### DEPARTMENT OF THE ARMY OFFICE OF THE JUDGE ADVOCATE GENERAL 901 NORTH STUART STREET

ARLINGTON, VA 22203-1837 July 14, 1995



REPLY TO 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 Supplemental Prehearing Statement of the U.S. Department of Defense and All Other Executive Agencies (DoD/FEA) in the above-subject proceeding. This Supplement provides the DoD/FEA's Position on each of the issues set forth in the Commission's Draft Prehearing Order.

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

Sincerely,

Peter Q. Nyce, Ur

General Attorney

Regulatory Law Office

Enclosure

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# BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 920260-TL

#### SUPPLEMENTAL 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 (DoD/FEA) hereby submit this Supplemental Prehearing Statement to provide its position on each of the issues specified in the Commission's Order PSC-95-0642-PCO-TL.

### I. ISSUES AND DOD/FEA POSITION

**ISSUE 1:** Which of the following proposals to dispose of \$25 million for Southern Bell should be approved?

- a) SBT's proposal to implement the Extended Calling Service (ECS) plan pursuant to the tariff filed on May 15, 1995. (T-95-304)
- b) CWA's proposal to reduce each of the following by \$5 million:
  - 1. Basic "lifeline" senior citizens telephone service;
  - 2. Basic residential telephone service;
  - 3. Basic telephone service to any organization that is non-profit with 501(c) tax exempt status;
  - 4. Basic telephone service of any public school, community college and state university;
  - 5. Basic telephone service of any qualified disabled ratepayer;

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- c) McCaw's and FMCA's proposal that a portion be used, if necessary, to implement the decision rendered in DN 940235-TL.
- d) Any other plan deemed appropriate by the Commission.

ISSUE 1(a): The Commission should reject Southern Bell's proposal. The proposal represents an attempt by Southern Bell to "remonopolize" a market that this Commission has previously deemed to be competitive.

**ISSUE 1(b):** The Commission should reject CWA's proposal since it lowers rates which are already close to or below costs and apply only to limited classes of customers.

**ISSUE 1(c):** The Commission should reject McCaw's proposal as being speculative and properly resolved in another docket.

ISSUE 1(d): The Commission should adopt the alternative recommended in the Basic Position of the DOD/FEA, applying the \$25 million to reprice PBX trunks and DID services toward costs.

ISSUE 2: If the Southern Bell proposal is approved, should the Commission allow competition on the Extended Service Calling routes? If so, what additional actions, if any, should the Commission take?

If Southern Bell's proposal is approved, the Commission should allow and encourage full and open competition on all toll routes within Florida.

**ISSUE 3:** When should tariffs be filed and what should be the effective date?

The Tariffs should be filed as soon as possible after the Commission's decision and should be effective October 1, 1995.

ISSUE 4: Should this docket be closed?

No, this docket should remain open until the settlement agreement has been fully satisfied.

Respectfully Submitted,

Peter Q. Nyce, Jr General Attorney

Regulatory Law Office

### 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 14th day of July 1995.

PETER Q. NYCE, JR.

ROBERT G BEATTY
PHILLIP J CARVER
c/o NANCY SIMS
SUITE 400
150 SOUTH MONROE STREET
TALLAHASSEE FLORIDA 32301

TRACH HATCH
DIVISION OF LEGAL SERVICES
FLORIDA PUBLIC SVC COMMISSION
2540 SHUMARD OAK BOULVARD
TALLAHASSEE FL 32399-0850

MICHAEL W TYE
AT&T COMMUNICATIONS OF THE SOUTHERN
STATES INC
106 EAST COLLEGE AVENUE
SUITE 1410
TALLAHASSEE FLORIDA 32301

