correct, the petition fails to state a cause of action for which relief can be granted. You must look at the four corners of BellSouth's complaint. You cannot look beyond that. You cannot look to affidavits attached to a motion to dismiss, you cannot look at testimony attached to a motion to dismiss, you cannot look at memos or affidavits attached to a

motion to dismiss.

The County relies on evidence that it's attached to its motion, not an argument about whether BellSouth's complaint fails to state a cause of action for which relief can be granted.

In addition, the complaint, the motion to dismiss is substantively defective. If you take BellSouth's complaint, the allegations in BellSouth's complaint as factually correct, then the County is operating as a shared tenant service provider without a certificate in violation of the law. The County is well aware of the necessity of a certificate. The County is providing telecommunication services in competition with BellSouth. The County is using the provision of these telecommunication services to generate revenues and profits, not for the safe and efficient transport of passengers and freight. Taking these facts as correct, BellSouth has alleged a valid cause of action and the complaint cannot be dismissed.

Essentially Miami-Dade County's motion is a motion for summary judgment, not a motion to dismiss. It is well-settled that a motion to dismiss is not a substitute for a motion for summary judgment. BellSouth in its response to the county's motion has more than amply showed that there are issues of material fact. There's a high standard for a motion for summary judgment, and every possible inference must be drawn in favor of the party against whom the summary judgment

is sought.

White.

BellSouth is not seeking to make the Miami-Dade airport less safe. BellSouth is seeking justice, it's seeking for the rules to be applied to everyone the same way and in the right manner. Thank you.

CHAIRMAN BAEZ: Commissioners, questions?

COMMISSIONER DEASON: I have a question for Ms.

CHAIRMAN BAEZ: Commissioner Deason.

COMMISSIONER DEASON: Ms. White, what has changed?

This airport has been operating under an arrangement apparently for a lengthy period of time and has even gotten an order from the Commission and has been referred to as the airport exemption. What has changed?

MS. WHITE: Well, first of all, we disagree with the county's contention that they've been operating as a shared tenant service provider since the '90s. Essentially they bought out -- there were external third-party shared tenant service providers like WilTel and Nex -- I'm going to get the name wrong -- but Nextera, and they bought their facilities from them in 2002. So they haven't been operating as a shared tenant service provider for all this time, the Miami-Dade airport.

Second, the -- you know, back when the rules were -- COMMISSIONER DEASON: Back up for just a second.

1 You're saying that the airport has acquired facilities recently 2 that they did not have either ownership or control over; is that correct? 3 MS. WHITE: That's correct. 4 5 COMMISSIONER DEASON: Okay. And those new facilities that they have acquired either ownership or operation of now 6 puts them into a different category of an entity that has to be 7 certificated? 8 9 That's one part of our argument. Yes. MS. WHITE: COMMISSIONER DEASON: Okay. And why does that change 10 the inherent nature of the airport that they have to be, become 11 certificated? 12 13 MS. WHITE: Because the airport that you're looking 1.4 at today is not the same airport that you're looking at when 15 these rules were put into place. I mean, when these rules were 16 put into place, there may have been a coffee shop and a 17 newsstand. Now they are malls. The concession stands are -there are shopping areas. They're not just a coffee shop here 18 and a, and a newsstand there. There are hotels, there are 19 20 restaurants, there are stores. We believe that --21 COMMISSIONER DEASON: Well, why doesn't that meet the 22

exemption? Just because there's more --

MS. WHITE: Because the exemption says --

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COMMISSIONER DEASON: Just for a second. entities existed back into that time frame but now there may be more of them, but why does that change the inherent nature of those entities?

MS. WHITE: But all of those entities did not exist beforehand.

COMMISSIONER DEASON: Well, what's the difference between a coffee shop in an airport that met the exemption and a restaurant or a hotel? I mean, just because there's more lines, all of the sudden it becomes attractive to BellSouth to obtain the business?

MS. WHITE: Well, but the rule states -- no, that is not it at all. The rule states that the exemption does not apply -- the rule states that the exemption only applies in order for the, for the County or for the airport to provide for the safe and efficient transportation of passengers and freight. We do not believe that everything that's going on there is for the safe and efficient transportation of passengers and freight. Their goal is not that. Their goal is to make revenues, is to make profits. That's not what was contemplated by the shared tenant service provider goals.

