BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL

In re: Complaint by BellSouth Tele-Communications, Inc., Regarding The Operation of a Telecommunications Company by Miami-Dade County in Violation of Florida Statutes and Commission Rules	)	DOCKET NO. 050257-TL

FINAL EXHIBIT NOS. 242-284

29 of 29

DOCUMENT NUMBER-DATE
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FPSC-COMMISSION CLERK

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MIAMI-DADE COUNTY
MAYOR'S EFFICIENCY AND COMPETITION COMMISSION
CLERK'S SUMMARY OF AGENDA ACTION AND OFFICIAL MINUTES
JULY 23, 1999

The Miami-Dade Mayor's Efficiency and Competition Commission (ECC) convened in the Commission Chambers of the Stephen P. Clark Government Center, 111 Northwest First Street, Miami, Florida at 2:15 p.m., on July 23, 1999, there being present Chairperson Commissioner Jimmy A. Morales and members Mr. Don Butler, Ms. Tanya Dawkins, Mr. Mickey Donn, Dr. Milan Dluhy, Mr. Leon Fuller, Ms. Sandra Mesa, and Commissioner Dennis Moss; (Ms. Rosa Sugranes, Mr. Dean Taylor, and Ms. Maria Elena Torano were absent); Executive Assistant to the County Manager George Burgess; Ms. Jennifer Glazer-Moon, County Manager Staff; and Deputy Clerk Linda Derleth.

Chairperson Morales opened the meeting and proceeded to consider today's agenda.

I. Approval of Minutes

Presented

June 25, 1999

It was moved by Mr. Fuller that the minutes of the meeting of June 25, 1999 be approved. This motion was seconded by Chairperson Morales, and upon being put to a vote, passed by a vote of 8-0, (Ms Sugranes, Mr. Taylor, and Ms. Torano were absent).

II. Monthly Status Report

Presented

Mr. George Burgess, Executive Assistant to the County Manager, presented a status report in connection with cost avoidances and savings for the past month, and he indicated the County had reached its goal for countywide general fund savings.

Mr. Burgess stated the efficiency and effectiveness analyses undertaken by eight or nine departments were in various stages of development. He noted in some cases departments were seeking outside assistance, and Ms. Corinne Brody, Director, Office of Performance Improvement, would coordinate that solicitation of outside assistance.

Mr. Burgess noted he was encouraged that staff was taking these efficiency initiatives seriously and was moving forward to develop these programs. He indicated the procedure was to obtain input on a bottom-up basis in

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connection with management, efficiencies, and process reforms. Mr. Burgess indicated there were many secondary benefits to this program, not the least of which was improving morale.

In response to a question by Chairperson Morales, Mr. Burgess stated that $12 to $17 million of efficiency savings were identified as staff balanced the FY 1999-2000 proposed budget. He noted these efficiency savings had already been identified and were built into the budget.

In response to a question by Chairperson Morales, Mr. Burgess explained the operating status of the County's marinas, noting they had always been a good profit center for the County. He noted the question was whether the County could increase revenue through a managed competition concept. Mr. Burgess summarized the Request for Proposals' responses and noted staff would review the private proposals and then open and review the proposal from the Park and Recreation Department and evaluate the proposals based on the established ground rules.

III. Main Discussion Items

County Public Relations Efforts

Presented

Mr. Mayco Villafana, Director, Communications Department, noted an article from the July 20, 1999 USA Today newspaper had been included in the information package for today's meeting, which indicated television viewing was now declining in the United States as a result of the Internet. He stated this article was included in the package to indicate the changes taking place throughout the country in connection with the Internet and how people communicate.

Mr. Villafana stated the genesis of his report was the County Manager's Task Force on Organizational Structure and Long Term Strategic Planning, and he indicated a subcommittee had been created to review County communications and public perception of the County.

Mr. Villafana summarized the organizational chart for the Communications Department, and he explained his department identified itself with six customer groups: the Office of the County Manager, the Board of County Commissioners, the Office of the Mayor, County departments, the media, and Miami-Dade County residents. He indicated the Communications Department served not only the media, but handled communications internally and externally throughout the County.

Mr. Villafana summarized the advertising his department handled, such as signs, inserts, brochures, charts, graphics, information kits, Internet web pages for various departments, news releases, photography, special events coordination, television productions, translation services, video duplication, and video public service announcements. He indicated his department expected to add media training and consulting services to assist County staff in dealing with the media.

Mr. Villafana stressed the need for his staff to be connected to the County's Intranet and also the Internet in order to communicate with the media, and he noted he had increased office space and updated computers in an effort to prepare for needed staff. Mr. Villafana indicated he had completed a seven to nine year capital improvement plan for the County's television station, and his department had begun strategic planning to determine what was needed in the future. He noted staff had begun a review of the County's television schedule and format to determine if it was the type of information needed, and staff had begun the process of becoming a resource center for the media and for other County departments.

Mr. Villafana stated his staff was reviewing whether or not his department might manage the contents of the Internet web pages for County departments, while the Information Technology Department would continue to manage the technical needs of the departments. He indicated he had provided the ECC with a list of all persons who had media responsibilities in the County government.

Mr. Villafana summarized the results of a communications survey among the 32 Public Information Officers (PIO's) who replied who had the responsibility of responding to media inquiries, and he summarized his report entitled, "Recommended Strategies to Improve County Communications, Public Perception, and Public Relations." He noted the Communications Department staff agreed that in order to improve communications with the public, the issues of training, customer service, and increasing standards within the County had to be addressed.

Mr. Villafana indicated his report was a plan to put these requirements into operation. He indicated staff had reviewed the possibility of establishing call centers which would establish a staff facility with access to databases of information that was available to all departments in order to respond to the public with information in a more efficient manner.

Chairperson Morales asked if these recommendations had already generated an implementation plan.

Mr. Villafana indicated the first three items listed in his report, the training, customer service surveys, and call centers were critical; and he indicated the balance of the items could be reviewed next year to determine possible implementation.

Mr. Burgess stated staff considered Mr. Villafana's report as a summary of a strategic plan. He noted staff was reviewing the use of e-mail and the Internet as a way for the public to access County government quickly.

Chairperson Morales stated all County public information officers should have Internet and e-mail capabilities, and he stated it would be helpful for staff to review how other large urban governments manage their communications needs.

Commissioner Moss noted he had expressed some concerns to Mr. Villafana, and he commended Mr. Villafana and his staff for their assistance to his office. Commissioner Moss asked if the County public information officers could be utilized to respond to media inquiries rather than various County employees responding to inquiries.

Mr. Villafana noted his department had already instituted that procedure.

Commissioner Moss requested staff review the possibility of placing the meetings of the Board of County Commissioners on the Internet.

Mr. Villafana stated Mr. Donn Patchen, the County television station manager, was reviewing this matter with Ms. Judy Zito from the Information Technology Department

In response to a question by Chairperson Morales, Mr. Villafana stated County Manager Stierheim had made it very clear that all requests for information from the County were to be handled by the Communications Department.

Chairperson Morales stated the County should have a written policy in connection with who was authorized to speak on behalf of the County. He requested Mr. Burgess confer with County Manager Stierheim and County Attorney Ginsburg in order to determine such a policy. Chairperson Morales requested for the next meeting a report from County Manager Stierheim and County Attorney Ginsburg in connection with this matter. He also requested staff look into whether or not the County could establish a regular column in which it could report the accomplishments of County government.

Ms. Dawkins asked if there was a public information officer who was responsible for providing information in connection with the initiatives taken by the Communications Department.

Mr. Villafana stated he was responsible for disseminating this information to the media and the public.

Chairperson Morales expressed his appreciation to Mr. Villafana for his work on behalf of the County.

IV. Information Items

The County Chronicle

Presented

Chairperson Morales indicated a copy of the County Chronicle had been included in today's back-up information. He noted an example of the County's need to inform the press and public of efficiency accomplishments was illustrated by the fact that the day of a press conference in the lobby of the Stephen P. Clark Center to announce Efficiency and Competition Week, one of the Miami Herald reporters was not familiar with this event.

Office of Performance Improvement

Presented

Chairperson Morales congratulated Ms. Corinne Brody on her appointment as Director of the Office of Performance Improvement.

Mr. Burgess stated Ms. Brody's primary focus would be to follow the progress of the efficiency programs and their development in the various County departments, conducting process reviews and efficiency studies across the organization, working on benchmarking, assisting the Office of Management and Budget with performance measurement targets, and assisting in the development of a strategic management plan for the County.

Chief Information Officer

Presented

Chairperson Morales noted County Manager Stierheim had appointed General B. R. "Randy" Witt as the Chief Information Officer for Miami-Dade County. Chairperson Morales stated General Witt had retired from the U.S. Air Force and had overseen the information technology needs of the Bosnian NATO operations and Operation Desert Storm, was previously employed by TRW, and Director of Defense Information Systems Support.

Water and Sewer Item

Presented

Mr. Bill Brant, Director, Miami-Dade Water and Sewer Department (WASD), announced his department had been selected as one out of eight County departments to receive a National Association of Counties (NACO) award in connection with its tank cleaning process. He expressed appreciation for the applause from the ECC and noted this was an employee driven program and the employees were the persons who had achieved this award.

Mr. Brant indicated in the past County liens for unpaid WASD bills were effective for five years but the State law allowed a 20 year lien, and WASD wanted to apply the Sate law of 20 years in order to collect overdue bills. He indicated from 1995 through today the County had recorded approximately 8,600 liens on property for which bills had not been paid for a total of approximately $4.5 million.

In response to a question by Commissioner Moss, Mr. Harold Concepcion, Regional Coordinator, Team Metro south office, indicated the County was attempting to develop a data base which identified all properties that had current code enforcement liens on them as well as other liens. He indicated the Information Technology Department was assisting in this project, and it was expected to require one year to complete.

Commissioner Moss requested Mr. Concepcion convey to Ms. Deborah Curtain, Director, Team Metro, his good wishes in connection with her illness.

It was moved by Commissioner Moss that the ECC forward the foregoing WASD report to the Board of County Commissioners with the endorsement of the ECC. This motion was seconded by Ms. Mesa, and upon being put to a vote, passed by a vote of 8-0, (Ms. Sugranes, Mr. Taylor, and Ms.Torano were absent).

Airport Telecommunications Systems

Presented

Mr. Gary Dellapa, Aviation Director, reported to the ECC in connection with the telecommunication contracts at Miami International Airport (MIA). He indicated in 1982 MIA made a decision to outsource its telecommunication services, and he explained the background of these contracts. Mr. Dellapa stated staff had moved contract administration and management responsibilities from the maintenance department to the telecommunication division of MIA, which had staff with the expertise to deal with high tech telecommunication matters. He indicated he had

elevated the level of management supervision of the contract several levels within the Aviation Department and instituted new procedures in connection with contract administration.

Mr. Tom Arnold, Deputy Director, Miami-Dade Police Department, currently serving as Assistant Director, Aviation Department, summarized his report entitled Duties and Work Assignments. He indicated his assignment from the County Manger's Office was to review overall management practices and procedures at MIA and to perform a consulting role. Mr. Arnold stated he had received a memorandum from Mr. Dellapa with nine specific issues to be reviewed, and five of those issues were related to the Witel telecommunications contract. He indicated in reviewing the organizational structure of the department, he had determined the placement of the telecommunications unit and the management of the telecommunications contract were not in the best organizational structure to provide the type of oversight and accountability necessary.

Mr. Arnold summarized the background of the telecommunications contracts and their past management procedures and how they were currently being managed, including increasing the level of responsibility and review for the Wiltel contract. He noted this contract had not been reviewed because the management of the contract had been too low in the organizational structure. Mr. Arnold expressed his opinion that over the years the County had used the Wiltel contract to acquire equipment and systems which should have been competitively bid and purchased by the County rather than leased on a long term basis.

Mr. Arnold summarized his recommendations as follows:

1. The current telecommunications contracts should not be renewed in their present form when they expire and that a Request for Proposals should be prepared in order to obtain a telecommunications provider under modern industry standards. Mr. Arnold stated staff had already initiated this process and staff was currently conducting best practices studies among other airports and businesses that outsource telecommunications to obtain copies of contracts and their history of outsourcing telecommunications activities in the best practices of today's industry.

2. The department should change the current practice of renting basic mechanical/analog telecommunications infrastructure hardware.

3. No additional equipment should be leased under the existing telecommunications contract unless specifically related to the telephone system, computer network, or terminal audio system.

4. The department should acquire the services of an expert in the telecommunications field.

5. The department should re-evaluate the operational need for the additional equipment currently being leased and drop from the lease agreement as soon as possible those items not absolutely essential.

6. The current practice of aggregate billing permitted under the contract should be changed.

7. The department and the vendor should work together to produce an accurate list of all equipment and infrastructure resources currently in place. Mr. Arnold indicated this would be essential to the phase-in of a new telecommunications contract.

Mr. Arnold stated the person who had been assigned the primary task of drafting the new telecommunications contract was already on board and had already started the best practices analysis and working with technical persons to identify technical specifications that would be unique to the Aviation Department. He noted a timeline was included in the report presented to the ECC which would indicate the department's plan to implement the change from the existing telecommunications contract to a new contract which would be in place and effective when the current extension of the existing contract expired in February 2000.

Chairperson Morales expressed concern with the lack of controls in the current contract.

Mr. Dellapa stated the Aviation Department had undertaken a review of other contracts at the airport, he noted the subject contract was a unique situation, and he indicated some individuals would be held accountable in this matter.

Mr. Arnold concurred the subject contract was unique, and this had become a way of doing business.

Chairperson Morales suggested a task for the new Chief Information Officer would be to review whether similar arrangements were now being utilitzed in other departments.

Mr. Burgess stated this situation at the airport was an example of why a Chief Information Officer was needed, and he noted the County needed to examine the best practice and standard approach to doing things.

Chairperson Morales requested staff review the subject contract to ensure there were no similar contracts under which the County was operating.

Mr. Burgess stated this matter would be referred to the Chief Information Officer.

V. Preliminary Agendas

Presented

September 24, 1999
October 29, 1999

Mr. Burgess noted the ECC members had been provided the proposed foregoing agendas for the next two meetings.

VI. Adjournment

There being no further business to come before the Efficiency and Competition Commission, the meeting was adjourned at 4:05 p.m.

Commissioner Jimmy L. Morales
Chairperson, Efficiency and Compeititon Commission

EXHIBIT
MDC 9

MEMORANDUM

Agenda Item No. 12(A)5

TO: Honorable Chairperson and Members
Board of County Commissioners

DATE: December 18, 2001

SUBJECT: Status Report: Telecommunication at the Aviation Department

FROM: Steve [illegible]
County Manager

Miami-Dade County (the "County") is currently under contract with NextiraOne, LLC, ("Nextira") [1] Nextira leases to the County, and manages, operates and maintains all the telecommunications infrastructure and services serving Miami International Airport ("MIA") and the General Aviation Airports ("GAA") at an approximate annual cost of $7,300,000 This contract expires February 6, 2002.

In July 2001, the Board of County Commissioners (the "Board") approved Resolution No. R-852-01, approving a Professional Services Agreement between the County and ResAvia. ResAvia is providing specialized technical and negotiation services to the County for the purpose of purchasing from Nextira, the existing telecommunications infrastructure, hardware and software at MIA and the GAA.

Negotiations

To prepare ResAvia for the negotiation process, the Miami-Dade Aviation Department ("MDAD") provided Sid Valo, negotiator and ResAvia Principal, with the necessary (i) background documentation, (ii) inventory of installed equipment, (iii) pending issues between MDAD and Nextira, (iv) established goals and objectives, and (v) delineated strategy to be followed. After receiving documentation from MDAD, Mr. Valo had several telephone discussions with Nextira representatives

In October 2001, Byron Moore, an ex-senior manager of Williams Telecommunications Solutions, L.L.C., pled guilty to concealing a subcontractor's padded charges to cover that firm's campaign donations to local candidates five years ago. Mr. Moore, who left Nextira in September 2001, was considered an impediment in regards to the County and Nextira's negotiations effort. His departure may prove beneficial in the ongoing negotiations to purchase the Nextira owned equipment at MIA

The first meeting between ResAvia and Nextira representatives took place on October 19, 2001. That meeting was a business personnel level meeting to determine the official negotiation position of each party. A second negotiation meeting was held on November 20, 2001. The next negotiation meeting is scheduled for December 18, 2001 at which time the proposed agreement will be presented to Nextira. It is our intention to present said agreement to the Board for approval on January 29, 2002

[1] formerly known as Williams Telecommunications Solutions, L.L.C.

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Request for Proposal

MDAD is simultaneously working in an expeditious manner to develop a Request for Proposal ("RFP") to award a contract to a new service provider that will replace Nextira as the manager of the telecommunications infrastructure. The RFP will provide for the following:

Description:	Obtain proposals from qualified firms to obtain a Telecommunications Infrastructure Manager to provide for the design, installation, maintenance, repair, management and operational support services for all voice and data network infrastructure for the Aviation Department and its Shared Tenant Services ("STS") customers at MIA and the four (4) GAA: (i) Opa-Locka Airport, (ii) Kendall Tamiami Airport, (iii) Homestead Regional Airport, and (iv) Homestead General Airport. The term of the ensuing non-exclusive agreement will be for an initial period of five (5) years and will include an option of two (2) one-year renewal periods. In addition, if negotiations are not successful with the existing provider and the Aviation Department is unable to procure the existing telecommunications infrastructure, hardware, and software (the "System") from NextiraOne, LLC, it is planned to allow the County to negotiate with the successful proposer to provide a new System at a price not to exceed the State of Florida contract or other existing County contracts
Minimum Qualifications:	Proposer that has an established and satisfactory record of performance for at least five (5) years in the provision of telecommunication services to large commercial, aviation, and/or governmental institutions, and has sufficient financial support, staffing and equipment to provide the services requested in the proposal document
Funding Source	Aviation Revenue
Cost Estimate	Base Proposal $40,000,000 for the five-year period Negotiated Proposal $15,000,000 to replace the existing System if the negotiations with NextiraOne, LLC are not successful.

Term:	Five (5) years plus an option of two (2) one-year renewal periods.
Review Committee:	Once the scope is finalized (i.e., whether the Department has to replace the existing System if the negotiations with NextiraOne, LLC are not successful), the RFP will be submitted to the Department of Business Development for Review Committee consideration to establish appropriate contract measures for these telecommunications services prior to advertisement. After the Review Committee recommends these contract measures, the County Manager would then authorize advertisement under the Expedite Ordinance No. 95-64
Estimated Advertisement Date:	March 2002.

Interim Manager for Telecommunications Infrastructure

Due to time constraints, the County will not be able to award this contract before February 6, 2002, when the NextiraOne, LLC contract expires. To assure the uninterrupted operation of the County airports, MDAD staff is proposing to negotiate a management agreement type contract with NextiraOne, LLC, which is being prepared at this time to retain them as managers of the installed telecommunications infrastructure for a finite period. The specific terms are subject to the negotiations now taking place but will be based on County ownership of the equipment.

Contingency Plan

In the event that the negotiations with Nextira fail and no agreement is reached by the contract expiration date, we have a contingency plan to assure continuity in the provision of telecommunication services, as described below:

- Use an existing contract to obtain a new vendor to manage the telecommunications infrastructure.
- Use a series of State, County and Federal contracts to purchase telecommunications equipment and obtain related services.
- Exercise any necessary recourse to prevent removal of or damage to the telecommunications infrastructure.

BST19865

MDAD staff has met with the Department of Procurement Management staff to discuss the procurement methodology to be utilized in the event the negotiations fail, and these contract modifications are being presented to the Board on today's agenda

Summary

In summary, our preferred outcome is a negotiated buyout of the telecommunciations equipment and infrastructure, retaining Nextira for a limited time to act as manager of telecommunications infrastructure, and obtaining a long-term contract for telecommunications infrastructure management through a competitive request for proposal. In the alternative, and to provide the County with negotiating leverage with Nextira, we have a plan to continue services without Nextira while procurement processes and legal remedies are undertaken.

BST19866

FILE COPY

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Dispute between Dade County Aviation Department and BELLSOUTH TELECOMMUNICATIONS, INC. d/b/a SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY related to telephone serving arrangements at airports in Dade County.	DOCKET NO. 931033-TL ORDER NO. PSC-94-0123-FOF-TL ISSUED: February 1, 1994

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman
SUSAN F. CLARK
JULIA L. JOHNSON
DIANE K. KIESLING
LUIS J. LAUREDO

NOTICE OF PROPOSED AGENCY ACTION

ORDER REGARDING ACCESS TO FACILITIES AT AIRPORTS

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding pursuant to Rule 25-22.029, Florida Administrative Code.

I. BACKGROUND

A dispute currently exists between the Dade County Aviation Department (DCAD) and BellSouth Telecommunications, Inc. d/b/a Southern Bell Telephone and Telegraph Company 2 (Southern Bell) over the appropriate telephone serving arrangements at airports operated by Dade County. This dispute has continued over the last several years. The dispute appears to have arisen from the entry of DCAD into the provision of telecommunications service in competition with Southern Bell. At present, Southern Bell and DCAD are cooperating under an interim working agreement. This temporary agreement leaves open the respective liabilities of the parties for the costs of constructing and relocating telephone facilities. The

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parties have agreed that the Commission's decision concerning this matter will be the basis for settlement of each party's financial obligation to the other.

The dispute concerns the location of Southern Bell's network point of demarcation on DCAD airport complexes, the extent to which DCAD must provide cable support structures for Southern Bell to reach its airport tenant customers, whether Southern Bell shall be responsible for the cost of additional support structures, and whether Southern Bell should be required to use DCAD installed cable to provide service at the airport. Also in dispute is whether DCAD should be able to dictate where Southern Bell's demarcation point should be in future installations.

Our Staff, to no avail, has attempted to mediate this dispute during the several years of its existence. Neither party has proposed a settlement agreeable to the other. After attempting mediation, touring each party's airport facilities, observing problem areas at the airport complex, analyzing each party's position, we propose the following resolution of the dispute.

II. RESOLUTION OF THE DISPUTE

The Commission should order the Dade County Aviation Department to allow Southern Bell to have direct access to its customers at airport complexes. Southern Bell's network demarcation point should be within the premises of its customers. DCAD should ensure that Southern Bell is included in planning for new construction so that Southern Bell may reasonably forecast demand and install its own cable. However, Southern Bell should be ordered to utilize DCAD cable when a cable dedicated to Southern Bell's use is already available, if the cable meets appropriate technical standards and the cost of reasonable compensation to DCAD will not exceed Southern Bell's cost of installing its own cable. Southern Bell should have full access to its own network cable and to any DCAD cable which completes Southern Bell's network connections to its customers.

DCAD is the Dade County governmental entity charged with administration of Dade County Airports. DCAD provides service to more stations than the state's two smallest local exchange companies (LECs) combined. It has a multi-million dollar optical fiber backbone system installed at Miami International Airport which serves over 5,000 end user stations through a Northern Telecom switch. Its annual telecommunications operational budget is $3,000,000.

HQ REGULATORY ATTY
MIAMI LEGAL
AML
FAX _____ FED X ✓

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U.S. MAIL - ... TELECOMMUNICATIONS
TALLAHASSEE FL

DCAD, as a result of the nature of its involvement in the provision of telecommunications services is providing shared tenant services (STS). Although DCAD is a shared tenant services provider, pursuant to Rule 25-24.580, Florida Administrative Code, it is generally exempt from the restrictions placed on other STS providers. Rule 25-24.580 provides as follows:

> Airports shall be exempt from the other STS rules due to the necessity to ensure the safe and efficient transportation of passengers and freight through the airport facility. The airport shall obtain a certificate as a shared tenant service provider before it provides shared local services to facilities such as hotels, shopping malls and industrial parks. However, if the airport partitions its trunks, it shall be exempt from the other STS rules for service provided only to the airport facility.

However, we must also note that Section 364.339(4), Florida Statutes, provides:

> The offering of shared tenant service shall not interfere with or preclude a commercial tenant's right to obtain direct access to the lines and services of the serving local exchange telecommunications company or the right of the serving local exchange telecommunications company to serve the commercial tenant directly under the terms and conditions of the commission approved tariffs.

This legislative requirement applies directly to DCAD and its telecommunications operations.

One portion of the dispute concerns the demarcation point. Southern Bell's tariffs include references to the Commission's rule designation of the point at which the LEC networks interface with a customer's inside wiring. This is called the demarcation point. The demarcation point is specified to clearly indicate where the LEC's responsibility ends for providing its tariffed services, including the charges and standards for trouble location, construction, safety, installation, maintenance, repair, rebate and transmission requirements.

The demarcation point is defined in Rule 25-4.0345(1)(b), Florida Administrative Code. The portion of the rule applicable to an airport complex depends on the respective tenant's telephone equipment. Rule 25-4.0345(1)(b) states:

> "Demarcation point" is the point of physical interconnection (connecting block, terminal strip, jack, protector, optical network interface, or remote isolation device) between the telephone network and the customers premises wiring. Unless otherwise ordered by the Commission for good cause shown the location of this point is:
>
> > for Single Line/Multi customer building - Within the customer's premises at a point easily accessed by the customer.
> >
> > for Multi Line Systems/Single or Multi Customer Building - At a point within the same room and within 25 feet of the FCC registered terminal equipment or cross connect field.

These provisions adequately establish the demarcation point for purposes of resolving this portion of the dispute.

A separate portion of the dispute concerns DCAD's desire to require Southern Bell to use DCAD's cable, or pay the full cost of any support structure construction that is otherwise required to provide access for Southern Bell to its airport customers. We note that there is currently no provision in statute or rule that allows a third party, such as DCAD, to provide and be responsible for any portion of a LEC's network. Likewise, there are no provisions for terminating a LEC's service at the location of a third party to be subsequently extended by that third party through non-network facilities to the LEC's customer. However, there is precedent for the LEC using a building owner's cable to gain access to tenants and to pay compensation to the building owner for use of its cable. Rule 25-24.575(11) provides:

> If the LEC uses the STS provider's or the STS building owner's cable to gain access to the tenant, the LEC shall be required to provide reasonable compensation. Such compensation shall not exceed the amount it would have cost the LEC to serve the tenant through installation of its own cable. This cost must be calculated on a pro rata basis.

As part of any such arrangement the LEC is fully responsible for compliance with all applicable standards and has full access to the cable involved.

The scenario implicit in Rule 25-24.575(11) is different from the airport situation in that when building is constructed and

wired, the tenants are not yet identified and facilities requirements to meet demands for LEC service are unknown. However, with airports, LECs already have substantial investments in facilities. LECs also have an obligation to serve their customers.

With respect to the sharing of cable, it appears that there is excessive potential for problems involving shared responsibility for service and maintenance of shared cable. Under these circumstances, for Southern Bell to satisfactorily use DCAD cable, such cable must be fully dedicated to Southern Bell's use.

Accordingly, upon consideration of the foregoing, we find that Southern Bell should be informed of and allowed by DCAD to participate in the airport planning and construction process to ensure Southern Bell has a reasonable opportunity to forecast the need for facilities and to install them in an orderly fashion that is not disruptive to ongoing construction. We also find it appropriate to require DCAD to allow Southern Bell to have direct access to its customers at the airport complex. Southern Bell's network demarcation point shall be at a point consistent with Rule 25-4.0345(1)(b). However, Southern Bell shall utilize DCAD cable when Southern Bell cable is not available, if the DCAD cable is dedicated to Southern Bell's use, meets appropriate technical standards and the cost of reasonable compensation to DCAD will not exceed Southern Bell's cost of installing its own cable. DCAD shall provide Southern Bell full access to its own network cable and to any DCAD cable which completes Southern Bell's network connections to its customers.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that BellSouth Telecommunications, Inc. d/b/a Southern Bell Telephone and Telegraph Company shall be informed of and allowed by the Dade County Aviation Department to participate in the airport planning and construction process as set forth in the body of this Order. It is further

ORDERED that DCAD shall allow Southern Bell to have direct access to its customers at the airport complex as set forth in the body of this Order. It is further

ORDERED that Southern Bell's network demarcation point shall be at a point consistent with Rule 25-4.0345(1)(b). It is further

ORDERED that Southern Bell shall utilize DCAD cable when Southern Bell cable is not available, if the DCAD cable is dedicated to Southern Bell's use, meets appropriate technical

standards and the cost of reasonable compensation to DCAD will not exceed Southern Bell's cost of installing its own cable. It is further

ORDERED that when Southern Bell utilizes DCAD cable, such cable shall be fully dedicated to Southern Bell's use. It is further

ORDERED that DCAD shall provide Southern Bell full access to its own network cable and to any DCAD cable which completes Southern Bell's network connections to its customers. It is further

ORDERED that if no protest is timely filed according to the requirements set forth below, this docket shall be closed.

By ORDER of the Florida Public Service Commission, this 1st day of February, 1994.

Director
Division of Records and Reporting

(S E A L)

TWH

by: _____
Chief, Bureau of Records

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule

U.S. W... ...ONS

25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on February 22, 1994.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

BST20199

FLORIDA PUBLIC SERVICE COMMISSION
Fletcher Building
101 East Gaines Street
Tallahassee, Florida 32399-0850

MEMORANDUM

October 28, 1993

TO : DIVISION OF REPORDS AND REPORTING

FROM : DIVISION OF COMMUNICATIONS [TAYLOR]
DIVISION OF LEGAL SERVICES [HATCH]

RE : DOCKET NO. 931033-TL - DISPUTE BETWEEN DADE COUNTY AVIATION DEPARTMENT AND BELLSOUTH TELECOMMUNICATIONS, INC. d/b/a SOUTHERN BELL TELEPHONE & TELEGRAPH COMPANY RELATED TO TELEPHONE SERVING ARRANGEMENTS AT AIRPORTS IN DADE COUNTY

AGENDA : PLACE ON NOVEMBER 9, 1993 AGENDA - PROPOSED AGENCY ACTION - PARTIES MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: I:\PSC\CMU\WP\931033.RCM

CASE BACKGROUND

A dispute currently exists between the Dade County Aviation Department (DCAD) and Southern Bell (SBT) over the appropriate telephone serving arrangements at airports operated by Dade County. This dispute began years ago. Staff is not sure exactly when; however, it probably began about the same time DCAD began installing its own telecommunications infrastructure. Before this dispute, it is clear that for many years DCAD and SBT had a good working relationshop that focused on the needs of airport tenants. Even during recent times, with strained relations, DCAD and SBT have managed to not let their dispute severely impact airport tenants even though, for some telecommunications services, DCAD and SBT are apparently competing for the same customers. In this regard, at the request of both parties, Staff worked in the past with the parties to craft their current interim working agreement. This temporary agreement leaves open the respective liabilities of the parties for the costs of constructing and relocating telephone facilities. The parties have agreed that the Commission's decision concerning this matter will be the basis for settlement of each party's financial obligation to the other.

The dispute is over where SBT's network point of demarcation should be on DCAD airport complexes and to what extent DCAD must provide cable support structures for SBT to reach its airport tenant customers, at no cost to SBT, and whether SBT should agree to use DCAD installed cable to reach SBT customers. The

EXHIBIT
MDC 13

BST 18180

Final Exhibit
No. 245

dispute is not only over serving arrangements currently in place as a result of the parties' interim agreement, the dispute also is over whether DCAD should be able, for various reasons, to dictate where SBT's demarcation point should be in the future. In this regard, it is clear to staff that DCAD and SBT are competitors, at least for some types of telecommunications services. Staff is in support of competition, however, what is good for DCAD may not also be better for other airport authorities or ratepayers in general. Accordingly, staff has separated this recommendation into two issues. Issue 1 deals with application of the current laws, rules and tariffs to airports and Issue 2 considers the reasons DCAD believes it should have more control over telephone serving arrangements and whether changes are appropriate for the future.

Staff met jointly with the parties all day September 9, 1993, in an attempt to move them closer to a mutually agreeable settlement. After candid exchanges, staff requested that DCAD propose a settlement offer by September 30, 1993. SBT was requested to respond by October 15, 1993. Staff has reviewed DCAD's proposal and SBT's response and sees no movement in either party's position; therefore, Staff's extensive effort at mediation has been unsuccessful. DCAD's proposal is attachment I and SBT's response is attachment II. Although DCAD has now withdrawn its proposal, it included an offer to purchase certain SBT facilities in order to relocate SBT's network demarcation points. However, staff disagrees with several of the definitions used therein and with DCAD's assertion that it has the right to determine the demarcation point for telephone service to airport tenants.

After attempting mediation, touring each party's airport facilities, observing problem areas at the airport complex, analyzing each party's position, considering current laws, rules, the absence of substantiated evidence, likely rate payer impacts and other pertinent factors, staff believes the following recommendations are appropriate.

ISSUE AND RECOMMENDATION SUMMARY

ISSUE 1: What is the appropriate resolution of the dispute between the Dade County Aviation Department and Southern Bell concerning the telephone serving arrangements at airports operated by the Dade County Aviation Department?

RECOMMENDATION: The Commission should order the Dade County Aviation Department to allow Southern Bell to have direct access to its customers at airport complexes. Southern Bell's network demarcation point should be within the premises of its customers. DCAD should ensure that SBT is included in planning for new construction so that SBT may reasonably forecast demand and install its own cable. However, Southern Bell should be ordered to utilize DCAD cable when a cable dedicated to SBT's use is already available, if the cable meets appropriate technical standards and the cost of reasonable compensation to DCAD will not exceed SBT's cost of installing its own cable. SBT should have full access to its own network cable and to any DCAD cable which completes SBT's network connections to its customers.

ISSUE 2: Should existing laws, rules and tariffs be changed with respect to the telephone serving arrangements appropriate to serve airport tenants?

RECOMMENDATION: No, there is no basis to do so at this time.

ISSUE 3: Should this docket be closed?

RECOMMENDATION: Yes.

DISCUSSION OF ISSUES

ISSUE 1: What is the appropriate resolution of the dispute between the Dade County Aviation Department and Southern Bell concerning the telephone serving arrangements at airports operated by the Dade County Aviation Department?

RECOMMENDATION: The Commission should order the Dade County Aviation Department to allow Southern Bell to have direct access to its customers at airport complexes. Southern Bell's network demarcation point should be within the premises of its customers. DCAD should ensure that SBT is included in planning for new construction so that SBT may reasonably forecast demand and install its own cable. However, Southern Bell should be ordered to utilize DCAD cable when a cable dedicated to SBT's use is already available, if the cable meets appropriate technical standards and the cost of reasonable compensation to DCAD will not exceed SBT's cost of installing its own cable. SBT should have full access to its own network cable and to any DCAD cable which completes SBT's network connections to its customers.

STAFF ANALYSIS: DCAD is the Dade County governmental entity charged with administration of Dade County Airports. DCAD is also a telephone company with more stations than the state's two smallest LECs combined. It has a multi-million dollar optical fiber backbone system installed at Miami International Airport which serves over 5,000 end user stations through a Northern Telecom switch. Its annual telecommunications operational budget is $3,000,000. DCAD thus meets the definition of a telecommunications company in Section 364.02(7), Florida Statutes:

> "Telecommunications company" includes every corporation, partnership, and person and their lessees, trustees, or revceivers appointed by any court whatsoever, and every political subdivision of the state, offering two-way telecommunications service to the public for hire within this state by the use of a telecommunications facility. The term "telecommunications company" does not include an entity which provides a telecommunications facility exclusively to a certificated telecommunications company, or a specialized mobile radio service operator, a private radio carrier, a radio common carrier, a cellular radio telecommunications carrier, or a cable television company providing cable service as defined in 47 U. S. C. 522. However, each radio common carrier or cellular radio telecommunications carrier shall continue to be liable for any taxes

imposed pursuant to chapter 203 and any taxes imposed pursuant to chapter 212.

