



REPLY TO ATTENTION OF

DEPARTMENT OF THE ARMY
UNITED STATES ARMY LEGAL SERVICES AGENCY
901 NORTH STUART STREET
ARLINGTON, VA 22203-1837



August 26, 1996

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

ORIGINAL
FILE COPY

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, and the Rebuttal Testimony of Harry Gildea, on behalf of the United States Department of Defense and All Other Federal Agencies, in the above-referenced proceeding. The Prehearing Statement, and the Rebuttal Testimony are also enclosed on electronic disk in Wordperfect 5.1 format.

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

Sincerely,

Peter Q. Nyce, Jr.
General Attorney
Regulatory Law

RECEIVED
FLORIDA PUBLIC
SERVICE COMMISSION
AUG 27 AM 8 17
MAIL ROOM

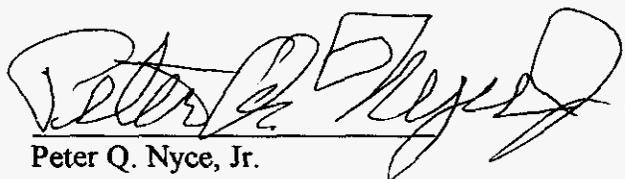
- ACK _____
- AFA 3
- APP _____
- CAF _____
- CMU Norton
- CTR _____ Enclosures
- EAG _____
- LEG 1
- LIN 5
- OPC _____
- RCH _____
- SEC 1
- WAS _____
- OTH _____

DOCUMENT NUMBER-DATE
09123 AUG 27 96
FPSC-RECORDS/REPORTING

CERTIFICATE OF SERVICE

I hereby certify that I have on this date served a copy of the foregoing document^S together with this Certificate of Service, upon the following parties, by causing a copy hereof to be delivered by regular first-class mail to all parties on the attached service list.

Executed August 26, 1996, at Arlington, Virginia.


Peter Q. Nyce, Jr.

NANCY SIMS
BELLSOUTH TELECOMMUNICATIONS, INC
(SOUTHERN BELL TELEPHONE
& TELEGRAPH COMPANY)
150 S MONROE ST SUITE 400
TALLAHASSEE FL 32301

MICHAEL J HENRY
MCI TELECOMMUNICATIONS CORP
780 JOHNSON FERRY ROAD
SUITE 700
ATLANTA GEORGIA 30346

ROBIN NORTON
DIVISION OF COMMUNICATIONS
FLORIDA PUBLIC SERVICE COMMISSION
2540 SHUMARD OAK BLVD
TALLAHASSEE FL 32399-0850

MICHAEL TYE
AT&T COMMUNICATIONS OF THE
SOUTHERN STATES INC
101 N MONROE STREET SUITE 700
TALLAHASSEE FL 32301

MARTHA BROWN
DIVISION OF LEGAL SERVICES
FLORIDA PUBLIC SERVICE COMMISSION
2540 SHUMARD OAK BLVD
TALLAHASSEE FL 32399-0850