Second, the rule itself states that the airport has to obtain a certificate before it provides shared local services to facilities such as hotels, shopping malls and industrial parks. We believe that essentially what they're running is a shopping mall.

CHAIRMAN BAEZ: Commissioner Deason, do you have more

questions?

I'm sorry. There's something that you said there that, that struck a chord with me. What -- and I guess it really goes back to what Commissioner Deason was asking. He asked you what has changed? Is there, is there, is there a dispute as to whether these facilities, these concession-type establishments existed before the exemption was created, or is it just that there's more of them now?

MS. WHITE: Well --

CHAIRMAN BAEZ: I guess I'm trying to -- you said something, you know, that the airport is not the same as when the rules were created. And while I'm intimately familiar with the place that you're talking about, I would agree with you on one level, but I'm trying to find -- how, how are you saying it's different: Because it's bigger or because the nature of the establishments have changed? What is it? What's your basis?

MS. WHITE: Well, I think it's -- those are all part of it. Essentially what the exemption -- the exemption was established to enable the airport to run more smoothly, to make sure that passengers and freight get through. That's why the exemption was, was put in place. What the airport is using it for is a means of making money, not as moving passengers.

CHAIRMAN BAEZ: Did -- when the exemption was created and the services were, were begun or the provision of services

was begun, what nature did that have -- the service was provided in what nature that somehow all of the sudden is different? Were there, were there fees being paid for that service back then or -- I mean, I guess I'm trying to -- you're saying that they're using it to make money, and that may be the case, but were they not using it to make money before? I mean, is that a change? Is that a circumstance that's changed?

MS. WHITE: Well, I think that is a change in the circumstance. I think the nature of the, the services, I think the type of services, I think the nature of the customers and the type of the customers, I mean, I believe there -- I mean, it's more than just the coffee shop and the newsstand that was there 20 years ago. And it's not that it's more in terms of are there more concessions. Yes, there are more concessions. But there's a hotel, there's a -- there are airport facilities that are, are facilities that are not on the airport property itself that are being served. I mean, those are all things that I think say this is time to take a second look at it. I mean -- and I have to go back. I mean, we're, we're arguing the facts of the case, which I think are worth a hearing, and that's not the purpose of a motion to dismiss.

CHAIRMAN BAEZ: Let me, let me ask you about that.

Is, is -- do you have a disagreement under which, under the section of 120 that staff has identified, the (2), that it should be a legal, essentially a brief only?

MS. WHITE: I have not. I am not opposed to that. I want to talk to staff about it and see if that would work, but instead of a hearing have it be on a briefing. I assume that's what staff meant by that statement.

CHAIRMAN BAEZ: It's a brief only on the legal issue?

MR. TEITZMAN: That is correct, Chairman.

MS. WHITE: A brief only with oral argument. We might be able to live with that. I did not talk to my clients about that in-depth because I really wanted to talk to staff first and see what, what they had in mind.

CHAIRMAN BAEZ: Mr. Teitzman, on that note, is it -there seems to be some -- staff seems to be focusing on some
missing piece of the puzzle that they wish to address. I mean,
is that -- am I interpreting staff's opinion correctly?

MR. TEITZMAN: Well, Chairman, I would like to clarify. I think what Mr. Hope stated was a slight overstatement of staff's position in its recommendation. We said there may not, may not be significant issues that are still disputed. We would still need to -- like that's what we mentioned, discuss it with the parties, find out exactly where there is agreement, can there be some stipulated facts. We have not conducted those conversations at this time. However, if there are no disputed facts, then staff believes it may be appropriate to have the parties brief the issue and, if they'd like, schedule an oral argument.

1	CHAIRMAN BAEZ: But that wouldn't be a determination
2	that you're recommending we make today?
3	MR. TEITZMAN: At this time I do not believe staff is
4	prepared to recommend that.
5	CHAIRMAN BAEZ: What kind of procedure okay.
6	Commissioners, do you have other questions?
7	COMMISSIONER DEASON: Yeah. I
8	CHAIRMAN BAEZ: Commissioner Deason, I'm sorry I
9	interrupted.
10	COMMISSIONER DEASON: No. No. That's fine.
11	I guess I'm just trying to get an understanding, a
12	better understanding of exactly what is at dispute and maybe a
13	possible remedy.
14	Ms. White, I take it it's your position that the
15	airport is operating in violation of, of our requirements and
16	Chapter 364; is that correct?
17	MS. WHITE: Yes, sir.
18	COMMISSIONER DEASON: And exactly how in your view
19	are they violating that? They don't have a certificate to
20	operate; correct?
21	MS. WHITE: Yes, sir. That's the main
22	COMMISSIONER DEASON: And do they have the ability to
23	obtain a certificate?
24	MS. WHITE: Sure.
25	COMMISSIONER DEASON: An STS certificate

1 MS. WHITE: Sure.

COMMISSIONER DEASON: -- or a certificate as a phone company?