The category of telephone company that DCAD most closely fits is Shared Tenant Service (STS) provider. The Commission found in Order No. 17111 that, with certain restrictions, STS is in the public interest. STS restrictions include but are not limited to the following: 1) certification; 2) service provided under one roof; 3) local exchange companies must have direct access to their customers; 4) no more than 250 inward/outward or combination trunks; 5) no lines connecting directly to an interexchange company's point of presence; 6) LECs must be able to gain access to all facilities up to the demarcation point of the tenant's premises, and retain responsibility for provision and maintenance of the network up to that point; and, 7) if the LEC uses the STS cable to gain access to the tenant, the LEC is required to provide reasonable compensation, not to exceed the amount it would have otherwise cost the LEC to serve its customer(s). The complete text of Rule 25-24.575 Shared Tenant Service Operations is contained in Attachment III.

However, Rule 25-24.580, Airport Exemption, exempts DCAD from the STS rules as follows:

> Airports shall be exempt from the other STS rules due to the necessity to ensure the safe and efficient transportaion of passengers and freight through the airport facility. The airport shall obtain a certificate as a shared tenant service provider before it provides shared local services to facilities such as hotels, shopping malls and industrial parks. However, if the airport partitions its trunks, it shall be exempt from the other STS rules for service provided only to the airport facility.

Nevertheless, s. 364.339(4), Florida Statutes, states:

> The offering of shared tenant service shall not interfere with or preclude a commercial tenant's right to obtain direct access to the lines and services of the serving local exchange telecommunications company or the right of the serving local exchange telecommunications company to serve the commercial tenant directly under the terms and conditions of the commission approved tariffs.

This legislative requirement, which incorporates commission approved tariffs by reference, applies directly to DCAD and its telecommunications operations.

As a local exchange telecommunications company, Southern Bell has an obligation to serve everyone within its territory. Consequently to ensure the availability of telecommunications services to everyone at fair, just and reasonable rates, LEC tariffs, approved by the Commission, set forth the terms and conditions uniformly applicable to each class of its services. These terms and conditions, referenced in the above statute, generally mirror applicable requirements of law, including legislative and Commission rule requirements.

SBT's tariffs therefore include references to the Commission's rule designation of the point at which the LEC networks interface with a customer's inside wiring. This is called the demarcation point. The demarcation point is specified to clearly indicate where the LEC's responsibility ends for meeting its tariffed service standards, including the application of its trouble location charges, and the Commission's construction [25-4.036], safety [25-4.038], installation [25-4.066(2)], maintenance [25-4.069], repair [25-4.070], rebate [25-4.110] and transmission [25-4.072] requirements.

The demarcation point is defined in Rule 25-4.0345(1)(b). The portion applicable to an airport complex depends on the respective tenant's telephone equipment. Rule 25-4.0345(1)(b) states:

> "Demarcation point" is the point of physical interconnection (connecting block, terminal strip, jack, protector, optical network interface, or remote isolation device) between the telephone network and the customers premises wiring. Unless otherwise ordered by the Commission for good cause shown the location of this point is:
>
> > for Single Line/Multi customer building - Within the customer's premises at a point easily accessed by the customer.
> >
> > for Multi Line Systems/Single or Multi Customer Building - At a point within the same room and within 25 feet of the FCC registered terminal equipment or cross connect field.

With respect to DCAD's position that SBT should be required to use DCAD's cable, or pay the full cost of any support structure construction that is otherwise required, there are no provisions in current laws, tariffs or Commission rules for a third party, such as DCAD, to provide and be responsible for any portion of a LEC's network. Likewise, there are no provisions for terminating a LEC's service at the location of a third party to be subsequently extended by that third party via non network facilities to the LEC's customer. However, there is precedent for the LEC using a building owner's cable to gain access to tenants and to pay compensation to the building owner for use of its cable. Rule 25-24.575(11) states:

> If the LEC uses the STS provider's or the STS building owner's cable to gain access to the tenant, the LEC shall be required to provde reasonable compensation. Such compensation shall not exceed the amount it would have cost the LEC to serve the tenant through installation of its own cable. This cost must be calculated on a pro rata basis.

As part of any such arrangement the LEC is fully responsible for compliance with all applicable standards and has full access to the cable involved. The

scenario is also usually different from the airport situation in that what typically happens is that a building is constructed, and wired, before all of its tenants are identified. Another scenario is when tenants change, or want changes in their telephone serving arrangements.

However, with airports, LECs already have substantial investments in facilities. LECs also have an obligation to serve their customers. Accordingly, staff believes that LECs should be a part of airport planning and construction meetings to ensure that they have a reasonable opportunity to forecast the need for facilities and to install them in an orderly fashion that is not disruptive to ongoing construction. Staff also believes that the parties involved will have difficulty in sharing responsibility for service and maintenance of shared cable. Under the circumstances, for SBT to satisfactorily use DCAD cable, staff believes that such cable must be fully dedicated to SBT's use.

Therefore, the Commission should order the Dade County Aviation Department to allow Southern Bell to have direct access to its customers at the airport complex. Southern Bell's network demarcation point should be within the premises of its customers. DCAD should ensure that SBT is included in planning for new construction so that SBT may reasonably forecast demand and install its own cable. However, Southern Bell should be ordered to utilize DCAD cable when a cable dedicated to SBT's use is already available, if the cable meets appropriate technical standards and the cost of reasonable compensation to DCAD will not exceed SBT's cost of installing its own cable. SBT should have full access to its own network cable and to any DCAD cable which completes SBT's network connections to its customers.

ISSUE 2: Should existing laws, rules and tariffs be changed with respect to the telephone serving arrangements appropriate to serve airport tenants?

RECOMMENDATION: No, there is no basis to do so at this time.

STAFF ANALYSIS: DCAD has identified a number of problems it attributes to the Commission's existing rules. First, to support Southern Bell's cable plant, DCAD is being forced to spend money which is derived from all airport tenants whether or not they receive any benefit from the expenditure. Secondly, additional burdens are placed on airport security and safety. Thirdly, the airport is hostage to the utility network. In support of its position, DCAD has provided a resolution adopted by the Florida Airport Managers Association (Attachment IV). The Resolution echos DCAD's concerns. DCAD also proposes to limit SBT to 5 network points of demarcation on the Miami International Airport Complex and to mandate their location as shown in attachment V.

The first problem cited by DCAD is not unique to an airport scenario. In any multi-tenant environment, some tenants may want LEC service and others may not; but, the tenants that want the service have the right to receive it under the terms and conditions approved by the Commission. This right has been affirmed by the Legislature in s. 364.339(4), Florida Statutes, which states:

> The offering of shared tenant service shall not interfere with or preclude a commercial tenant's right to obtain direct access to the lines and services of the serving local exchange telecommunications company or the right of the serving local exchange telecommunications company to serve the commercial tenant directly under the terms and conditions of the commission approved tariffs.

Therefore, building and property owners are obliged to provide the right-of-way and support structures necessary for the LEC to reach its customers. The costs of doing so are typically minimized by cooperative construction planning with the LEC.

In this regard, DCAD indicates that over the next 5 years its budget for communications related construction will be about $1.2 million per year. DCAD reports it spent approximately $225,000 constructing, maintaining and rearranging facilities related to SBT's operations in the twelve months ending in June 1993. Another $500,000 is expected to be spent by the end of 1994. Thus about 24% of DCAD's telecommunications construction budget in the thirty months from June 1992 until year end 1994 relates to costs in support of SBT's cable. Assuming this data represents DCAD's average annual expenditures, then presumably at least a portion of the remaining 76% of its budget ($2,275,000) will be spent during the same thirty month period to construct, maintain and rearrange its own telecommunications facilities to compete with SBT. Therefore, it may be in DCAD's interest to prioritize installation of its facilities in available support structures, thereby attributing the entire cost of new support structures to SBT services. Staff notes that SBT has an obligation to provide telecommunications services and DCAD does not. While DCAD receives no return on its expeditures related to SBT's cable, except through rents and other assessments to its tenants, staff believes DCAD can minimize its SBT related expenses by cooperating fully with SBT to accurately forecast in a timely fashion the need for new and relocated facilities. Accordingly, staff does not believe revisions to laws or rules are appropriate based on this DCAD concern.

With respect to the second issue of airport security and safety, staff does not see this as a major factor in the dispute. During our tour of the airport September 9, 1993, staff saw hundreds of vehicles in aircraft areas; however, not one was a SBT vehicle. Furthermore, when there have been isolated instances in which corrective action has been necessary, it is staff's understanding that SBT cooperated immediately and completely to address the problem. Based on staff's participation with the parties in discussions about security, it is our understanding that SBT has reduced the number of vehicles and staff with airport credentials. Therefore, staff does not believe this concern should be the basis for changing current laws or rules.

Addressing DCAD's third concern that the airport is hostage to the utility network, DCAD cites incorrect construction/relocation estimates by SBT related to the design and construction of Concourse A. DCAD argues that construction at Concourse C was delayed by SBT's refusal to use existing DCAD cable and that numerous additional examples of delays exist for review. Staff notes that, in

turn, SBT argues that SBT and its customers are hostage to the airport.

It is clear to staff that if two telecommunications companies are installing cable in support structures designed originally for only one telephone company, at some point there will not be room for all the cable of both companies and new support structures will be necessary. If DCAD is installing its own telecommunications facilities in the limited space available for cable, staff believes DCAD would then be somewhat responsible for the fact that additional support structures are necessary to accommodate SBT cable.

It is not clear to staff whether this was the case with Concourse C when DCAD cable was available and SBT cable was not. However staff reiterates that costs to everyone can be minimized with proper forecasting and planning. Because this is difficult for competitors to do, staff recommends that the Commission should make clear in the order, its support for the current laws, rules and regulations related to telephone serving arrangements at airports. Staff believes that with such a mandate the parties will work together to minimize costs rather than bickering over what regulatory changes are appropriate. Therefore, staff believes there is no reason to change laws, rules or tariffs relating to airport serving arrangements at this time. However, if the Commission adopts this recommendation and it is protested, the resulting evidentiary hearing could be used to develop the data necessary for further consideration.

ISSUE 3: Should this docket be closed?

RECOMMENDATION: Yes.

STAFF ANALYSIS: Assuming Issues 1 and 2 are approved and there are no protests to the order, this docket should be closed. Otherwise the docket should remain open pending a hearing or other action ordered by the Commission.

BST 18187

HIGH 1

P 1 OF 4

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October 1, 1993

Mr. Phillip Carver
General Attorney
Southern Bell Telephone Company
c/o Mr. Marshall M. Criser, III
150 South Monroe Street, Suite 400
Tallahassee, Florida 32301-1556

RE: Proposed Settlement Agreement - Dade County Airport and Southern Bell

Dear Mr. Carver:

Pursuant to our agreement at the September 9, 1993 meeting, enclosed is a Proposed Settlement Agreement.

If you should have any additional questions, please do not hesitate to contact me.

Sincerely,

John R. Marks, III

JRM/lcg

Enclosure

cc: Alan Taylor
Tim Abbott
Jim Nabors

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BST 18188

PROPOSED SETTLEMENT AGREEMENT
DADE COUNTY AIRPORT AND SOUTHERN BELL

By and through this document, it is the intent of Dade County Airport Department (DCAD) to accomplish the following:

1. Enable the DCAD to meet its superior obligation to provide safe, secure and efficient telecommunication services at its airport facilities.

2. Avoid any unnecessary duplication of facilities at Dade County's airport.

3. Avoid any increase in cost for regulated/non-competitive services to Southern Bell and its general body of ratepayers.

4. Foster the provision of cost effective competitive telecommunications services at Dade County's airports.

The following terms have been defined for purposes of this document:

"Direct access" means the ability to reach, access or connect with end-user customers in order to provide regulated/non-competitive telecommunications services.

"Competitive access" means the ability to reach, access or connect with end-user customers in order to provide competitive telecommunications services whether regulated or non-regulated.

RECITALS

DCAD's obligation to provide safe, secure and efficient service at any of its airports is superior to any claim Southern Bell has for direct or competitive access to its end-user customers.

Because of the unique character of airport operations, Southern Bell may not be able to have direct or competitive access to end-user/customers by utilizing support facilities and/or cable, other than those provided by DCAD.

DCAD has the right and obligation to determine the demarcation points for telecommunications services at and about each of its airports.

Having stated the foregoing, DCAD hereby proffers the following:

DIRECT ACCESS

~~Southern Bell shall have direct access to end-user customers requiring regulated/non-~~ competitive services. Southern Bell shall use the support facilities and/or cable provided by DCAD for direct access unless such facilities are determined to be inadequate or impedes Southern Bell's ability to provide safe, sufficient and efficient services to its regulated/non-competitive end-user customers. Pursuant to FPSC rules and regulations, support facilities for direct access shall be provided at no cost to Southern Bell, unless Southern Bell requires separate, duplicative support facilities. If Southern Bell requires such separate, duplicative support facilities, it shall pay the costs for such facilities. Southern Bell shall pay DCAD for use of cable made available by DCAD to Southern Bell for direct access. The charge for such cable shall be based on the cost Southern Bell would have incurred in providing such cable to its end-user customers.

COMPETITIVE ACCESS

Southern Bell shall have competitive access to end-user customers requesting competitive telecommunications services whether regulated or non-regulated. DCAD agrees to provide competitive access to Southern Bell in the same manner and under the same terms and conditions that it provides such access to other telecommunication providers. DCAD's rates and charges to provide such services are proprietary and will be provided on a competitive basis.

Competitive access includes the provision of support facilities and/or cable. To the extent Southern Bell utilizes its own cable to provide competitive telecommunications service, Southern Bell shall certify, in writing, annually, the percentage of cable utilized for competitive services.

DEMARCATION POINTS

DCAD may establish reasonable demarcation points at and about each of the airports operated by DCAD. Such agreement and establishment of demarcation points would be a matter solely between the parties in settlement of the issues currently between DCAD and Southern Bell. Neither party would be able to use this agreement as precedent for any future agreements between Southern Bell and DCAD.

For any area of an airport, whose demarcation point has not been determined, Southern Bell shall continue to have the right to access its customers through its own support facilities and/or cable, unless DCAD agrees to provide such support facilities and/or cable for Southern Bell.

If required to do so, DCAD agrees to purchase Southern Bell's inside wire. The parties shall determine over the next year the amount of inside wire, if any, that DCAD shall purchase. DCAD shall purchase such inside wire at a cost to be mutually agreed upon and in accordance with generally accepted accounting principles as approved by the Florida

Public Service Commission.

DCAD agrees to install and maintain support facilities and/or cable in accordance with generally accepted engineering principles, the National Electric Safety Code and of a quality no less than that installed by Southern Bell.

In further consideration of the foregoing, and in order to foster the intent as stated herein, DCAD agrees to provide Southern Bell a 16 strand fiber optic cable, dedicated solely to Southern Bell's use. Such fiber optic cable shall originate from Southern Bell's Central Office located on Northwest 36th Street and terminate at the demarcation points designated as 3000X and 3000N at Miami International Airport. The installation and subsequent use of such fiber optic cable shall be provided to Southern Bell at no cost. DCAD shall provide Southern Bell with appropriate support facilities and/or cable from the demarcation points to Southern Bell's end-user customers in accordance with the foregoing and in a manner which will allow Southern Bell to maximize the use of the fiber optic cable.

Executed this _____ day of _____, 1993.

For Dade County Airport

For Southern Bell

ATCH II

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October 15, 1993

John R. Marks, III, Esq.
Katz, Kutter, Haigler, Alderman
Davis, Marks & Bryant
Suite 1200
106 East College Avenue
Tallahassee, FL 32301

Re: **Response to Proposed Settlement Agreement between Dade County Aviation Department and Southern Bell**

Dear Mr. Marks:

Thank you for your letter of October 1, 1993 in which you set forth DCAD's proposal for settlement of this matter. Unfortunately, the letter raises no new basis for settlement that has not been discussed in the past. Instead, the letter for the most part simply reiterates positions taken by DCAD prior to the meeting of September 9, 1993. For this reason, Southern Bell must reject the settlement proposal.

The letter contains many statements with which Southern Bell could not agree under any circumstances (e.g., the statement on page 2 that DCAD's obligation to provide telecommunication services at the airport is "superior" to Southern Bell's), but since your proposal does not represent a starting point from which an agreement could be reached, I will not belabor the issues by addressing each and every problem with the proposal. Instead, I will try only to state the more fundamental reasons that this proposal is unacceptable.

Southern Bell's position in this matter is simple and relatively straightforward. As you know, we believe that DCAD is obligated under the applicable Florida Statutes, the Commission's Rules, and the Commission approved tariffs, to (1) provide Southern Bell with support structures adequate to obtain access to its customers; (2) to do so without charge, and (3) to allow Southern Bell the opportunity to place its own cable for this access. Since I have cited on numerous past occasions the legal authority that supports this position, I will not do so again

A BELLSOUTH Company

here. It will suffice to say that Southern Bell believes strongly that DCAD has the above obligations, and that any discussion for settlement would have to begin with the recognition of these obligations as a starting point.

Instead, the proposal in your letter largely ignores that which DCAD is legally obligated to do. There is a passing reference to these obligations in connection with the category of access that DCAD has defined as "direct access". At the same time, though, DCAD has proposed an approach in which certain services would be deemed "competitive". In these instances, DCAD would have no greater obligation to Southern Bell than it would have under whatever arrangements have been negotiated with other telecommunications providers, who are, of course, not local exchange companies. Thus, this approach does nothing to speak to the above-referenced obligations of DCAD, as a provider of STS-type service, to Southern Bell, as the local exchange company.

There are other problems with this aspect of the proposal as well: the distinction between monopoly and competitive services is undefined, and this lack of a definition would appear to give DCAD the ability to unilaterally and arbitrarily categorize services as it sees fit. Further, the STS rules that govern DCAD's obligations do not make any distinction between these obligations as they apply to monopoly and competitive services.

Moreover, Southern Bell must take issue with your apparent categprization of basic local service in this context as non-competitive. To the contrary, DCAD is competing, through the use of an STS-type service, with Southern Bell to provide dial tone to end users at the airport. This is an important point for two reasons: One, it is your unique position as both competitive provider and property owner that gives rise to the STS rules that Southern Bell believes that you must observe. Two, the utility conflicts at the airport, safety concerns, etc., that you have raised only appear to have become a problem since DCAD began to offer this alternative service option a few years ago.

Further, as we discussed at length at the meeting, Southern Bell's facilities by which services are provided to our customers are not separated in any way that corresponds to what DCAD would consider to be "monopoly" as opposed to "competitive" services. Instead, all services are carried over the same facilities. Thus, the creation of essentially duplicate facilities in order to implement your proposal would be extremely costly, unworkable, and would seem to create even more of the problems with which DCAD has expressed concern, i.e., the limitations of space available for telecommunications facilities, conflicts in use of the available space, etc.

Also, you propose in your letter that Southern Bell would certify the percent of its services that fall under the category

that DCAD would define as "competitive" in order to pay for access to provide these services. Candidly, this suggestion seems rather odd given the fact that DCAD has consistently stated that its primary concern in this dispute is with airport security and with the efficient operation of the airport. If Southern Bell were to pay the airport for access to its customers in the manner described above, our facilities would continue to exist now and to be placed in the future in a way that you have told us is problematic; the only difference would be that DCAD would make a profit from the arrangement. Again, it is difficult to see how this aspect of the proposal addresses the safety and efficiency issues that DCAD has identified as being the most important in this matter.

Finally, as to the demarcation point, I believe that your letter sets forth a position by DCAD that is even more extreme than its past positions. As you know, the Florida Public Service Commission's current rule regarding demarcation would not allow the remote demarcation points that DCAD has requested. DCAD has, of course, made the statement in numerous contexts that it favors the FCC approach, which would place the demarcation point between LEC owned facilities and non-LEC owned inside wire further away from the customer. The proposal in your letter, however, goes substantially beyond the single remote demarcation point that would be allowed in certain circumstances under the FCC rule. DCAD appears to propose that it would have as many demarcation points as it wishes and that it would have the sole discretion to dictate the location of all demarcation points. Obviously, we cannot agree to this.

In conclusion, I must say that the nature of the settlement proposed by DCAD is somewhat disappointing. Southern Bell attended the September 9, 1993 meeting with the hope that some compromise could be reached that would address the specific problems that had been identified and that would be mutually beneficial to both parties. Such an agreement, of course, could not be reached at the meeting. Your letter proposal would appear to confirm that DCAD is insistent upon an approach that Southern Bell believes cannot lead to a reasonable settlement. For this reason, I do not believe that it would be productive for Southern Bell to make a counter-proposal. Instead, I believe that the time has come to inform Mr. Taylor that we have been unable to resolve this dispute, and to move forward at the Commission.

Sincerely,

J Phillip Carver (bw)

J. Phillip Carver

JPC/bp

cc: J. Alan Taylor

ATCH III

25-24.575 Shared Tenant Service Operations.

(1) All shared tenant service providers shall allow local exchange companies direct access to tenants who desire local service from the local exchange company instead of the shared tenant service provider.

(2) Each shared tenant service provider shall allow direct access to local exchange company "zero" operators for emergencies and for toll service.

(3) Each shared tenant service provider shall allow direct access to 911 service where available.

(4) Each shared tenant service provider shall offer unrestricted access to all locally available interexchange companies.

(5) Where two (2) or more buildings are served by the same private branch exchange (PBX), the trunks serving each building shall be separately partitioned.

(6) Shared tenant service customers in one building shall not access or use the trunks partitioned for another building.

(7) Shared tenant service shall be provided to commercial tenants in a single building.

(8) Shared tenant service shall be limited to a total of 250 inward, outward and combinational trunks per private branch exchange (PBX).

(9) Shared tenant service providers shall not be allowed to:

(a) Provide shared WATS unless a separate certificate is granted pursuant to Rule 25-24.470.

(b) Establish dedicated facilities (provide lines) direct to an interexchange company's point of presence (POP).

(c) Construct facilities for interconnecting other shared tenant service locations.

(d) Allow intercommunication between unaffiliated commercial entities.

(10) The LEC must be able to gain access to all facilities up to the demarcation point of the tenant's premises, and retain responsibility for provision and maintenance of the network up to that point.

(11) If the LEC uses the STS provider's or the STS building owner's cable to gain access to the tenant, the LEC shall be required to provide reasonable compensation. Such compensation shall not exceed the amount it would have cost the LEC to serve the tenant through installation of its own cable. This cost must be calculated on a pro rata basis.

(12) In those circumstances where the STS provider and landlord of a building are not the same, the STS provider shall obtain and guarantee the permission of the building owner to allow direct access by the LEC to any tenant upon the tenant's request. This will be a condition of certification.

Specific Authority 350.127(2) FS. Law Implemented 364.03, 364.035, 364.337, 364.339, 364.345 FS. History-New 1-28-91.

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Florida Airport Managers Association

Resolution

ATCH IV

93-2

WHEREAS, the membership of the Florida Airport Managers Association includes every international airport, commercial service airport and reliever airport in Florida and a vast majority of the general aviation airports in the Sunshine State; and

WHEREAS, the Public Service Commission (PSC) currently has before it a petition in Docket No. 910869-TL relating to clarification of the rule regarding establishment of demarcation points for telephone service in Florida; and

WHEREAS, airports have a unique role in providing safe, efficient and secure air transportation services to passengers and cargo; and

WHEREAS, the PSC by Order No. 17111 in Docket No. 860455-TP confirmed the validity of "shared tenant service" (STS) as a telecommunication service authorized by section 364.339, Florida Statutes, and in such order also determined that "Airports are unique facilities, generally construed as being operated for the convenience of the traveling public," and that "Because of the unique nature of the airport, we consider it to be a single building," (page 18, Order No. 17111), and

WHEREAS, the PSC subsequently adopted rules relating to shared tenant services and provided in Rule No. 25-24.580 that "Airports are exempted from the STS rules due to the necessity to ensure the safe and efficient transportation of passengers and freight through the airport facility"; and

WHEREAS, the PSC also provided in Rule No. 25-24.575(1) that "all shared tenant service providers shall allow local exchange companies direct access to tenants who desire local service from the local exchange company instead of the shared tenant service provider"; and

WHEREAS, because of the aforesaid unique role played by airports, it is critically important for airports desiring to provide shared tenant services to be able to establish the demarcation points on and about the boundaries of the airports, in order for airports themselves to clarify where the local exchange company service should end and that of the airports should begin; and

WHEREAS, because of the complexity and constantly changing nature of building construction at airports, and because of the relative permanence of runways, taxiways and aircraft aprons, through which are or may be installed conduit and ductbanks for carrying telecommunication cables, it is both inconsistent with the security needs of the airport and difficult if not impossible to permit local exchange carriers to have direct access to customers by way of separate or parallel conduit and/or cable to be installed and maintained by the local exchange company; and

WHEREAS, airports desiring to provide STS at their facilities and to establish demarcation points at and about their boundaries should recognize the legitimacy of compensating local exchange carriers for their inside wire located on the airport campus beyond the demarcation points so established; and

WHEREAS, all tenants and users of an airport's terminal facility are fulfilling an aviation activity, given the airport's need for providing only those services that are required or expected by passengers or cargo companies and given the need for making certain that security and safety considerations are given absolute priority; and

WHEREAS, even though the PSC has stated in Order No. 17111 that extending local telephone sharing to "hotels, shopping malls and industrial parks" on the airport campus requires the airport to become certificated as an STS provider, the PSC should become

BST 18196

aware that tenants and users of air field facilities may or may not be fulfilling an aviation purpose, depending on their function and depending on whether the Federal Aviation Administration recognizes such activity as fulfilling an aviation function and permits the airport to expend airport funds to support such activity;

NOW, THEREFORE, BE IT RESOLVED by the FLORIDA AIRPORT MANAGERS ASSOCIATION, on behalf of itself and its constituent members (hereafter "FAMA"), at its annual meeting of 1993 held in Sanibel, Florida, that:

1. FAMA finds and determines that the preambles are true and correct;

2. FAMA urges the Public Service Commission to effect a change in the demarcation rules now applicable throughout Florida so that airports, desiring to provide STS services at their facilities, may determine the demarcation points at and about the boundaries of the airports;

3. FAMA urges the PSC to effect a change in its rules so that airports providing STS services at their facilities may comply with the direct access rules by permitting local exchange companies to make use of the airport's existing or planned conduit or cable, provided that the quality of such equipment is equal to or greater than that of the local exchange carrier and the compatibility of such equipment to that of the local exchange users;

4. FAMA urges the PSC to recognize that, for STS purposes, any tenant or user of a terminal facility of an airport is fulfilling an aviation purpose merely by being a tenant or user of such terminal facility and that no STS certification should be required for providing local telephone sharing to such tenants or users;

5. FAMA urges the PSC to recognize that a tenant or user of an airport field facility may or may not be fulfilling an aviation purpose depending on the activities of such tenant or user and depending on whether the Federal Aviation Administration recognizes such activity as an aviation activity and permits the expenditure of airport funds to support such activity; and

6. FAMA recognizes the legitimacy of the obligation of any airport, desiring to provide STS services and to establish demarcation points at such airports, to compensate the local exchange carrier for the carrier's inside wire located beyond such demarcation points, in accordance with rules or guidelines provided by the PSC.

ATTEST:

Secretary-Treasurer

President

Adopted by the Association at its annual business meeting in Sanibel Harbour, Florida, this 11th day of August, 1993.

BST 18197

ATCH V

MIAMI INTERNATIONAL AIRFIELD DUCKBANKS

LEGEND

EXHIBIT A

BST 18198

EXHIBIT
MDC 14

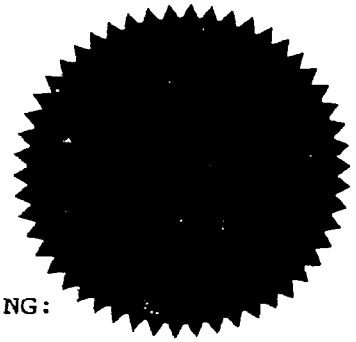
H. ANTHONY
D. LACKEY
M. WARD
AML

HAND DELIVERY
DATE 11-16-93
TIME 4:46 pm

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
TALLAHASSEE, FLORIDA

IN RE: Dispute between Dade County Aviation Department and BELLSOUTH TELECOMMUNICATIONS, INC. d/b/a SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY related to telephone serving arrangements at airports in Dade County.

DOCKET NO. 931033-TL



BEFORE:	CHAIRMAN J. TERRY DEASON COMMISSIONER SUSAN F. CLARK COMMISSIONER LUIS J. LAUREDO COMMISSIONER JULIA L. JOHNSON
PROCEEDING:	AGENDA CONFERENCE
ITEM NUMBER:	6**PAA
DATE:	Tuesday, November 9, 1993
PLACE:	106 Fletcher Building Tallahassee, Florida
REPORTED BY:	JANE FAUROT Notary Public in and for the State of Florida at Large

ACCURATE STENOTYPE REPORTERS, INC.
100 SALEM COURT
TALLAHASSEE, FLORIDA 32301
(904) 878-2221

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Final Exhibit
No. 246

PARTICIPATING:

PHILLIP CARVER, representing Southern Bell Telephone and Telegraph Company.

JOHN R. MARKS, representing Dade County Aviation Department.

* * * * * *

STAFF RECOMMENDATIONS

Issue 1: Recommendation that the Commission order the Dade County Aviation Department(DCAD) to allow Southern Bell to have direct access to its customers at airport complexes. Southern Bell's network demarcation point should be within the premises of its customers. DCAD should ensure that Southern Bell is included in planning for new construction so that Southern Bell may reasonably forecast demand and install its own cable. However, Southern Bell should be ordered to utilize DCAD cable when a cable dedicated to Southern Bell's use is already available, if the cable meets appropriate technical standards and the cost of reasonable compensation to DCAD will not exceed Southern Bell's cost of installing its own cable. Southern Bell should have full access to its own network cable and to any DCAD cable which completes Southern Bell's network connections to its customers.

Issue 2: Recommendation that existing laws, rules and tariffs should not be changed with respect to the telephone serving arrangements appropriate to serve airport tenants.

Issue 3: Recommendation that this docket be closed at the conclusion of the proposed agency action period, if no timely protest is filed.

PROCEEDINGS

CHAIRMAN DEASON: Item 6. Let me ask a question. Is Item 6 going to take awhile? Most likely it will.

MR. TAYLOR: I would assume so.

COMMISSIONER LAUREDO: I had hoped -- no, I see some people I guess who flew up for this, right?

I had actually started -- about a week and half ago we had kind of a window of opportunity in our schedule, and I have been on the road visiting plants and stuff. And guess what was the next thing on my list? It was to visit the airport facilities subject. And when I came back, sure enough, it was on the agenda. But that's unfortunate. That's kind of an indirect way of asking for a deferral. But on the other hand, I think it has been around a long time, and I don't know if it causes harm to anybody. I wouldn't want to -- although I know and read from the recommendation that Staff did go visit it and walk through all the facilities and all of that.

MR. MARKS: My colleague is not here right now, Commissioners, so I couldn't respond to your request for deferral. Although it might be -- I don't know whether or not it would be beneficial.

COMMISSIONER LAUREDO: And he flew up this morning?

MR. MARKS: Yes. He's here.

CHAIRMAN DEASON: He probably flies for free, though.

COMMISSIONER LAUREDO: That's true.

MR. MARKS: He went to get some coffee.

CHAIRMAN DEASON: Commissioners, what we're going to do is we're going to break for lunch at this time. And we're going to reconvene at 12:30. And when we come back, the first item of business we are going to take up at 12:30 is Item 9. And then we will come back to Item 6 as soon as we finish Item 9.

* * *

CHAIRMAN DEASON: Item 6.

MR. TAYLOR: Commissioners, Item 6 is before you today because Staff hasn't been able to mediate a mutually agreeable settlement of the parties' long dispute. After meeting with the parties all day September 9th and touring the airport complex to observe problem areas, Staff requested that the airport propose a settlement agreement by September 30th, and that Southern Bell respond by October 15th. After reviewing the airport's proposal and Southern Bell's response, I, frankly, don't see this dispute being settled at the Staff level.

Therefore, the recommendation addresses

application of current rules and requirements to the dispute, and also considers, based on the concerns identified by the airport, whether the laws and rules concerning the telephone serving arrangement at airports in Dade County should be modified in the future. We also considered trying to distinguish between Southern Bell's monopoly competitive services for establishing a demarcation point. There is no such distinction in current laws and rules.

Therefore, based on the information available to us, and current laws and rules and tariffs, Staff recommends that no change in rules is warranted at this time.

COMMISSIONER LAUREDO: Mr. Taylor, I have to tell that with your growing international prominence, I thought your middle name was Kissinger, and now this is a major setback for you in not being able to --

MR. TAYLOR: This has been around before your time, Commissioner Lauredo.

COMMISSIONER LAUREDO: It probably will be here after I leave, too.

MR. TAYLOR: Maybe.

CHAIRMAN DEASON: Mr. Carver.

MR. CARVER: Phillip Carver, on behalf of Southern Bell.

In general, we support the Staff recommendation. We think that the recommendation does a very thorough job of analyzing the relationship between Southern Bell as a LEC and DCAD as a non-LEC provider of telecommunication services. Basically, someone who is functioning as an STS provider. And we support the Staff's analysis of how the particular statutes and rules apply to each of the parties.

There is one specific point, though, that I would like to raise. In the Staff recommendation it states that we should be required to lease cable belonging to DCAD if certain standards are met. And specifically those standards are that it would be dedicated cable; that it would meet our technical specifications; that we would have access to it for repair and maintenance purposes; and also, that the total lease price would be no greater than what it would cost us to purchase cable and install it ourselves. We have no problem with that provision and certainly we can live with that. But I just wanted to suggest that as a practical matter, if all of those circumstances are satisfied, then it would probably make more sense for us to just go ahead and buy the cable from DCAD because we are talking about a situation where we would need long-term access to the customer, no one would be using the cable except us and

there is basically a cap on the compensation for the cable anyway. So, we think it would make sense for us just to pay them the money and take ownership of the cable.

But, again, except for that one small point, we support the Staff recommendation.

CHAIRMAN DEASON: Mr. Marks.

MR. MARKS: I'm John Marks with the law firm of Katz, Kutter, Haigler -- and I have to think of the names now -- Alderman, Marks and Bryant, 106 East College Avenue, Suite 1200, on behalf of the Dade County Aviation Department.

The Staff laid out the issues fairly well. As indicated, when we met with you earlier, you told us go to back and see if we can reach some sort of a settlement. At the request of the Staff, we proposed a settlement to Southern Bell, which was, essentially, rejected, totally and out of hand as having no merit at all, which was obviously fairly disappointing to us, because we felt we had at least brought up some issues that were -- could be agreeable to Southern Bell. But, apparently, that settlement offer itself contained nothing that would satisfy Southern Bell in this matter.

Then, of course, the Staff's recommendation,

essentially, maintains the status quo, as it is now and took a look at the rules, as the Staff has indicated.

The fact of the matter is we came before you because we needed some change. And we needed something better or something more than what we have now. And the Staff recommendation does not give that to us. And since Southern Bell has rejected any potential of any possible settlement in this matter, with regards to what we presented to them, we are kind of, I guess, somewhat at an impasse as to what we need to do in terms of this entire matter.

We don't have any. We have put something on the table in an attempt to try and settle this, but it was not of any significance, apparently, to Southern Bell.

Commissioner Lauredo mentioned attempting to do more in terms of deferring this matter. I'm not quite sure if that would help under these circumstances.

But we need to have -- we need to look at this thing, and we would like to look at this thing in a more proactive and progressive sense in terms of how airports operate in this state, because we are having some significant problems at the Miami International Airport with telecommunication services. Times have changed, circumstances have changed, and telecommunications how they are offered in these

locations, they have changed as well. And we need to -- we would like to move forward in terms of the way that we offer telecommunications service at the airport. And the current rules just do not -- the current rules and regulations of the Commission just do not fit the circumstances at this unique entity at the airport.