ANGELA GREEN
FLORIDA PUBLIC TELECOMMUNICATIONS
ASSOCIATION INC
125 S GADSDEN STREET SUITE 200
TALLAHASSEE FL 32301

RICHARD D MELSON
HOPPING BOYD GREEN & SAMS
23 SOUTH CALHOUN STREET
P O BOX 6526
TALLAHASSEE FL 32314

DAN SHORTER
P O BOX 24700
WEST PALM BEACH FL 33416

JOSEPH A MCGLOTHLIN
VICKI GORDON KAUFMAN MCWHIRTER
GRANDOFF & REEVES
117 SOUTH GADSDEN STREET
TALLAHASSEE FL 32301-1838

RICK WRIGHT
AFAD
FLORIDA PUBLIC SERVICE COMMISSION
2540 SHUMARD OAK BLVD
TALLAHASSEE FL 32399-0850

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

DAN B HENDRICKSON
P O BOX 1201
TALLAHASSEE FL 32302

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

MICHAEL FANNON
CELLULAR ONE
2735 CAPITAL CIRCLE NE
TALLAHASSEE FL 32308

FLOYD R SELF
MESSER VICKERS CAPARELLO LEWIS
GOLDMAN & METZ P A
P O BOX 1876
TALLAHASSEE FL 32302-1876

KENNETH A HOFFMAN
MESSER VICKERS CAPARELLO LEWIS
& METZ P A
P O BOX 1876
TALLAHASSEE FL 32302-1876

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

C EVERETT BOYD JR
ERVIN VARN JACOBS ODOM & ERVIN
305 S GADSDEN STREET
P O DRAWER 1170
TALLAHASSEE FL 32302

BENJAMIN W FINCHER
SPRINT COMMUNICATIONS CO
3100 CUMBERLAND CIRCLE # 802
ATLANTA GA 30339

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

DOUGLAS S METCALF
COMMUNICATIONS CONSULTANTS INC
631 S ORLANDO AVE SUITE 250
P O BOX 1148
WINTER PARK FL 32790-1148

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

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

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

HARRY GILDEA
SNAVELY KING MAJOROS O'CONNOR & LEE INC
1220 L STREET N W SUITE 410
WASHINGTON DC 20005

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

SUSAN K WEINSTOCK
UTILITY ISSUES TEAM LEADER
STATE LEGISLATION DEPARTMENT
AARP
601 E STREET NW
WASHINGTON DC 20049

MARSHA E RULE
WIGGINS & VILLACORTA P A
501 EAST TENNESSEE STREET SUITE B
POST OFFICE DRAWER 1657
TALLAHASSEE FLORIDA 32302

PATRICIA KURLIN
INTERMEDIA COMMUNICATIONS INC
3625 QUEEN PALM DRIVE
TAMPA FLORIDA 33619-1309

DAVID LARIMER
P O BOX 419000
MELBOURNE FL 32941

MICHAEL GROSS
DEPARTMENT OF LEGAL AFFAIRS
THE CAPITOL PL-01
TALLAHASSEE FL 32399

MARK LOGAN
201 S MONROE STREET #500
TALLAHASSEE FL 32301

ROBIN DUNSON
1200 PEACHTREE STREET
PROMENADE I ROOM 4038
ATLANTA GA 30309

WILLIAM H HIGGINS ESQ
AT&T WIRELESS SERVICES OF FL INC
250 S AUSTRALIAN AVENUE
W PALM BEACH FL 33401

**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
U. S. Army Litigation Center
901 N. Stuart Street, Suite 713
Arlington, Virginia 22203-1837

by

**PETER Q. NYCE, JR.
General Attorney**

August 28, 1996

04123-2
8/27/96

**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

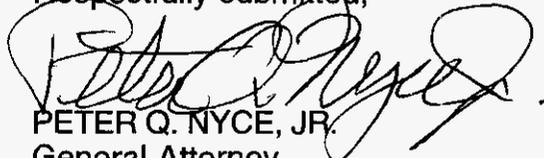
**THE UNITED STATES DEPARTMENT OF DEFENSE AND
ALL OTHER FEDERAL EXECUTIVE AGENCIES**

The United States Department of Defense and All Other Federal Executive Agencies ("FEAs") hereby submit this Prehearing Statement.

- (a) **Witnesses** – Harry Gildea will testify as a rebuttal witness concerning the BellSouth revenue reduction scheduled for October 1996.
- (b) **Exhibits** – The FEAs are pre-filing Mr. Gildea's testimony with no exhibits.
- (c) **Basic Position** – BellSouth's proposed plan for distributing a \$48 million revenue reduction among services has several important infirmities.
- (d) **Questions of fact** – Does BellSouth focus its proposed revenue reductions on the parties who have paid rates and charges for the company's services in the past? Are the reductions designed to bring rates and charges in line with BellSouth's costs? The FEAs' position is that BellSouth's proposals place too much emphasis on benefits to new customers. Furthermore, there is no evidence that most of the proposed changes will bring rates in line with costs.
- (e) **Questions of law** – Are BellSouth's revenue reduction proposals unreasonably discriminatory or otherwise in conflict with Florida law? The FEAs have not identified any proposals or actions by BellSouth which are unreasonably discriminatory or otherwise in conflict with the law.

- (f) **Policy questions** – Will BellSouth's proposals provide more opportunities for competition to develop in Florida? The FEAs' position is that BellSouth's proposals will impede the development of competition in Florida.
- (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
U.S. Army Litigation Center
901 North Stuart Street, Suite 713
Arlington, VA 22203-1837

for

The United States Department Of Defense

and

All Other Federal Executive Agencies

August 28, 1996