MS. WHITE: Well, an STS certificate.

COMMISSIONER DEASON: Okay.

MS. WHITE: I mean, essentially our allegation is that they're operating as an STS provider without the appropriate certificate.

COMMISSIONER DEASON: Mr. Hope, can the County just -- can this go away if you just get an STS certificate?

MR. HOPE: The short answer, Commissioner, is it could go away. But the reason that this Commission created an airport exemption was for entities like Miami International Airport, like Orlando International Airport, was to be able to be exempt from those rules and regulations because, as it was discussed in testimony after testimony back in 1983, '84 and '85, which led up to this Commission's decision which created the airport exemption, the public is already served, the local exchange carrier is already served through existing rates and charges and tariffs. And, therefore, given the unique nature of airports and their business, that they should be exempt from STS rules such as certification as long as they follow certain procedures. And that is what Miami International has done all along.

COMMISSIONER DEASON: I understand that's your

position and I respect that position. But I guess my question goes beyond that.

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To make this go away, would it be easier for you just to get a certificate or would you rather go to -- I mean, what's the most efficient way to get this resolved? And I assume you're saying that you think the most efficient way is to defend your position that you're exempt as opposed to just getting a certificate.

MR. HOPE: Absolutely, Commissioner, because you have to remember that airports are self-sufficient. The only way that the airport generates revenues is through bond obligations, which means obligating the airport and, hence, eventually the citizens of Miami-Dade County to a greater impact over a period of time to pay back for building various facilities and also generation of fee revenue. If we get a certificate, and this is why the airport exemption was created, then that's another cost in terms of tariffs, charges, other costs that come with that certification that private entities, like BellSouth, they're fine with because they don't have the same constraints that a governmental entity has. That's why the airport exemption was created. So although on paper it might seem as if it's easy and this could all go away if we got a certificate, there's a reason why airports were carved out. We are a unique animal. And because of the inherent costs of running an airport, whether it's the data systems that are

needed, the communication systems that are needed, the security systems that are needed, all of those things, the general overall maintenance on a day-to-day basis because of those costs with an airport, also adding in rates, charges and tariffs, is basically making it harder for an airport to survive.

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And, Commissioner, let me just specifically read something from the airport section from the PSC Order in 1987, and this is just quick. And it starts off, "Some airports in Florida such as the Greater Orlando facility share trunks coming from the LEC central office. Airports are unique facilities generally construed as being operated for the convenience of the travelling public." That convenience to operate and make things convenient for the travelling public, which includes Miami International having a hotel since 1959, that hasn't changed, and having concessions there which hasn't changed, whether it's newsstands, drug stores or the like, there is all a cost there. And that is why this Commission exempted airports as long as they're providing service to those entities for the safe and efficient movement of transportation, Commissioner. And that's what we have been doing all along and we have continued to do, and nothing has changed. And as BellSouth has just said, and it corroborates the county's position all along, they said it's time to take a second look. It's not time to take a second look. This Commission stepped

out in 1986 with its order in '87 and said, airports who follow these procedures are exempt, and there's no competition here.

And nothing has changed, the field has not changed. We've been operating the same way.

CHAIRMAN BAEZ: Commissioners, other questions?

COMMISSIONER DEASON: I guess I have a question for staff.

CHAIRMAN BAEZ: Go ahead.

COMMISSIONER DEASON: Staff, you believe that the -obviously it's your recommendation that the motion to dismiss
be denied because it doesn't meet the requirements, the very
high threshold requirements of a motion to dismiss; correct?

MR. TEITZMAN: That's correct, Commissioner.

COMMISSIONER DEASON: But you're also, you're not sure if there are issues, material issues of fact which will have to actually go to an evidentiary hearing; correct?

MR. TEITZMAN: That is correct as well.