We tried very hard to make this situation -- raise two issues and indicate what we thought were two very unique issues. And that is the fact that Miami International Airport is a unique entity. And we also tried to emphasize, and, apparently, we did not do a very good job at it. We tried to emphasize that our priority, our significant priority, in this matter was safety, security and the efficiency of airport operations. That, apparently, we did not do a very good job of, because the Staff recommendation, nor does Southern Bell's response to it, attempt to address those issues.

In retrospect, and after reviewing the response and Staff's recommendation to our proposed settlement agreement, it appears that they -- it appears that the issues related to it or the rules related to the demarcation point in STS rules are, essentially, the primary issues that both Staff and Southern Bell

consider to be important. And that they should, in fact, determine how the airport should address this safety, security and efficiency of operations.

We kind of feel, probably, the opposite, that we have an obligation at that airport that is superior to the obligation of the local exchange company to provide service. And that obligation relates to safety, security and the efficiency of operations. And we have to address that. And that is what we were primarily concerned with in terms of this entire issue. But at this stage, I'm not quite sure how we get at those to make sure that the airport operates in that manner and operates in an efficient manner, and operates with security, and operates with safety, because those are things that are affecting us.

One other matter that has -- it's a procedural matter more than anything else, is to know exactly where we are. This matter started out primarily or started out under the demarcation rule change or change in the demarcation rule. Southern Bell proposed at one time that the demarcation rules of the Commission be consistent with that of the FCC. They later withdrew that. I am not quite sure what posture we are in at this point in time. Of course, we are in favor of or believe that the FCC rules with regards to demarcation

points are appropriate under these circumstances. But now we have a new docket. I think that it's designed -- I'm not quite sure what it's designed to do, but I think it's designed to address all the issues at the airport. So, I'm not quite sure procedurally what posture we are in at this point in time, but certainly we will move forward.

COMMISSIONER LAUREDO: What docket to look at the whole issues of the airport?

MR. MARKS: This current docket. This is not the demarcation rule docket, as I understand it.

MR. HATCH: He is talking about the specific docket --

CHAIRMAN DEASON: But this is not a generic docket. That's Issue 2, isn't it? I mean, kind of looking -- that you recommend against?

MR. TAYLOR: Commissioners, I would say if there is a protest to the order -- if you move Staff and there is a protest, we would certainly be in a hearing, which we could then develop the information necessary to consider further what is appropriate. I don't think I have enough information now. I didn't have enough information to recommend that you do anything different, considering the current rules.

MR. HATCH: Commissioner Lauredo, the scope of

this proceeding could be restricted or expanded as whatever deemed efficient in order to dispose of the issues.

COMMISSIONER LAUREDO: I think what I was driving at is that you -- Staff is the one who wrote it out, and you quite clearly said in the introduction -- you listed out these two issues. That was your analysis of what the issues came down to. One, is it conflict-specific, and the other one is more general.

And, you know, I couldn't disagree with Issue 2 more. I cannot accept the premise that airports are not unique, that they are simply the same parallel as a multi-purpose or multi-tenant user. I think I know a little bit about airports. I don't know -- I wanted to visit this operation. Unfortunately, time ran out. And I had actually asked for -- if I could get a deferral, but I know people flew in, so I don't want to -- so I can physically see what we are talking about, although I know that you all were there. But I think this is an extraordinarily important issue, Issue 2, which is tied to Issue 1. Because I think as these airports are growing -- now, the Miami Airport specifically, which is the largest airport in the State of Florida. It's probably one of the key elements and linchpins to our economic well-being, because it's

probably -- I think it's the number one cargo airport in the whole United States for international trade, which is a growing part of our economic stability, is going through a major study and actual building and re-building and restructuring of the whole airport. I mean, this is a major, major thing in the State of Florida. New runways, new everything, because this is an airport that has been driven by urban growth. So, I wouldn't take this too lightly. And I wouldn't take this just that it's not unique. And I know that other airports are having the same problem. Orlando is now talking about building additional facilities. They announced last week that they were going to build another -- I think we ought to look at airports and their communications very carefully, certainly under Issue 2. So, I tip my hand about how I feel about Issue 2.

MR. HATCH: To the extent that airports are unique, Commissioner Lauredo, they are already recognized that way under the STS rules and the provisions in the original STS proceeding. We treat them differently already because of their uniqueness. Once you get beyond that, that's what Issue 2 is really talking about. They are not so much more unique that Issue 2 is different.

MR. MARKS: Well, we obviously disagree. There are just more than what you have in the current STS rules with regards to the unique nature and character of airports. That rule only address some very narrow -- that rule currently only addresses some very narrow issues with regard to that uniqueness. There are some other things at airports that are going on now that, apparently, the Staff believes cannot be addressed by that current rule. And they can't be. Apparently, they can't be because the Staff is indicating here that the current arrangement, the current laws are fine. Yet, we didn't get, obviously -- and, see, I'm not sure whether -- it may be -- it may have been that I did not do enough to convince the Staff that there should be some changes in the rules. But the fact of the matter is where we are right now, we are in the same posture we have been in all the time. And that is not going to help the Miami International Airport. And we need to address this matter, as Commissioner Lauredo is indicating because of those changing natures and the changing nature and the unique nature of airports.

COMMISSIONER LAUREDO: Well, I mean, airports in general, the Florida Airports Managers Association, in particular, because the whole nature of our state is changing. The whole economy of our state is changing.

And that is one of the most fundamental parts of the dynamics. I mean, if you live outside of Tallahassee you know that. That and ports are the two biggest economic generators. And if you look at the GNP, the effect that they have on our economy are demonstratively giant. So, I don't know when that rule was written.

COMMISSIONER CLARK: That doesn't mean that they need to be treated differently for telecommunications purposes. That may be true. But then you have to produce the additional facts that say because they are an airport, they have unique characteristics that we should treat them differently than the statute already treats them differently. And that's all Staff is saying is that it hasn't been brought to their attention that there are characteristics which compel a different treatment.

MR. TUBAUGH: Chairman Deason, Mr. Marks mentioned that we had changed our position. And we have stated this several times before, but the reason we brought the original demark change to the Commission was because we felt -- we found ourselves between a rock and a hard place in that we thought that the FCC had changed their position and, in fact, it affected your rule. The Commission maintained that they weren't

preempted. We buy that, you know, the rule has worked.

This problem developed since about 1988 or '89. Prior to that period of time, we worked out any security, any safety problem that we had. We are a small, a small group of people that take vehicles and personnel out to that airport. I mean, when you go out there, we are just a few of the folks that are out there. So, I mean, if we are trying to restrict Southern Bell's access to it, I don't know how they are going to solve their safety problems just by not allowing Southern Bell to come out there and do what it needs to do to serve its customers.

By the way, this rule has been the rule that has been in effect, and we have been fighting the fact that it has been violated for three years. And we are down to that point now. Thank you.

CHAIRMAN DEASON: Thank you.

Commissioners, do I have a motion?

COMMISSIONER LAUREDO: There was no support for --

MR. CARVER: The deferral?

COMMISSIONER CLARK: Let me ask a question. I think, quite frankly, I think there is some merit to go to the airport to see what is going on. Because as I understand your argument, it's basically a security/safety argument.

MR. MARKS: That is the primary concern. There are other concerns. Security/safety, and, see, that falls into the last part of that, the efficiency of the operations of the airport as well. So, I can't sit up here and tell you that it's solely safety and security. But the safety and security issue does affect the efficiency operation of the airport, true.

COMMISSIONER CLARK: But I see an element in here of competition, too.

MR. MARKS: That certainly is an element.

COMMISSIONER CLARK: And, you know, I just believe your tenants -- I'm not comfortable with denying your tenants access to the local exchange company.

MR. MARKS: Commissioners, we have never, ever said that we would deny Southern Bell access to any end user customer, never ever.

COMMISSIONER CLARK: Well, maybe I wasn't clear as to the price it was going to be offered.

MR. MARKS: We have never said that. That's in your rules now. That is in the rules now. We have never indicated that we would deny Southern Bell access to any end user. I don't think Southern Bell represents that, either -- would represent that. We have never said that.

COMMISSIONER LAUREDO: Commissioner Clark, I would

never venture to suggest something to you, but this is an area that -- I mean, if you have the time, because it's not only what I said earlier about our state, but the whole definition of what airports were until three or four years ago is being revolutionized. You take, for example, you go and visit the Pittsburgh airport. We are shifting -- we're going through a -- what do they call it, the paradigm shift in airports and what they are supposed to be, from just moving people in and out to becoming -- well, Pittsburgh is a full-fledged shopping center. And that changes the whole dynamics and the way --

COMMISSIONER CLARK: So, we should treat them like a shopping center.

COMMISSIONER LAUREDO: Well, I think we ought -- I would like to go visit it myself, I didn't have time, and see how it impacts here. But, I mean, Florida has four major international airports that are very important to our economy, and are also going through a lot of change. Miami just happens to be the one with the biggest changes. If it doesn't do any harm in delaying it at least one more agenda, I would like to do that. I would like to go -- I guess you can go with both parties.

MR. MARKS: We would welcome that opportunity. I

don't think we would object at any time. We certainly had the Staff down there, and Mr. Tubaugh and Mr. Carver were there and several other people. And I am saying that, having not conferred with my client, but I'm assuming my client would agree with that.

CHAIRMAN DEASON: Commissioners, we have a request for deferral. Is there any objection? Hearing none, Item 6 is deferred.

* * * * * *

CERTIFICATE OF REPORTER

STATE OF FLORIDA)

COUNTY OF LEON)

I, JANE FAUROT, Court Reporter, do hereby certify that the foregoing proceedings was taken before me at the time and place therein designated; that my shorthand notes were thereafter translated under my supervision; and the foregoing pages numbered 1 through 19 are a true and correct record of the proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor relative or employee of such attorney or counsel, or financially interested in the foregoing action.

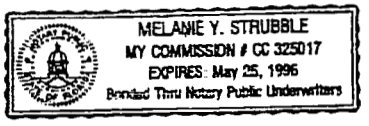
DATED THIS 17th day of November, 1993.

Jane Faurot

JANE FAUROT
100 Salem Court
Tallahassee, Florida 32301
(904) 878-2221

SWORN TO AND SUBSCRIBED TO BEFORE ME THIS 17th day of November, 1993, IN THE CITY OF TALLAHASSEE, COUNTY OF LEON,

STATE OF FLORIDA, BY THE ABOVE PERSON WHO IS PERSONALLY KNOWN BY ME.



Melanie Y Strubble
NOTARY PUBLIC
STATE OF FLORIDA

BST20111

State of Florida

Commissioners:
J. TERRY DEASON, CHAIRMAN
THOMAS M. BEARD
SUSAN F. CLARK
LUIS J. LAUREDO
JULIA L. JOHNSON

DIVISION OF COMMUNICATIONS
WALTER D'HAESELEER
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Public Service Commission

June 4, 1993

Mr. John R. Marks, III
Katz, Kutter, Haigler, Alderman,
Davis, Marks & Bryant
P. O. Box 1877
Tallahassee, Florida 32302-1877

and

Mr. J. Phillip Carver
Southern Bell Telephone Company
C/O Mr. Marshal M. Criser, III
150 S. Monroe Street, Suite 400
Tallahassee, Florida 32301-1556

Dear Messrs. Marks & Carver:

The purpose of this letter is to acknowledge Mr. Carver's letter of March 30th and Mr. Marks's letter of May 7th to me. Both letters concern the ongoing disagreement between Southern Bell and the Dade County Aviation Department regarding provision of service to airport tenants and set forth to some degree each of your positions on the dispute. In addition to acknowledging these letters, I want to take this opportunity to request answers to specific questions from each of you. I also want to express my willingness, with the cooperation of both parties, to attempt to mediate this dispute short of a Commission hearing.

The following is my attempt to paraphrase the current issue and the respective positions of the parties. Please respond by July 12, 1993, and explain any points of disagreement you may have with the paraphrased issue and positions. Please also provide your respective answers to the applicable questions below.

ISSUE: Is DCAD responsible, under applicable statutes, rules and/or tariffs, to provide support structures (conduit) at its expense for SBT to service its airport subscribers?

SBT POSITION: Yes. Section 364. 339(4) provides authority for LECs to reach their customers in an STS environment and DCAD is impermissibly an STS provider (without a certificate). Further, the Commission's STS rules require STS providers to allow LECs to access their subscribers. Also, SBT's Commission approved tariffs require it. In addition, SBT is not required to lease DCAD's cable, SBT has the right to use its own cable to ensure service continuity.

EXHIBIT
MDC 16

Final Exhibit
No. 247

BST 18201

DCAD POSITION: No. SBT should not be allowed to dictate the use of airport facilities or compromise airport operations, especially if DCAD is able to provide comparable facilities on a lease basis. Installation of duplicate facilities by SBT is unsafe, unnecessary, uneconomical and inefficient. Therefore, if SBT insists on installing its own cable, it should pay for the additional support facilities necessary to accommodate the unneeded cable. It is even more appropriate for SBT to pay when the facilities are to be used to provide competitive services. In addition, the language in SBT's tariff, that requires the property owner to provide conduit, does not have the force of a rule or law. Furthermore, even though DCAD may provide telecommunications service to retail shops, restaurants and personal service providers, DCAD falls under the airport exemption and does not need an STS certificate.

The following questions are for Southern Bell.

1. Has SBT ever or does SBT currently lease any cable from DCAD? If yes, what has been SBT's experience with this arrangement?

2. Identify the type of any non-switched competitive services offered to DCAD airport tenants. Estimate revenues for these services through 1997.

3. Estimate the dollar amount of construction costs DCAD would have to expend to accommodate SBT's needs through 1997. Include separately amounts currently in dispute.

4. What is SBT's amount of investment in cable and facilities on DCAD property?

5. How many delays meeting subscriber requests for service are attributable to this dispute. How many future requests for service does SBT forecast will be delayed annually if this dispute is not resolved. Is it likely that subscribers, faced with delayed installation, will seek service from another provider? If so, what provider.

The following questions are for DCAD.

1. Does DCAD currently offer alternative access vendor services or dedicated fiber ring telecommunications service to an alternate access provider, or plan to, so DCAD tenants may access an AAV? If yes, estimate DCAD's revenue for such facilities through 1997. Indicate whether it is appropriate for DCAD to be certificated as an AAV.

2. What is the amount of DCAD's investment in currently unused cable and support facilities? What is DCAD's investment in currently used cable and support facilities?

3. Identify the entities served by DCAD's STS switch and for those non airline passenger and freight subscribers; i.e., retail shops, restaurants and personal service providers, explain why DCAD is not in violation of the Commission's requirement to obtain an STS Certificate.

4. Identify all telecommunications services that DCAD provides or will provide and state DCAD's revenues from each. Please break the revenues out for switched services behind your PBX and other services. Identify each telecommunications service offered by DCAD that competes with SBT's service.

5. Has SBT ever or does SBT currently lease any cable from DCAD? If yes, what has been DCAD's experience with this arrangement?

After reviewing the answers to these questions it is my plan to schedule a meeting with the parties and set forth my position on the issue. To the extent that there is movement toward a settlement at that time, I plan to continue the process. However, the parties are free to seek resolution by other means. Meanwhile, please feel free to contact me if you have any questions.

Sincerely,

J. Alan Taylor, Chief
Bureau of Service Evaluation

c: Tracy Hatch
Jill Butler
B. Bailey

BST 18203

KATZ, KUTTER, HAIGLER, ALDERMAN, DAVIS, MARKS & BRYANT

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GOVERNMENTAL CONSULTANTS
MONICA A. LASSETER*
GERALD C. WESTER*
(*NOT AN ATTORNEY)

July 15, 1993

VIA HAND DELIVER

Mr. Alan Taylor
Chief, Bureau of Service Evaluations
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32399-0866

RE: Southern Bell and Dade County Aviation Department and the Provision of Service to Airport Tenants

Dear Mr. Taylor:

The following is provided in response to your letter of June 4, 1993 regarding the ongoing issues between Southern Bell (SBT) and the Dade County Aviation Department (DCAD) and the provision of telecommunication services at the Miami International Airport (MIA). Although there have been disagreements between the DCAD and SBT, DCAD would emphasize that the bulk of its relationships with SBT have been fair, just and reasonable. However, because of the ever changing and unique nature and character of the airports' services and operations, DCAD believes that it must have reasonable control of airport operations. DCAD would further emphasize, that it is not its intent to single out Southern Bell, neither is this an attempt to take customers or end-users from Southern Bell. This is an attempt to recognize that there have been changes in airport operations which require DCAD to take appropriate actions to gain and maintain better control over those operations. Coupled with the significant changes occurring in the telecommunications industry, this requires changes in the way that all vendors, including Southern Bell, operate at the airport.

In light of the foregoing, DCAD believes it is in the better position to determine how facilities are constructed and utilized by vendors. Primarily because of safety and security reasons, but also because it fosters economic efficiencies, DCAD must have

EXHIBIT
MDC 17

BST 19268

Final Exhibit
No. 248

reasonable control and a basic understanding of the operations of all the vendors at the Miami Airport.

More specifically, with regards to the provision of telecommunications services, it is the basic position of DCAD that:

- Southern Bell, in accordance with Florida law and the regulations of the Florida Public Service Commission, must be allowed access to its end-users for regulated services. DCAD will build the appropriate support facilities at no cost or charge to Southern Bell in order to allow such access.

- If SBT insists on support facilities to provide regulated services other than those provided by the Dade County Airport, then the Airport will provide such facilities at cost to Southern Bell.

- As for competitive services, SBT will be treated like any other vendor providing such services. Support facilities for competitive services will be provided at cost to the vendor utilizing such facilities.

DCAD essentially agrees with the paraphrased issue and positions as stated in the June 4, 1993 letter. In addition, and including the basic position stated above, the airport provides the following in response to that inquiry.

Support structures consist of more than just "conduit" and as a part of the definition of "support structures", the following should be included:

- Conduits, raceways, cable trays, grounding systems and the associated hardware such as: junction boxes, hangers, straps, fasteners and pull strings.

- Underground duct banks, manholes, sleeves, grounding systems and concrete encasement.

- Painted, plywood, backboards, 3/4" thick.

- Electrical power at each backboard and at each equipment rack for fiber optic electronics, 120 volts A-C, duplex receptacle and dedicated ground wire.

- Overhead lighting fixtures which are mounted at a minimum of 8'6" above the finished floor and produce 30 foot candles, average illumination, as measured at floor level.

- Outside telephone enclosures to meet NEMA 3r standard; equipped with 3/4" plywood backboard; and hinged, secured cover.

- Relocation, modification, or removal of any of the aforementioned "support" items.

- Engineering design services for all of the items noted above.

In cases where electronics are being installed, DCAD, if required, will provide air conditioning and additional floor space. Although no written documentation has been provided, DCAD has been told by Southern Bell engineers that an equipment room with minimum dimensions of approximately 5' by 8' can be mandated.

It is standard design criteria at MIA to provide electrical power in the telephone rooms for electrical panels on the "emergency" network, i.e. standby generator power.

Exhibit I, consisting of 13 pages (attached), is a schematic for a typical specification from Southern Bell outlining the requirements for "support structures". These structures include more than just "conduits".

The following are responses to the questions directed to DCAD:

1. **Does DCAD currently offer alternative access vendor services or dedicated fiber ring telecommunications service to an alternate access provider, or plan to, so DCAD tenants may access an AAV? If yes, estimate DCAD's revenue for such facilities through 1997. Indicate whether it is appropriate for DCAD to be certificated as an AAV.**

DCAD does not provide alternative access vendor services.

DCAD's telecommunications network can provide fiber connection directly to an alternate access vendor, and by August 1, 1993, airport tenants will have the option to use the AAV.

Since DCAD's revenues for such facilities are based on a percentage of the vendors revenues, it is difficult to estimate revenue from such service. Exhibit II (attached) outlines the typical method by which DCAD derives revenues from telecommunications services at MIA.

DCAD does not believe the services it provides requires certification as an alternative access vendor.

2. **What is the amount of DCAD's investment in currently unused cable and support facilities? What is DCAD's investment in currently used cable and support facilities?**

The value of DCAD's investment is unused cable and support structures is approximately:

a) cables	$ 2,912,166
b) support structures:	
So. Bell distribution	$ 1,369,700
DCAD distribution	$ 6,111,516
Grand Total	$10,393,382

The value of the cables and support structures currently in use is estimated to be:

a) cables	$ 778,106
b) support structures:	
So. Bell distribution	$ 2,739,398
DCAD distribution	$ 1,972,770
Grand Total	$ 5,490,273

Details of the foregoing calculations are provided in Exhibits III and IV. (attached)

3. **Identify the entities served by DCAD's STS switch and for those non airline passenger and freight subscribers; i.e., retail shops, restaurants and personal service providers, explain why DCAD is not in violation of the Commission's requirement to obtain an STS Certificate.**

The following shows the users of the airport telecommunications system and their respective business.

Company Name	Type of Business
CBT Charters	Charter Air Carrier
Archer Western	Air Carrier
Universal Aviation	Air Carrier
USDA	Government Agency
Ralph M. Parson	Contractor
Fred McGilvary	Mechanical Contractor
Air Guadalupe	Air Carrier
Starnett Structures	Contractor
Carnival Airlines	Air Carrier
Danville Construction	Contractor
Urban Constructors	Contractor/Architect
Inshco Kirlin	Contractor
United Airlines	Air Carrier
Trans World Airlines (TWA)	Air Carrier
Intermedia Communications, Inc.	Alternate Access Carrier
American Airlines	Air Carrier
Commercial Building Maintenance	Commercial Custodial Services
Child Care Center	Child Care
Greyhound Leisure Services (GLSI)	Duty Free
International Airport Management, Inc. (IAM)	Passenger Lounge Manager
Meyers Parking System	Parking Concession
Ogden Aviation Services	Food Concession
Terminal Rexall Pharmacy	Sundry

Shuttle Services	Ground Transportation
Sirgany International	Gift Shop
Sirgany - Century	Gift Shop
Skycaps International	Porter Services
NFP Porter Service	Porter Services

It is DCAD's understanding of the Commission's rules that an airport is required to become certificated if it offers shared service to a hotel, a shopping center, or an industrial park. Since DCAD is not offering shared service to any of these types of entities, it is not in violation of the rule.

4. **Identify all telecommunications services that DCAD provides or will provide and state DCAD's revenues from each. Please break the revenues out for switched services behind your PBX and other services. Identify each telecommunications service offered by DCAD that competes with SBT's service.**

The following shows all telecommunications services provided:

- Connection from the local exchange carriers demark to the tenants leased space for tenants who desire local service from the local exchange company.
- Direct access to 911 service.
- Intercommunication between commercial entities on the airport premises.
- Facilities to interconnect the Dade County airports including, but not limited to Miami International, Opa-Locka, Homestead, and Tamiami Airports.
- On airport private line services.
- Telecommunications service through a common switch (s) to tenants within the airports.

- PBX and Key System services to tenants within the airports.
- Voice mail services to tenants within the airports.
- Access to local company "zero" operators for emergencies and for toll service.
- Access to all available interexchange carriers.
- Services required by ADA, including TDD, flight information, paging, elevator phones, etc.
- Services required for the safety and security at the airport including direct access for passengers and others to the airport fire and police department, intercommunication between all entities (commercial, local and federal) responsible for the safe, secure and efficient transportation of passengers and freight through the airport facilities, redundant PBX systems, diverse cable routing on the airport, interconnection to two LEC central offices, and other requirements as needed to provide for the public scrutiny and safety.

As previously stated, DCAD's revenues are based on the vendor's overall revenues, therefore, DCAD's revenue from individual services cannot be precisely calculated.

All offerings compete with Southern Bell services except the provision of local switched access.

5. **Has SBT ever or does SBT currently lease any cable from DCAD? If yes, what has been DCAD's experience with this arrangement?**

At the present time, Southern Bell does not lease any cable from DCAD. In the past, Southern Bell has leased cable (and other support facilities) from DCAD. There were no significant incidents experienced as a result of these lease arrangements.

DCAD hopes that this sufficiently responds to your inquiry. DCAD believes that any differences can be amicably resolved. DCAD also extends an open invitation to the FPSC Commissioners and/or its staff to inspect the operations at the Miami Airport. If there are additional questions, please feel free to contact me or the appropriate DCAD representatives.

Respectfully,

John R. Marks, III

JRM/lcg

cc: Tim Abbott
Jim Nabors
Phillip Carver

FILE COPY

EXHIBIT
MDC 18

J. Phillip Carver
General Attorney

BellSouth Telecommunications, Inc.
Museum Tower Building
Suite 1910
150 West Flagler Street
Miami, Florida 33130
Phone (305) 530-5558

July 16, 1993

J. Alan Taylor, Chief
Bureau of Service Evaluation
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32399-0850

Re: Dade County Aviation Department

Dear Mr. Taylor:

Please accept this letter in response to your correspondence of June 4, 1993. In that correspondence, you asked us to state whether your summary of our position is accurate. The statement in your letter of Southern Bell's position is generally accurate. I would, however, like to clarify one aspect of our position. Southern Bell believes that even if DCAD qualifies for the "airport exemption" of Rule 25-24.580, it still must abide by all of the statutory provisions and rules that are pertinent to this dispute. In other words, an airport may, under certain circumstances, be exempt from the requirement of certification; an airport may not engage in conduct that would violate, for example, the requirement of 25-24.575 that LECs be allowed direct access to their customers.

Further, even if the contrary position were sustainable, i.e., that it was the Commission's intent in creating 25-24.580 to exempt airports from all Commission rules, the Commission can still not exempt an airport from the requirements of Chapter 364, Florida Statutes. Section 364.339(4) states specifically that,

> (4) The offering of shared tenant service shall not interfere with or preclude a commercial tenant's right to obtain direct access to the lines and services of the serving local exchange telecommunications company or the right of the serving local exchange telecommunications company to serve the commercial tenant directly under the terms and conditions of the commission-approved tariffs. (emphasis added).

BST 19656

Final Exhibit
No. 249

We believe that the language quoted above also effectively dispenses with the unique notion set forth in Mr. Mark's letter of May 7, 1993 that a tariff "is only a price list of services offered, [that] does not have the force and effect of a law". (p.6, 2nd par.).

Also, Mr. Marks' letter does not state directly that DCAD concedes that they are bound by the rules that apply to STS providers. However, he certainly takes strong exception to my statement of our understanding that DCAD has contended in the past that they are not required to abide by these rules. (page 4) Therefore, I assume that DCAD now concedes that the STS rules apply to them, and that both parties are in essential agreement on at least this point.

Our responses to the five specific questions for Southern Bell that are set forth in your letter are as follow:

1. Q. Has SBT ever or does SBT currently lease any cable from DCAD? If yes, what has been SBT's experience with this arrangement?

   A. Southern Bell does not currently lease cable from DCAD, nor has it ever leased cable from DCAD in the past.

2. Q. Identify the type of any non-switched competitive services offered to DCAD airport tenants. Estimate revenues for these services through 1997.

   A. Southern Bell provides to airport tenants both special access and private line services. The private line services are utilized both for voice and data (analog and digital) transmission. Southern Bell's estimated revenues for the provision of these services from the present until the end of 1997 is confidential information that we cannot publicly disclose because of the potential for resulting damage if our competitors obtain this information. It will be provided to you in a separate letter that will be filed in the Clerk's office along with a notice of intent to seek confidential classification for this information.

3. Q. Estimate the dollar amount of construction costs DCAD would have to expend to accommodate SBT's needs through 1997. Include separately amounts currently in dispute.

A. If there were no expansion-related construction at the airport between the present and the end of 1997, we believe that there would be little or no need for DCAD to expend any money to accommodate Southern Bell's needs. In other words, the current conduit and support structures are generally sufficient. There is, however, considerable construction taking place at the airport as a result of DCAD's plans for continuing expansion. This expansion will undoubtedly create the need for construction of additional conduit and support structures to accommodate Southern Bell's facilities. However, because DCAD has not shared with us an overview of their plans for expansion, we cannot accurately project the cost of construction to accommodate our facilities between now and the end of 1997. We have estimated that the provision of conduit by DCAD to Southern Bell would cost approximately $15,000 per new building. Therefore, if DCAD were to construct 10 buildings over the next 3 1/2 years, then the total cost could be as high as $150,000.

4. Q. What is SBT's amount of investment in cable and facilities on DCAD property?

A. Southern Bell estimates that its current investment in the cable and facilities it owns on the airport campus is approximately $62 million dollars.

5. Q. How many delays meeting subscriber requests for service are attributable to this dispute. How many future requests for service does SBT forecast will be delayed annually if this dispute is not resolved. Is it likely that subscribers, faced with delayed installation, will seek service from another provider? If so, what provider.

A. As stated in my letter of March 30, 1993, the parties have been operating since January 25, 1993 under an interim agreement for the resolution of these issues. Since that time, there have been no delays in providing service to customers. Prior to that time, the refusal of DCAD to provide us access to our customers under the terms and conditions that we believe are required by the applicable Commission rules resulted in a number of delays. Unfortunately, we have been unable to obtain information as to the precise number of

delays that occurred prior to the beginning of 1993.

Likewise, it is difficult to project the number of delays that will occur in the future. When a customer requests service from Southern Bell, we immediately attempt to make whatever arrangements are necessary with DCAD to promptly provide service to that customer. In any future instance in which DCAD declines to allow us access under the terms of the interim agreement, providing service to the customer would be delayed. Given the lack of information we have been provided about DCAD's plans for expansion of the airport, and not knowing the effect that this expansion will likely have on our subscribers at DCAD (i.e., how many subscribers will ultimately relocate and to where), it is difficult to know how often this problem will occur.

To the extent that we are delayed in providing service to customers, we have every reason to believe that these customers will choose to obtain service from a competitor who can provide the service they need more promptly. As to the non-switched services referred to in response to question 2 above, our competitors are alternate access vendors doing business at the airport. As to switched services, our customers can only obtain service from Southern Bell or from the airport (by their provision of STS-type service). Therefore, if the airport were to offer switched service to customers promptly, while our dispute with them prevented us from providing equally prompt service, then these customers would likely migrate to the airport's STS service.

Finally, we would like to provide additional information on a question that arose during the workshop in Docket No. 910869-TL that was held on June 23, 1993. Specifically, several of the Commissioners expressed an interest in knowing the percentage of subscribers who obtain switched services at the airport from Southern Bell versus the number who are served by DCAD. Since we do not know precisely how many airport tenants utilize DCAD's STS-type service, we cannot give you an exact figure. Based on the information set forth below, though, we can provide a rough estimate.

Southern Bell provides customers at the airport other than DCAD a total of 12,700 access lines for switched service. At the same time, there are approximately 2500 access lines that are

operational through DCAD's switch at the airport. We believe that some significant percentage of these 2500 access lines are used by DCAD for its own purposes. The remainder, of course, would be utilized for the STS service that they provide to tenants at the airport. If we assume for purposes of this estimate, however, that all 2500 of these lines are used for providing STS service, then the airport would have approximately one serviceable access line utilized by a customer for every 6.5 lines provided to customers by Southern Bell. In other words, Southern Bell would serve approximately 83% of the tenants at the airport and DCAD would serve approximately 17%. In reality, of course, DCAD does use a considerable number of these 2500 lines. Therefore, the number, and corresponding percentage, of tenants DCAD serves is likely considerably lower.

If we may provide any additional information, please let me know. Otherwise, I look forward to meeting with you and with representatives of DCAD and, hopefully, resolving our dispute with them.

Thank you for your help in this matter.

Sincerely,

J. Phillip Carver

J. Phillip Carver

JPC/bp

cc: John Marks

State of Florida

Commissioners:
J. TERRY DEASON, CHAIRMAN
THOMAS M. BEARD
SUSAN F. CLARK
LUIS J. LAUREDO
JULIA L. JOHNSON

DIVISION OF COMMUNICATIONS
WALTER D'HAESELEER
DIRECTOR
(904) 488-1280

Public Service Commission

August 2, 1993

Mr. John R. Marks, III
Katz, Kutter, Haigler, Alderman,
Davis, Marks & Bryant
P. O. Box 1877
Tallahassee, Florida 32301-1877

and

Mr. J. Philip Carver
Southern Bell Telephone Company
c/o Mr. Marshal M. Criser, III
150 S. Monroe Street, Suite 400
Tallahassee, Florida 32301-1556

Dear Messrs. Marks & Carver:

Based on your individual responses to my letter of June 4, 1993, I have revised my earlier attempt to paraphrase the issue and your respective positions related to the dispute between Southern Bell and the Dade County Aviation Department. Please review the attached version dated August 2, 1993, and provide language for any changes you believe are appropriate by August 17, 1993.

Also, with respect to whether SBT has ever leased any cable from DCAD, SBT's response indicates never. DCAD's response states yes, in the past, and there were no significant incidents related to the lease arrangement. Please reconcile these responses. Alternatively, DCAD should provide documentation to support its contention that a lease arrangement with SBT has been acceptable in the past.

Meanwhile, please feel free to contact me if you have any questions.

Sincerely,

J. Alan Taylor, Chief
Bureau of Service Evaluation

EXHIBIT
MDC 19

Attachment

HQ REGULATORY-ATLA
MIAMI LEGAL
AML

FAX_____ FED X ✓

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AUG 3 1993
OPRNS MGR. - REG RELATIONS
TALLAHASSEE, FL

BST 18204

Final Exhibit
No. 250

SBT vs DCAD
Staff Paraphrase of Issue & Positions
August 2, 1993

ISSUE: Is DCAD responsible, under applicable statutes, rules and/or tariffs, to provide, modify, remove or relocate support structures at its expense for SBT to service airport subscribers? Support structures may include but are not limited to: conduit; raceways; cable trays; grounding systems; junction boxes; hangers; straps; fasteners; pull strings; underground duct banks; manholes; sleeves; concrete encasement; backboards; electrical power with standby generator power at backboards and equipment racks; overhead lighting; outside telephone enclosures; and, air conditioning where appropriate.

SBT POSITION: Yes. Even if DCAD is exempt from the Commission's STS requirements pursuant to the airport exemption specified in Rule 25-24.580, Section 364. 339(4), Florida Statutes, prevails and provides authority for LECs to reach their customers in an STS environment. Furthermore, assuming DCAD is exempt from certification as an STS provider, DCAD may not engage in conduct that would violate Commission Rule 25-24.575 which requires that LECs be allowed direct access to their customers. Also, SBT's Commission approved tariffs require that suitable support structures be provided. SBT's Commission approved tariffs have the force of law under Section 364.339(4), Florida Statutes, which provides that LECs have a right to serve commercial tenants under the terms and conditions of Commission approved tariffs. In addition, SBT is not required to lease DCAD's cable. SBT has the right under its tariffs to reject DCAD's cable and to use its own cable to ensure service quality and continuity.

DCAD POSITION: No for competitive services. Yes for regulated services. However, SBT should not be allowed to dictate the use of airport facilities or compromise airport operations, especially if DCAD is able to provide comparable facilities on a lease basis. Installation of duplicate facilities by SBT is unsafe, unnecessary, uneconomical and inefficient. Therefore, if SBT insists on new support structures in order to install its own cable for regulated services, it should pay DCAD's cost for the additional structures necessary to accommodate the unneeded cable.

As for competitive services, it is even more appropriate for SBT to pay when the facilities are to be used for this purpose. In addition, the language in SBT's tariff, that requires the property owner to provide structures, does not have the force of a rule or law. Furthermore, even though DCAD may provide telecommunications service to retail shops, restaurants and personal service providers, DCAD falls under the airport exemption and does not need an STS certificate.

