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GTE Telephone Operations

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Ms. Blanca S. Bayo, Director
Division of Records & Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

February 27, 1997

Re: Docket No. 970173-TP
MCI Telecommunications Corporation's Petition to Reduce CCL
to Remove Deregulated Payphone Investment from the rates of
GTE Florida Incorporated

Dear Ms. Bayo:

Please find enclosed an original and fifteen copies of GTE Florida Incorporated's
Motion to Dismiss for filing in the above matter. Service has been made as indicated
on the Certificate of Service. If there are any questions regarding this filing, please

ACK _____
AFA 2 contact me at (813) 483-2615.

APP _____
Very truly yours,

CAF _____
CMU _____
CTR _____
Anthony P. Gillman

EAG _____
LEG T APG:tas

LIN 5 Enclosures

OPD _____

ROH _____

SEC 1

WAS _____
A part of GTE Corporation

OTH _____

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: MCI Telecommunications Corporation's)
Petition to Reduce CCL to Remove)
Deregulated Payphone Investment from the)
rates of GTE Florida Incorporated)
_____)

Docket No. 970173-TP
Filed: February 27, 1997

**GTE FLORIDA INCORPORATED'S MOTION TO DISMISS
MCI TELECOMMUNICATIONS CORPORATION'S PETITION TO REDUCE CCL
TO REMOVE DEREGULATED PAYPHONE INVESTMENT FROM THE RATES OF
GTE FLORIDA INCORPORATED**

GTE Florida Incorporated (GTE) moves to dismiss the February 7, 1997 petition filed by MCI Telecommunications Corporation (MCI) to have GTE reduce its carrier common line charges (CCL) to remove an alleged payphone subsidy. In support of this motion, GTE states:

1. MCI's petition is deficient in several respects. Although MCI claims that GTE should reduce its CCL by \$9.6 million, MCI has not explained how the \$9.6 million was calculated. That number does not appear in MCI's supporting affidavit and does not appear on the exhibits attached to that affidavit. Also, MCI's Exhibit 3, which it claims supports the purported subsidy, is incomplete. It refers to line numbers which are not included anywhere in MCI's filing. For example, line 6 refers to line 39. However, no line 39 exists. The same is true for lines 7, 21 and 22. As such, MCI's petition should be dismissed because it is deficient on its face.

2. MCI's petition is also invalid and incomplete because it does not compare the revenue requirement shown in Exhibit 3 to GTE's payphone revenues. Obviously, no subsidy exists if GTE's payphone revenues exceed the associated expenses. Although MCI has computed a revenue requirement, it has failed to compare this requirement to

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GTE's payphone revenues. Without this comparison, MCI has no basis (even assuming that everything alleged by MCI is true) for its claim that GTE's access charges are subsidizing GTE's payphone service.

3. In fact, if MCI had included GTE's payphone revenues in its calculations, no subsidy would be shown. The same 1995 ARMIS reports relied upon by MCI to prepare Exhibit 3 shows that GTE booked \$14,468,131 in intrastate revenues under FCC Account No. 5010 (Public Telephones). When these ARMIS payphone revenues are compared to the revenue requirement on Line 27 of MCI's Exhibit 3, it is clear that no subsidy exists. In fact, GTE would exceed the revenue requirement computed by MCI by over \$4 million.¹

GTE respectfully asks the Commission to dismiss MCI's petition. It is incomplete on its face and proves, by examination of the very ARMIS reports MCI relied upon, that no subsidy exists.

Respectfully submitted on February 27, 1997.

By:


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¹ Payphone revenues are also booked in other accounts not considered by MCI. In addition to Account No. 5010, sub-account nos 5001.40 (semi-public recurring flat rate), 5050.40 (CPE-paystation equipment), and 5060.54 (NRC-paystation) should have been included. Consideration of these revenue accounts provide further proof that no subsidy exists.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of GTE Florida Incorporated's Motion to Dismiss in Docket No. 970173-TP was sent via U.S. mail on February 27, 1997 to the parties listed below.

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