COMMISSIONER DEASON: So if we deny the motion to dismiss, how, how are we going to determine that? Is it just with discussion of the parties or -- if we denied the motion to dismiss, what is the next step?

MR. TEITZMAN: The next step would most likely be to conduct a status call with the parties, a conference call with the parties to discuss how to proceed, and to allow staff to make a determination whether or not there are facts, disputed

facts between the parties. There's a concurrent proceeding in Miami-Dade County before the circuit court and, as a result, in the parties' filings, initial filings they provided a lot of documentation, depositions. And through, through reading through that is where we kind of came to the determination that there may not be at this time anymore disputed facts. However, as we've discussed, we would still like to discuss that further with the parties.

COMMISSIONER DEASON: Okay. Let's put aside the question of whether there are or are not general issues of fact. What is the legal question here?

MR. TEITZMAN: The ultimate legal question that BellSouth --

COMMISSIONER DEASON: Yes.

MR. TEITZMAN: Despite what Ms. White said about taking a second look, staff doesn't believe that this is actually a request to relitigate the airport exemption.

Rather, staff views this as a question of whether or not Miami International Airport's provision of STS services exceeds the exemption in the rule. Whether or not they are required at this point to obtain a certificate, not questioning whether or not the validity of the airport exemption itself, whether or not BellSouth, I'm sorry, Miami-Dade International is still within the exemption.

COMMISSIONER DEASON: So the question is --

1 CHAIRMAN BAEZ: For certain services. 2 there's -- clearly there seems to be some agreement that certain functions are still within the exemption. 3 MR. TEITZMAN: Correct. 4 5 CHAIRMAN BAEZ: But as you say, some, there are some 6 circumstances that have exceeded the exemption. 7 MR. TEITZMAN: May have exceeded. 8 CHAIRMAN BAEZ: May have exceeded the exemption. MR. TEITZMAN: Correct. 9 10 COMMISSIONER DEASON: So the ultimate question is, if we get to that point, is whether the airport continues to meet 11 the requirements of the exemption. 12 MR. TEITZMAN: Correct, Commissioner. 13 14 COMMISSIONER BRADLEY: Mr. Chairman, let me ask a 15 question. CHAIRMAN BAEZ: Go ahead, Commissioner Bradley. 16 17 COMMISSIONER BRADLEY: I want to ask this question of BellSouth and of the County. Is this an issue that if we 18 allowed you all a little time this morning, that you all could 19 satisfactorily, satisfactorily resolve this morning vis-a-vis a 20 recommendation to this Commission? 21 MS. WHITE: Unfortunately, Commissioner Bradley, I 2.2 23 don't believe that's the case. This has been a very contentious issue between BellSouth and the County. And as

Mr. Teitzman said, there is an ongoing concurrent court case on

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another part of the issue, not necessarily the STS, but whether 1 2 the County violated their Home Rule Charter by providing telecommunication services to begin with. So I'm just -- I 3 just don't believe it would be possible. 4 5 CHAIRMAN BAEZ: Ms. White, do you agree with, and I 6 think Mr. Hope answered the question, although he mounted it 7 with other unfavorable factors, but do you agree that it would be just, it would be as simple a solution as to just apply for 8 9 an STS certificate? MS. WHITE: I think that might resolve the Commission 10 case. I don't believe it would resolve the court case. 11 12 CHAIRMAN BAEZ: Right. 13 MS. WHITE: Because if --CHAIRMAN BAEZ: And would the certification, would 14 the certification address your claim that what they're running 15 is a shopping mall? Would it resolve that problem? 16 MS. WHITE: Well, if they have certification, then 17 they're not trying to use the exemption, and the exemption, you 18 don't have to -- you don't argue about the exemption. 19 CHAIRMAN BAEZ: I'm sorry. Say again. 20 21 MS. WHITE: The exemption is irrelevant. The rule says that airports don't have to get a certificate --22 23 CHAIRMAN BAEZ: STS certification. Right.

MS. WHITE: -- if they're doing --

CHAIRMAN BAEZ: Airport stuff.

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MS. WHITE: -- airport stuff essentially. Yes.

CHAIRMAN BAEZ: That's an arcane --

MS. WHITE: And so if they get a shared tenant service provider certificate, then under that certificate they're able to provide shared tenant services, you know, within the requirements of the statute. The exemption -- there would be no airport -- it wouldn't be the, you know, necessarily just airport.