ATCH II

RECEIVED
OCT 18 1993
CMU

J. Phillip Carver
General Attorney

Southern Bell Telephone
and Telegraph Company
c/o Marshall M. Criser III
Suite 400
150 So. Monroe Street
Tallahassee, Florida 32301
Phone (305) 530-5558

October 15, 1993

EXHIBIT
MDC 20

John R. Marks, III, Esq.
Katz, Kutter, Haigler, Alderman
Davis, Marks & Bryant
Suite 1200
106 East College Avenue
Tallahassee, FL 32301

Re: Response to Proposed Settlement
Agreement between Dade County Aviation
Department and Southern Bell

Dear Mr. Marks:

Thank you for your letter of October 1, 1993 in which you set forth DCAD's proposal for settlement of this matter. Unfortunately, the letter raises no new basis for settlement that has not been discussed in the past. Instead, the letter for the most part simply reiterates positions taken by DCAD prior to the meeting of September 9, 1993. For this reason, Southern Bell must reject the settlement proposal.

The letter contains many statements with which Southern Bell could not agree under any circumstances (e.g., the statement on page 2 that DCAD's obligation to provide telecommunication services at the airport is "superior" to Southern Bell's), but since your proposal does not represent a starting point from which an agreement could be reached, I will not belabor the issues by addressing each and every problem with the proposal. Instead, I will try only to state the more fundamental reasons that this proposal is unacceptable.

Southern Bell's position in this matter is simple and relatively straightforward. As you know, we believe that DCAD is obligated under the applicable Florida Statutes, the Commission's Rules, and the Commission approved tariffs, to (1) provide Southern Bell with support structures adequate to obtain access to its customers; (2) to do so without charge, and (3) to allow Southern Bell the opportunity to place its own cable for this access. Since I have cited on numerous past occasions the legal authority that supports this position, I will not do so again

BST20170

Final Exhibit
No. 251

here. It will suffice to say that Southern Bell believes strongly that DCAD has the above obligations, and that any discussion for settlement would have to begin with the recognition of these obligations as a starting point.

Instead, the proposal in your letter largely ignores that which DCAD is legally obligated to do. There is a passing reference to these obligations in connection with the category of access that DCAD has defined as "direct access". At the same time, though, DCAD has proposed an approach in which certain services would be deemed "competitive". In these instances, DCAD would have no greater obligation to Southern Bell than it would have under whatever arrangements have been negotiated with other telecommunications providers, who are, of course, not local exchange companies. Thus, this approach does nothing to speak to the above-referenced obligations of DCAD, as a provider of STS-type service, to Southern Bell, as the local exchange company.

There are other problems with this aspect of the proposal as well: the distinction between monopoly and competitive services is undefined, and this lack of a definition would appear to give DCAD the ability to unilaterally and arbitrarily categorize services as it sees fit. Further, the STS rules that govern DCAD's obligations do not make any distinction between these obligations as they apply to monopoly and competitive services.

Moreover, Southern Bell must take issue with your apparent categorization of basic local service in this context as non-competitive. To the contrary, DCAD is competing, through the use of an STS-type service, with Southern Bell to provide dial tone to end users at the airport. This is an important point for two reasons: One, it is your unique position as both competitive provider and property owner that gives rise to the STS rules that Southern Bell believes that you must observe. Two, the utility conflicts at the airport, safety concerns, etc., that you have raised only appear to have become a problem since DCAD began to offer this alternative service option a few years ago.

Further, as we discussed at length at the meeting, Southern Bell's facilities by which services are provided to our customers are not separated in any way that corresponds to what DCAD would consider to be "monopoly" as opposed to "competitive" services. Instead, all services are carried over the same facilities. Thus, the creation of essentially duplicate facilities in order to implement your proposal would be extremely costly, unworkable, and would seem to create even more of the problems with which DCAD has expressed concern, i.e., the limitations of space available for telecommunications facilities, conflicts in use of the available space, etc.

Also, you propose in your letter that Southern Bell would certify the percent of its services that fall under the category

that DCAD would define as "competitive" in order to pay for access to provide these services. Candidly, this suggestion seems rather odd given the fact that DCAD has consistently stated that its primary concern in this dispute is with airport security and with the efficient operation of the airport. If Southern Bell were to pay the airport for access to its customers in the manner described above, our facilities would continue to exist now and to be placed in the future in a way that you have told us is problematic; the only difference would be that DCAD would make a profit from the arrangement. Again, it is difficult to see how this aspect of the proposal addresses the safety and efficiency issues that DCAD has identified as being the most important in this matter.

Finally, as to the demarcation point, I believe that your letter sets forth a position by DCAD that is even more extreme than its past positions. As you know, the Florida Public Service Commission's current rule regarding demarcation would not allow the remote demarcation points that DCAD has requested. DCAD has, of course, made the statement in numerous contexts that it favors the FCC approach, which would place the demarcation point between LEC owned facilities and non-LEC owned inside wire further away from the customer. The proposal in your letter, however, goes substantially beyond the single remote demarcation point that would be allowed in certain circumstances under the FCC rule. DCAD appears to propose that it would have as many demarcation points as it wishes and that it would have the sole discretion to dictate the location of all demarcation points. Obviously, we cannot agree to this.

In conclusion, I must say that the nature of the settlement proposed by DCAD is somewhat disappointing. Southern Bell attended the September 9, 1993 meeting with the hope that some compromise could be reached that would address the specific problems that had been identified and that would be mutually beneficial to both parties. Such an agreement, of course, could not be reached at the meeting. Your letter proposal would appear to confirm that DCAD is insistent upon an approach that Southern Bell believes cannot lead to a reasonable settlement. For this reason, I do not believe that it would be productive for Southern Bell to make a counter-proposal. Instead, I believe that the time has come to inform Mr. Taylor that we have been unable to resolve this dispute, and to move forward at the Commission.

Sincerely,

J. Phillip Carver (hw)

J. Phillip Carver

JPC/bp

cc: J. Alan Taylor

COUNTY ATTORNEY
METROPOLITAN DADE COUNTY, FLORIDA

RECEIVED
SEP 29 1994
LEGAL DEPARTMENT
SOUTH FLORIDA AREA

AVIATION DEPARTMENT
P.O. BOX 592075 AMF
MIAMI, FLORIDA 33159
Phone (305) 876-7040
FAX (305) 876-7294

September 28, 1994

J. Philip Carver, Esq.
Southern Bell Telecommunications, Inc.
Museum Tower Building
Suite 1810
160 West Flagler Street
Miami, Florida 33130

Dear Phil:

Let me respond to your letter of September 20.

First, please excuse any delay in getting the WilTel contracts for you. For some reason they had been placed in our archives and it took some time to get them.

Enclosed, per your request, are (1) the contract documents for DCAD Contract No. 6-T-600, (2) the Master Equipment Lease dated September 9, 1982, (3) the Service Agreement dated September 9, 1982, and (4) Resolution No. R-788-90 dated July 24, 1990, extending the agreements on what is now a year to year basis.

Second, your statement as to my position is not correct. I have recommended and continue to recommend that DCAD not execute a Southern Bell-drafted document relating to Southern Bell's perception of what transpired at the meeting. I have recommended this for two reasons: even if Southern Bell and DCAD were not engaged in litigation before the PSC on an issue raised by Tito Gomez's draft letter, I would not recommend that DCAD execute such an attempt by one party to memorialize that party's perception of what transpired at a meeting at which significant and complex issues were discussed; and second, of course, is the fact that we are in litigation over one of the issues and I have no intention of spending my time combing over the wording of a Southern Bell letter to determine whether it literally states the correct memorializations and, assuming that they are correct, whether the letter correctly flavors what transpired at the meeting. I wouldn't expect Southern Bell to sign off on any letter from me by which I set forth my perceptions of what transpired at such a meeting, and frankly I'm beginning to resent Southern Bell's unexplained pressure to ask DCAD to do the same.

EXHIBIT
MDC 22

BST20271

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No. 252

The proper protocol, as Southern Bell well knows, is for either side--if it even chooses to do so--to send the other side a letter or memo explaining what it perceived the meeting to be all about. The other side can then do the same, if it chooses to do so. Neither party has the right to demand that other side sign off on a document prepared by one of the parties.

Southern Bell has received a letter from DCAD dated August 5, 1994, (copy attached) which sets forth DCAD's "responses" to Southern Bell's "concerns" raised by Southern Bell in the July 25 meeting. Those "concerns" generated discussion and response by DCAD in the meeting, as reflected in DCAD's memorialization of such items in its August 5 letter. The DCAD letter did not request Southern Bell to concur in DCAD's statements made in such letter. Southern Bell is welcome to submit its own memorialization of what it believes transpired at the meeting. DCAD may or may not choose to respond to it, but Southern Bell's interpretation of what transpired will be in our files.

By the way, I should point out that Tito's letter is an obvious attempt to convert "concerns" and "responses" into "agreements," which is neither accurate nor warranted. This item is just one of the reasons I have recommended that DCAD not sign the letter.

If Southern Bell has any further questions, please do not hesitate to contact me.

Sincerely,

Thomas P. Abbott
Assistant County Attorney

cc (without contract attachments)
Gary Dellapa
Commissioner Alex Penelas
John Hamill
Jim Nabors
John Marks

SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY

LEGAL DEPARTMENT

666 N.W. 79 AVENUE, ROOM 630

MIAMI, FLORIDA 33126

GALI L. HAGEL
ATTORNEY

AREA CODE 305
263-2095

February 18, 1987

Thomas Abbott, Esquire
Dade County Attorney's Office
Miami International Airport
5th Floor
Miami, Florida

Re: Opa Locka Airport

Dear Mr. Abbott:

This letter is in follow-up to our telephone conversations of this week and to the January 7, 1987 letter from James Nabors to Frank Mazzotti.

I am informed that Company records reflect that almost all of the telephone distribution cables located at the Opa Locka Airport property have always belonged to Southern Bell and continue to belong to Southern Bell. As you know, when telephone cable is buried on private property and that property is transferred, the transfer has no effect on the telephone company ownership of the cables.

It appears from both Mr. Nabors' letter and my telephone conversations with you that the Dade County Aviation Department is proposing to establish a sharing arrangement at the Opa Locka Airport. The Florida Public Service Commission on January 15, 1987 issued Order No. 17111 which addresses the circumstances under which sharing arrangements will be permitted. That Order specifies that the sharing of local exchange service at airports must be related to the purpose of the airport, namely the safe and efficient transportation of passengers and freight through the airport campus. In order to extend local sharing to facilities at the airport such as hotels, shopping malls and industrial parks, the airport must be certificated by the Public Service Commission as an STS provider. In the alternative, the airport can partition the trunks serving those other entities.

EXHIBIT
MDC 27

BST 17674

Final Exhibit
No. 253

With regard to the requested service to Hangar One, my investigation reveals that Beechcraft requested telephone service directly from Southern Bell. Southern Bell has been ready and willing to provide such service to Hangar One but has been denied access to provide service directly to Hangar One by the Dade County Aviation Department.

As you are no doubt aware, recently enacted Florida Statute 364.339(7) guarantees a commercial tenant's right to obtain direct access to the lines and services of the local exchange telephone company to serve the commercial tenant directly under the terms and conditions of commission-approved tariffs.

I will be more than happy to meet with you and your client to discuss these issues at a mutually convenient time.

Sincerely,

Gali L. Hagel

GLH:lds

cc: Paul L. Singer
Joaquin R. Carbonell
Lawrence E. Gill
Frank Mazzotti

COUNTY ATTORNEY
METROPOLITAN DADE COUNTY, FLORIDA

RECEIVED
FEB 25 1987
LEGAL DEPARTMENT
South Florida Area

AVIATION DEPARTMENT
P.O. BOX 592075 AMF
MIAMI, FLORIDA 33159
(350) 871-7040

February 20, 1987

Gali L. Hagel, Esq.
Southern Bell & Telegraph Company
Legal Department
666 N.W. 79th Avenue
Room 630
Miami, FL 33126

Dear Ms. Hagel:

Regarding your letter of February 18, 1987:

1. According to our records, most - if not all - of the telephone distribution cables at the Opa-locka Airport belong to Dade County. I would assume that the telephone company records are such that you can determine the day on which any of the cables were installed by Southern Bell at Southern Bell's expense, and would therefore request that you provide us with records showing which of the cables - if any - belong to Southern Bell.

2. Regarding your statement that it appears that "the Dade County Aviation Department is proposing to establish a sharing arrangement at the Opa-locka Airport," whether we do so or not is fairly much at the option of the Aviation Department and no certification requirement applies unless we are intending to include hotels, shopping malls and industrial parks. Any effort on our part at this time to provide services to tenants at the Opa-locka field would not involve one of these type of entities which would require certification on our part.

3. As to Hangar One, we have no quarrel if Beachcraft requests telephone service directly from Southern Bell, but that is not the point. We have asked Southern Bell to connect Hangar One to the existing telephone cable but Southern Bell has refused to do so. We suspect Southern Bell's refusal in this regard is based on the open issue of

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BST 17672

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No. 254

who owns the telephone cables. We do not question a tenant's right to obtain direct service from Southern Bell under the Florida Statues and will not stand in the way of that effort; what we do complain about is Southern Bell's refusal to connect a commercial tenant to the distribution cables, regardless of who owns the distribution cables.

I suggest that Southern Bell and the Aviation Department meet in the immediate future to discuss this matter. I would assume it would include you, Frank Mazzotti, Jim Nabors and myself, at the very least. After you have had a chance to review this, would you please call me so that we can set-up a meeting time.

Thank you very much.

Sincerely,

Thomas P. Abbott
Assistant County Attorney

TPA:kp

cc: Jim Nabors
George Smith

BST 17673

January 18, 1990

MEMORANDUM

TO: J. C. Miller, General Manager-Network Support, Jax.

FROM: A. W. Tubaugh, Manager-Network, Tallahassee.

SUBJECT: Shared Tenant Service (STS) And SBT Payment Of Compensation.

In a memo to you recently I mentioned a potential problem at the Miami International Airport and our being able to obtain access to customers who desire to be served by Southern Bell. The potential problem is not isolated to the Miami Airport.

There is a STS Order No. 17111, issued 1-15-89, by the Florida PSC that states on page 13, first para. 3;

> "Whether the LEC uses its own facilities or those of the STS provider or the STS building's owner to gain access to the tenant, the LEC should be required to provide reasonable compensation. Such compensation shall not exceed the amount it would have cost the LEC to serve the tenant through construction of its own facilities. This cost must be calculated on a pro rata basis."

I have had discussions and correspondence with Jack Lowry, Operations Manager-Network, Harry Hayes, Manager-BICS, Harold Isgette, Engineering Manager, and Frank Mazzotti, Manager-BICS, concerning Mr. Snelling's letters advising the operations groups not to lease, purchase or use at no expense, facilities of other vendors. This policy and the order seem to be in conflict.

Mr. Isgette and I discussed having a meeting to resolve this conflict and re-evaluate our policies in this area. I have listed below a few of the folks I believe should attend this meeting. I have included Mrs. Isenhour or her representative since they are involved in the Miami Airport negotiations.

J. C. Miller	Wayne Tubaugh	Linda Isenhour
Harold Isgette	Larry Hand	Harry Hayes
Frank Mazzotti	John Farkas	Roger Puerto
Marshall Criser-Regulatory		Len Anthony-Legal/Atlanta
Dorian Denburg-Legal/Miami		Bruce Swinea
Carl Bonner-Eng. Pensacola		Jack Lane

EXHIBIT
MDC 29

BST 18442

Final Exhibit
No. 255

If you are agreeable, I would like to make one of the agenda items a discussion concerning the changing of PSC Rule 25-4.090, Easements and Rights of Way. There has been some thought that we should petition the Commission to change the rule to allow us to require 3" conduit under all drive ways in new developments from both a construction and maintenance perspective.

Per our discussion I will contact these folks and see if their schedules are open for February 5th, 6th, or 7th.

Wayne

cc Harold Isgette
John Farkas
Linda Isenhour
Roger Puerto
Frank Mazzotti

January 23, 1990

MEMORANDUM

TO: Linda Isenhour
Jack Lane
Harold Isgette
Len Anthony
Marshall Criser
Barlow Keener
Dorian Denburg
Bruce Swinea
Harry Hayes
Frank Mazzotti
John Farkas
Larry Hand

FROM: Jack Miller

SUBJECT: Meeting On February 9, 1990 To Discuss Shared Tenant Service-(STS), PSC Rules/Orders, Tariff, etc.

Since divestiture we have had requests by vendors to purchase, lease, or use their facilities to gain access to customers who want service directly from Southern Bell. We have a Florida PSC order, 17111, that states we will pay reasonable compensation to STS providers to gain access to a specific customer. We have network policy that is in conflict with this order.

The Miami International Airport and Dade County Airport Authority have notified us we must execute a lease agreement, which requires us to lease manhole and structures from them, to provide additional request for dial tone to the airport. As a result of this request and the need to revisit our policy concerning this and several other issues, I have scheduled a meeting for February 9, 1990.

This meeting will be held in Jacksonville, Florida in conference room 3A Southern Bell Tower (SBT), beginning at 10:00 am. Should you have any questions concerning this matter, please contact Wayne Tubaugh, Manager-Network, at (904) 222-1201.

Jack

cc: E. Crittenden
R. Perry
P. Singer

EXHIBIT
MDC 30

BST 18444

Final Exhibit
No. 256

Southern Bell

J. C. Miller
General Manager
Network Support

20th Floor Southern Bell Tower
301 W. Bay Street
Jacksonville, Florida 32202
(904) 350-2021

May 3, 1990

Mrs. Linda C. Isenhour
General Manager-Network/South Florida
Room 664-666 N. W. 79th Avenue
Miami, Florida 33126

Dear Linda:

This letter is to advise you of discussions and the results of the discussions between our Tallahassee office and the PSC Staff concerning the problems at the Miami International Airport. I have attached the pertinent Southern Bell General Subscriber Service Tariff pages and the applicable PSC Rule, Chapter 25-4.

Wayne Tubaugh met with the PSC staff the week of April 23, 1990 explaining the problem and advising the staff of our position. Mr. Alan Taylor, Chief-Bureau of Service Evaluation, advised Wayne that he would take the problem under advisement and discuss it with his legal and tariffs group.

Mr. Taylor called Wayne on Wednesday, May 2, 1990 and advised him that the PSC legal, tariffs, and service evaluation groups agreed with the company's position. He stated that the tariffs on file and approved say exactly what we have been maintaining, "property owners and/or customers must provide support structures" for us to provide facilities and telephone service.

Mr. Taylor also advised that the Airport folks cannot pick and choose when the STS rules and orders apply to them. It is the PSC staff's position that the Airport is not an STS provider, they are providing service under the exception to the rule, and the other approved tariff provisions apply to them.

Should you have any question concerning this matter please contact Wayne at (904) 222-1201 or myself at (904) 350-2021.

Yours truly,

JC Miller

Attachments

cc: P. Singer
R. Perry
F. Shay
J. Wade
H. Isgette
J. Farkas
W. Tubaugh

EXHIBIT
MDC 31

BST 18447

Final Exhibit
No. 257

SOUTHERN BELL TELEPHONE
AND TELEGRAPH COMPANY
FLORIDA
ISSUED: October 13, 1988
BY: Vice President
Miami, Florida

GENERAL SUBSCRIBER SERVICE TARIFF

Third Revised Pa
Cancels Second Revised Pa

EFFECTIVE: December 13, 1

A1. DEFINITION OF TERMS

DATA SWITCHING

The term "Data Switching" as used in connection with composite data service denotes the switching of data (nonvoice) messages by the interchange, controlling and routing of data messages between two or more stations, via communications facilities, wherein the information content of the message remains unaltered.

DEMARCATION POINT

Demarcation Point is the point of physical interconnection (connecting block, terminal strip, jack, protector or remote isolation device) between the telephone network and the customer's premises wiring. This point is part of the telephone network, provided and maintained by the Company under tariff. The location of this point is:

a. Single Line/Single Customer Building - Either at the point of physical entry to the building or a junction point as close as practicable to the point of entry.

b. Single Line/Multi Customer Building - Within the customer's premises at a point easily accessed by the customer.

c. Multi Line Systems - At a point within the same room and within 25 feet of the FCC registered terminal equipment

DIRECT CURRENT SUPPLY

Electrical energy for talking and signaling purposes, other than ringing.

DIRECT ELECTRICAL CONNECTION

A physical connection of the electrical conductors in the communications path.

DIRECTORY LISTING

The publication in the Company's directory and/or information records of information relative to a subscriber's telephone number, by which telephone users are enabled to ascertain the call number of a desired station.

a. Caption Listing: The listing of a subscriber's name without address [illegible] ephone number followed by a series of indented listings covering branches or different departments of the business.

b. *Cross* Reference Listing: The listing of a generally accepted name of a *subscriber* followed by a reference to another listing.

c. Foreign Exchange Listing: The listing of a subscriber in the alphabetical list of an exchange other than that for the exchange from which the subscriber is served.

d. Indented Listing. Indented listings *are used where a subscriber has more than one listing for services under the same name at one or more locations.*

e. Stylist* Service. A directory listing consisting of upper case alpha and or numeric characters in lieu of standard numeric characters

*Service Mark of BellSouth Corporation

A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS

A5.2 Special Construction (Cont'd)

A5.2.5 Construction on Private Property Across Which Rights-of-Way and Easements Satisfactory to the Company are Provided Without Cost to the Company

A. No special construction is applicable for the provision of new network distribution facilities where the facilities are used for subscribers in general. When facilities are used to serve an individual subscriber, the subscriber will be required to pay recurring and/or non-recurring construction charges under the following conditions:

1. When five times the annual exchange revenue derived from the services utilizing the facilities is not expected to exceed the cost to construct the facilities.
2. The charge shall be the amount by which the construction cost exceeds the amount of five times the annual exchange revenue.

Ownership and maintenance of such circuits on private property is vested in the Company.

B. Supporting structures on private property beyond a mutually agreeable terminating point is the responsibility of the customer.

C. Requests for moves and rearrangements of poles, cables, and distribution terminals will be accommodated on the basis of cost.

D. Service Charges as specified in Section A4 of this Tariff will apply to moves or rearrangements of drop wire (aerial or buried). Moves and rearrangements exceeding these limitations will be accommodated on the basis of cost.

E. The regulations for extending service onto residential and commercial properties are detailed following. Where a building or property is mixed residential/commercial the rules for commercial property will apply.

1. Residential Properties

In areas where buried service is normally furnished by the Company, the Company will open and close necessary trenches providing that suitable easements and rights-of-way may be obtained at no cost to the Company; or, the subscriber or property owner may open and close the trench to the specifications of the Company.

In areas where aerial service is normally furnished by the Company, the Company will provide all poles necessary for the provision of basic exchange service, subject to A. preceding, or the subscriber or property owner may provide poles to the specifications of the Company.

In lieu of buried service, in areas where buried service is normally furnished by the Company, the subscriber or property owner may provide a conduit, equipped with pullwire, to a service point designated by the Company.

In cases where the subscriber or property owner requests service in other than the normal manner (e.g., buried in an aerial service area), excess costs to provide service will be billed to the person requesting service.

2. Commercial Properties

Property owners and/or subscribers are responsible for the provision of an underground conduit system from a service point designated by the Company to a mutually agreeable termination point inside commercial buildings. The entrance conduit system will include the necessary handholes, pullbores, pullwires, manholes and other associated structure to enable the Company to install the cable or wire.

Where the terrain or other conditions are such that, in the judgement of the Company, a conduit system will not serve as a feasible entrance method, the property owner or subscriber may open and close a trench to the specifications of the Company; or, at the subscriber's request and Company's discretion, the Company will perform the trenching work and apply appropriate special construction charges.

No tariff may provide credits to customers who supply their own instruments.

(b) Those companies whose tariffs do not comply with subsection (a) shall file within 30 days of the effective date of this rule a revised tariff that reflects the following charges:

(i) For each telephone instrument under subsection (a)(i), the rate shall be an amount equal to the existing residential extension charge.

(ii) For the local exchange access line under sub-subsection (a)(ii), the rate shall be an amount equal to the combined rate under the existing tariff less the amount equal to the combined rate under the existing tariff less the amount determined under subsection (b)(i).

Specific Authority: 350.127(2), F.S.
Law Implemented: 364.04, F.S.
History: Revised 12/1/88, Amended 3/31/76, 11/29/82, formerly 25-4.34.

25-4.0345 Customer Premise Equipment and Inside Wire.

(1) Definitions: For purposes of definition under this rule and Rules 25-4.017 and 25-4.069:

(a) "CPE" includes terminal equipment intended for use on the customer's premises, and in inventory, such as telephone sets, teletypewriters, data terminal equipment, mobile telephone terminal equipment, private branch exchange equipment, key system equipment, dialers and other supplemental equipment. CPE does not include 911 public safety answering point equipment (ALI, ANI, ACD equipment) paystations, terminal equipment used for official telephone company business, networking equipment located on the customer's premises or telecommunications devices required by hearing or speech impaired subscribers.

(b) "Embedded CPE" consists of all CPE reflected on the books of the regulated local exchange telephone company on December 31, 1982, including subsequent minor additions, reduced only by subsequent sale or other approved method of depletion.

(c) "Demarcation point" is the point of physical interconnection (connecting block, terminal strip, jack, protector or remote isolation device) between the telephone network and the customers premises wiring. This point is part of the telephone network, provided and maintained by the telephone company under tariff. The location of this point is:

1. Single Line/Single Customer Building - Either at the point of physical entry to the building or a junction point as close as practicable to the point of entry.
2. Single Line/Multi Customer Building - Within the customer's premises at a point easily accessed by the customer.
3. Multi Line Systems - At a point within the same room and within 25 feet of the FCC registered terminal equipment or cross connect field.

(d) "Inside wire" is all wire or cable located on the customer's side of the demarcation point. This term includes facilities used to furnish service for off-premise extension provided such facilities are not part of the telephone company's exchange cable (Accounts 232 and 234).

(e) "Customer Premises" is the discrete real property owned, leased or controlled by a customer for the customer's own business or residential purposes.

(2) Deregulation of Customer Premise Equipment (CPE):

(a) On December 31, 1987, the provision and maintenance of CPE shall be deregulated for intrastate purposes.

EXHIBIT
MDC 32

METROPOLITAN DADE COUNTY, FLORIDA

METRO-DADE

AVIATION DEPARTMENT
P.O. BOX 592075
MIAMI, FLORIDA 33159-2075
Office: (305) 876-0265
Fax: (305) 876-0134

August 5, 1994

Mr. Tito Gomez
Director, Corporate & External Affairs
Southern Bell
150 W. Flagler Street
Miami, FL 33130

Dear Tito:

Following is our reply to the concerns you expressed at our meeting with the Aviation Director on July 25, 1994:

Statement of the Issue:

Southern Bell wants assurance that plans for new construction at the airport include adequate conduit and duct work to accommodate Southern Bell cables.

DCAD Response:

Southern Bell is and has been invited to attend design meetings to review and comment on airport projects. The support structures for communications cables are designed with adequate capacity to accommodate Southern Bell's projections. All newly constructed facilities at MIA include (or will include) conduit and wireways for Southern Bell's use as may be required by the Florida Public Service Commission; providing, of course, that Southern Bell has given us the design requirements.

Statement of the Issue:

Damage to Southern Bell property installed at MIA is perceived by Southern Bell to be malicious, and wants action to insure safety of the equipment. A recent alleged case of a cut cable at Building 1010 was cited.

DCAD Response:

There is absolutely no benefit to DCAD if Southern Bell service to the airport is interrupted. All entities on MIA are customers and tenants of the DCAD. It would be ridiculous for us to purposely hinder the operations of our

customer base. As to the Building 1010 incident, attached is a copy of the check sheet showing Andrea Anderson, of Southern Bell, cleared the Building for demolition on May 6, 1994.

We have continuously suggested that Southern Bell provide information about the size and location of their facilities at MIA, and that Southern Bell assign a permanent liaison, dedicated to coordinating and scheduling Southern Bell activities on MIA with Dade Aviation Consultants and DCAD Facilities Development Staff, as well as the Telecommunication Division. Given Southern Bell's interests at MIA, we remain perplexed over Southern Bell's failure to take such a step that would protect its interests.

Statement of the Issue:

Southern Bell wishes to establish rapport with DCAD Telecommunications Staff.

DCAD Response:

Notwithstanding basic philosophical differences, DCAD is and has been working with Southern Bell (as well as all other telecomm vendors) to the benefit of Dade County and our mutual customers and tenants doing business at MIA.

Statement of the Issue:

In addition to the two existing feeder cables and a third scheduled to go into the FAA tower in September; Southern Bell desires to place an additional fiber cable via a diverse route to this location.

DCAD Response:

There is <u>not</u> an existing, diverse route available for Southern Bell's use to place a fourth feeder to the tower; and it is impractical to construct at this time. Negotiations are underway to allow Southern Bell to use existing capacity on fiber cables. In the meantime, Southern Bell is invited to begin implementation immediately.

Statement of the Issue:

It is Southern Bell's belief that because DCAD has used the same vendor since 1984 for PBX service, we are not aware of "changes" which have taken place in the telecommunications industry. Southern Bell desires that DCAD issue an RFP for basic telephone service on an expedited basis.

DCAD Response:

DCAD will issue an RFP. Estimated time to award new contract is approximately 12 months. DCAD is bound by certain conditions in the existing contract with WILTEL which must be considered in this process.

DCAD will contact Southern Bell Marketing to have them explain the changes in Southern Bell's offerings which will increase our efficiency.

It should be noted that the Miami Airport has had the same vendor (Southern Bell) for local access and public pay phone service for over 65 years. DCAD will be obliged to consider alternative sources for these services as well.

Yours truly,

John Hamill, A.A.E.
Director, Technical Support

JH/JAN/baf

Attachment

cc. A. Penelas, Esq., Metro Dade Commissioner
G. Lopez, Aide to Metro Dade Commissioner
G. Dellapa
D. Rodriguez
T. Abbott
J. Nabors
B. Moore, Wiltel

107.07-17A METRO-DADE/GSA-MAY 86GT

MEMORANDUM

TO: Jim Nabors, Chief
Airport Telecommunications

DATE: July 26, 1994

SUBJECT: Southern Bell Letter
Demolition of
Building 1010

FROM: Arthur Sherry, Construction Manager
Engineering Division

This office responded to a request from Properties to demolish Building 1010. Bids were solicited and Allen-Juelle was awarded the contract. In order for the contractor to obtain a demolition permit, all underground and above ground utilities and communication lines have to be disconnected. A sign off sheet is provided to the contractor for this purpose. Final approval by the DCAD Utilities Coordinator, Titus Crisan, must be obtained before demolition can commence. This procedure has been followed as indicated by the proper signatures and telephone calls where appropriate. Southern Bell in particular was called on May 5, 1994, and a clearance was given to the contractor by a person named Andrea as shown on the last sheet in this package. Our office has taken all necessary precautions to provide a safe environment for the demolition of this building. I can assure you that the demolition contractor did not cut and has never cut any communication cables belonging to Southern Bell.

If I can be of any further assistance, please do not hesitate to call me.

RECEIVED
JUL 26 1994
TELECOMMUNICATIONS

AS/aw

cc: D. Rodriguez
J. Hamill
T. Abbott
D. Bible
M. Fajardo
SOU-BELL.DEM
M. Perez
F. Fetzer - Southern Bell
G. Cleveland - Southern Bell
R. Kemmink
File: Allen-Juelle

221-9350

BST20250

48 hours clearance
[illegible]-4770

DATE _____

48 Hours # L - 50915.

JOB ADDRESS MIA "Build 1010"

Legal Description _____

Name & Address of Owner MIA

Name & Address of Contractor Metro Dade Aviation DEPT.

Price of job _____ Square feet _____

Plumbing permit _____

UTILITIES:

F.P.L.: date called - 5-3 to whom - Joe - Tom Clark

com. Thurs 1:30 Joe.

S BELL: date called - 5-4 to whom - Andrea -

com. Clear.

GAS: date called - 5-4 to whom - Jerry

com. clear

OTHERS:

T.I. Cap date called - 5-4 to whom - _____

com. Clear

Cable date called - 5-4 to whom - Eunice

com. clear

_____ date called - _____ to whom - _____

com. _____

COMMENTS:

T

BST20251

MESSAGE Dated: 8/20/99 at 15:16
Subject: DCAD Airport meeting Contents: 2
Sender: Brett Shinn /Notes/////////HPNOTES/Brett Shinn\/BCS\/BBS\/BLS@BLS

Item 1

TO: Tito Gomez /M3,MAIL3A
Eduardo Gonzalez /Notes/////////HPNOTES/Eduardo Gonzalez@BCI
John Zima /Notes/////////HPNOTES/John Zima@BCI
Manne Strand /Notes/////////HPNOTES/Manne Strand\/BCS\/BBS\/BLS@BLS
Dave Daucanski /Notes/////////HPNOTES/Dave Daucanski\/BCS\/BBS\/BLS@BLS

Item 2

For those of you that are planning on attending the meeting, the time and place has changed, we will now be meeting with them from 11:00 AM to 1:00 PM at the DCAD main office located in the main concourse terminal at the airport. Call me and I will fax you directions to their offices. Attached is a copy of the letter that I sent to them yesterday that outlines what we would like to discuss. Please excuse the formatting, when I copied it from Word to notes, some of it got goofed up. Again, call with questions, B R E T T. 305-569-7256

August 20th, 1999

Mr. Maurice Jenkins, Manager IS-Telecommunications
Dade County Aviation Department
Box 592075
Miami, Florida 33159

Dear Mr. Jenkins:

Thank you for inviting BellSouth to come and meet with you and the staff of DCAD to discuss the telecommunication needs of the airport on August 27th. As you are aware, BellSouth is interested in bidding on current and future telecommunication bids at the airport. So that the meeting can be mutually beneficial, listed below are some major points of interest that we would like to discuss during the meeting:

Ø Exactly when will the current contract extension with Williams Communications expire?
Ø After contract expiration, is DCAD considering purchasing existing in-place equipment or replacing it with new equipment?
Ø What plans does DCAD have concerning purchasing in-place building and tie wire?
Ø How many dedicated technicians does DCAD have under contract with Williams and will this number increase or decrease in the next contract period?
Ø Would DCAD be interested in BellSouth bidding on any work prior to contract expiration?

These are just a few of the topics that we would like to discuss during the meeting, and obviously, if there are subjects that DCAD would like to discuss, please bring them up.

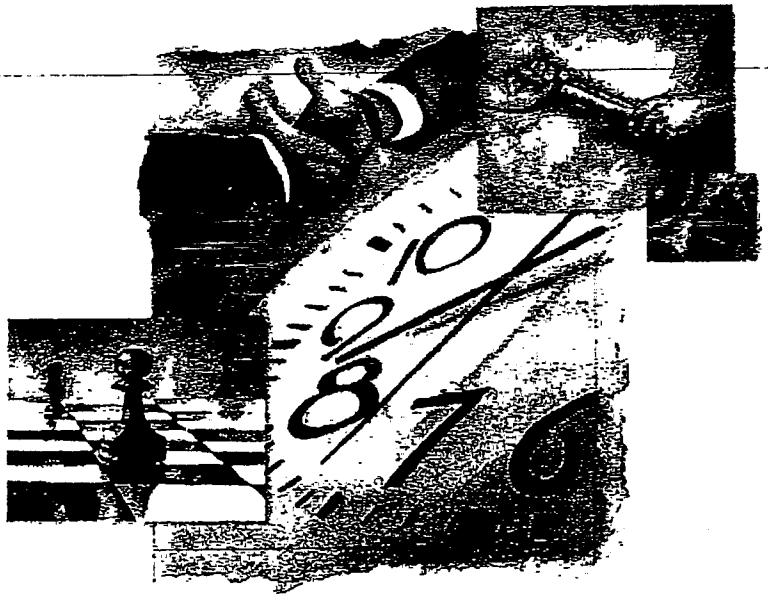
We here at BellSouth are looking forward to developing a mutually beneficial business relationship in the coming years. If you have any questions or concerns prior to the meeting, please contact me at your earliest convenience at 305-569-7256.

