



DEPARTMENT OF THE ARMY  
 OFFICE OF THE JUDGE ADVOCATE GENERAL  
 901 NORTH STUART STREET  
 ARLINGTON, VA 22203-1837  
 July 7, 1995

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 FILE COPY



REPLY TO  
 ATTENTION OF  
 Regulatory Law Office  
 U 3741

SUBJECT: In re: Comprehensive Review of the Revenue Requirements and Rate Stabilization Plan of Southern Bell Telephone and Telegraph Company Docket No. 920260-TL

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

Dear Mrs. Bayo:

Enclosed for filing please find the original and 15 copies of the Prehearing Statement of the U.S. Department of Defense and All Other Executive Agencies (DOD/FEA) in the above-subject proceeding.

Additionally, the DOD/FEA hereby requests that it be excused from personal appearance at the Prehearing Conference and the Hearings in this Phase of this proceeding, scheduled for July 17 and 31st respectively. As good cause therefor the DOD/FEA states that budgetary and manpower constraints preclude the DOD/FEA from sponsoring a witness in this phase of these proceedings.

However, the DOD/FEA's position is fully set forth in its Prehearing Statement filed herewith and it requests the Commission incorporate this Statement as the position of the DOD/FEA in this Phase of the subject Docket.

Finally, we request continuation of the DOD/FEA as a party to this Docket for such further proceedings as may be held.

Copies have been served in accordance with the Certificate of Service.

Sincerely,

Peter Q. Nyce, Jr.  
 General Attorney  
 Regulatory Law Office

- ACK
- AFA 1
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU noted
- CTIC \_\_\_\_\_
- FRG \_\_\_\_\_
- SEC 5
- WAS \_\_\_\_\_
- OTH \_\_\_\_\_

Enclosure

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL  
FILE COPY

In re: Comprehensive Review of the  
Revenue Requirements and Rate  
Stabilization Plan of the Southern Bell  
Telephone and Telegraph Company

Docket No. 960260-TL

PREHEARING STATEMENT

of

THE UNITED STATES DEPARTMENT OF DEFENSE AND  
ALL OTHER FEDERAL EXECUTIVE AGENCIES

ROBERT N. KITTEL  
Chief

Regulatory Law Office  
Office of The Judge Advocate General  
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901 N. Stuart Street, Suite 713  
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by

PETER Q. NYCE, JR.  
General Attorney

July 10, 1995

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

**BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION**

In re: Comprehensive Review of the  
Revenue Requirements and Rate  
Stabilization Plan of the Southern Bell  
Telephone and Telegraph Company

Docket No. 920260-TL

**PREHEARING STATEMENT**

of

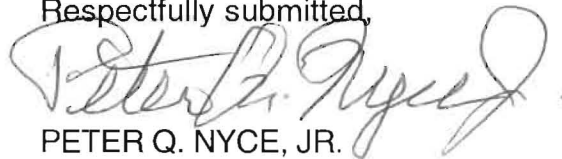
**THE UNITED STATES DEPARTMENT OF DEFENSE AND  
ALL OTHER FEDERAL EXECUTIVE AGENCIES**

The United States Department of Defense and All Other Federal Executive Agencies ("FEAs") hereby submit this Prehearing Statement. The FEAs' responses to the Commission's Order PSC-95-0642-PCO-TL are as follows:

- (a) **Witnesses** – The FEAs do not anticipate calling any witnesses in this proceeding.
- (b) **Exhibits** – The FEAs do not plan to identify any exhibits in this proceeding.
- (c) **Basic Position** – The Commission should use this opportunity to price telecommunications services to encourage the development of fair competition for all intrastate telecommunications services in Florida. The proposals by Southern Bell Telephone and Telegraph Co. ("SBT"), McCaw Communications, and the Communications Workers of America may actually impede the development of competition in the state. However, the Commission has a good opportunity to address an important defect in SBT's rate structure that now inhibits the development of competition for services provided to businesses customers. Private Branch Exchange ("PBX") and ESSX services compete directly with each other. SBT provides some of the elements of PBX service, including PBX trunks and direct inward dialing ("DID"), while SBT provides all of the elements of ESSX service. By maintaining unreasonably high rates for PBX trunks and DID service, SBT tilts the competitive balance in its own favor. The FEAs urge the Commission to help address this infirmity by applying the \$25 million to a reduction in the rates for PBX trunks and DID service.

- (d) **Questions of fact** – What method for distributing the \$25 million available on July 12, 1995 would best support a competitive marketplace for intrastate telecommunications services in Florida? The FEAs' position is that the \$25 million should applied to reduce recurring PBX trunk and DID rates so that the effective charges for PBX and DID service are more nearly aligned with the effective charges for ESSX service.
- (e) **Questions of law** – Are the current rates for PBX trunks and DID service unreasonably discriminatory when compared with the charges for ESSX service? The FEAs' position is that the current rates for PBX and DID services are unreasonably discriminatory.
- (f) **Policy questions** – Has SBT reasonably priced services to business customers? The FEAs' position is that SBT's rates for PBX trunks and DID service are not reasonable and should be reduced.
- (g) **Stipulations** – The FEAs have not stipulated to any issues in this matter.
- (h) **Pending Motions** – The FEAs have no pending motions in this matter.
- (i) **Requirements** – The FEAs have complied with all known requests and discovery by the Commission or any party in this docket.

Respectfully submitted,



PETER Q. NYCE, JR.  
General Attorney

Regulatory Law Office

Office of The Judge Advocate General  
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for

The United States Department Of Defense

and

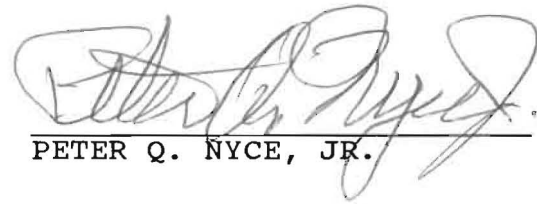
All Other Federal Executive Agencies

July 10, 1995

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document by first-class U.S. Mail to all parties on the attached service list.

Dated at Arlington County, Virginia, this 7th day of July 1995.



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