CHAIRMAN BAEZ: Okay. Then help me understand, if those, if those solutions are true, then help me understand what your client's interest in the, in this part of it, at least the regulatory part of it is.

MS. WHITE: Well, I mean, the bottom line --

CHAIRMAN BAEZ: Outside of an interest that we all have as Floridians that everybody abide by regulations and --

MS. WHITE: Well, I mean, we're a competitor. If they don't have to abide by certain rules that everybody else has to abide by --

CHAIRMAN BAEZ: But how are you, how are you, strictly speaking, how are you a competitor? And I'm not arguing that you are or you're not, but explain to me how you are a competitor if the company, if the airport, all they need to do is apply for certification and then continue providing the services as they happen.

MS. WHITE: Because then I guess it's possible that

one of the --

CHAIRMAN BAEZ: One of the, one of the clients may --

MS. WHITE: Tenants.

4 CHAIRMAN BAEZ: Okay.

5 COMMISSIONER BRADLEY: Mr. Chairman, are you

6 finished?

CHAIRMAN BAEZ: Commissioner Bradley. Yes.

COMMISSIONER BRADLEY: Oh, okay. Let me ask this question because I think that what is before us may be the substance of an issue that was before the Legislature, and that is the local government or local governments having the, well, entering the telecommunications market as providers, as a provider. And it's -- you know, we initially started out with just the narrow issue of dismissal, but, you know, we've gotten into, in my opinion, a discussion about some of the merits of this case. And I'm going to ask this question. Under the shared tenant, the STS certificate scenario, what are some typical components of an airport that would, that would share these services with the County, I mean, under the STS certificate? Would it be the tower, would it be, would it be control of the runways?

MS. WHITE: I have to say I'm not sure because the tower might be FAA. I'm, I'm not up on -- but I think the tower might be FAA, so I don't think it's counted

COMMISSIONER BRADLEY: What you're saying though is

that the certificate initially was designed to, to deal with 1 safety and the moving of passengers. 2 MS. WHITE: Right. The exemption was put forth, and 3 the reason for the exemption was so that there could be safe 4 5 and efficient transportation of passengers and cargo. And what we're saying is they've, what staff essentially says is the 6 7 issue is they've exceeded that exemption and they're doing more than what is needed for the safe and efficient transportation, 8 carriage of passengers and cargo. 9 COMMISSIONER BRADLEY: Right. And, staff, I guess 10 what you're saying is that by them selling services, sharing 11 services with hotels, then that doesn't fall under the category 12 13 of safe and, safety and dealing with the issue of moving passengers; is that correct? 14 15 MR. TEITZMAN: Staff has not reached a position on that ultimate issue. 16 17 COMMISSIONER BRADLEY: Okay. Mr. Chairman, I don't --18 19 CHAIRMAN BAEZ: I'm with you. COMMISSIONER DEASON: Mr. Chairman --20 CHAIRMAN BAEZ: Go ahead, Commissioner Deason. 21 22 COMMISSIONER DEASON: I'll just kind of open it up 23 for some discussion here and maybe --24 CHAIRMAN BAEZ: Sure. 25 COMMISSIONER DEASON: I don't think we're at a point

where we can grant the motion to dismiss, okay, because it seems to me that it is unclear at this point as to whether there are or are not issues of fact. Staff just said that, they're not really sure.

The ultimate question as to whether -- whatever the facts are, and they may be able to be agreed upon as to exactly what the operations are at the airport and the nature of those operations and how those operations perhaps have changed over time, those are facts that perhaps could be stipulated. But then the ultimate question is given that set of facts, does that, does that degree of operation by the airport exceed the exemption? I don't know the answer to that question. And this may be something that we're going to have to wrestle with. So I just can't, I can't dismiss it at this point.

It may ultimately -- perhaps -- is there a way that we can just not grant the motion to dismiss at this point and let the County, as they see fit, to, to refile or to reinstigate, whatever the right term is, such a motion? Can we just defer ruling on the motion to dismiss at this point until we have a better understanding as to what the facts are?

MR. TEITZMAN: Certainly, Commissioner. The County could withdraw without prejudice and then -- well, they could file a motion for summary final judgment, a motion to dismiss. There is a discussion in the recommendation that it would need to be filed 20 days after the filing of the petition.