Sincerely,

EXHIBIT
MDC 33

Brett Shinn
Sales Executive

Final Exhibit
No. 259



Proposal to

Miami-Dade County Aviation Department

BST22419

EXHIBIT
MDC 34

BELLSOUTH

Final Exhibit
No. 260

BELLSOUTH

March 15, 2001

Mr. Maurice Jenkins
Manager, Information Systems Division
Miami International Airport
P.O. box 592075
Miami, Florida 33159

Dear Maurice:

BellSouth appreciates this opportunity to present our solution to Miami-Dade County Aviation Department for SmartRing at Miami International Airport

As the leading communications company in the Southeastern United States, BellSouth is eager to continue our strong relationship with M I.A. It is our intent to provide you with a total, integrated network solution that addresses your unique requirements and concerns.

BellSouth's commitment to providing state-of-the-art telecommunications products and services is illustrated by the resources we continually deploy in providing solutions to an ever-changing marketplace. We will continue to provide M.I.A. the ultimate in customer service and satisfaction. We will also strive to exceed your expectations by listening to your needs and introducing new solutions for your specific applications.

Thank you for the opportunity to respond to this request. We look forward to entering a new and exciting partnership with M.I.A. Please call me at 305-569-7202 if you have any questions

Sincerely,

Ed Gonzalez
Regional Account Manager

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SECTION 1. EXECUTIVE SUMMARY

BellSouth recognizes the important role communications can play in the overall success of Miami International Airport. We understand that your primary concern is Redundancy and have designed a solution to address that concern. Our proposed solution consists of SmartRing and offers M.I.A. many benefits, including Redundancy.

We understand that customers don't buy technology — they buy solutions. We invest in powerful technologies and develop practical ways to apply them to solve our customers' business problems and help them realize opportunities for improvement. We propose to meet and exceed your goals with a comprehensive solution through leading-edge technology, strategic partnering, and flexible, innovative pricing.

- Focused strategies
- Seeing our business through the eyes of the customer
- Seizing opportunities for growth
- Financial strength

BellSouth is a strategically focused communications leader whose dedication to the Southeast region is unmatched. As an award-winning regional network service provider, BellSouth has demonstrated our commitment to being the number one communications company in the Southeast by providing world class service and support, and aggressive pricing to maximize your shareholder value. Our financial strength and commitment to the Southeast ensure that we will continue to be a long-term communications partner

At BellSouth, we are driven to earn the loyalty of our customers. We appreciate the opportunity to earn yours.

BST22423

SECTION 2. CORPORATE OVERVIEW

BELLSOUTH OVERVIEW

BellSouth Corporation is a Fortune 100 communications services company headquartered in Atlanta, Ga., serving more than 44-million customers in the United States and 16 other countries.

Consistently recognized for customer satisfaction, BellSouth provides a full array of broadband data and e-commerce solutions to business customers, including Web hosting and other Internet services. In the residential market, BellSouth offers DSL high-speed Internet access, advanced voice features and other services. BellSouth also provides online and directory advertising services, including BellSouth® Real Pages℠.com.

BellSouth owns 40 percent of Cingular Wireless, the nation's second largest wireless company, which provides innovative wireless data and voice services

With $51 billion in assets, BellSouth companies operate throughout the United States and in a number of countries in Latin America and Europe. With close to 104,000 employees, the company has more than 54 million equivalent access lines in the Southeast U.S. and 9.3 million international wireless customers. **Since divestiture from AT&T in 1984, BellSouth stock has become one of the most widely held issues in the country.**

BellSouth's operating telephone company serves local residential and business customers in nine southern states: Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee.

BellSouth customers benefit from one of the most modern telecommunications networks in the world, and they have rated BellSouth a top major local telecommunications provider in customer satisfaction in several national surveys.

Another major growth area for the company is its Broadband services. A primary driver is the company's Internet services, one of the fastest growing ISPs in the Southeast with over 956,000 customers.

Through Cingular Wireless, the nation's second largest wireless company, BellSouth provides innovative wireless voice and data services. Cingular Wireless serves 20 million subscribers and reaches 211 million potential customers with the most robust set of services in the wireless industry, including interactive messaging in addition to attractive national rate plans and bundles of other communications services. Cingular also provides nationwide wireless data services, covering more than 93 percent of the urban business population. The service gives paging users the ability to initiate and respond to messages via Internet e-mail and to other pagers, fax machines and telephones.

In international markets, BellSouth has a footprint that covers over 345 million total POPs and a $3.4 billion revenue stream in 2000. The international subsidiary also has increased its customer base by nearly 59 percent in the last year.

The BellSouth Foundation, an endowed trust whose assets exceed $67 million, focuses exclusively on education in communities served by BellSouth companies. Additional charitable support is given to a variety of charitable organizations through the company's Corporate Charitable Contributions programs.

SECTION 3. NETWORK OVERVIEW

INTRODUCTION

The cornerstone of the BellSouth network is our local voice network, which delivers high availability, exceptional reliability, and superior quality. BellSouth's local network provides our customers a wide range of voice and data services from basic communications over analog voice and data lines to the more recent technologies, such as ISDN, Frame Relay, SONET, and Asynchronous Transfer Mode (ATM).

NETWORK DESIGN

The BellSouth network consists of more than 3 million fiber miles in more than 72,000 sheath miles of fiber-optic cable. Ninety-nine percent of interoffice circuits are transported on fiber. We have over 17,000 SONET rings in service throughout our nine-state region. One hundred percent of BellSouth lines are equipped for Signaling System 7 (SS7) capability.

The SS7 network is a packet-switched communication network that provides out-of-band signaling on the BellSouth network. SS7 can transmit more signaling information at a much faster speed than is possible with in-band signaling, providing faster call setup. Also, the speed of SS7 enables carriers to perform different tasks in call processing to different locations (e.g., performing certain functions in a centralized database). SS7 increases the efficiency of the BellSouth network by enabling the originating end office to return busy signals, thus releasing the communications channel to be used in processing other calls.

In our nine-state region, BellSouth has approximately 1,600 central office locations housing over 2,300 switches, including 700 broadband switches. 100% of the central offices are stored program control; over 95% are digital.

BellSouth owns all of our network components, including facilities and the physical structures that house the equipment.

NETWORK PERFORMANCE

Calls established over the BellSouth network are virtually free from noise or static, and the volume is maintained at a satisfactory level for the duration of the call.

The BellSouth Science and Technology organization operates three labs that perform detailed interoperability and reliability testing These efforts ensure that quality network components integrate seamlessly, on a forward compatible basis, within the BellSouth network.

The BellSouth state-of-the-art network is designed for a P 01 grade of service, which means that, during the busy hour, a call will complete at both ends 99 out of 100 times. BellSouth's local network has a reliability of call connectivity of 99.99%, based on central office call studies.

NETWORK MANAGEMENT

BellSouth maintains a dedicated organization that proactively reviews facilities and switches for necessary increases, replacements, upgrades, and enhancements when they grow toward 85% of capacity.

The BellSouth network is constantly monitored for usage and capacity on the switch side as well as the interoffice and loop sides. With this information and forecasts provided by forecasting and marketing groups, BellSouth grows the network to ensure our ability to accommodate traffic growth in all our markets.

The Network Management Center (NMC) in Atlanta monitors the entire regional network and keeps traffic flowing in its own network. The NMC maintains a close relationship with all Interexchange Carriers (IXCs), Competitive Local Exchange Carriers (CLECs) and Independent companies and serves as a single point of contact to keep traffic flowing, especially during disasters.

BellSouth operates two Network Reliability Centers (NRCs), in Charlotte and Nashville, that continually monitor our central offices and interoffice facilities throughout our nine-state region. There are over 600 employees dedicated to the operation of these centers seven days a week, twenty-four hours a day. The goal of the NRCs is to identify and correct problems before they become service-affecting. These centers also track all storms and unusual weather conditions through direct links to the National Weather Service and Accu-Weather.

Our local networks are monitored through the Proactive Analysis and Repair (PAR) centers, which continuously check for unusual conditions that may indicate a future problem. When a situation is detected, technicians are dispatched to correct the abnormality prior to its becoming service-affecting. There are eight PAR satellite locations in the BellSouth region.

REDUNDANCY AND DIVERSITY

Each of BellSouth's more than 1,600 circuit switches is connected to two redundant pairs of Signal Transfer Points (STPs) to provide optimized call setup, routing, and intelligent features. All of BellSouth's digital loop carrier systems and multiplexers in the local loop have built-in redundancy

In most BellSouth LATAs, two separate network access switches have been deployed. These provide at least two routes between end offices as well as load-sharing and backup capabilities. The BellSouth network has diverse, self-healing facilities with 50-millisecond automatic protection switching for over 77% of major IXC POPs and more than 84% of central offices. Over ninety-nine percent of all lines served by BellSouth's 38 metro serving areas and 98% of BellSouth's overall lines are protected by self-healing network.

All BellSouth central offices are built to withstand category five hurricanes Built of concrete, central offices are able to withstand extreme forces of nature and are continuously monitored for temperature, humidity, smoke, and fire from a remote Building Surveillance Center. These central offices are equipped with multiple levels of uninterruptable power supplies, including dual power feeds, more than three hours of battery reserves and/or solar power, and on-site diesel generators with up to 72 hours of fuel reserves. In addition, portable power generators are maintained in both local and centralized locations. Before a severe storm strikes, BellSouth starts the central office generators and deploys the portable generators. Every switch in seven states (AL, FL, GA, MS, NC, SC, and TN) has a stationary generator on-site. In the remaining two states in our region, Kentucky and Louisiana, several smaller offices use portable generators which are centrally stocked within three hours of the office.

RELIABILITY

Even in the aftermath of natural disasters, BellSouth has been able to maintain service. For example, during Hurricane Andrew, which wreaked havoc on Southern Florida, no BellSouth central office service was lost

BellSouth continuously demonstrates an ability to provide mission-critical communications services to major special events, such as:

- 1996 Olympics
- Super Bowls
- NBA All Star Games
- International political summits
- Republican and Democratic National Conventions

Each of these events was staged with little or no impact on businesses in the area of the event.

One of the industry accepted standards for measuring network reliability is Defects Per Million (DPM). This measurement is a function of total blocked calls divided by total call volume in Millions. Currently this is measured on the "trunk" side of the network. BellSouth's year end 2000 DPM was 20 9 (which equates to one call out of every 47,000 calls processed) BellSouth's current performance in the year 2001 is 23.5 DPM. This equates to one blocked call out of every 42,000 calls processed.

DISASTER RECOVERY

BellSouth has all aspects of disaster recovery action plans in the event of an area-wide disaster. Many of the restoral efforts are initiated as the review of damage is evaluated by federal and state agencies in conjunction with BellSouth.

Restoral of services in the case of an area-wide disaster will be performed based on pre-established criteria. Traffic will be routed over the alternate routes built into the BellSouth network infrastructure. In most instances, emergency service (fire, rescue, police, hospital, etc.) is the first to be restored.

BellSouth has developed an extensive organizational structure for emergency preparedness and restoration. This structure is active at the local, state, and regional levels. Should an outage exceed even regional capabilities, BellSouth coordinates with the National Telecommunications Alliance for resources. Specific plans are in place to address damage assessment, local force requirements, borrowed force and equipment requirements, and portable emergency equipment. Each department within BellSouth has a specific recovery plan. There are specific plans that address the more widespread occurrences such as earthquakes, hurricanes, and floods. BellSouth has also developed personalized plans for some of our large customers, interexchange carriers.

EMERGENCY BACKUP SUPPORT

BellSouth maintains disaster recovery trailers for use in restoring service in the event that a central office or terminal room is lost due to fire, flood, or other disaster. These trailers are designed to be quickly deployed, together or separately. For rapid installation, all connections of the power, inter-trailer cables, and cables to the distribution plant are equipped with jacks and plugs. Sufficient quantities of cables are provided to connect all lines and trunks, as needed, to existing or new facilities.

In the event of a natural disaster, BellSouth activates an Emergency Operations Center in the affected state This center is charged with coordinating all activities relating to the restoration and maintenance of service in the disaster area.

BellSouth has long-standing relationships with our equipment vendors designed to guarantee the reliability of our network; for example, our equipment manufacturer for fast-packet switching has a fully featured switch staged to ship anywhere in BellSouth's region with a single phone call Over 10,000 communications lines can be provided anywhere in BellSouth's region within 78 hours.

BellSouth has extensive processes in place to reroute traffic in case of the loss of a critical location. All central offices are monitored 24x7x365, and tier 3 support is available at all times. In the case of a central office service outage, BellSouth immediately routes the necessary forces and technical support to the location to assist in restoral. If a central office is lost, whenever possible, calls will be rerouted over BellSouth's redundant, fiber-based, self-healing network. The loss of a BellSouth central office is highly unlikely. Even during Hurricane Andrew, BellSouth did not lose one central office.

PREVENTATIVE MAINTENANCE

BellSouth's preventative maintenance schedule is extensive and covers many of the components in our central offices as well as remote equipment such as fiber terminals.

Each central office has its own routine maintenance to be performed. Currently, maintenance loads are administered by our Work Force Administration (WFA) system. Technicians retrieve their maintenance loads when they log into WFA each day.

These routine maintenance checks are scheduled daily, weekly, bi-monthly, monthly, quarterly, semi-annually, or annually per the manufacturer's specifications. We have other tests that are run every 24, 36, 48, or 60 months in accordance with BellSouth practices. We also perform routine maintenance on other items in the central office, such as the battery string and generators, to ensure they work properly at all times, should they ever be needed.

We also have contractors check the entire electrical system in a central office at scheduled intervals to ensure that all circuit breakers, as well as the heating and air conditioning systems, are working properly. Every precaution is taken to prevent a defective component from affecting service to our customers

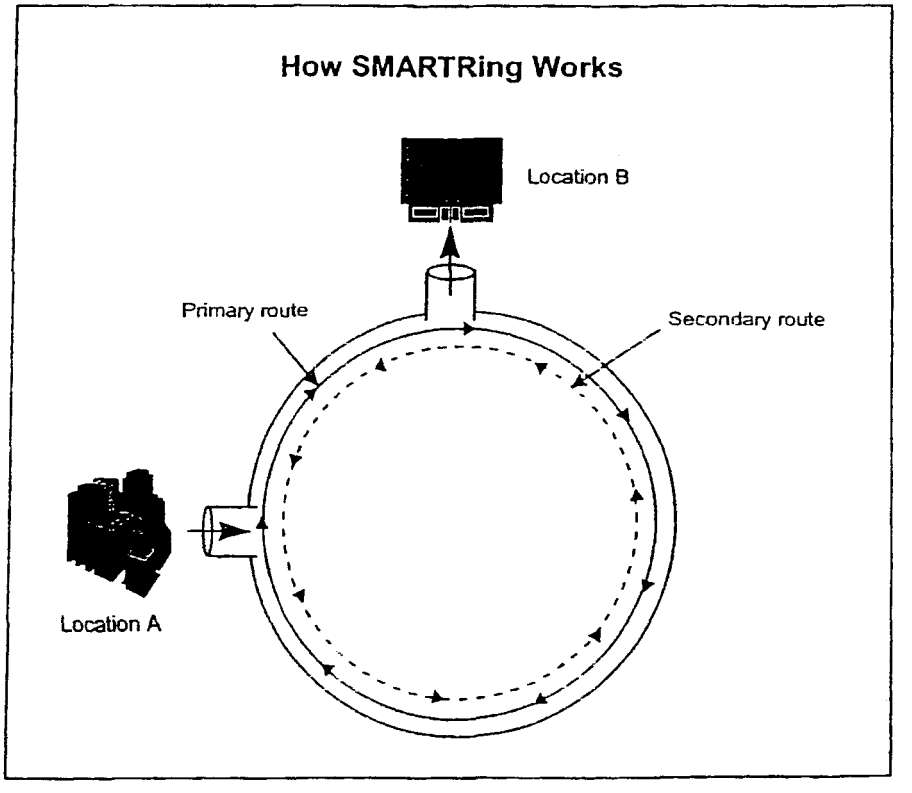
BellSouth has implemented an Integrated Dispatch System (IDS) to better coordinate dispatches for all BellSouth technicians (central office, OSP, etc.). Additionally, GPS systems are in the process of being deployed on technicians' trucks to improve dispatch performance by reducing travel time between dispatches.

SECTION 4. PROPOSED NETWORK SOLUTION

SMARTRING®

Overview

SMARTRing® service is a dedicated, high-capacity network designed to provide increased reliability and functionality. Based on SONET architecture, SMARTRing's survivable, self-healing ring topology connects multiple M.I.A.-designated locations and BellSouth central offices. SMARTRing is a 100% SONET fiber-based ring.



As the above graphic illustrates, traffic from Location A enters the ring and travels over both primary and secondary routes. The multiplexer at Location B samples the signals and delivers the signal with the best quality. (Note that the above graphic has been simplified and does not depict BellSouth central offices or actual routing between the locations.)

The network consists of fiber routed through local, or alternate central offices, inter-nodal and/or interoffice channel facilities that transmit DS1, DS3, STS-1, and/or OC-3, OC-12, *and/or* OC-48 channel services simultaneously over primary and alternate paths between

M.I.A.-designated locations and BellSouth central offices. The ring topology will continually monitor DS1, DS3, STS-1, and/or OC-3, OC-12, *and/or* OC-48 service quality, detect any failure within the system, and automatically heal around a point of failure to ensure the flow of DS1, DS3, STS-1, and/or OC-3, OC-12, *and/or* OC-48 services between locations within the self-healing network.

SMARTRing service has the following components:

Customer Premises Node	Customer Premises Channel Interfaces
Central Office Nodes	Central Office Channel Interfaces
Local Channels	Alternate Serving Wire Center Channels
Inter-office Channels	mileage
Inter-Nodal Channels	

Strengths of the SMARTRing service include:

- Exceptionally high reliability
- Channel services payment plan
- Link connectable with other BellSouth services
- Credit allowances for interruptions longer than 1 0 second
- Diversity
- Fiber-based
- SONET architecture
- Optical interface
- Counter rotating

The service is available in the following capacities: OC-3, OC-3+, OC-12, OC-48, OC-48+ and OC-192+. OC-48+ and OC-192+ rings are bi-directional line switched rings, and all other are uni-directional path switched rings. The maximum capacity of any ring is determined by the number of M.I.A. and Central Office Nodes on the ring.

Channel Interfaces are available as follows: DS-1, DS-3, STS-1, OC-3, OC-12, and OC-48. Additional equipment and rate elements may be required to support a connection on specific ring sizes, for example, a DS-1 interface may be required to support a connection on specific ring sizes, for example, a DS-1 interface may require a 28 DS-1 Channel System on an OC-12 ring. Refer to the following chart:

Channel Interface Types						
	Nodes					
Channel Interfaces	OC-3	OC-3+	OC-12	OC-48	OC-48+	OC192
DS1	Yes	Yes	No[1]	No[1]	No[1]	No
DS3	Yes	Yes	Yes	Yes	Yes	No
STS-1	Yes	Yes	Yes	Yes	Yes	No
OC-3	No	Yes[2]	Yes	Yes	Yes	Yes
OC-12	No	No	No	Yes	Yes	Yes
28 DS1 Channel System (DS3)	Yes	Yes	Yes	Yes	Yes	
28 DS1 Channel System (STS-1)	Yes	Yes	Yes	Yes	Yes	No
OC-48	No	No	No	No	No	Yes
DS-3 Asymmetrical	Yes	Yes	No	No	No	No

1. DS-1 Interfaces are available via OC-3, OC-3+, or 28 DS-1 Channel System arrangements only
2. A conditional Yes depending on manufacturer software release.

SmartRing service OC-3, OC-12, or OC-48 channel interfaces are associated with optional circuits within a SMARTRing arrangement. These optional signals may be provisioned as concatenated When an optional signal is provisioned as concatenated, the multiple STS-1s within the optional circuit are provided as a single entity with a single overhead channel.

SmartRing service interfaces may be ordered as asymmetrical (i.e , a circuit enters one node at a lower level interface and exists at another node at a higher interface). For example, a customer may have a service that connects to a ring via an OC-3 interface at a node That service is then transported around the ring and connects via an OC-12 interface to another of the customer's services.

The DS-3 Asymmetrical interface allows M.I.A. to connect DS-1 to SMARTRing service via a DS-3 Asymmetrical interface at a node and then handoff the services via a DS-3 interface at another node. The ability to integrate DS-1s into a DS-3 is based on the functionality of the node and the DS-3 Asymmetrical interface. DS-3 Asymmetrical capability is offered on OC-3 and OC-3+ rings only. Network may refer to this DS-3/DS-1 as Transmux.

SMARTRing service Overlay Ring Arrangements are available as follows:

Overlaying SMARTRing® Service	Host SMARTRing® Service			
	OC-12	OC-48	OC-48+	OC-192
OC-3	X	X	X	X

OC-3+		X	X	X
OC-12		X	X	X
OC-48				X

SMARTRing service is located in the section B.7. of the Private Line Tariff. SMARTRing service is connectable at the Company Central Office to any compatible high capacity service provided in the section B-7 of the tariff and to any Broadband Exchange Line Service at compatible data rates (1.586 Mbps) as provided in section A.40.5 of the GSST tariff.

To support the service, M.I.A. will provide appropriate space, a controlled environment, and a source of non-switched suitable power. Where M.I.A. provides two separate entrance facility cable routes for SMARTRing service, the primary and alternate facilities will be separate and will enter the M.I.A. node over such different routes.

SMARTRing service DS3 high-capacity service channels have a performance objective of 99.5% error-free seconds over a continuous 24-hour period. DS1 high-capacity service channels have a performance objective of 99.95% error-free seconds over a continuous 24-hour period.

SmartRing service can be ordered under the following contract service payment plans: 36 Month Term Payment Plan (24-48 months), 60 Month Term Payment Plan (49-72 months), or 84 Month Term Payment Plan (73-96 months), The minimum service period for SMARTRing is 12 months. All rate elements, except for Channel Interfaces, for a given SMARTRing, whether initially or subsequently ordered, must be provided under the same payment plan with the same service period and are co-terminous Channel Interfaces may be ordered under a payment plan equal to or less than the selected payment period for the given SMARTRing service.

Contract Service Arrangements and Special Assemblies are available. Customers that cancel their arrangements before contract expiration will incur a Termination Liability Charge.

Features and Benefits

SMARTRing features and benefits are described in the following table.

Feature	Benefit
Greater Transmission Capacity	SONET offers greater transmission capacity, which is necessary to support emerging high-bandwidth applications.
Standard Optical Interface	SONET is a standard optical interface with sufficient overhead for network management. Without SONET, proprietary equipment interfaces are required

BST22438

Feature	Benefit
Future Applications	Future applications, such as bit-intensive, three-dimensional computer-aided design (CAD), collaborative computing, interactive virtual reality programs, multipoint videoconferencing, video-on-demand, and interactive entertainment, will require the SONET standard
Seamless Interconnectivity	SONET standards make possible seamless interconnectivity among compliant equipment, allowing worldwide broadband networking without single-source vendors.
Real-time Network Management	SONET allows extensive real-time network management tailored to the needs of individual users.
Remotely Configurable Optical Cross-connects	SONET eliminates central office reliance on metallic DSX technology and replaces it with remotely configurable optical cross-connects.
More Efficient Switching	SONET provides more efficient switching and transport by eliminating the need for back-to-back M13 multiplexers.
Intelligent Network Elements	SONET permits sophisticated self-diagnostics and fault analysis to be performed in real-time. Intelligent network elements can automatically restore service in the event of failure via a variety of restoral mechanisms
Equipment Interconnects	SONET equipment interconnects with a variety of current and emerging carrier services, including ATM, SMDS, and BISDN.
Performance Tracking	SONET's embedded control channels enable the tracking of end-to-end performance and identification of elements that cause errors.

Why BellSouth?

Experience, track record, and reputation are important criteria for choosing a network provider. M.I.A. can count on BellSouth's experience and expertise – which include having built the SONET infrastructure of the 1996 Summer Olympic Games – for the design and deployment of your SONET network solution. The Olympic broadcast network (called "Scarlett") was carried over BellSouth's SONET infrastructure and ***experienced no outages***.

BellSouth's fiber-based SONET ring – SMARTRing – provides a highly reliable communications network between M.I.A.'s site, central offices, and inter-exchange carrier locations. The rings are diversely routed, redundant, and self-healing. SMARTRings are monitored 24 hours a day, 365 days a year by BellSouth's Network Reliability Center. In addition, SMARTRing service is backed by a service guarantee.

SMARTRing satisfies M.I A 's basic need for a reliable, fiber-based transmission service that will complement your core business strategy SMARTRing is a bi-directional, counter-rotating fiber ring that is uniquely designed for each customer.

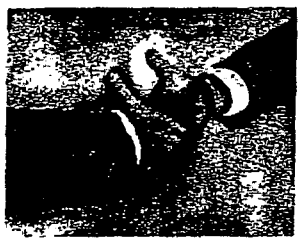
5

BST22440

SECTION 5. CUSTOMER SUPPORT

ACCOUNT TEAM SUPPORT

Dedicated, responsive, and knowledgeable account personnel are vital to a successful partnership.



- Knowledgeable and Experienced Account Team
- Responsive, Dependable Support
- Commitment to Teamwork
- Extensive Telecommunications Training

Your BellSouth Account Team exemplifies our commitment to teamwork and is supported by the following resources:

- Regional Account Manager
- Systems Designer
- Customer Service Associate
- Branch Sales Manager
- Service Manager
- Project Manager
- Service Consultant
- Support Account Manager
- Equipment Account Manager
- Data Account Manager
- E-Biz Account Manager

Additionally, executive oversight is provided by:

- State Vice President
- Assistant Vice President
- Business Development Director
- Business Development Manager

A well informed account team can help your business by applying technology to solve business problems. BellSouth provides extensive telecommunications training to ensure that your account team is well informed on all telecom issues, products, and services. Employee training includes 12 weeks of introductory basic training, service excellence training, 12 weeks of data intensive training, and ongoing technology training.

SECTION 6. NETWORK DESIGN

Please refer to the following page for network design information.

SECTION 7. PRICING

Please refer to the following page for pricing information.

BST22446

Shields, Holly S

From: Cordal, Elena
Sent: Tuesday, June 12, 2001 5:31 PM
To: Welch, Andrea; Gonzalez, Eduardo; Corelli, Gerry; Carcasses, Mercy; Hill, George; Tarafa, J
Cc: Gomez, Tito; Ford, John; Church, Priscilla; Mule, Joe
Subject: Miami Int'l Airport

BellSouth's network organization is in the final stages of completing its comprehensive distribution network at Miami International Airport. This infrastructure deployment has been in the works for about ten years. Recently, the local team has been approached by Maurice Jenkins (Miami-Dade Aviation Department Manager for the Telecommunications Division) and his consultants (Corrigan) about their decision to be the provider of the "last mile just like Orlando International Airport."
As per the consultants, they have been speaking with Al Robinson who has assured them that Orlando has one demarc point.

Our network folks, George Hill and Jose Taraffa, both have been in contact with their Orlando counterparts who claim the latter statement is simply not true. In an effort to get this issue resolved with our customer, and begin making some sales, we would like to take Mr. Jenkins up to meet with Al Robinson, Orlando BST network personnel, and any members of the account team who may want to attend the meeting. We need to resolve this within the next two weeks. Obviously, we also want to make sure that the Miami team clearly understands the distribution network at OIA prior to flying up. To that end, we must coordinate a conference call between all parties, for about 30 minutes, to discuss this.

By Thursday, June 14, 2001, pls E-mail Jose Taraffa your availability. Jose, I will be in a training session all day Wednesday and in Atlanta this Thursday and Friday. I don't think we should wait until next week to coordinate our collective calendars. I'd appreciate it if you would take the coordination of this conference call as an action item. Secondly, if someone who is not on the above distribution list should be on this conference call pls pass this E-mail on to them.

Thanks, Elena

I'm available on:
Monday - June 18th - AM
Friday - June 22nd - AM & PM
Monday - June 25th - PM
Tuesday - June 26th - AM & PM

EXHIBIT
MDC 35

BST19859

Final Exhibit
No. 261

Shields, Holly S

From: Corelli, Gerry
Sent: Wednesday, June 13, 2001 7:45 AM
To: Cordal, Elena
Cc: Welch, Andrea; Gonzalez, Eduardo; Corelli, Gerry; Carcasses, Mercy; Hill, George; Tarafa, J.; Gomez, Tito; Ford, John; Churchi, Priscilla; Mule, Joe;
Subject: Re: Miami Int'l Airport

I'm available from June 22 on. Please let me know.

BST19860

Shields, Holly S

From: Carcasses, Mercy
Sent: Wednesday, June 13, 2001 7:58 AM
To: Cordal, Elena
Cc: Welch, Andrea; Gonzalez, Eduardo; Corelli, Gerry; Hill, George; Tarafa, J; Gomez, Tito; Ford, John; Church, Priscilla; Mule, Joe
Subject: Re: Miami Int'l Airport

I am available June 22, June 25 and June 26.

Thanks,
Mercy

From: ELENA CORDAL/BLS01/BELLSOUTH@BLSEXCHANGE on 06/12/2001 06:31 PM

To: ANDREA WELCH/BLS01/BELLSOUTH@BLSEXCHANGE, EDUARDO GONZALEZ/BLS01/BELLSOUTH@BLSEXCHANGE, Gerry Corelli/BCS/BELLSOUTH/US@BCI, Mercy Carcasses/BCS/BellSouth/US@BCI, George Hill/BLS01/BELLSOUTH@BLSEXCHANGE, J Tarafa/BLS01/BELLSOUTH@BLSEXCHANGE
cc: Tito Gomez/BLS01/BELLSOUTH@BLSEXCHANGE, John Ford1/BLS01/BellSouth@BLSExchange, PRISCILLA CHURCH/BLS01/BELLSOUTH@BLSEXCHANGE, Joe Mule/BCS/BELLSOUTH/US@BCI
bcc:
Subject: Miami Int'l Airport

BellSouth's network organization is in the final stages of completing its comprehensive distribution network at Miami International Airport. This infrastructure deployment has been in the works for about ten years. Recently, the local team has been approached by Maurice Jenkins (Miami-Dade Aviation Department Manager for the Telecommunications Division) and his consultants (Corrigan) about their decision to be the provider of the "last mile just like Orlando International Airport."
As per the consultants, they have been speaking with Al Robinson who has assured them that Orlando has one demarc point.

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Thanks, Elena

I'm available on:
Monday - June 18th - AM
Friday - June 22nd - AM & PM
Monday - June 25th - PM
Tuesday - June 26th - AM & PM

BST19861

Gomez, Tito

From: Maurice Jenkins [MJENKINS@miami-airport.com]
Sent: Friday, June 08, 2001 12:23 PM
To: tito.gomez@bellsouth.com
Subject: Re: contact numbers

Good Afternoon Tito:

May I say that I share the same sentiments. I truly believe that we can establish a good working relationship by which the Airport can reach its desired goals. Your contact information has been noted and is in my palm pilot. Look forward to working with you and BellSouth on this endeavor

Maurice Jenkins
Manager information Systems and Telecommunications
Miami Dade Aviation Department
305-876-0934

>>> "Gomez, Tito" <tito.gomez@bellsouth.com> 06/08/01 11:51AM >>>
MAURICE,

First,let me thank you for making time for the meeting with the BellSouth team yesterday.I think it was a good first step towards identifying issues and helping you and DCAD accomplish your goals.I assure you we will follow-up setting the meeting with the Orlando officials, as well as the other items we discussed.Following are my contact numbers:

office- 305-347-5450
cell - 305-542-1631
res - 305-442-8468

Thanks,

Tito

BST19862

BELLSOUTH

BellSouth Business℠
Suite 600
7650 N W 19th Street
Miami Florida 33126

Phone 305 569 7200

January 3, 2002

Mr Pedro J Garcia, P E.
Chief, Telecommunications
Miami Dade Aviation Department
4331 NW 22 Street
Miami, Fl 33159

RE: Contracting Documents

Dear Mr. Garcia:

This letter is to confirm that BellSouth Communication Systems, LLC ("BellSouth") is willing to provide telecommunications equipment and equipment maintenance services to the Airport at the prices applicable under the BellSouth agreement with Broward County, BellSouth agreement no. MA48073, Broward County RLI no. 060597-RB This contract was won by BellSouth via a publicly bid procurement. BellSouth is willing to provide telecommunications equipment and maintenance services to the Airport at these Broward County contract prices under the terms and conditions of the Nortel Systems Purchase Agreement between BellSouth and Miami-Dade County, BellSouth agreement no. NSA 200102, Miami-Dade County docket no. BW 6876-3106 I understand this agreement was approved by the Miami-Dade County Board.

As you are probably aware, Section 20 of this Miami-Dade County contract provides that: "A follow-up maintenance agreement may be purchased at any time during the contract period, following the Request for Quotes process. The type of maintenance required by the County shall be specified in Request for Quotes. Purchasing a follow-up maintenance agreement is at the option of the County for all or a portion of the total equipment " We will need to determine how this Request for Quotes process would be applied.

BellSouth's agreement to provide telecommunications equipment and equipment maintenance services at the price levels of the Broward County agreement and via the terms and conditions of the Miami-Dade County agreement is, of course, subject to the

EXHIBIT
MDC 36

BST1692

BellSouth Business Systems Inc

Final Exhibit
No. 262

BELLSOUTH

BellSouth Business SM
Suite 600
7650 NW 19th Street
Miami, FL 33126

Airport's determination that this procedure is acceptable under the Airport's applicable regulations and guidelines. This procedure is also subject to our agreement on how the Airport would apply Miami-Dade County's Request for Quotes process. I assume this process would involve BellSouth providing a quotation at the applicable Broward County pricing level.

I understand that you are going to have this proposed procedure reviewed by your legal department. Either you or your legal department personnel may feel free to contact our legal counsel, Winston W. Burks, III, Vice President and General Counsel, with any thoughts or questions regarding these matters at 540-983-6098.

Sincerely,

BELLSOUTH COMMUNICATION SYSTEMS, LLC

Joseph Mule
Regional Sales Manager

cc: Winston W. Burks, III
Gerry Corelli
Mercy Carcasses

t :\wwb\letters pedro garcia.contracting documents.doc

EXHIBIT
MDC 37

BELLSOUTH

BellSouth Business℠
Suite 600
7650 N W 19th Street
Miami, Florida 33126

Phone 305 569 7200

June 17th, 2002

Maurice Jenkins
Manager, Information Systems
Miami Dade Aviation Dept
Miami, Florida 33159

Dear Maurice:

Pursuant to your request, here is a brief explanation of BellSouth's SMARTRing service as proposed to Miami Dade Aviation Department

SMARTRing Service is a SONET-based, survivable, self-healing network with a ring architecture that ensures that no single event can interrupt service.

The SMARTring offered to Miami Dade Aviation Department is a dedicated, high capacity network designed to provide increased reliability via a self-healing ring topology between the Terminal Building 3000X, Building 3030, and BellSouth's Airport and Poinciana Central Offices. This network consists of fiber routed through the two Airport sites, the two Central Office sites, and intermodal and interoffice facilities. The ring topology constantly monitors facilities for service quality. The topology detects any failure within the system, and automatically self-heals around a single point of failure to ensure the flow of DS1, DS3 or OC3 services between locations within the self-healing network.