MICHAEL J HENRY MCI TELECOMMUNICATIONS CORP 780 JOHNSON FERRY ROAD SUITE 700 ATLANTA GEORGIA 30342

LAURA L WILSON ESQ FLORIDA CABLE TELECOMMUNICATIONS ASSN INC 310 NORTH MONROE STREET TALLAHASSEE FL 32301

C EVERETT BOYD JR ERVIN VARN JACOBS ODOM & ERVIN 305 SOUTH GADSEN STREET POST OFFICE DRAWER 1170 TALLAHASSEE FLORIDA 32302

JOSEPH GILLAN
J P GILLAN & ASSOCIATES
P O BOX 541038
ORLANDO FL 32854-1038

MR DOUGLAS S METCALF
COMMUNICATIONS CONSULTANTS INC
631 S ORLANDO AVE SUITE 450
P O BOX 1148
WINTER PARK FL 32790-1148

STAN GREER
DIVISION OF COMMUNICATIONS
FLORIDA PUBLIC SVC COMMISSION 2540
SHUMARD OAK BOULEVARD
TALLAHASSEE FL 32399-0850

R DOUGLAS LACKEY
NANCY B WHITE
4300 SOUTHERN BELL CENTER
675 WEST PEACHTRE ST N E
ATLANTA GEORGIA 30375

JOSEPH A MCGLOTHLIN
VICKI GORDON KAUFMAN
MCHIRTER GRANDOFF & REEVES
315 SOUTH CALHOUN STREET
SUITE 716
TALLAHASSEE FL 32301-1838

DAN B HENDRICKSON POST OFFICEE BOX 1201 TALLAHASSEE FL 32302

RICHARD D MELSON HOPPING BOYD GREEN & SAMS POST OFFICE BOX 6526 TALLAHASSEE FLORIDA 32314

CHANTHINA R BRYANT
SPRINT COMMUNICATIONS CO LIMITED
PARTNERSHIP
3100 CUMBERRLAND CIRCLE
ATLANTA GA 30339

ANGELA GREEN
FLORIDA PUBLIC
TELECOMMUNICATIONS ASSN INC
125 SOUTH GADSDEN STREET
SUITE 200
TALLAHASSEE FL 32301

MARK RICHARD
ATTORNEY FOR CWA
LOCALS 3121 3122 AND 3107
304 PALERMO AVENUE
CORAL GABLES FL 33134

MR MICHAEL FANNON CELLULAR ONE 2735 CAPITAL CIRCLE NE TALLAHASSEE FL 32308 ROBIN NORTON
DIVISION OF COMMUNICATIONS
FLORIDA PULBIC SERVICE COMMISSION
2540 SHUMAR OAK BOULEVARD
TALLAHASSEE FL 32399-0850

KENNETH A HOFFMAN
MESSER VICKERS CAPARELLO
MADSEN LEWIS & METZ PA
POST OFFICE BOX 1876
TALLAHASSEE FL 32302

CHARLES J BECK
DEPUTY PUBLIC COUNSEL
OFFICE OF THE PUBLIC COUNSEL
111 W MADISON STREET
ROOM 812
TALLAHASSEE FL 32399-1400

RICK WRIGHT
REGULATORY ANALYST
DIVISION OF AUDIT AND FINANCE
FLORIDA PUBLIC SVC COMMISSION
2540 SHUMARD OAK BOULEVARD
TALLAHASSEE FL 32399-0850

BENJAMIN H DICKENS JR BLOOSTON MORDKOFSKY JACKSON & DICKENS 2120 L STREET N W WASHINGTON DC 20037

MONTE BELOTE FLORIDA CONSUMER ACTION NETWORK 4100 W KENNEDY BLVD #128 TAMPA FL 33609

GERALD B CURINGTON
DEPARTMENT OF LEGAL AFFAIRS
2020 CAPITAL CIRCLE SE
ALEXANDER BUILDING 2ND FLOOR
TALLAHASSEE FL 32301

FLOYD R SELF ESQ
MESSER VICKERS CAPARELLO
MADSEN LEWIS GOLDMAN & METZ
POST OFFICE BOX 1876
TALLAHASSEE FL 32302-1876