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One of the things that staff did note was that it was filed after that time period. However, they would not be prohibited from filing a motion for summary final judgment at any time during this proceeding.

COMMISSIONER DEASON: And if we do not grant the motion to dismiss -- and I don't know, there may be a sentiment that we grant it and I'd be willing to hear that. I'm not necessarily opposed to that. I just -- based upon the discussion I've heard, I don't think that we're at that point yet to grant the motion to dismiss.

If this continues in one form or another, just as a suggestion, it may be helpful for the staff and the County to have a discussion as to exactly what is involved in getting an STS certificate. I don't think it's that burdensome and onerous and I don't think it's that costly. But I understand that perhaps the County maybe for other reasons has, has a real strong desire to maintain the exemption, and I'm not trying to persuade you or dissuade you from that position. I respect that. But in the, in efforts to fully understanding everything, it may be to your benefit to understand exactly what is required of an STS certificate. It may not become that unattractive if you have a better understanding of it. So I would just suggest that, that that perhaps effort be done at some point.

CHAIRMAN BAEZ: Thank you, Commissioner.

Commissioner Bradley.

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COMMISSIONER BRADLEY: I concur. I don't see how, just based upon the discussion we've had this morning, how we can dismiss this case. And I'll tell what you my concern is. You know, I've stated for years that I'm not going to be an activist Commissioner and that I'm going to adhere to the Florida Statutes. And I just don't want to, by my actions, put this Commission in a position to in any shape or form appear to be circumventing Florida Statutes. And the more I listen to what's being discussed here this morning, the more confused I've become as it relates to what really is going on here. I'm just concerned that, you know, this may be a backdoor attempt, and it may not be, but to circumvent what the Florida Legislature I think was very clear about this past legislative session, and that is that local government should not, local governments have the authority to do -- provisioning certain types of telecommunications services, but not to in any shape or form -- the market of providing telecommunications services without going through the proper channels. And, you know, I just -- I don't know what the intent of the County is, but, you know, I think that we need some additional information as it relates to this particular matter so that we can make a decision that's in line with all of the nuances that I just mentioned.

If Commissioner Deason has -- and we started out with

just a narrow, just -- we started out just to deal with the issue of either dismissing or not dismissing this complaint, and we've had a rather lengthy discussion as it relates to that. But if you put on the table --

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COMMISSIONER DEASON: Well, let me -- I'm going to suggest that, that perhaps we give the County the option of withdrawing their motion without prejudice at this point, and I think that's an option available to them. If they see fit to leave the motion in front of us, well, then we'll have to dispose of it and it would be my motion that we deny it. So I guess the ball is kind of in the County's court.

CHAIRMAN BAEZ: Commissioners, let me, let me just say one thing before we, before we place the choice between Mr. Hope and his client.

You know, Commissioner Bradley, you're right; sometimes you start off with a, with a fine legal point and you can't help but get into the merits of it. And I think you heard a lot of, a lot of contentions and, and things that are disputed issues of fact.

So, Commissioner Deason, I'm with you on the fact -on a level of discomfort in dismissing, in dismissing the, or
granting the motion to dismiss. But -- and how we proceed on
it, I don't know. I think a lot of good suggestions have been
made, and certainly some, some possible resolutions on the part
of the County have, may have been identified or made clear to

all of us here.

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The problem with getting, getting into the merits, it's all stuck together and it's very hard to stay away from it. And, Ms. White, I just have to say this, okay, and I don't know how all this -- but right now based on what I've heard, I can tell you one thing, I've been to the Miami airport -- I've been to several airports, as I'm sure you have, probably more than I have. I have never once, never once woken up in the morning and said, hey, I need a pair of pants. Let me go shop at the airport.

All right. Now whether the, whether the facts sway me another way, on the face of it it becomes very, very difficult to get down to the point of arguing where we draw the line as to what are, what are airport operations and what are not. I think the standard was established relatively vaguely. I will admit that that necessity standard gets a little murky and I know that's what we're going to wind up arguing with. And perhaps if it's an issue that we need to revisit -- that we need to visit, not revisit, but visit and draw a finer line as to what falls within, Mr. Hope, your client's eligible operations or proper operations as an airport and otherwise, then that's what I'm prepared to do. We can get into a discussion over it.