Today, service at the Terminal Building 3000X consists of 7 Primary Rate ISDN Interfaces for voice service, 2 Frame Relay and 2 T1 circuits for data service, and 14 Analog circuits which are used for security alarms, signaling, and other miscellaneous applications. Service at Building 3030 consists of 4 Primary Rate ISDN Interfaces for voice service, 2 T1's for data service, 1 T1 for Fax server, 1 Basic Rate ISDN, and 2 Analog circuits for miscellaneous applications. All these services can be put on the proposed SMARTring

At the present time, the voice service for Miami Dade Aviation comes from BellSouth's Airport Central Office. The proposed SMARTring brings in 46 additional channels, and 500 numbers from the Poinciana Central Office, so that in case of a failure at the Airport Central Office, Miami Dade Aviation will continue to have telephone service. If such a disaster was to occur, then BellSouth would intercept 500 of your most important numbers, and give reference of calls to the Poinciana numbers. This addresses the Airport's need for a full disaster recovery methodology as outlined in previous meetings with Miami Dade Aviation.

Maurice, I hope this information is helpful to you If you have any questions, please call me at 305-569-7293.

Sincerely,

Mercy Dominguez
Network Sales Engineer

Final Exhibit
No. 263

BST3715

DADE COUNTY AVIATION DEPARTMENT
SUMMARY

PRESENT BILLING FOR BELLSOUTH SERVICES	$23,610 99

PROPOSED BILLING USING SMARTRING*

24-48 MONTHS	$31,962.89
49-72 MONTHS	$30,717.89
73-96 MONTHS	$29,847.89
INSTALLATION	$10,521.00

*This includes the ring for the existing service with the DS0's plus 2 Primary Rate Interfaces with 500 Numbers from Poinciana for disaster recovery in case of a total failure of the Airport Central Office.

PROPOSED BILLING USING SMARTRING**

24-48 MONTHS	$28,089 49
49-72 MONTHS	$26,884 49
73-96 MONTHS	$26,054 49
INSTALLATION	$8,255.00

**This includes the ring for the existing DS1's, but not for the DS0's, and no service from Poinciana

BST3716

MD 3/14/01

EXHIBIT
MDC 38

Memorandum

TO: Maurice Jenkins, Manager
Information Systems/Telecommunications
MDAD

DATE: June 17, 2002

FROM: Pedro J. García, Chief
Telecommunications
MDAD

SUBJECT: Telecommunications
Disaster Recovery

We are in receipt of a proposal from BellSouth, dated June 17, 2002, to implement their offering of SmartRing, a service that will provide MIA access to the public switched network through diverse physical transmission paths.

The proposed service will avoid interruption of service, by providing a second redundant path, in the event of a main cable cut of the facilities providing service to MIA from the BellSouth Airport Central Office (Recommended)

In addition, the proposed option includes the duplication of 500 telephone numbers (DID) that, in the event of a failure of the Airport Central Office, will be serviced from the Poinciana Central Office. The existing numbers to be duplicated would be selected by MDAD. The 500 numbers will be intercepted by BellSouth and will be given a Reference to the new number from the Poinciana central office.

At the present time, three locations in the County are protected by redundant facility paths from the BellSouth central office. The MDFD EOC is served by *Smart Path* which is a service not offered any more by BellSouth. The SPC Center and ITD have two *LightGate* paths, provided by BellSouth at no cost some time ago. They do not provide this at no cost any longer.

It is my recommendation that MDAD contract to receive the *Smart Ring* service from BellSouth at MIA, including the central office redundancy for 500 numbers as described,. This will provide protection from a total interruption of BellSouth telecommunications services due to a feeder cable cut or a facility or central office failure in general. This service will be an integral part of the overall MDAD Telecommunications Disaster Recovery Plan.

The proposed service, if accepted for a 24-month period, will necessitate an initial installation expense of $10,521 and an increase in the BellSouth monthly billing from approximately $23,611 to $ 31,963.

Upon approval, an IPON would be submitted to BellSouth to implement, which will take approximately 3 months.

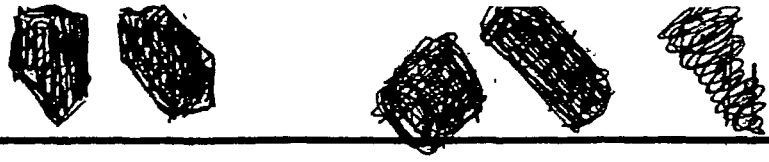
Final Exhibit
No. 264

Approved: _____ Date: 6/19/02

BST3719

SCA1 1-MK5273

Shields, Holly S



From: Cordal, Elena
Sent: Thursday, August 01, 2002 3:34 PM
To: Gomez, Tito
Cc: Maier, Lonnie; Andrus, Stuart R; Mule, Joe; Gonzalez, Eduardo; Carcasses, Mercy
Subject: FW: Miami-Dade Aviation - North Terminal Bid

Tito,
I would like to correct the amount of our bid The correct total amount should be $4,598,864.76. Hope this hasn't caused any inconvenience. Thx, Elena

Final Exhibit No. 265

—Original Message—
From: Cordal, Elena
Sent: Wednesday, July 31, 2002 7:08 PM
To: Gomez, Tito
Cc: Maier, Lonnie; Andrus, Stuart R; Mule, Joe; Gonzalez, Eduardo; Carcasses, Mercy
Subject: Miami-Dade Aviation - North Terminal Bid

Elena 7/31/02 To AC Re-Bid this out

As per your conversation with Lonnie, following are some of the details associated with *MIA Security Equipment Procurement, Project No. MDAD CIP 467.003.*

1) Purpose of this bid is to deliver a lump sum bid amount for security equipment and associated warranties. These include routers, cameras, and associated CPE.

2) We have chosen to bid with Cisco and Munway Technology (DBE) as our partners. We're the 2nd lowest bidder with a sales price of $3,896,238. Prices must remain valid for up to 180 days after bid opening date.

3) Other vendors who replied to the bid are:
   a) Presidio with Cisco (currently lowest bidder, lower than us by $200K)
   b) Nexteira with Nortel (highest bidder)
   c) We suspect Sprint also replied but don't know who they partnered with.

4) We expect two other bids to be issued shortly. They'll be for installation and maintenance of this CPE.

5) We think/believe that this business is necessary to position BellSouth as the vendor to be awarded the other RFP's which will be issued by MIA to replace Nexteira. Thus, it is very important for us to win this bid in order for us to get "our foot in the door."

4-30-03 NO TH. NOW NEED PROP. DOC-NOT

Pls let me know if you need any other info. Thx, Elena

EXHIBIT MDC 39

8/6/02 Per Elena we were #2 on bid - Terminal is North Terminal bid & are 200,000 over Presidio & are ranked # 2 - AC makes decision

8/9/02 Advised Elena to wait for cl. from County on error - County then due goes bid. will & the response & their complaint -

BST19916

8/14/02 Advised Elena to have Ed contact the County & inquire about the status of the RFP. Per Elena no info yet

Shields, Holly S

From: Cordal, Elena
Sent: Wednesday, July 31, 2002 7:08 PM
To: Gomez, Tito
Cc: Maier, Lonnie; Andrus, Stuart R; Mule, Joe; Gonzalez, Eduardo; Carcasses, Mercy
Subject: Miami-Dade Aviation - North Terminal Bid

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5) We think/believe that this business is necessary to position BellSouth as the vendor to be awarded the other RFP's which will be issued by MIA to replace Nexteira. Thus, it is very important for us to win this bid in order for us to get "our foot in the door."

Pls let me know if you need any other info Thx, Elena

BELLSOUTH®
Business Systems

October 15, 2002

Miami-Dade County Aviation Dept.

Maria Perez

We are pleased that your company, (**Miami-Dade County Aviation Dept.**), has chosen BellSouth to provide Services riding the new Smartring service. We look forward to providing you with excellent service. Please provide local contact information for the following service locations. .

1. 3500 NW 62nd Av., Miami
2. 15201 NW 42nd Av.,Opa-Locka
3. 3551 NW 59th Av., Miami
4. 4300 NW 14th ST., Miami-Telco Room Flr 1
5. 28700 SW 217th Av.,Homestead-Bldg 2-Roberts Air South
6. Aorlines/US Air at Miami International Airport
7. Security Gate-Bldg 24 at Miami International Airport
8. Parking at West-@ Panther Check Point at Miami International Airport
9. Shuttle Services-Bldg 3150 at Miami International Airport
10. 5650 NW 36th St.,Miami-Amerijet Security
11. New NE Gate-Bldg 5A at Miami International Airport
12. 12800 SW 137th Av.,Miami-Bldg 228 and Bldg 229

Pedro Garcia advised that you would be the main contact for the remaining orders regarding the new Smartring being installed 11/02/02 . He gave me one contact of Pedro Decamillo for the Airport locations on the new Smartring. Please provide the information for each location listed above to insure correct installation of the new-replacement circuits that will now ride the Smartring.

Thank you for doing business with BellSouth.

Sincerely,

Joan Legue

Service Consultant
(954)838-1337-joan.legue@bellsouth.com

Final Exhibit
No. 266

BST452

EXHIBIT
MDC 40

REQUEST FOR PROPOSALS

FOR THE

NON-EXCLUSIVE TELECOMMUNICATIONS

AND NETWORK MANAGEMENT SERVICES AGREEMENT

RFP No. MDAD-04-01

PROJECT BRIEFING TO BE HELD ON
Thursday, March 20, 2003 at 10:00 A.M. (Local Time)
at
4200 NW 36th Street, Miami, Florida 33122, Building 5A
4th Floor, Contracts Administration, **Conference Room 'F'**

ISSUING DEPARTMENT:
MIAMI-DADE AVIATION DEPARTMENT
CONTRACTS ADMINISTRATION DIVISION

Contracting Officer: Susan H. Pascul
Telephone: (305) 876-7815

PROPOSALS ARE DUE AT THE ADDRESS SHOWN BELOW
NO LATER THAN
Thursday, April 17, 2003 at 2:00 PM (Local Time)

at

CLERK OF THE BOARD
STEPHEN P. CLARK CENTER
111 NW 1st STREET, 17TH FLOOR, SUITE 202
MIAMI, FLORIDA 33128-1983

PROPOSALS WILL BE OPENED PROMPTLY AT THE TIME AND PLACE SPECIFIED. PROPOSALS RECEIVED AFTER THE FIRST PROPOSAL HAS BEEN OPENED WILL NOT BE OPENED AND WILL NOT BE CONSIDERED. THE RESPONSIBILITY FOR SUBMITTING A PROPOSAL TO THE CLERK OF THE BOARD ON OR BEFORE THE STATED TIME AND DATE IS SOLELY AND STRICTLY THE RESPONSIBILITY OF THE PROPOSER. MIAMI-DADE COUNTY IS NOT RESPONSIBLE FOR DELAYS CAUSED BY ANY MAIL, PACKAGE OR COURIER SERVICE, INCLUDING THE U.S MAIL, OR CAUSED BY ANY OTHER OCCURRENCE EXTERNAL TO MIAMI-DADE COUNTY

MIAMI-DADE COUNTY IS AN EQUAL OPPORTUNITY EMPLOYER AND DOES NOT DISCRIMINATE BASED ON AGE, GENDER, RACE OR DISABILITY.

EXHIBIT
MDC 42

Final Exhibit
No. 267

TABLE OF CONTENTS

Section		Page
	Advertisement	ADV-1
1.0	RFP Overview and Proposal Procedures	2
2.0	Scope of Services	19
3.0	Proposal Format	20
4.0	Evaluation/Selection Process	36
	PART A Technical Proposal	A-1

ATTACHMENTS TO THE RFP:

Appendix A Cover Page for Technical Proposal and Minimum Qualifications Requirement Affidavit

Appendix B Registration for Oral Presentation

Appendix C Acknowledgment of Addenda

Appendix D Proposal Guaranty

Appendix E Local Preference

Appendix F Affidavits

- **Submittal Required at the time the Proposer reviews the Equipment, Systems and Subsystems Exhibit:**

  Confidentiality Affidavit

- **Submittals Required with Proposal:**

  Single execution Affidavits
  - Affidavit 1-Sworn Statement on Public Entity Crimes
  - Affidavit 2 -Miami-Dade County Debarment Disclosure Affidavit
  - Affidavit 3 -Criminal Record Affidavit

  Affidavit 4 - Current in Obligations to the County Affidavits

  Affidavit 5 - Contractor's Disclosure Affidavit for Miami-Dade County

  Affidavit 6 - Code of Business Ethics Affidavit

  Affidavit 7A - Affirmative Action Plan/Procurement Policy Affidavit

  Affidavit 7B - Affirmative Action Plan/Procurement Exemption Affidavit

  Proof of Authorization to do Business

- **Submittals Required as Condition Of Award:**

  Subcontractor/Supplier Listing

  Single Execution Condition of Award Certifications/Verifications
  - Disability Nondiscrimination Certification
  - Family Leave Certification
  - Domestic Leave Compliance Certification
  - Currently Due Fees and Taxes Verification
  - Drug Free Work Place Certification
  - Subcontracting Policies Statements

TABLE OF CONTENTS (cont'd)

PART B	Price Proposal	**B-1**
PART C	Community Small Business Enterprise Schedule Of Intent Affidavit	**C-1**
ATTACHMENT 1:	Form of Non-Exclusive Agreement	

SPECIAL PROVISIONS TO THE AGREEMENT:

Community Small Business Enterprise Participation Provisions	SP-1
Miami-Dade County Responsible Wages & Benefits	SP-2

EXHIBITS TO THE AGREEMENT:

Exhibit A: Telecommunications and Network Management Services Specification
Exhibit B: Equipment, Systems and Subsystems Plans and Diagrams
Exhibit C: Job Descriptions and Qualifications
Exhibit D: Performance and Payment Bond
Exhibit E: Airport Customs Security Area Bond
Exhibit F: Preliminary Budget Estimate

FORMS FOR THE AGREEMENT:

- Contractor Affidavit and Release of All Claims Subcontractor Affidavit
- Contractor Affidavit in Compliance with Florida Trench Safety Act
- Miami-Dade County Clearinghouse Procedures for Placing Job Opportunities
- Sign-off Sheet for Underground Utilities Clearance
- Shut Down Request Form
- Hot Work Permit

REVISED ADVERTISEMENT FOR
REQUEST FOR PROPOSALS
NON-EXCLUSIVE TELECOMMUNICATIONS AND NETWORK MANAGEMENT SERVICES AGREEMENT FOR THE MIAMI-DADE AVIATION DEPARTMENT
RFP NO. MDAD-04-01

1. Miami-Dade County (the "County") seeks to enter into a non-exclusive agreement (the "Agreement") for the provision of telecommunications and network management services at Miami International Airport ("MIA"), the general aviation airports, and other County facilities that may be added in the future (collectively, the "Airport") The term of the Agreement will be for five (5) years; the County reserves the right to extend the Agreement for up to an additional two (2) years, in one (1) year increments, on the same terms and conditions contained therein, unless terminated under provisions contained in the Agreement. For the avoidance of doubt, the maximum term of the Agreement with extensions is not to exceed seven (7) years.

2. **General Scope of Services:** The proposer ("Proposer") to whom this contract is awarded (the "Contractor") shall: (i) furnish all labor, new materials, tools, supplies and other items required for the design, installation, maintenance, repair, management, and operational support services for all voice and data network infrastructure for the Miami-Dade Aviation Department ("MDAD"), its users and tenants; and (ii) the management of shared airport tenant services ("SATS") for the County to tenants and users at the Airport (collectively, the "Work").

   The Work includes, but is not limited to: (a) provisioning of voice and data network services; (b) maintaining existing and future voice and data networks infrastructure equipment including operation, maintenance, repair, monitoring, and support of network devices such as routers, switches, and servers; (c) supporting of circuits, including vendor resolutions and support of environmentals including UPS devices for all switches and routers at all sites; (d) daily analysis of network performance to research trending and troubleshooting from end point to end point to enable quick resolution of system degradation; (e) providing capacity planning for all network links, PBX switches and trunk groups; (f) providing an on-site Help Desk and Network Operation Center dedicated to providing uninterrupted service to Airport operations; (g) managing the existing voice and data network infrastructure;(h) maintaining records as required by MDAD, including but not limited to, equipment and cable plant, record keeping of work order activity, equipment inventory, telephone number inventory, number dialing plan, key sheets, and cable management to the Intermediate Distribution Frame level and jack level for existing and new structure; (i) managing the turn-key installation of new voice, data and network services such as user training on equipment,

project scheduling, appropriate billing to MDAD and SATS customers, (j) billing user customers for services, and also for the specified equipment, including when specifically requested by appropriate work order; (k) needs assessment; (l) system design; (m) procurement of equipment and parts; (n) documentation; (o) record keeping and inventory; and (p) any other functions related to the provisioning of these services

The Contractor shall also be responsible to provide, install and maintain technical systems hardware and software associated with the management of all telecommunications Asynchronous Transfer Mode ("ATM") Gigabit Ethernet & ATM infrastructure. In addition, the Contractor shall maintain computer hardware and software and the database associated with the cable record systems, the New Security System Cable Management System (after the initial contract expires with that system's provider), and any billing system the Contractor chooses to employ subject to approval by MDAD. These software applications shall be maintained and operated at such a level that is suitable to maintain the quality of service or additional requirements outlined in the Agreement or other sections of the Specification. Back-ups shall be performed and maintained off-site by the Contractor for all key technical systems to ensure data integrity and disaster recovery

3. The County will receive sealed proposals from qualified, interested parties based upon the terms, covenants and provisions of the advertisement and the Request for Proposals ("RFP") An unbound one-sided original and ten (10) bound copies (a total of 11 sets) of Parts A and B of the proposal, and an unbound one-sided original and one copy (a total of 2 sets) of Part C of the proposal must be received by the deadline for receipt of proposals specified in the advertisement for this RFP. The proposals shall be in three (3) separate bound/sealed parts. The "Part A Proposal" shall include the Proposer's Technical Proposal and all other required documentation as noted in the Instructions to Proposers. The "Part B Proposal" shall include the Proposer's Fee for their Services. The "Part C Proposal" shall include the Schedule of Intent Affidavit for the Community Small Business Enterprise ("CSBE") program. A Schedule of Intent Affidavit is required for each certified CSBE subcontractor meeting the goal for this RFP. The affidavit(s) shall be submitted in a sealed white envelope. The Part C Proposal will be opened on the Proposal Due Date specified in Section 4 of this advertisement, and reviewed by the Department of Business Development ("DBD"). Upon notification by the DBD, Proposers may correct defects on the Schedule of Intent Affidavit(s) within forty-eight (48) hours after the proposal submission due date. Only the Part A Proposals, containing the Proposer's Technical Proposal, that have been determined to be responsive will be opened publicly and the names of those responsive proposers will be read aloud forty-eight (48) hours after the proposal submission date. Part A and Part B Proposals of a non-responsive Part C Proposal will not be opened. Proposers are

invited to be present at each opening Part B Proposals which include the Proposer's Fee for their Services will be opened at a later date.

4. The originals and all copies for Parts A, B and C shall be separately sealed in an envelope and placed in a container stating on the outside the Proposer's name, address, telephone number, RFP number, RFP title, and Proposal Due Date (RFP No. MDAD-04-01, entitled "Request for Proposals for Telecommunications And Network Management Services Agreement" for the Miami-Dade Aviation Department). Proposals will be received by the Board of County Commissioners of Miami-Dade County, Florida, at the Office of the Clerk of the Board, Stephen P. Clark Center, 111 NW 1st Street, 17th floor, Suite 202, Miami, Florida 33128 until **2:00 P.M., Thursday, April 17, 2003**, or as modified by addendum MDAD reserves the right to postpone or cancel the proposal's opening at any time prior to the scheduled opening of the proposal. Proposers are invited to be present. Proposals received after the time and date specified will not be considered, and will be returned unopened.

5 RFP documents may be obtained at MDAD's Contracts Administration Division, 4200 NW 36th Street, Building 5A, Suite 400, Miami, Florida, telephone (305) 876-7815, between 8 a.m. 5 p.m , on or after **Monday, March 10, 2003**, by payment of Fifty dollars ($50.00) (non-refundable) check or money order, made payable to the Miami-Dade Aviation Department. Each Proposer shall furnish an address, telephone and fax number for the purpose of contact during the RFP process

RFP Documents will also be available for public inspection on and after Monday, March 10, 2003 at the offices of the Vendor Information Center, Stephen P Clark Center, 111 NW 1st Street, Suite 112, Ground Floor, Miami, Florida 33128

The solicitation document does not include the Equipment, Systems and Subsystems Exhibit to the Telecommunications and Network Management Services Specification because it contains information relating to the Airport's telecommunications system In accordance with Florida Statutes § 119.07(3)(ee), "Building plans, blueprints, schematic drawings, and diagrams, including draft, preliminary, and final formats, which depict the internal layout and structural elements of a building, ... or other structure owned and operated by an agency as defined in Florida Statutes § 119.011 are exempt .. " from public records to ensure the safety of government infrastructures and to ensure public safety

MDAD will make the Equipment, Systems and Subsystems Exhibit available for review by Proposers from March 13, 2003 to March 27, 2003, Monday – Friday, during the hours of 9:00 a m. to 5 00 p.m. at the offices of the Telecommunications Division, Building 3030, First Floor, Room No.

B102. Proposers are advised that in order to schedule an appointment to review this exhibit to contact MDAD's Telecommunications Division at (305) 869-3862 ONLY THOSE PROPOSERS THAT HAVE OBTAINED THE RFP FROM MDAD's CONTRACTS ADMINISTRATION DIVISION CAN SCHEDULE AN APPOINTMENT TO REVIEW THE EXHIBIT. The duration of each appointment will not exceed two (2) hours. However, after allowing all interested proposal holders to view the exhibit, the Department may schedule additional time slots (not to run consecutively with the original appointment), if available. At the time of the appointment, Proposers will be required to present current, valid identification (e.g., Driver's License, United States Passport) and the completed and notarized Confidentiality Affidavit, which is included in the RFP documents, certifying that the company and each employee agrees that in accordance with Florida Statutes § 119.07(3)(ee) to maintain the exempt status of the information contained in the exhibit prior to reviewing the exhibit In addition, Proposers are advised that individuals will be monitored and video-taped while reviewing these documents. Proposers may take notes, ***however, no photographs and/or copying of the exhibit will be allowed.***

6. All proposals must be submitted as set forth in the RFP.

7. MDAD reserves the right to reject any or all proposals to waive informalities and irregularities, or to re-advertise for proposals. MDAD, by choosing to exercise its right of rejection, does so without the imposition of any liability against the MDAD by any and all Proposers.

8. A Project Briefing will be held on **Thursday, March 20, 2003**, at **10:00 A.M.,** at the Miami-Dade Aviation Department, 4200 NW 36th Street, Building 5A, Conference Room F, 4th Floor, Miami, Florida, for all interested parties and attendance is recommended, but not mandatory. Any changes to this RFP will be by written addendum.

9. **Contract Measures:** A four percent (4%) goal in the CSBE program will be applied All Proposers are directed to the RFP, "Miami-Dade County Florida CSBE Participation Provisions," which delineate the requirements of this County program.

10. **Responsible Wages and Benefits:** The Agreement shall be subject to the provisions of Miami-Dade County Ordinance No. 90-143 (Responsible Wages and Benefits Ordinance). The minimum wage rates and corresponding benefits schedule are included in the RFP documents.

11. **RFP Application Fee and Proposal Guaranty:** Each Proposer's proposal must be accompanied by a RFP Application Fee of not less than Fifty Thousand U.S. Dollars ($50,000.00) in the manner required by the

Instructions to Proposers. The contractors short-listed by the evaluation and selection committee and recommended by the County Manager for negotiations (according to overall ranking) will be required to post a Proposal Guaranty of not less than Two Million U.S. Dollars ($2,000,000.00) in the manner required by the Instructions to Proposers. The Contractor selected for this Agreement must maintain a minimum $5 Million Dollar Performance and Payment Bond as provided in the Form of Agreement contained in the RFP Documents

12. **Cone Of Silence:** Pursuant to Section 2-11.1(t) of the Code of Miami-Dade County and Administrative Order No. 3-27 (Cone of Silence Provisions), a "Cone of Silence" is imposed upon RFPs, request for qualifications ("RFQs"), or bids after advertisement and terminates at the time the County Manager issues a written recommendation to the Board of County Commissioners. The Cone of Silence prohibits communication regarding RFPs, RFQs, or bids between: A) potential vendors, service providers, bidders, lobbyists or consultants and the County's professional staff including, but not limited to, the County Manager and the County Manager's staff, B) a potential vendor, service provider, bidder, lobbyist, or consultant, and the Mayor, County Commissioners or their respective staffs, C) the Mayor, County Commissioners or their respective staffs, and any member of the County's professional staff including, but not limited to, the County Manager and his or her staff; D) a potential vendor, service provider, bidder, lobbyist, or consultant, and any member of the selection committee therefore, E) the Mayor, County Commissioners or their respective staffs, and member of the selection committee; or F) any member of the County's professional staff, and any member of the selection committee.

Section 2 11.1(t) of the Code of Miami-Dade County and Administrative Order No. 3-27, permit oral communications regarding this RFP between any person and the County's Vendor Information Center staff or the procurement officer responsible for this RFP, provided that the communication is limited strictly to matters of process or procedure already contained in the corresponding solicitation document.

The Cone of Silence provisions do not apply to oral communications at pre-proposal conferences, oral presentations before selection committees, contract negotiations during any duly noticed public meetings, public presentations made to the Board of County Commissioners during any duly noticed public meeting, or communications in writing at any time unless specifically prohibited by the applicable RFP, RFQ, or bid document. Proposers must file a copy of any written communications with the Clerk of the Board, which shall be made available to any person upon request. Written communications may be submitted via e-mail to the Clerk of the Board at CLERKBCC@MIAMIDADE.GOV The County shall

respond in writing and file a copy with the Clerk of the Board, which shall be made available to any person upon request.

In addition to any other penalties provided by law, violation of the Cone of Silence provisions by any proposer and bidder shall render any RFP award, RFQ award, or bid award voidable. Any person having personal knowledge of a violation of the Cone of Silence provisions shall report such violation to the Office of the State Attorney and/or may file a complaint with the Ethics Commission Proposers should reference the actual Cone of Silence provisions for further clarification.

Failure of the Proposer to comply with Miami-Dade County Ordinance Nos. 98-106 and 02-3, may result in the disqualification of the Proposer.

The Contracting Officer for this RFP is:

Name and Title:	Susan H. Pascul Aviation Senior Procurement Contract Officer
Name of Agency:	Miami Dade Aviation Department
Mailing Address:	PO Box 592075, Miami, Florida 33159
Physical Location:	4200 NW 36th Street, Bldg. 5A, Suite 400, Miami, Florida 33122
Facsimile	(305) 876-8068

MIAMI-DADE COUNTY, FLORIDA
HARVEY RUVIN, CLERK

BY: _____

KAY SULLIVAN
DEPUTY CLERK

DEFINITIONS

The following words and expressions used in this solicitation shall be construed as follows, except when it is clear from the context that another meaning is intended:

a) The words "Agreement", "Contract" or "Contract Documents" to mean a non-exclusive telecommunications, data network, and shared airport tenant services management agreement between the County and the successful Contractor, including all of its terms and conditions, associated addenda, attachments, exhibits, amendments, and work orders issued by the County.

b) The words "Contractor", "Operator", or "Consultant" to mean the Proposer that receives an award of an Agreement from the County as a result of this Solicitation

c) The word "County" to mean Miami-Dade County, a political subdivision of the State of Florida.

d) The word "Department" to mean the Miami-Dade Aviation Department ("MDAD")

e) The words "Proposal Due Date" refers to the deadline for receipt of the Proposal identified in the advertisement of this Solicitation.

f) The words "Proposer", "Submitter", or "Respondent" to mean the person, firm, entity, joint venture, or organization submitting a response to this Solicitation.

g) The words "Scope of Services" or "Work" refers to Section 2.0 of this Solicitation, which details the services to be performed by the Contractor.

h) The word "shall", "should", and "will" refer to items that are REQUIRED to be met by the Contractor or the Proposer.

i) The word "Solicitation" to mean this Request for Proposals ("RFP") or Request for Qualifications ("RFQ") or Request for Information ("RFI") document, and all associated addenda and attachments.

j) The words "Specification" or "Technical Specification" to mean the Telecommunications and Network Management Services Specification included as Exhibit 1 to the Agreement.

k) The words "Subcontractor" or "Subconsultant" to mean any person, firm, entity or organization, other than the employees of the Contractor or Consultant, who subcontracts with the Contractor or Consultant to furnish labor, or labor and materials, in connection with the Work or Services to the County, whether directly or indirectly, on behalf of the Contractor or Consultant

l) The words "Work Order" to mean a document that defines and describes the parameters of individual projects assigned or awarded by the County to the Contractor or Consultant in accordance to the terms of the Agreement.

SECTION 1.0 - RFP OVERVIEW AND PROPOSAL PROCEDURES

1.1 INTRODUCTION/BACKGROUND

Miami-Dade County (the "County"), intends to enter into a management agreement (the "Agreement") with a qualified firm for the provision of telecommunications and network management services at Miami International Airport ("MIA"), the general aviation airports, and other County facilities that may be added in the future (collectively, the "Airport").

1.2 NOT USED

1.3 TERM

The term of the Agreement will be five (5) years, the County reserves the right to extend this Agreement for up to an additional two (2) years, in one (1) year increments, on the same terms and conditions contained herein. For the avoidance of doubt, the maximum term of the Agreement with extensions is not to exceed seven (7) years.

1.4 RFP AVAILABILITY

Copies of this solicitation package can be obtained through the MDAD, Contracts Administration Division, 4200 NW 36th Street, Building 5A, 4th Floor, Miami, Florida 33122 at a cost of **$50.00 check or money order** for each solicitation package payable to **Miami-Dade Aviation Department**.

The Solicitation document does not include the "Equipment, Systems and Subsystems" Exhibit to the Telecommunications and Network Management Services Specification because it contains information relating to the Airport's telecommunications system. In accordance with Florida Statutes § 119.07(3)(ee), "Building plans, blueprints, schematic drawings, and diagrams, including draft, preliminary, and final formats, which depict the internal layout and structural elements of a building, .. or other structure owned and operated by an agency as defined in s. 119.011 are exempt ..." from public records to ensure the safety of government infrastructures and to ensure public safety.

The Miami-Dade Aviation Department ("MDAD") will make the Equipment, Systems and Subsystems Exhibit available for review by potential proposers from March 13, 2003 to March 27, 2003, Monday – Friday, during the hours of 9:00 a.m. to 5:00 p.m at the offices of the Telecommunications Division, Building 3030, First Floor, Room No. B102. Proposers are advised to schedule an appointment to review this exhibit by contacting the MDAD Telecommunications Division at (305) 869-3862. The duration of each appointment will not exceed two (2) hours. ONLY THOSE PROPOSERS THAT HAVE OBTAINED THE RFP FROM MDAD's CONTRACTS ADMINISTRATION DIVISION CAN SCHEDULE AN APPOINTMENT TO REVIEW THE EXHIBIT. However, after allowing all

interested proposal holders to view the exhibit, the Department may schedule additional time slots (not to run consecutively with the original appointment), if available. At the time of the appointment, Proposers will be required to present current, valid identification (e.g., Driver's License, United States Passport) and the completed and notarized Confidentiality Affidavit, which is included in the Request for Proposal documents, certifying that the company and each employee agrees, that in accordance with Florida Statutes § 119.07(3)(ee) to maintain the exempt status of the information contained in the exhibit prior to reviewing the exhibit. In addition, Proposers are advised that firms will be monitored and video-taped while reviewing these documents. Proposers may take notes, ***however, no photographs and/or copying of the exhibit will be allowed***.

Proposers or Respondents who obtain copies of this Solicitation from sources other than the MDAD's Contracts Administration Division risk the potential of not receiving addenda, since their names will not be included on the list of firms participating in the process for this particular Solicitation. Such Proposers or Respondents are solely responsible for those risks **(see Section 1.9)**.

1.5 PROPOSAL SUBMISSION

All proposals must be submitted on 8 1/2" X 11" paper, neatly typed on one side only, with one inch (1") margins, and minimum 12 point font. The original document package must not be bound and the document package copies should be individually bound. **An unbound one-sided original and ten (10) bound copies** (a total of 11 sets) of the complete proposal (both the Part A technical and Part B price proposals), and an unbound one-sided original and one copy (a total of 2 sets) of Part C of the proposal, **must be received by the deadline for receipt of proposal as specified in the advertisement** for this RFP. The original, copies, and the separate sealed price/cost envelope, must be submitted (**technical proposal and the CSBE Schedule of Intent Affidavit shall be packaged separately from the price proposal**) in a sealed envelope or container stating on the outside the Proposer's name, address, telephone number, the RFP number, RFP title, and Proposal Due Date to:

Clerk of the Board
Stephen P. Clark Center
111 NW 1st Street, 17th Floor, Suite 202
Miami, Florida 33128-1983

Hand-carried proposals may be delivered to the above address **ONLY** between the hours of 8 00 a.m. and 4 30 p.m., Mondays through Fridays (however, please note that proposals are due at the Clerk of the Board (the "Clerk") on the date and at the time indicated in the advertisement for this RFP. Additionally, the Clerk is closed on holidays observed by the County. Proposers are responsible for informing any commercial delivery service, if used, of all delivery

requirements and for ensuring that the required address information appears on the outer wrapper or envelope used by such service.

~~The Technical Proposal, CSBE Schedule of Intent Affidavit (additionally signed~~ by the CSBE Subcontractor), and the Price Proposal must be signed by an authorized officer of the Proposer who is legally authorized to enter into a contractual relationship in the name of the Proposer. The submittal of a proposal by a Proposer will be considered by the County as constituting an offer by the Proposer to perform the required services at the stated prices.

1.6 PRE-PROPOSAL CONFERENCE/EXAMINATION OF SITE

A pre-proposal conference has been scheduled for **the date, time and place specified in the advertisement for this RFP**. Attendance is recommended but not mandatory. Proposers are requested to inform the RFP Contracting Officer of the number of persons expected to attend no later than twenty-four (24) hours before the scheduled date. Proposers are encouraged to submit any questions in writing to the RFP Contracting Officer **(see Section 1.7)** in advance of the pre-proposal conference.

Upon request, a site visit may be scheduled at the date and time of the pre-proposal conference. Attendance is recommended but not mandatory Proposers are requested to inform the RFP Contracting Officer **(see Section 1.7)** of the number of persons expected to attend no later than twenty-four (24) hours before the scheduled date

1.7 CONE OF SILENCE/CONTRACTING OFFICER

Pursuant to Section 2-11.1(t) of the Code of Miami-Dade County (the "Code") and Administrative Order No 3-27 (Cone of Silence Provisions), a "Cone of Silence" is imposed upon RFPs, RFQs, or bids after advertisement and terminates at the time the County Manager issues a written recommendation to the Board of County Commissioners (the "Board") The Cone of Silence prohibits communication regarding RFPs, RFQs, or bids between: A) potential vendors, service providers, bidders, lobbyists or consultants and the County's professional staff including, but not limited to, the County Manager and the County Manager's staff; B) a potential vendor, service provider, bidder, lobbyist, or consultant, and the Mayor, Board, or their respective staffs; C) the Mayor, Board, their respective staffs, and any member of the County's professional staff including, but not limited to, the County Manager and his or her staff; D) a potential vendor, service provider, bidder, lobbyist, or consultant, and any member of the selection committee; E) the Mayor, Board or their respective staffs, and member of the selection committee; or F) any member of the County's professional staff, and any member of the selection committee.

