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January 22, 2008 – **VIA ELECTRONIC MAIL**

Ann Cole, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 060476-TL
Petition to initiate rulemaking to amend Rule 25-24.630(1) and Rule 25-
24.516(1), F.A.C., by BellSouth Telecommunications, Inc.

Dear Ms. Cole:

Enclosed for filing in the above matter are the Comments of Verizon Florida LLC. Service has been made as indicated on the Certificate of Service. If there are any questions regarding this filing, please contact me at 678-259-1449.

Sincerely,

s/ Dulaney L. O’Roark III

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Enclosures

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition to initiate rulemaking to amend) Docket No. 060476-TL
Rule 25-24.630(1) and Rule 25-24.516(1),) Filed: January 22, 2008
F.A.C., by BellSouth Telecommunications, Inc.)
_____)

COMMENTS OF VERIZON FLORIDA LLC

By memorandum dated January 3, 2008, Staff filed proposed revisions to Rules 25-24.603(1) and 25-24.516(1) (collectively, the “Proposed Revisions”). Staff has requested that parties provide comments on the Proposed Revisions by January 22, 2008. In compliance with Staff’s request, Verizon Florida LLC (“Verizon”) submits the following comments.

This docket was opened after BellSouth Telecommunications, Inc. filed a petition on June 26, 2006 requesting that Rules 25-24.603(1) and 25-24.516(1) be revised to provide for market-based rates for payphone and operator services. Verizon filed comments on September 15, 2006 in which it supported market-based pricing for these services. Verizon adopts those comments and incorporates them herein by reference. Verizon noted in its comments that many intermodal alternatives exist for payphone and operator services, giving consumers many service options. In this competitive environment, price caps do not serve the public interest, but rather harm consumers by preventing the market from providing the optimal level of services and prices. Among other things, price caps have contributed to the decrease in payphone revenues, which in turn has resulted in a lower number of payphones being available to the public. Moreover, most other states either have adopted market pricing for these services or a much lighter regulatory touch than has Florida.

Staff's Proposed Revisions do not go nearly far enough in addressing the problems caused by Florida's payphone and operator services rate caps. Staff proposes that providers be allowed to increase payphone and operator services rates using an inflation-based factor. This change -- after almost a decade of the current price caps -- is too little too late to bring Florida's rates in line with prevailing market conditions. Verizon respectfully submits that the Proposed Revisions should be modified to provide for market-based rates, which will best serve Florida consumers.

Respectfully submitted on January 22, 2008.

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Attorney for Verizon Florida LLC

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing were sent via U. S. mail on
January 22, 2008 to:

Staff Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

BellSouth Telecommunications, Inc.
James Meza, III
Manuel A. Gurdian
c/o Nancy Sims
150 South Monroe Street, Suite 400
Tallahassee, FL 32301

s/ Dulaney L. O'Roark III