But there, there are things -- you know, I hate to think that the standard wasn't created in such a way and that

the definitions inside or the terms of the exemption were created a certain way so that we could possibly avoid and establish some physical relationship to the exemption rather than some conceptual relationship where we could avoid arguing over what is an airport operation and what isn't. That's just my opinion today. After hearing all of the facts, I'm, you know, I'm open to drawing those kinds of distinctions. So I'm in agreement with you, Commissioner Deason, that this is probably -- there are too many questions still out there, at least in my mind, to dismiss it.

At this point, we can -- Mr. Hope, there's been a suggestion that you could withdraw without prejudice your motion to dismiss. There has also been the intimation that probably the proper filing to bring before the Commission at some point in the future is a motion for summary final order. It's your choice now. I think you've heard the Commissioners state their discomfort with the motion in its current form, so it's your choice, sir.

MR. HOPE: I understand. Mr. Chair, if I may, let me just clarify a certain number of points and I will directly answer what you said.

Commissioner Bradley, this is no backdoor way of getting around anything that the Florida Legislature or Florida Statutes allow.

The operations at Miami International Airport, just

like the operations at Orlando, are pursuant to the PSC rules and Chapter 364, Florida Statutes. And although, as I'm hearing the Commission say, maybe the environment of airports has now changed over time, the purpose of an airport, which is why the airport exemption was established, has not changed. What's been left out of all of this -- all we've heard is, well -- and this is from BellSouth. This has nothing to do with staff because staff just goes on the pleadings that have been provided to staff. But BellSouth says, well, Miami might be exceeding. Why? Well, the numbers have changed, so this might be something that's different. But looking specifically at the airport exemption, and it says, "Airports shall be exempt from other STS rules due to the necessity to ensure the safe and efficient transportation of passengers and freight through the airport facility. However, if the airport partitions its trunks, it shall be exempt from other STS rules for service provided only to the airport facility if it's provided to hotels, shopping mall and industrial parks." There's one hotel that's been there. Those trunks are That's not in dispute. They have been partitioned. partitioned. So we comply.

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The problem here is what's going on? Is it the number of concessions? Why? There's nothing in the airport exemption that ever said that the County can't try and defray its costs and make a profit. The County has always tried to

minimize expenses. So what we have in front is a situation where BellSouth is never going to agree with a set of facts. They're going to argue until they're blue in the face that Miami International Airport's terminal building is like a shopping mall. The exemption doesn't deal with that. We are not providing service to a shopping mall. Concessions -- and they still cannot deal with this, as to why they can or cannot, need to or need not be part of the shared system for security reasons, they have no answer to that, none whatsoever.

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As far as our motion to dismiss, the County would prefer, because there is really no benefit in terms of voluntarily withdrawing it without prejudice because we can't file it again, the County would prefer, all respect to the Commission, for the Commission to rule on that, and then we will take staff's recommendation and we will file a notice for final summary hearing.

But I want the Commission to understand clearly that
BellSouth does not want to agree with us here. The County
pays -- the aviation department pays to BellSouth approximately
\$53,000 a month for the provision of local service in other
facilities. Any concession or any tenant at Miami
International Airport, pursuant to the STS order, can contract
directly with BellSouth or any other provider. That's what
Florida Statutes require; that's what we do. We have complied
for over 18 years with what the law is. We haven't tried to

skirt the law. We haven't tried to exceed our authority. We are doing what is required. And that is why we so vehemently oppose having to file for a certificate when it's not required.

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The Commission looked long and hard at this issue. All of this was discussed. Why is there the necessity of a shoeshine stand to be part of the shared system? Why is there a necessity for other sorts of concessionaires to be part of the shared system? All of this was discussed ad nauseam back in the mid '80s, and the Commission took a stand that it is important, airports are unique, and you don't want to get into the situation that you carve out an entity, have to have them go through a central office and something happens, and by the time they communicate to that central office and get back to the airport, it's already a done deal and there's been a problem. And that's why we're exempt and that's why Miami International, Orlando and any other airport in Florida holds on so hard to this airport exemption.

So, Commissioners, with all due respect, we'd rather you rule on a motion to dismiss. I'm understanding what, what the ruling is going to be, but clearly understand there really are no factual disputes here. What's going on at Miami has been going on. We've been operating under the exemption, as admitted to by BellSouth, for years and we are properly operating. We will file a notice -- a motion for final summary hearing, and hopefully we can proceed and we will not get

bogged down here the way we have been bogged down in circuit court by BellSouth, who has unlimited resources, and we do not.