The provisions of Miami-Dade County Ordinance Nos. 98-106 and 02-3 do not apply to oral communications at pre-proposal conferences, oral presentations

before selection committees, oral communications with the Contracting Officer published by the Department of Business Development ("DBD") in their weekly Cone of Silence Project Information Report, for administering the procurement process; provided the communication is limited strictly to matters of process or procedures, contract negotiations during any duly noticed public meetings, public presentations made to the Board during any duly noticed public meeting or communications in writing at any time unless specifically prohibited by the applicable RFP, RFQ, or bid document Bidders or proposers must file a copy of any written communication with the Clerk, which shall be made available to any person upon request. The County shall respond in writing and file a copy with the Clerk, which shall be made available to any person upon request.

In addition to any other penalties provided by law, violation of Ordinance 98-106 by any bidder or proposer shall render any RFP award, RFQ award, or bid award voidable. Any person having personal knowledge of a violation of this ordinance shall report such violation to the Office of the State Attorney and/or may file a complaint with the Ethics Commission. Bidders or proposers should reference the actual ordinance for further clarification.

Failure of Proposer to comply with Ordinance Nos. 98-106 and 02-3, may result in the disqualification of the Proposer.

All Proposers will be notified in writing when the County Manager makes an award recommendation to the Board.

The Contracting Officer for this RFP is:

Name and Title:	**Susan H. Pascul, Contracting Officer**
Name of Agency:	**MDAD – Contracts Administration Division**
Location Address:	**4200 NW 36th St. Building 5A, 4th Floor, Miami, Florida 33122**
Mailing Address	**P.O. Box 592075, Miami, Florida 33159**
Fax Number:	**(305) 876-8068**

1.8 CONTRACT MEASURES

1.8.1 The Agreement will adhere to all Miami-Dade County ordinances with special attention to all ordinances that relate to the Community Small Business Enterprise ("CSBE") Participation program.

1.8.2 The following has been established according to the CSBE Program:

Contract Measure Four Percent (4%) Goal

All Proposers are **directed and required to adhere to** the attached "REVISED OCTOBER 2001, Miami-Dade County Florida, Department of Business Development (DBD), CSBE (Ordinance No. 97-52 & Administrative Order No. 3-22, as amended) Participation Provisions," included within these RFP documents

which delineates the requirements of this County program and the requirements for attaining the CSBE contract measure of a four percent (4%) goal, all in accordance with applicable federal and state laws, and County ordinances.

1.8.3 A CSBE certification list is included as an appendix in the "CSBE Participation Provisions" to assist Proposer compliance with the established subcontractor goal. The certification list is maintained and published at least every other week. Proposers must utilize the most current certification list in complying with these provisions. A current certification list may be obtained by contacting DBD at Courthouse Center, 175 NW 1st Avenue, 28th Floor, Miami, Florida 33128; by telephone at (305) 349-5960;by facsimile at (305) 349-5915; or by website at www.co.miami-dade.fl.us/dbd/reports. The SIC/NAICS category and the specialty trade will identify the firms on the certification list. DBD shall certify each CSBE by the predominant type of construction they perform in accordance with the two-digit SIC or six-digit NAICS code applicable to such type of construction for which the CSBE is licensed. CSBEs certified in the SIC 17 (Specialty Trade Contractors) shall also be classified by trade category or categories in which they are licensed. Each CSBE will also be certified in a specific Contracting Participation Level based on the firm's bonding capacity

In order to participate as a CSBE on this Agreement, a CSBE must have a valid certification in effect at time of proposal submittal. The successful CSBE proposer must maintain certification from the time of proposal submittal throughout the duration of the Agreement.

Joint Ventures. Only joint ventures approved by DBD in accordance with the Miami-Dade County CSBE Administrative Order No. 3-22 are eligible to participate as joint ventures in the CSBE program. All members of the joint venture must be certified as CSBEs before the joint venture can be approved

1.8.4 For questions regarding Miami-Dade County's CSBE Contract Measure requirements, please contact Ms. Betty Alexander of the Department of Business Development at 175 NW 1st Avenue, Courthouse Center, 28th Floor, Miami, Florida 33128, or by telephone at (305) 349-5960 or facsimile at (305) 349-5915

1.8.5 **NOTE**: In every instance where the words "bids," "bidder," or "dollar," may appear in the CSBE Participation Provisions, please substitute those words with "submittal", "submitter", or "percentage", respectively.

1.9 ADDITIONAL INFORMATION/ADDENDA

Requests for additional information or clarifications must be made in writing and received by the County's Contracting Officer for this RFP, in accordance with **Section 1.7** above, and must be received at least seven (7) calendar days prior to the date established for the Proposal Due Date The request must contain the RFP number and title, Proposer's name, name of Proposer's contact person, address, telephone number, and facsimile number.

Electronic facsimile requesting additional information will be received by the RFP Contracting Officer at the fax number specified in **Section 1.7** above. Facsimiles must have a cover sheet which includes, at a minimum, the Proposer's name, name of Proposer's contact person, address, number of pages transmitted, telephone number, facsimile number, and RFP number and title.

MDAD will issue responses to inquiries and any other corrections or amendments it deems necessary in written addenda issued prior to the Proposal Due Date. Proposers should not rely on any representations, statements or explanations other than those made in this RFP or in any written addendum to this RFP. Where there appears to be conflict between the RFP and any addenda issued, the last addendum issued shall prevail.

It is the Proposer's responsibility to assure receipt of all addenda. The Proposer should verify with the designated RFP Contracting Officer prior to submitting a proposal that all addenda have been received. If any Proposer fails to acknowledge the receipt of such Addenda in the space provided in the Proposal Form, the Proposal will nevertheless be construed as though the receipt of each Addendum has been acknowledged. Proposers are required to acknowledge the number of addenda received as part of their proposals **(see the attached Acknowledgement of Addenda Form, Appendix C)**

Proposers who obtain copies of this RFP from sources other than MDAD's Contracts Administration Division risk the potential of not receiving addenda, since their names will not be included on the Vendor List for this particular RFP. Such Proposers are solely responsible for those risks.

1.10 RFP APPLICATION FEE AND PROPOSAL GUARANTY DEPOSIT

Each proposal must be accompanied by a RFP application fee of not less than Fifty Thousand Dollars (US$ 50,000 00) (the "Application Fee") in the manner required by this subarticle. Contractors short-listed by the evaluation and selection committee and recommended by the County Manager for negotiations (according to overall ranking) will be required to post a proposal guaranty of not less than Two Million Dollars (US$ 2,000,000) (the "Proposal Guaranty Deposit").

Both the RFP Application Fee and the Proposal Guaranty Deposit shall be in the form of a cashier's check, treasurer's check, irrevocable letter of credit, or bank draft drawn on any state or national bank ONLY, payable to Miami-Dade County, Florida A bond (the "Proposal Bond Guaranty") may be substituted for the Proposal Guaranty Deposit. The form of the bond and the requirements of the surety issuing same are included in the proposal documents as Appendix D No other form of deposit will be accepted.

The RFP Application Fee will be deposited by the County into an appropriate County account and will be held by the County, without interest to the Proposer,

until the evaluation and selection committee (i) evaluates the proposals, and (ii) makes its recommendation to the County Manager, and the County Manager concurs. Upon County Manager concurrence, the principal amount of the RFP Application Fee, excluding the short-listed Proposers, will be returned to the nonshort-listed Proposers. Within seven (7) days of notification, the short-listed Proposers will be required to submit the Proposal Guaranty Deposit as a condition precedent to potential award and negotiations with the County. The RFP Application Fee will be returned, without interest, to the short-listed firm(s) once the Proposal Guaranty Deposit or Proposal Bond Guaranty is received and accepted as to form If a short-listed Proposer fails to submit this Proposal Guaranty Deposit or Proposal Bond Guaranty timely, then the RFP Application Fee will be forfeited to the County to compensate the County for the delay and administrative services resulting from such failure and the Proposer will be eliminated from further consideration.

The Proposal Guaranty Deposit will be deposited by the County into an appropriate County account and will be held by the County, without interest to the Proposer, until the selected short-listed Proposer has been awarded, after which the principal amount of the Proposal Guaranty Deposits, without interest, excluding the selected Proposer, will be returned to the non-selected short-listed Proposers.

After award to the selected Proposer, the Proposal Guaranty Deposit of such Proposer will be held pending receipt of the executed Agreement and evidence of insurance as required by the Agreement. If a selected Proposer fails to (a) provide evidence of insurance within twenty (20) calendar days after notice of the award, or (b) fails to negotiate in good faith to execute the Agreement, or (c) fails to execute timely all forms as required by the Agreement, or (d) fails to begin operation(s) as required by the Agreement, or (e) fails to provide a performance and payment bond as required by Article 29 of the Agreement, then the Proposal Guaranty Deposit will be forfeited to the County to compensate the County for the delay and administrative services resulting from such failure. The County shall also be entitled, to award any other Proposer, as determined to be in the best interest of the County

Any proposal that is not accompanied by the required RFP Application Fee, as of the Proposal Due Date, shall be considered non-responsive and ineligible for award

1.11 MODIFIED PROPOSALS

A Proposer may submit a modified proposal to replace all or any portion of a previously submitted proposal up until the Proposal Due Date. The evaluation and selection committee (the "Evaluation/Selection Committee") will only consider the latest version of the proposal

1.12 WITHDRAWAL OF PROPOSALS

Proposals shall be irrevocable unless the proposal is withdrawn. A proposal may be withdrawn in writing only, addressed to the MDAD Contacting Officer for this RFP (in accordance with **Section 1.7)**, prior to the Proposal Due Date.

1.13 LATE PROPOSALS, LATE MODIFICATIONS AND LATE WITHDRAWALS

Proposals or modifications received after the Proposal Due Date are late and will not be considered. Letters of withdrawal received either after the Proposal Due Date (for Proposers) or after contract award (for the selected Proposer), whichever is applicable, are late and will not be considered.

Proposals will be opened promptly at the time and place specified. Proposals received after the first proposal has been opened will not be opened and will not be considered. The responsibility for submitting a proposal to the Clerk on or before the stated time and date is solely and strictly the responsibility of the Proposer. Miami-Dade County is not responsible for delays caused by any mail, package or couriers service, including the U.S mail, or caused by any other occurrence external to Miami-Dade County.

1.14 RFP POSTPONEMENT/CANCELLATION

MDAD at its sole and absolute discretion, may: (a) reject any and all proposals, or parts of any and all proposals; (b) re-advertise this RFP; (c) postpone or cancel, at any time, this RFP process; or (d) waive any irregularities in this RFP or in the proposals received as a result of this RFP.

1.15 COSTS INCURRED BY PROPOSERS

All expenses involved with the preparation and submission of proposals to the County, or any work performed in connection therewith, shall be borne by the Proposer(s). No payment will be made for any responses received, nor for any other effort required of or made by the Proposer(s) prior to commencement of work as defined by a contract approved by the Board.

1.16 NON-EXCLUSIVITY

It is the intent of the County to enter into an Agreement with the successful Proposer that will satisfy its needs as described herein. The County reserves the right to perform or cause to be performed, the work and services or any portion thereof, herein described in any manner it sees fit, including but not limited to award of other contracts, use of any contractor, or perform the work with its own employees.

1.17 ORAL PRESENTATIONS

The Evaluation/Selection Committee may require Proposers to give oral presentations in accordance with the Code in support of their proposals or to exhibit or otherwise demonstrate the information contained therein.

1.18 PROPOSER REGISTRATION AFFIDAVIT

Proposers are advised that in accordance with Section 2-11.1(s) of the Code of Miami-Dade County, the attached Proposer Registration for Oral Presentation Affidavit **(see attached Registration Form, Appendix B)** must be completed, notarized, and included with the proposal submission Lobbyists specifically include the principal, as well as any agent, officer, or employee of a principal, regardless of whether such lobbying activities fall within the normal scope of employment of such agent, officer, or employee.

Individuals substituted for or added to the presentation team after submittal of the proposal and filing by staff, **MUST** register with the Clerk and pay all applicable fees.

NOTE: Other than for the oral presentation, Proposers who wish to address the Board, or a County board or committee concerning any actions, decisions or recommendations of County personnel regarding this RFP, must also register with the Clerk (Form BCCFORM2DOC) and pay all applicable fees. In accordance with Miami-Dade County Ordinance No. 01-162, prior to conducting any lobbying, all principals must file a form with the Clerk, signed by the principal or the principal's representative, stating that the lobbyist is authorized to represent the principal Failure of a principal to file the form required by the preceding sentence may be considered in the evaluation of a bid or proposal as evidence that a Proposer or bidder is not a responsible contractor. Each principal shall also file a form with the Clerk at the point in time at which a lobbyist is no longer authorized to represent the principal

1.19 CONFLICTS WITHIN THE PROPOSAL SOLICITATION

Where there appears to be a conflict between the "General Terms and Conditions", "Special Conditions", the "Technical Specifications", the "Proposal Section", or any addendum issued, the order of precedence shall be: (a) the last addendum issued, (b) the Proposal Section, (c) the Technical Specifications, (d) the Special Conditions, and then (e) the General Terms and Conditions.

1.20 PROPRIETARY/CONFIDENTIAL INFORMATION

Proposers are hereby notified that all information submitted as part of, or in support of proposals will be available for public inspection after opening of proposals in compliance with Chapter 119 of the Florida Statutes. The Proposer shall not submit any information in response to this Solicitation which the Proposer considers to be a trade secret, proprietary or confidential The

submission of any information to the County in connection with this solicitation shall be deemed conclusively to be a waiver of any trade secret or other protection, which would otherwise be available to Proposer. In the event that the proposer submits information to the County in violation of this restriction which clearly identifies that information in the proposal as protected or confidential, the County shall endeavor to redact and return that information to the Proposer as quickly as possible, and if appropriate, evaluate the balance of the proposal The redaction or return of information pursuant to this clause may render a proposal nonresponsive.

1.21 NOT USED

1.22 RIGHTS OF PROTEST

A recommendation for contract award or rejection of award may be protested by a bidder or proposer in accordance with the procedures contained in Sections 2-8.3 and 2-8.4 of the Code, and as established in Administrative Order No. 3-21.

As a condition of initiating any bid or proposal protest, the protester shall present to the Clerk a non-refundable filing fee payable to the Clerk of the Board in accordance with the schedule provided below.

Award Amount	Filing Fee
$25,001- $100,000.	$500
$100,001- $500,000.....	$1,000
$500,001- $5 million..... ...	$3,000
over $5 million.....	$5,000

Any question, issue, objection or disagreement concerning, generated by, or arising from the published requirements, terms, conditions or processes contained or described in the solicitation document shall be deemed waived by the protester and shall be rejected as a basis for a bid or proposal protest unless it was brought by that bidder or proposer to the attention, in writing, of the procurement agent, buyer, contracting officer or other contact person in the County department that issued the solicitation document, at least two (2) working days (not less than forty-eight (48) hours) prior to the hour of bid opening or proposal submission.

All protests shall be submitted in writing to the Clerk and shall state with particularity the specific facts and grounds on which it is based, and shall include all pertinent documents and evidence and shall be accompanied by the corresponding filing fee. This shall form the basis for review of the protest and no other facts, grounds, documentation or evidence not contained in the protester's submission to the Clerk at the time of filing the protest shall be permitted in the consideration of the protest, except for such additional evidence as is allowed during the course of the protest proceedings.

A. Award Recommendations Over $100,000

Award recommendations for contracts and purchases involving the expenditure of over $100,000 will be in writing, signed by the issuing department to each competing bidder or proposer announcing the proposed award, and a copy shall be deposited with the Clerk on the same day it is mailed. The bidder or proposer must file a protest with the Clerk within ten (10) working days of the date of the award recommendation letter. Within two (2) working days of that filing, the protester shall supply the Office of the County Attorney and each bidder or proposer in the competitive process with a true copy of each document that was filed with the protest. A hearing examiner shall be appointed to hear the protest and submit a written report and recommendation to the County Manager within twenty (20) working days of the filing of the protest (maximum twenty-five (25) working days if hearing examiner consents to extension request).

Failure to timely file the written protest shall constitute a waiver of the right to protest the award recommendation

B. Award Recommendations Over $25,000 and up to $100,000

Award recommendations for contracts and purchases involving the expenditure of over $25,000 up to and including $100,000 shall be posted by 9:00 a.m., every Monday in the lobby of the Stephen P. Clark Center, 111 NW 1st Street, Miami, Florida 33128. Such recommendations shall be in writing and shall identify the bidder or proposer to whom the award is being recommended and the basis therefore. It is the responsibility of the bidder or proposer to monitor such bulletins after bid opening or proposal submission to ascertain that a recommendation for award has been made. Participants can call the Awards Line at 305-375-4724 or (800) 510-4724, or contact the person identified on the cover page of the solicitation.

The bidder or proposer must file a protest with the Clerk within five (5) working days of the posting of the award recommendation, together with the $500 nonrefundable filing fee. Award recommendations for which a protest is not received within the five (5) working day period shall be awarded in accordance with the department's recommendation. Not later than twenty (20) working days from the filing of the protest, the Director of the issuing department shall review the written recommendation for award and the written protest, and after consultation with the Office of the County Attorney, issue a recommendation to the County Manager for final disposition of the protest.

The department shall provide an opportunity to settle the protest by mutual agreement within five (5) working days of the filing of the protest.

C. Award Recommendations $25,000 and Less

Award recommendations for contracts and purchases involving the expenditure of $25,000 or less are considered final and may not be protested

1.23 LOCAL PREFERENCE

Pursuant to Section 2-8.5 of the Code of Miami-Dade County, the local preference is provided in accordance with the revised Ordinance No. 01-21.

a) Request for proposals, qualifications or other submittals and competitive negotiation and selection. If, following the completion of final rankings (technical and price combined, if applicable) by the selection committee, a non-local business is the highest ranked proposer, and the ranking of a local proposer is within five percent (5%) of the ranking obtained by the non-local proposer, then the highest ranked local proposer shall have the opportunity to proceed to negotiations with the County under the applicable sections of this Code.

b) If a tie occurs between two (2) or more local businesses, then contract award on the basis of best and final bids (paragraph 2(a) of the ordinance), or the opportunity to proceed to negotiations (paragraph (a), above), shall be made to such local business having the greatest number of its employees that are Miami-Dade County residents.

c) The application of local preference to a particular purchase or contract may be waived upon written recommendation of the County Manager and approval of the Board.

d) The preferences established herein in no way prohibit the right of the Board to compare quality of materials proposed for purchase and compare qualifications, character, responsibility and fitness of all persons, firms or corporations submitting bids or proposals. Further, the preferences established herein in no way prohibit the right of the Board from giving any other preference permitted by law instead of the preferences granted herein.

e) In the event Broward County, Palm Beach County, or Monroe County extend preferences to local businesses as defined herein, Miami-Dade County may enter into an interlocal agreement with such other county wherein the preferences of this section may be extended and made available to vendors that have a valid occupational license issued by Broward County, Palm Beach County, or Monroe County to do business in that respective county,

that authorizes the business to provide the goods, services or construction to be purchased. The vendors must have a physical business address located within the limits of that county. Post Office Boxes are not verifiable and shall not be used for the purpose of establishing said physical address. **Note: An interlocal agreement has been entered into with Broward County.**

The Proposer should complete, sign and submit the attached form, **see Appendix E,** with the proposal, in order to be considered for local preference.

1.24 RULES, REGULATIONS AND LICENSING REQUIREMENTS

The successful Proposer shall comply with the (a) ordinances of the County, (b) rules and regulations of the Department, (c) Chapter 25 of the Code, (d) operational directives issued thereunder, (e) all laws, statutes, ordinances, regulations, and rules of the federal, state and County governments, and (f) any and all plans developed in compliance therewith, which may be applicable to its operations or activities under these request for proposal documents. Proposers are presumed to be familiar with all federal, state and local laws, statutes, ordinances, codes, rules and regulations that may in any way affect the goods or services offered, especially Executive Order No. 11246 entitled "Equal Employment Opportunity" and as amended by Executive Order No 11375, as supplemented by the Department of Labor Regulations (41 CFR, Part 60), the Americans with Disabilities Act of 1990 and implementing regulations, the Rehabilitation Act of 1973, Chapter 553 of Florida Statutes and any and all other local, state and federal directives, ordinances, rules, orders, statutes, and laws relating to people with disabilities.

1.25 REVIEW OF PROPOSALS FOR RESPONSIVENESS

Each proposal will be reviewed to determine if the proposal is responsive to the submission requirements outlined in the RFP. A responsive proposal is one which: (a) follows the requirements of the RFP; (b) includes all documentation; (c) is submitted in the format outlined in the RFP; (d) is submitted timely; and (e) has the appropriate signatures as required on each document. Failure to comply with these requirements may result in a proposal being deemed non-responsive.

a) Responsiveness Review of Proposals: Each proposal will be reviewed to determine if the proposal is responsive to the RFP. The proposals shall be in three (3) separate bound/sealed parts. The "Part A Proposal" shall include the Proposer's Technical Proposal and all other required documentation as noted in the Instructions to Proposers. The "Part B Proposal" shall include the Proposer's Fee for their Services. The "Part C Proposal" shall include the Schedule of Intent Affidavit for the Community Small Business Enterprise program. THE REQUIRED DOCUMENTATION IS INCLUDED IN THE RFP AND IS PRINTED ON BLUE PAPER FOR THE PART A RESPONSE, GREEN

PAPER FOR THE PART B RESPONSE AND YELLOW PAPER FOR THE PART C RESPONSE.

NOTE: For purposes of identification and to assist the Proposers in the preparation of their submittals, the County has identified the difference between the Part A, Part B and Part C forms included in these documents by utilizing different colors. These different colors are solely meant to assist the Proposers in the preparation of the proposal, however, the copies, as required by these Instructions to Proposers, may be submitted on standard white paper.

b) CSBE Responsiveness Review (Part C Proposal): A Schedule of Intent Affidavit is required for each certified CSBE subcontractor meeting the four percent (4%) CSBE subcontractor goal for this Solicitation The affidavit(s) shall be submitted in a sealed white envelope. The Part C Proposal will be opened on the proposal submittal due date specified in the advertisement for the RFP and reviewed by the Department of Business Development. Upon notification by the DBD, Proposers may correct defects on the Schedule of Intent Affidavit(s) within forty-eight (48) hours after Proposal Due Date. Only those Part A Proposals, containing the Proposer's qualifications, that have been determined to be responsive will be opened publicly and the names of those responsive Proposers will be read aloud forty-eight (48) hours after the Proposal Due Date Part A and Part B Proposals non-responsive to Part C will not be opened Proposers are invited to be present at each opening.

In accordance with the CSBE participation provisions, a Proposer may within forty-eight (48) hours after Proposal Due Date correct the following defects of their Schedule of Intent ("SOI") Affidavit:

1. The scope of work is not identified for the subcontractor.
2. There is no signature of the subcontractor.
3. There is no signature of the prime contractor.
4. There are no signatures on other documents submitted with the SOI form.

Blank SOI affidavits (not listing subcontractors name and scope of work and percentage) are non-correctable items on the SOI.

c. Part A Proposal Responsiveness Review: Each Part A Proposal that is responsive to Part C will be opened and reviewed to determine if the Part A Proposal is responsive to this Request for Proposal.

d. Part B Proposal that includes the Proposer's fee for its Services will be opened at a later date.

1.26 REJECTION OF PROPOSALS

A. Proposals that do not contain completed and properly executed forms and affidavits, as required and included in this Request for Proposal document(s), may be rejected by the County.

B. Any Proposer who, at the time of proposal submission, is involved in an ongoing bankruptcy as a debtor, or in a reorganization, liquidation, or dissolution proceeding, or if a trustee or receiver has been appointed over all or a substantial portion of the property of the Proposer under federal bankruptcy law or any state insolvency law, may be declared non-responsible.

C. Proposals which are not responsive to the Request for Proposal documents may be rejected by the County.

D Collusive proposals from related parties. Where two (2) or more related parties each submit a bid or proposal for any contract, such bids or proposals shall be presumed to be collusive. The foregoing presumption may be rebutted by presentation of evidence as to the extent of ownership, control and management of such related parties in the preparation and submittal of such bids or proposals. Related parties mean bidders or proposers or the principals thereof which have a direct or indirect ownership interest in another bidder or proposer for the same contract, or in which a parent company or the principals thereof of one (1) bidder or proposer have a direct or indirect ownership interest in another bidder or proposer for the same contract. Bids or proposals found to be collusive shall be rejected. Bidders or proposers who have been found to have engaged in collusion may be considered non-responsible, and may be suspended or debarred, and any contract resulting from collusive proposing may be terminated for default

E. Proposals will be considered irregular and may be rejected if they contain omissions, alterations of form, additions not called for, unauthorized alternate proposals, or other irregularities.

F. The County reserves the right to waive informalities and irregularities contained in the proposal, to cancel the advertisement, to cancel any or all proposals or to reject any or all proposals, or to re-advertise for proposals, whichever is in the County's best interests.

G. Any of the following additional factors may be considered sufficient cause for the rejection of the proposal.

- Proposal submitted on a form other than that furnished by the County.
- Evidence of collusion among Proposers.

- Previous participation in collusive proposing on work for the County.
- Lack of Competency of Proposer. The Agreement will be awarded only to a Proposer considered to be capable of performing the work as required by the Agreement. The County may declare any Proposer ineligible at any time during the process of receiving proposals or awarding the Agreement where developments arise which, in the opinion of the County, adversely affect the Proposer's competency or ability to perform the work and to discharge its responsibilities under the Agreement
- Lack of capability as shown by past performance of Proposer's work for the County, judged from the standpoint of workmanship and progress or inability to perform the services required by the Agreement
- Being in arrears on any existing contract, or having been sued to enforce the County's rights on a contract, or having failed to complete the services and obligations required under a previous agreement with the County

1.27 QUARTERLY REPORTING WHEN SUBCONSULTANTS ARE UTILIZED

Proposers are advised that when Subconsultants are utilized to fulfill the terms and conditions of this Contract, Miami-Dade County Resolution No. 1634-93, will apply. This resolution requires the selected Proposer to file quarterly reports as to the amount of contract monies received from the County and the amounts thereof that have been paid by the Contractor directly to Black, Hispanic, and Women-owned businesses performing part of the Contract work.

Additionally, the listed businesses are required to sign the reports, verifying their participation in the contract work and their receipt of such monies. For purposes of applicability, the requirements of this resolution shall be in addition to any other reporting requirements required by law, statute, ordinance, or administrative order.

1.28 INSPECTOR GENERAL REVIEWS

A. INDEPENDENT PRIVATE SECTOR INSPECTOR GENERAL REVIEW

Pursuant to Miami-Dade County Administrative Order No. 3-20 and in connection with any award issued as a result of this RFP, the County has the right to retain the services of an Independent Private Sector Inspector General ("IPSIG"), whenever the County deems it appropriate to do so. Upon written notice from the County, the selected Proposer shall make available, to the IPSIG retained by the County, all requested records and documentation pertaining to this RFP or any subsequent award, for inspection and copying. The County will be responsible for the payment of these IPSIG services, and under no circumstance shall the Proposer's cost/price for this RFP be inclusive of any charges relating to these IPSIG services. The terms of this provision herein, apply to the Proposer, its officers, agents, employees and assignees. Nothing contained in this provision shall impair any independent right of the County to conduct, audit or investigate the operations, activities and performance of the selected Proposer in connection with this RFP or any contract issued as a result of this

RFP. The terms of this provision are neither intended nor shall they be construed to impose any liability on the County by the selected Proposer or third party.

B. MIAMI-DADE COUNTY INSPECTOR GENERAL REVIEW

Section 2-1076 of the Code of Miami-Dade County, as amended by Ordinance No. 99-63, established the Office of the Inspector General which may, on a random basis, perform audits on all County contracts, throughout the duration of said contracts, except as otherwise provided below. The cost of the audit of any agreement issued as a result of this RFP shall be one quarter of one percent (0.25%) of the total agreement amount which cost shall be included in the total proposed amount. The audit cost will be deducted by the County from progress payments to the selected Proposer. The audit cost shall also be included in all change orders and all contract renewals and extensions.

Exception: The above application of one quarter of one percent (0.25%) fee assessment shall not apply to the following contracts: (a) IPSIG contracts; (b) contracts for legal services; (c) contracts for financial advisory services; (d) auditing contracts; (e) facility rentals and lease agreements; (f) concessions and other rental agreements, (g) insurance contracts; (h) revenue generating contracts; (I) contracts where an IPSIG is assigned at the time the contract is approved by the Board; (j) professional service agreements under $1,000; (k) management agreements, (l) small purchase orders as defined in Miami-Dade County Administrative Order No. 3-2; (m) federal, state and local government funded grants; and (n) interlocal agreements **Notwithstanding the foregoing, the Miami-Dade County Board of County Commissioners may authorize the inclusion of the fee assessment of one-quarter of one percent (0.25%) in any exempted contract at the time of award.**

Nothing contained above shall in any way limit the powers of the Inspector General to perform audits on all County contracts including, but not limited to, those contracts specifically exempted above.

1.29 RESPONSIBLE WAGE REQUIREMENTS: The Agreement shall be subject to the provisions of Miami-Dade County Ordinance No. 90-143 and Administrative Order No. 3-24, for the responsible wages and benefits for County construction contracts.

1.30 ORDINANCES, RESOLUTIONS AND/OR ADMINISTRATIVE ORDERS

To request a copy of any ordinance, resolution and/or administrative order cited in this Solicitation, the Proposer must contact the **Clerk of the Board at (305) 375-5126.**

SECTION 2.0 – GENERAL SCOPE OF SERVICES

The Proposer to whom this Agreement is awarded shall furnish all labor, new materials, tools, supplies and other items required for the design, installation, maintenance, repair, and management and operational support services for: (I) all voice and data network infrastructure for MDAD, its users and tenants; and (ii) the management of shared airport tenant services ("SATS") for the County to Tenants and users at the Airport (collectively, the "Work").

The "Work" includes, but is not limited to: (a) provisioning of voice and data network services; (b) maintaining existing and future voice and data networks infrastructure equipment including operation, maintenance, repair, monitoring, and support of network devices such as routers, switches, and servers; (c) supporting of circuits, including vendor resolutions and support of environmentals including UPS devices for all switches and routers at all sites, (d) daily analysis of network performance to research trending and troubleshooting from end point to end point to enable quick resolution of system degradation, (e) providing capacity planning for all network links, PBX switches and trunk groups; (f) providing an on-site Help Desk and Network Operation Center dedicated to providing uninterrupted service to airport operations, (g) managing the existing voice and data network infrastructure;(h) maintaining records as required by MDAD, including but not limited to, equipment and cable plant, record keeping of work order activity, equipment inventory, telephone number inventory, number dialing plan, key sheets, and cable management to the Intermediate Distribution Frame level and jack level for existing and new structure; (i) managing the turn-key installation of new voice, data and network services such as user training on equipment, project scheduling, appropriate billing to MDAD and SATS customers; (j) billing user customers for services, and also for the specified equipment, including when specifically requested by appropriate work order; (k) needs assessment; (l) system design; (m) procurement of equipment and parts; (n) documentation and reports; (o) record keeping and inventory, and (p) any other functions related to the provisioning of the services.

The Contractor shall also be responsible to provide, install and maintain technical systems hardware and software associated with the management of all telecommunications Asynchronous Transfer Mode ("ATM") Gigabit Ethernet & ATM infrastructure. In addition, the Contractor shall maintain computer hardware and software and the database associated with the cable record systems, the New Security System Cable Management System (after the initial contract expires with that system's provider), and any billing system the Contractor chooses to employ subject to approval by the MDAD These software applications shall be maintained and operated at such a level that is suitable to maintain the quality of service or additional requirements outlined in the Agreement or other sections of this Specification. Back-ups shall be performed and maintained off-site by the Contractor for all key technical systems to ensure data integrity and disaster recovery. The complete service requirements for the ensuing agreement are included as Exhibit A, entitled "Telecommunications and Network Management Services Specification", to the Form of Non-Exclusive Agreement of this RFP

SECTION 3.0 - PROPOSAL FORMAT

3.1 INSTRUCTIONS TO PROPOSERS

Proposers should carefully follow the format and instructions in Section 1.5 "Proposal Submission" and outlined below, observing format requirements where indicated. All materials (except for plans and schematics, if any) are to be submitted on 8 1/2" X 11" pages, neatly typed on one side only, with one inch (1") margins and minimum 12 point font. All documents and information must be fully completed and signed as required The original document package must not be bound. The document package copies should be individually bound Proposals that do not include the required documents may be deemed non-responsive and may not be considered for contract award.

3.2 CONTENTS OF PROPOSAL:

The proposal must consist of three (3) separate parts: (A) Technical Proposal, (B) Price Proposal, and the (C) Schedule of Intent Affidavit(s) for the Community Small Business Enterprise program, as follows:

A. TECHNICAL PROPOSAL (PART A)

The Technical Proposal shall be written in sufficient detail to permit the County to conduct a meaningful evaluation of the proposed services No cost information is to be included with the Technical Proposal The Technical Proposal must include the following information:

1) Cover Page for Technical Proposal (See Appendix A)
The attached form (Appendix A) is to be used as the cover page for the Technical Proposal This form must be fully completed and signed by an authorized officer of the Proposer submitting the proposal.

2) Table of Contents
The table of contents should outline in sequential order the major areas of the proposal. All pages of the proposal, including the enclosures, must be clearly and consecutively numbered and correspond to the table of contents.

3) Executive Summary
Provide a brief summary describing the Proposer's ability to perform the work requested in this RFP; a history of the Proposer's background and experience in providing similar services; the qualifications of the Proposer's personnel to be assigned to this project and a brief history of their background and experience; and, any other information called for by this RFP which the Proposer deems relevant. This summary should be brief and concise to advise the reader of the basic services offered, experience and qualifications of the Proposer and staff. The executive summary should be no longer than two (2) pages

4) Minimum Qualification Requirements

Proposers shall provide documentation that demonstrates their ability to satisfy all of the minimum qualification requirements. Proposers who do not meet the minimum qualification requirements or who fail to provide supporting documentation may not be considered for award. If a prescribed format or required documentation for the response to minimum qualification requirements is listed below, Proposers must use said format and supply said documentation.

The Minimum Qualification requirements for this RFP are:

(a) A proposal will only be considered from a firm that is regularly engaged in the business of providing the Voice/Data/Help Desk and Network Operation Center ("NOC") and support services as required by this Solicitation. To satisfy this requirement, Proposers MUST:

(1) Have had a minimum of five (5) years of providing voice and data management services as described in this RFP, for at least three (3) major airports and/or large government facilities in North America, meeting or exceeding size and complexities of the voice and data support requirements at MIA.

(2) Have had a minimum of five (5) years of providing On-Site Help Desk and NOC management services and associated software meeting or exceeding the requirements described in this RFP, for at least three (3) major airports and/or large government facilities in North America.

(3) Submit information on the Experience and Qualifications table in the Appendix A entitled "Technical Proposal and Minimum Qualifications Affidavit" to demonstrate the Proposer has the required management services to meet these minimum qualifications:

a Name and location of the airports or government entities in North America requested above.

b State what software modules were provided, if applicable

c List types of services, and provide a brief scope of work and annual dollar value

d Number of Voice and Data Ports

e Contact name, address, and telephone number

f. Number of employees currently employed at each job location

g. Number of employees currently employed at Proposer's home support office dedicated to providing off-site services.