Thank you, Commissioner.

COMMISSIONER BRADLEY: Well --

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CHAIRMAN BAEZ: Commissioner Bradley.

COMMISSIONER BRADLEY: You know, the plot thickens because -- I hope you appreciate the predicament that we're in this morning because, as, as you so ably explained your side of it and as BellSouth so ably explained its side of it, it creates even more confusion because we've gotten into the merits and had a discussion, but we haven't had the opportunity really to let the process play out fully.

And what's before us is the matter of dismissal.

And, and we've allowed for the two parties to basically argue their case before us this morning without us really being privy to what the true facts are. And I wouldn't want to disadvantage you and I wouldn't want to disadvantage BellSouth without this Commission having the facts before it so that we can make a decision that's, that's, that's, that's fair and good for both parties.

MR. HOPE: Commissioner, can I make a suggestion then?

COMMISSIONER BRADLEY: Yes, sir.

MR. HOPE: Would the Commission be inclined -- and obviously this is going to be more favorable to the County, but

I think it is fair. There are a series of documents that I handed out, and I handed them out for a reason: To show that what Miami-Dade County has been doing all along is legal and pursuant to the law, it shows a history. And as Commissioner Deason had asked early on, what has changed? Those documents show nothing has changed.

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So at a minimum, what gives BellSouth the standing in 2005 to raise an issue for an operation that has been exactly the same since 1988? Nothing.

So what I would respectfully request is that the Commission defer ruling on the motion to dismiss, look at the documents that I have provided, because that might answer the questions that you have. And then if you want to, based on that, say that they're still insufficient and deny the motion to dismiss, that's fine, and then we'll turn around and file what we need to file. But, honestly, those documents show that nothing has changed. There has been no reacquisition. was acquired by WilTel, which became NexteraOne. It's been the same manager. We leased, bought a piece, bought the rest. Everything that we've done, we've partitioned the trunks to the hotel pursuant to the exemption, everything that we've done is within the letter of Florida PSC rules and Florida Statutes. So my suggestion would be defer ruling, look at the documents. If they're still insufficient, if there are still questions, deny our motion to dismiss then.

CHAIRMAN BAEZ: Ms. White.

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MS. WHITE: I have to object to that. First of all, we're here on a motion to dismiss, which, again, you're supposed to look at the four corners of the complaint. These are documents that were not attached to anything. They've been brought in today. I have not had a chance -- BellSouth has not had a chance to, to rebut them in any formal manner, and I object to the Commission looking at the documents and making a decision based on them. If they want for the Commission to do that, they should file a motion for summary judgment and attach them to that.

I also want to object to the County's representation that they've been complying with the law, when the staff has told them on at least two occasions, the Commission staff has told them on two occasions in 2002, 2003 that they needed to get a certificate. That's it.

CHAIRMAN BAEZ: Commissioner Deason, if you'll -COMMISSIONER DEASON: Chairman, I move staff's
recommendation.

CHAIRMAN BAEZ: Very well.

COMMISSIONER BRADLEY: Second.

CHAIRMAN BAEZ: Motion and a second. All those in favor, say aye.

(Unanimous affirmative vote.)

CHAIRMAN BAEZ: Thank you.

FLORIDA PUBLIC SERVICE COMMISSION

1	MS. WHITE: Thank you.
2	MR. HOPE: Thank you, Commissioners.
3	(Agenda Item 6 concluded.)
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1	STATE OF FLORIDA) : CERTIFICATE OF REPORTER			
2	COUNTY OF LEON)			
3				
4	I, LINDA BOLES, RPR, CRR, Official Commission			
5	Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.			
6	IT IS FURTHER CERTIFIED that I stenographically			
7	reported the said proceedings; that the same has been transcribed under my direct supervision; and that this			
8	transcript constitutes a true transcription of my notes of said proceedings.			
9	I FURTHER CERTIFY that I am not a relative, employee,			
10	attorney or counsel of any of the parties, nor am I a relation employee of any of the parties' attorneys or counsel connected with the action, nor am I financially interested			
11	the action.			
12	DATED THIS 8TH DAY OF AUGUST, 2005.			
13	,			
14	LINDA BOLES, RPR, CRR			
15	FPSC Official Commission Reporter (850) 413-6734			
16	(000) 410-0734			
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