(4) ~~A Proposer must ensure that it or its Subcontractor, at the time~~ the Proposal is submitted and throughout the duration of the Agreement, a current valid certificate for the voice/data cabling work contemplated by the Agreement and issued by.

a) The State of Florida Construction Industry Licensing Board, pursuant to the provisions of Section 489.115 of the Florida Statutes; or

b) The Miami-Dade County Construction Trades Qualifying Board, pursuant to the provisions of Section 10-3(a) of the Miami-Dade County Code. Holders of Miami-Dade County Certificates of Competency must also hold Certificates of Registration issued by the State of Florida Construction Industry Licensing Board, pursuant to the provisions of Section 489.115 or Section 489.117, Florida Statutes.

Failure to hold the appropriate certificate at the time this Proposal is submitted shall render the Proposal non-responsive. Copies of the Proposer's Contractor's License(s) or its Subcontractor's license(s) are required to be included in the Proposer's submittal.

If Proposer is a joint venture, the joint venture entity, of whatever nature or qualifications, must be qualified as a separate and distinct entity, as required by the rules of the State of Florida Department of Business and Professional Regulations.

Joint venture Proposers not otherwise qualified as set forth above, may submit Qualifications if they have initiated the process with the Florida Construction Industry Licensing Board and have received a letter from the Department of Business and Professional Regulation ("DBPR") attesting that they have satisfied the requirements of The State of Florida Department of Business and Professional Regulations pertaining to the Qualifications of Joint Ventures. Such letters must be submitted with the Proposer's Qualifications.

5) GENERAL PROPOSER QUALIFICATIONS (100 points)

A. Company Qualifications (50 Points)

1) EXPERIENCE. Describe the Proposer's past performance under the same company name and experience and state the number of years that the Proposer has been in existence, the number of years in the telecommunications business, the current number of employees, and the primary markets served.

2) SPECIFIC PROJECT EXPERIENCE Provide a detailed description of comparable contracts (similar in scope of services to those requested herein) which the Proposer has either ongoing or completed within the past three (3) years. The description shall identify for each project: (i) the client, (ii) description of scope work, (iii) total dollar value of the contract, (iv) contract duration, and corporate management qualifications, (v) statement or notation of whether Proposer is/was the prime contractor or subcontractor or prime consultant or subconsultant. List and describe those projects performed for any major airport, government clients, similar size private entities, or any work performed for the County.

3) ADDITIONAL EXPERIENCE. Describe any other experiences related to the work or services described in the Scope of Services (see Section 2.0), and any other information which may be specific to the required services to be provided (e.g , software/hardware information, training, etc).

4) PAST PERFORMANCE WITH THE COUNTY List all contracts which the Proposer has performed for Miami-Dade County. The County will review all contracts the Proposer has performed for the County in accordance with Miami-Dade County Ordinance No. 98-42, which requires that "a Bidder's or Proposer's past performance on County Contracts be considered in the selection of Consultants and Contractors for future County Contracts." As such the Proposer must list and describe all work performed for Miami-Dade County and include the name of the County department which administers or administered the contract(s), the contact person(s) on the contract(s) and their telephone number; the dates covering the term of the contract(s); and, the dollar value of the contract(s).

5) RESOURCE AVAILABILITY & CAPABILITY. Describe the locally available resources the Proposer has in Miami-Dade County, or Broward County including number of personnel, equipment inventories, disaster recovery centers, and off premises systems, that would be used to provide service or support the MDAD

Telecommunications infrastructure or supplement the Proposer's resources located at MIA. Please include the following information:

Employment Plan

a) Submit detailed employment policies and procedures.

b) Describe in detail all human resource programs that demonstrate Proposer's ability to promote and manage a diversified work force, promote work place fairness and equal opportunity, and establish and enhance employee motivation.

6) FINANCIAL VIABILITY. Proposer must submit applicable tax returns for the past three (3) years or for the years the Proposer has been in existence, if less than three (3) years (Forms 1120, 1120S, 1040, or 1065) In addition, the Proposer must submit its 10Qs for the most recent reporting period

If a joint venture, all partners must submit applicable tax returns for the past three (3) years or for the years the Partners have been in existence, if less than three (3) years (Forms: 1120, 1120S, 1040, or 1065). In addition, all partners must submit its 10Qs for the most recent reporting period.

In addition to the above, the Proposer must also submit the following:

- If Proposer is an individual, attach its personal financial statement (net worth) for the last three (3) years reviewed by an independent certified public accountant.

- If the Proposer is not an individual or a joint venture, attach Proposer's financial statement for the last three (3) years, or for the years the Proposer has been in existence, if less than three (3) years reviewed by an independent certified public accountant.

The public accountant must opine on the financial statements according to the standards for review engagements established by the American Institute of Certified Public Accountants. The Proposer must also include a statement in writing, signed by a duly authorized representative, stating that the present financial condition is materially the same as that shown on or with an explanation for a material change in the financial condition.

7) REFERENCES. Provide the name, position title and telephone number of a principal contact for the projects outlined in paragraph 2 above, entitled "Specific Project Experience"

8) **CONVICTIONS, INDICTMENTS, OR INVESTIGATIONS.** Proposers and each member of a joint venture must identify any criminal convictions or civil judgments for the last ten (10) years, and pending criminal indictments or governmental/regulatory investigations. Information must include: (i) nature of the offense; (ii) sentence, fines, restitution, or probation imposed; (iii) jurisdiction of occurrence; (iv) indicting or investigative authority; and (v) status of indictment or investigation.

9) Describe any prior or pending litigation, in which (a) the Proposer, (b) any member of a joint venture, (c) Subcontractors, (d) any of those entities' subsidiaries, affiliates or parent companies, or (e) any of those entities' employees is or has been involved within the last three (3) years

10) Describe in detail, the events surrounding an agreement or contract of (a) the Proposer, (b) any member of a joint venture, or (c) Subcontractors being terminated, defaulted, or a notice of default issued.

B. **Qualifications of individuals, including subcontractors, that will be assigned to this project. (50 Points)**

1) Provide an organization chart showing all key individuals, including their titles, to be assigned to this project. This chart must clearly identify the Proposer's employees and those of the Subcontractors or Subconsultants. Provide resumes with job descriptions and other detailed qualification information on all key personnel who will be assigned to this project.

2) Describe the experience, qualifications and other vital information, including relevant experience on previous similar projects, including major airports, of all key individuals and Subcontractors or Subconsultants who will be assigned to this project. This information shall include the functions to be performed by the key individuals and the Subcontractors or Subconsultants.

3) The Proposer shall list the names and addresses describe the qualifications of each Subcontractor which it intends to use and the percentage and scope of the work which will be assigned to each of them. Resumes for the Subcontractor's key personnel must be included.

Note: After proposal submission, but prior to the award issued as a result of this RFP, the Proposer has a continuing obligation to advise the County of any changes, intended or otherwise, to the key personnel identified in its proposal.

6) SERVICE REQUIREMENTS **(100 Points)**

A: Technical and Service Specifications (60 points)

(1) Describe Proposer's proposed plan and recommended solutions in performing the services described in the Scope of Services (see Section 2.0), and describe Proposer's specific policies, plans, procedures or techniques to be used in providing the services to be performed. The Proposer shall describe its approach to project organization and management, responsibilities of Proposer's management and staff personnel that will perform work in this project.

(2) Identify if Proposer's proposed plan (a) meets the requirements of the Scope of Services, described in Section 2.0, (b) will meet the requirements with modifications (explain how), or (c) cannot meet the requirements

B. Quality and effectiveness of support systems to provide required services. (20 points)

Describe the support systems (hardware and software) provided by the Contractor that will be used to support the services provided. The information shall include, but not be limited to, the following:

- Work Order System
- Billing System
- Inventory Management System
- Network Operations Center
- Help Desk
- Trouble Reporting and Tracking Software

C Transition Plan (20 points)

Proposer must specifically provide a detailed plan for the transition period, the "transition period" shall mean, the period of time from the Notice to Proceed to the date of commencement of operations as further specified Exhibit A, entitled "Telecommunications and Network Management Services Specification". This information shall included, but not be limited to, the following:

i. Work Schedules
ii. Personnel to be assigned
iii. Transition milestone dates
iv. Familiarity and expertise in the use of time keeping and reporting systems that confirm actual hours and work performed
v. Familiarity with responding to customer service issues and a detailed description of its customer service training program(s). Describe in detail Proposer's training programs including standards for quality performance.

7) Affidavits/Requirements To Be Submitted With The Proposal

The following affidavits must be submitted with the proposal. Affidavits 1 through 3 are part of a single execution affidavit, Affidavits 4, 5, 6, and 7 must be separately executed.

(A) Public Entity Crimes Sworn Statement (Affidavit 1)

Pursuant to Paragraph 2(a) of Section 287.133, Florida Statutes, "Any person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a propose on a solicitation to provide goods and/or services to a public entity, may not submit a propose on a solicitation with a public entity for construction or repair of a public building or public work, may not submit a propose on leases of real property to a public entity, may not be awarded or perform work as a contractor or, supplier, or subcontractor or consultant under a solicitation with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, for CATEGORY TWO ($10,000.00) for a period of thirty-six (36) months from the date of being placed on the convicted vendor list "

(B) Debarment Disclosure Affidavit (Affidavit 2)

The Proposer shall comply with Miami-Dade County Ordinance No. 93-129 as amended by Ordinance No. 00-18, which prevents contractors, subcontractors, their officers, their principals, stockholders, and their affiliates who have been debarred by the County, from entering into contracts with the County during the period for which they have been debarred. Debarment may also constitute grounds for termination of any existing County contract.

It is the Proposer's responsibility to ascertain that none of the Subcontractors, their officers, principals or affiliates, as defined in the ordinance, are debarred by the County pursuant to Ordinance No. 93-129 as amended by Ordinance No. 00-18 and Administrative Order No. 3-2 before submitting a proposal.

The Disclosure Affidavit pursuant to Ordinance No 93-129 as amended by Ordinance No. 00-18 requires the proposer to affirm, under oath, that neither the proposer, its subcontractors, or their officers, principals or

affiliates, as defined in the ordinance, are debarred by the County at the time of the proposal.

Any Proposer who fails to complete the Disclosure Affidavit shall not be awarded an Agreement with the County. Any contract or transaction entered into in violation of Ordinance No. 93-129 as amended by Ordinance No. 00-18 is void, and any person who willfully fails to disclose the required information or who knowingly discloses false information can be punished by civil or criminal penalties, or both, as provided for in the law.

The Proposers and Contractors shall also comply with Miami-Dade County Ordinance Nos. 93-137 and 97-52 providing contractual penalties and debarment for any Contractor attempting to meet contractual obligations and compliance with the Community Small Business Enterprise Program through fraud, misrepresentation, or material misstatement.

(C) Criminal Conviction Disclosure (Affidavit 3)

Pursuant to Miami-Dade County Ordinance No. 94-34, "Any individual who has been convicted of a felony during the past ten (10) years and any corporation, partnership, joint venture or other legal entity having an officer, director, or executive who has been convicted of a felony during the past ten (10) years shall disclose this information prior to entering into a contract with or receiving funding from the County."

(D) Individuals and Entities Doing Business with the County not Current in their Obligations to the County (Affidavit 4)

Pursuant to Miami-Dade County Ordinance No. 99-162 and Section 2-8.1 of the Code, no individual or entity who is in arrears in any payment under a contract, promissory note or other loan document with the County, or any of its agencies or instrumentalities, including the Public Health Trust, either directly or indirectly through a firm, corporation, partnership or joint venture in which the individual or entity has a controlling financial interest as that term is defined in Section 2-11.1(b)(8) of the Code, shall be allowed to receive any additional County contracts, purchase orders or extensions of County contracts until either the arrearage has been paid in full or the County has agreed in writing to a payment schedule. Failure to meet the terms and conditions of any obligation or repayment schedule shall constitute a default of the subject contract and may be cause for suspension, termination and debarment, in accordance with the terms of the contract and the debarment procedures of the County. Failure to submit the Current in Obligations to the County Affidavit at the time of proposal shall not render the proposal nonresponsive, however, the submission of a properly completed and executed affidavit is a condition of award.

(E) Disclosure of Ownership Affidavit (Affidavit 5)

Pursuant to Miami-Dade County Ordinance No. 88-121, the proposer shall disclose the full legal name and business address of any individual (other than subcontractors, material men, suppliers, laborers, or lenders) that has, or will have any interest (legal, equitable, beneficial, or otherwise) in the contract or business transaction with the County. If the contract or business transaction is with a corporation, the full legal address shall be provided for each officer and director and each stockholder who holds directly or indirectly five percent (5%) or more of the corporation's stock. If the contract or business transaction is with a trust, the full legal name and address shall be provided for each trustee and each beneficiary. Post Office addresses are not acceptable.

Also, pursuant to Miami-Dade County Ordinance No. 90-133, the proposer shall disclose the composition of the workforce, and existence of a collective bargaining agreement.

Failure to submit the Disclosure of Ownership Affidavit at the time of proposal shall not render the proposal nonresponsive, however, the submission of a properly completed and executed affidavit is a condition of award.

(F) Code of Business Ethics Affidavit (Affidavit 6)

In accordance with Section 2-8.1(i) of the Code of Miami-Dade County, each person or entity that seeks to do business with the County shall adopt a Code of Business Ethics (the "Ethics Code") and shall, prior to execution of any contract between the contractor and the County, submit an affidavit stating that the contractor has adopted an Ethics Code that complies with the requirements of Section 2-8.1(i) of the Code. Any person or entity that fails to submit the required affidavit shall be ineligible for contract award. Failure to submit the Code of Business Ethics Affidavit at the time of proposal shall not render the proposal nonresponsive, however, the submission of a properly completed and executed affidavit is a condition of award.

(G) County Contractors Employment and Procurement Practices Affidavit (Affidavit 7A and 7B)

Miami-Dade County Ordinance No. 98-30 requires certain entities, as a condition of receiving a County contract, to demonstrate that their employment and procurement practices do not discriminate against minorities and women. Unless waived by the Board upon written recommendation by the County Manager that it is in the best interests of the County to do so, no contract will be awarded to a proposer unless and until the certification is provided by the Proposer or the Proposer claims an exemption. Unless verification that the firm's annual gross revenue

does not exceed $5,000,000 is submitted with the proposal, either (i) the certification or (ii) a claim of exemption shall be submitted with the proposal using either the Affirmative Action Plan/Procurement Policy Affidavit (7A), or Affirmative Action Plan/Procurement Exemption Affidavit (7B) contained in the Proposal Form. Failure to comply at the time of proposal with the requirements of this Section (7) shall not render the proposal nonresponsive, however compliance with this Section (7) is a condition of award.

(H) As of the Proposal Due Date, the Proposer, if a corporation, must provide proof of authorization to do business in the State of Florida. The Proposer, if a joint venture, must provide proof of authorization to do business in the State of Florida, for each corporate member.

8) Additional Condition Of Award Requirements

The highest ranked responsive and responsible Proposer must submit the following certifications prior to contract award. Failure to submit these certifications may cause the contract to be awarded to the next ranked responsive, responsible Proposer. Certifications described in paragraphs (A) through (E) are part of a single execution certification.

(A) Pursuant to Miami-Dade County Resolution No. R-182-00 amending Resolution No. R-385-95, Contractors/respondents shall, as a condition of award, provide written certification that the firm is not in violation of the Americans with Disabilities Act of 1990, the Rehabilitation Act of 1973, the Federal Transit Act, the Fair Housing Act, and other laws prohibiting discrimination on the basis of disability. Any post-award violation of these acts may result in the contract being declared void. If any certifying firm or affiliate is found in violation of the acts, the County will conduct no further business with such attesting firm. Any violation of this resolution may result in debarment.

(B) Pursuant to Miami-Dade County Resolution No. R-183-00 amending Resolution No. R-1499-91, Contractors/respondents shall, as a condition of award, provide written certification that the firm provides family leave to their employees as required by the County's Family Leave Ordinance. Proposers/respondents who fail to provide the required certification shall preclude the bidder/respondent from receiving the contract. Any violation of this ordinance may result in debarment.

(C) Pursuant to Miami-Dade County Resolution No. R-185-00, Contractors/respondents shall, as a condition of award, provide written certification that the firm is in compliance with the Domestic Leave Ordinance, Ordinance No. 99-05. Proposers/respondents who fail to provide the required certification shall preclude the bidder/respondent from receiving the contract. Failure to comply with the requirements of

this resolution or ordinance may result in the contract being declared void, the contract being terminated, and/or the firm being debarred.

(D) Pursuant to Miami-Dade County Ordinance No. 00-30, it shall be a condition of award that the Contractor shall verify that all delinquent and currently due fees or taxes, including but not limited to real and property taxes, utility taxes and occupational licenses - collected in the normal course by the Miami-Dade County Tax Collector, as well as Miami-Dade County issued parking tickets for vehicles registered in the name of the Contractor, have been paid Failure to comply with this policy may result in debarment.

(E) No person or entity shall be awarded or receive a County contract for public improvements unless such person or entity make it a condition of award that it will provide a drug free workplace and comply with Section 2-8.1.2 of the Code of Miami-Dade County, as amended by Ordinance No 00-30. Failure to comply with this policy may result in debarment for those persons or entities that knowingly violate this policy or falsify information.

(F) Required Listing of Subconsultants and Suppliers on County Contracts

Miami-Dade County Ordinance No. 97-104, amended by Ordinance 00-30, requires a bid or proposal for a County or Public Health Trust contract involving the expenditure of $100,000 or more include a listing of Subconsultants and suppliers who will be used on the contract. The required listing must be filed prior to the contract award. The required listing must be submitted even though the Proposer will not utilize Subconsultants or suppliers on the contract. In the latter case, the listing must expressly state no Subconsultants, or suppliers, as the case may be, will be used on the contract

(G) Fair Subcontracting Policies

All selected proposers on County contracts in which subconsultants may be used shall be subject to and comply with Miami-Dade County Ordinance No. 97-35, requiring proposers to provide a detailed statement of their policies and procedures for awarding subcontracts which:

a) notifies the broadest number of local subconsultants of the opportunity to be awarded a subcontract;
b) invites local subconsultants to submit bids/proposals in a practical, expedient way;
c) provides local subconsultants access to information necessary to prepare and formulate a subcontracting bid/proposal;
d) allows local subconsultants to meet with appropriate personnel of the proposer to discuss the proposer's requirements; and

e) awards subcontracts based on full and complete consideration of all submitted proposals and in accordance with the proposer's stated objectives

All proposers seeking to contract with the County shall, as a condition of award, provide a statement of their subcontracting policies and procedures **(Appendix F)**. Proposers who fail to provide a statement of their policies and procedures may not be recommended by the County Manager for award by the Board.

The term "local" means having headquarters located in Miami-Dade County or having a place of business located in Miami-Dade County from which the contract or subcontract will be performed.

The term "subconsultant" means a business independent of a proposer that may agree with the proposer to perform a portion of a contract.

The term "subcontract" means an agreement between a proposer and a subconsultant to perform a portion of a contract between the proposer and the County.

9) Forms/Affidavits/Acknowledgements

The Proposer must complete, sign as required, and submit the following documents as part of its Technical Proposal:

Appendix A Cover Page for Technical Proposal and Minimum Qualifications Requirement Affidavit
Appendix B Registration for Oral Presentation
Appendix C Acknowledgment of Addenda
Appendix D Proposal Guaranty
Appendix E Local Preference
Appendix F Affidavits

Submittal With Proposal Required
Single execution Affidavits
Affidavit 1 - Sworn Statement On Public Entity Crimes
Affidavit 2 - Miami-Dade County Debarment Disclosure Affidavit
Affidavit 3 - Criminal Record Affidavit
Affidavit 4 - Current in Obligations to the County Affidavit
Affidavit 5 - Contractor's Disclosure Affidavit for Miami-Dade County
Affidavit 6 - Code of Business Ethics Affidavit
Affidavit 7A - Affirmative Action Plan/Procurement Policy Affidavit
Affidavit 7B - Affirmative Action Plan/Procurement Exemption Affidavit
Proof of Authorization to do Business

Additional Condition Of Award Requirements
Subcontractor/Supplier Listing
Single Execution Condition of Award Certifications/Verifications
~~Disability Nondiscrimination Certification~~
Family Leave Certification
Domestic Leave Certification
Currently Due Fees and Taxes Verification
Drug Free Work Place Certification
Subcontracting Policies Statement

B. PRICE PROPOSAL (PART B)

1. **Submission Procedure:** The Proposer must submit the Price Proposal in a separate **sealed** envelope or package (**separate from the Technical Proposal**) clearly marked on the sealed envelope or package "**PRICE PROPOSAL**", together with the Proposer's name, RFP Number and RFP title. The Proposer may submit the separate sealed Price Proposal inside the same container or package together with the separate Technical Proposal. The Proposer's price shall be submitted on **Form B-1 "Price Proposal Schedule"**, and in the manner required on said attachment form; there are no exceptions allowed to this requirement. Proposers who do not submit pricing in accordance with this RFP document and **Form B-1** shall be deemed non-responsive. The Price Proposal must contain the following information:

   a) Total Price that includes all costs associated with providing all requirements of the RFP solicitation.
   b) Detailed staffing table by major task that reflects total staff hours by individuals or discipline and hourly rates
   c) Projection of Proposer's operational costs of this project for each year

   Note: The Price Proposal shall consist of one original and ten copies

2. **FORM B-1 DESCRIPTION**

   Form B-1 "Price Proposal Schedule" boxes that are required to be filled out include the following

   ### A. On-Site Management Maintenance and Operations Staff

   Each category of labor shall have a price quoted for the **hourly/yearly salary.** The Proposer shall provide the build-up of its proposed yearly salaries. The yearly salaries shall exclude overhead and profit and shall include:

   1. The Basic Hourly Rate
   2. Vacation Pay and Union Payroll Burdens

3. Statutory Payroll Burdens
4. Premium Pay for overtime and/or shift work
5. Site Burdens as follows
   - Safety related costs
   - Miscellaneous small tools and consumable supplies
   - Applicable travel costs (no travel costs for travel to/from MIA for working at MIA)
   - All costs associated with meeting the requirements of the Agreement and Specification

   All other site labor indirects and productivity burdens shall be addressed where applicable and shall be specifically identified.

Each category of labor shall have a multiplier quoted to cover **Overhead and Profit**.

B. After On-site Hours of Operation Hourly Rate

This is the billable rate that will be charged to the County for repairs and installations performed after on-site hours of operation described in the Technical Specification. Estimated hours for pricing purposes is 100 hours a year using the Monday-Sunday rate.

C. Project Management of Subcontracts

The Proposer shall quote their mark-ups for subcontracted work, like wiring and cabling, etc. This percentage should be minimal because all general and administrative costs should be executed by the staff in item 2A above. The following criteria shall be followed by the Proposer making the percentage quotation:

1) For individual subcontracts greater than $100,000 the mark-up fee shall not be greater than ten percent (10%).
2) The estimated annual amount is $350,000 per year for cost evaluation purposes only.

D. Obligations with Vendors

Shall include all third party maintenance agreements needed to maintain installed equipment or applications outside the technical expertise of the staff in item 2A above. The estimated value of contracts is $400,000 a year for pricing purposes only.

E. New Materials and Equipment Purchased

The Proposer shall quote their markup for new equipment and materials purchased by the Proposer on behalf of MDAD and not included in the

subcontract section. Estimated purchase orders for pricing purposes is $630,000 a year.

Note: The successful Proposer shall be responsible for any and all costs associated with the training of their staff during the period described in the Specification.

3. PRICE PROPOSAL LINE ITEMS FORM DESCRIPTION

The data submitted in Form B-1, Price Proposal Schedule, will be inserted (by the County) in the Table 1 spreadsheet Price Proposal Line Items, and the total 5-Year Price will be computed according to the criteria outlined in the spreadsheet. The assumptions stated in the spreadsheet will be used for all Proposers for evaluation purposes only The actual number of staff shown in item A, the estimated subcontracted work in item C, and the materials purchased in item E may vary during the term of the agreement. **The rates submitted in Form B-1, however are expected to be the actual rates that the successful Proposer will charge MDAD for the performance of the Services.**

An example spreadsheet, showing proposed rates and the calculated Total 5-Year Price, for illustration purposes only, is included in Table 1, Proposal Line Items Example.

C. COMMUNITY SMALL BUSINESS ENTERPRISES (PART C)

On the Proposal Due Date, the Proposer shall submit in a sealed white envelope the Schedule of Intent Affidavit(s) for the Community Small Business Enterprise program for each certified subcontractor meeting the four percent (4%) CSBE subcontractor goal, as required by this RFP.

3.3 PROPOSAL PREPARATION REQUIREMENTS

Proposers must follow instructions of Section 1.5 "Proposal Submission". The proposal Guarantee Deposit specified in these Instructions to Proposers shall be enclosed with the Part A Proposal. Failure to include the specified Guarantee Deposit shall render the proposal non-responsive. The proposal shall consist of three parts separately sealed and bound 1) Part A – Technical Proposal; 2) Part B – Price Proposal, and 3) Part C – Schedule of Intent Affidavit(s) for the Community Small Business Enterprise program as described in Section 1.8 of the Instructions to Proposers. The required amount of copies to be submitted in Part A shall be an original and ten (10) copies. The required amount of copies to be submitted in Part B shall be an original and ten (10) copies. The required amount of copies to be submitted in Part C shall be an original and one (1) copy. The Part A, Part B, and Part C proposals must be sealed and packaged separately and be submitted in a sealed envelope or container that should be addressed as follows:

Proposer's Name Proposer's Address Proposer's Telephone Number Clerk of the Board Stephen P Clark Center 111 NW 1st Street 17th Floor Suite 202 Miami, Florida 33128-1983 RFP No.: RFP Title. Proposal Due Date:

SECTION 4.0 - EVALUATION/SELECTION PROCESS

4.1 TECHNICAL PROPOSAL EVALUATION

The Evaluation/Selection Committee will first evaluate responsive proposals on the Technical Proposal criteria listed below. The criteria are itemized with their respective weights for a maximum total of two hundred (200) points for all Technical Criteria. A Proposer may receive the maximum points or a portion of this score depending on the merit of its proposal, as judged by the Evaluation/Selection Committee in accordance with:

Criteria	Points
General Proposer Qualifications	(100 points)
A. Company Qualifications. Includes experience, past performance, resource availability, financial viability and references	(50)
B. Qualification of Individuals including subcontractors.	(50)
Service Requirements	(100 points)
A. Technical and Service Specifications	(60)
B. Quality and effectiveness of Support Systems to provide services	(20)
C. Transition Plan	(20)

Based on the Evaluation/Selection Committee's evaluation of the written Technical Proposal and oral presentations, if required, the committee shall rate and rank the responsive firms on their Technical Proposal based on the criteria listed above If the committee decides not to hold oral presentations in accordance with Section 1.17, the Committee shall rate and rank the responsive firms on the Criteria listed above.

4.2 PRICE PROPOSAL EVALUATION

After the Evaluation/Selection Committee evaluates the Technical Proposals in light of the oral presentation (if necessary), it will then evaluate the Price Proposals of those Proposers remaining in consideration.

After the Evaluation/Selection Committee evaluates the Technical Proposals, in light of the oral presentation(s) if necessary, it will then evaluate the Price Proposals of those Proposers remaining in consideration.

The sealed Price Proposal envelopes of the Proposers remaining in consideration will then be opened in the presence of the Evaluation/Selection Committee. Price will be considered separately and only after the evaluation of the Technical Proposals has been completed by the Evaluation/Selection Committee.

The Price Proposal submission will be assigned a maximum of one hundred (100) points. The Price will be evaluated in the following manner:

a) The figures submitted by the Proposer in Form B-1 will be inserted by the County in the spreadsheet in Table 1, Proposal Price Line Items, and a computation of the total 5-year price will be done based on the description in Section 3.2 B, Price Proposal Line Items Form Description.

b) The responsive proposal with the lowest total 5-year price will be given the full weight of one hundred (100) points assigned to the price criterion.

c) Every other proposal will be given points proportionately in relation to the lowest 5-year price. This point total will be calculated by dividing the lowest price proposed by the total price of the proposal being evaluated with the result being multiplied by the maximum weight for price (points) to arrive at a cost score of less than the full score for price.

$$\text{Example: } \frac{\text{Lowest Price Proposed}}{\text{Proposer's Proposed Price}} \times \text{Total Points for Price} = \text{Price Score}$$

The application of the above formula will result in a uniform assignment of points relative to the criterion of price.

4.3 OVERALL RANKING

The Evaluation/Selection Committee will then determine the overall ranking by adding the Price Proposal evaluation score with the Technical Proposal evaluation score and all other applicable additional points specified in this solicitation, if any, to determine the overall ranking.

Following the evaluation and ranking of the proposals, the Evaluation/Selection Committee will recommend to the County Manager that a contract be awarded to the highest ranked responsive and responsible Proposer. Upon concurrence of

the County Manager, a contract will be prepared and submitted to the Board for approval.

4.4 NEGOTIATIONS

A. The County may award a contract on the basis of initial offers received, without discussions. Therefore, each initial offer should contain the Proposer's best terms from a monetary and technical standpoint.

B. The County reserves the right to enter into contract negotiations with the selected Proposer. If the County and the selected Proposer cannot negotiate a successful contract, the County may terminate said negotiations and begin negotiations with another selected Proposer. This process may continue until a contract is executed, or the County may reject all proposals. No Proposer shall have any rights against the County arising from such negotiations or termination thereof.

4.5 CONTRACT AWARD

The Contract award, if any, shall be made to the Proposer whose proposal shall be deemed by the Board to be in the best interest of the County. The Board's decision of whether to make the award and which proposal is in the best interest of the County shall be final

BELLSOUTH TECHNICAL PROPOSAL

FOR THE

NON-EXCLUSIVE TELECOMMUNICATIONS

AND NETWORK MANAGEMENT SERVICES AGREEMENT

RFP NO. MDAD-04-01

APRIL 17, 2003

MARIA JOHNSTON
Account Manager
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7650 NW 19TH Street
Suite 300
Miami, Florida 33317
305-569-7336 (Office)
mail to: maria.johnston@bellsouth.com

BELLSOUTH

BST1962

EXHIBIT
MDC 43

Final Exhibit
No. 268

BELLSOUTH TECHNICAL PROPOSAL

TO

REQUEST FOR PROPOSAL

FOR THE

NON-EXCLUSIVE TELECOMMUNICATIONS

AND NETWORK MANAGEMENT SERVICES AGREEMENT

RFP NO. MDAD-04-01

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954-788-1095
TODD

MIA SECURITY EQUIPMENT PROCUREMENT II

PROJECT NO. ITB-MDAD-05-02

SET NO.	DATE	CHECK #	NAME	CONTRACTOR	ADDRESS	TELEPHONE	FAX NO.
1	1/23/03	N/C	N/A	F.W. Dodge Corporation	Fed Ex 1-23-03		
2	1/23/03	N/C	N/A	Construction Assoc. of South Florida	Fed Ex 1-23-03		
3	1/23/03	N/C	N/A	Allied Minority Contractor's Assoc.	Fed Ex 1-23-03		
4	1/23/03	N/C	N/A	Latin Builders' Association	Fed Ex 1-23-03		
5	1/23/03	N/C	N/A	Black Business Association	Fed Ex 1-23-03		
6	1/23/03	N/C	N/A	Contractor's Resource Center	Fed Ex 1-23-03		
7	1/23/03	N/C	N/A	Miami-Dade County Dept. of Bus. Dvlpmt	Fed Ex 1-23-03		
8		N/C	Esterline Lewis	MDAD - Minority Affairs	Bldg. 5A -3rd Floor		
9		N/C	Howard Gregory	MDAD - Minority Affairs	Bldg. 5A -3rd Floor		
10		N/C	Roy Wood	MDAD - Attorney's Office	Concourse "B" 4th Floor		
11		N/C	Delman Whittington	MDAD - Contracts Dept.	Bldg. 5A - 4th Floor		
12		N/C	Marie Clark-Vincent	MDAD - Contracts Dept	Bldg. 5A - 4th Floor		
13		N/C	Maryse Georges	MDAD - Contracts Dept.	Bldg. 5A - 4th Floor		
14		N/C	Gary Dassow	DAD - Contracts Dept.	Bldg. 5A - 2nd Floor		
15		N/C	Don Waugh III	DAC- Project Manager	Bldg 5A - 2nd Floor		
16		N/C	Don Newbery	DAC - Contracts Dept	Bldg 5A - 2nd Floor		
17		N/C	Document Control	DAC - Doc. Dept.	Bldg 5A - 2nd Floor		

BST1964

Security Rooms

SECTION 13742

DIGITAL VIDEO, VOICE, AND DATA TRANSPORT SYSTEM EXTENSION

PART 1 - GENERAL

1.01 SUMMARY

The Miami International Airport (MIA) as part of a F ederal Aviation Agency (FAA) airport security initiative and as part of the Miami International Airport (MIA) Capital Improvement Program is installing a high-speed digital data, digital video, and digital audio and voice system, consisting of software and hardware to provide connectivity for transporting, voice, video, audio and data information throughout the MIA Terminal Complex. This network is based upon ATM and Ethernet network equipment. There are two configurations of ATM switch equipment for core and edge devices in the network architecture. The ethernet switches attach to the ATM edge devices. This project, the Digital Video, Voice, and Data Transport System Extension, provides the equipment and software required to expand the New Security Network based upon Marconi ATM switches to four additional MDAD Systems Rooms, 2 of which are located in North terminal, one in South Terminal and one in Concourse J. This equipment will include one ATM Network Edge Device (ANED) and one Ethernet Network Edge Device (ENED) per system room. This specification provides the requirements for the ANED and ENED equipment.

1.02 SCOPE OF WORK

A This specification identifies the requirements for the Digital Video, Voice, and Data Transport System Extension (DVVDTSE) needed by MDAD to support the expansion of the current MDAD Digital Video, Voice, and Data Transport System (DVVDTS) currently installed at MIA. The Contractor shall provide, installed, test, warrant and maintainthese DVVDTSE equipment in accordance with the specifications provided in PART 2 PRODUCTS.

B. DVVDTSE includes equipment to extend the existing DVVDTS into new areas of MIA. Miami International Airport currently utilizes equipment from Marconi.

C. The DVVDTSE equipment specified in this document shall attach to the existing DVVDTS. The devices shall conform and be fully compatible with the power and signal physical connectors, voltage levels and data messaging required to interface with the existing DVVDTS in a seamless manner as defined in this document.

D. MDAD has qualified a set of DVVDTSE equipment that meet all of MDAD's performance and interface requirements. These are identified in this document. If the Contractor wishes to substitute equipment for qualified equipment identified in this specification, the Contractor shall include project scope to integrate the substituted equipment with the existing network as described in section 13744. All substitutions shall operate seamlessly with both existing and equipment purchased as part of this procurement.

E The contractor shall install, test, warrant and maintain all DVVDTSE equipment.

1.03 SUBMITTALS

A. Submit shop drawings, product data and manufacturer's installation instructions per section 01340 of the specifications.

B. Submit delivery schedule in accordance with Section 01300 of the specifications

C. Product Data Provide three (3) sets of complete product data including the following:

a. Manufacturer's data for all material and equipment, including terminal devices, local processors, computer equipment, and any other equipment provided as part of the system. All system components shall comply with current industry standards at the time of procurement. A system description, including analysis and calculations used in sizing the equipment is required prior to procurement.

b. Description to show how the equipment will operate as a system to meet the performance requirements. The following information shall be supplied as a minimum:

D. Central processors configuration and memory size

E. Description of site equipment and its configuration

F. Protocol description

G. Start up operations

H. System expansion capability and method of implementation

I. System power requirements and UPS sizing

J. A description of the operating system and application software

K. Complete IP address table for system components integrated with current MDAD 10.14.0.0 Class "A" license allocating 500 IP addresses per zone/concourse.

L. Manuals. Manuals shall reflect in detail the DWDTSE equipment delivered to MIA. Both printed and softcopy manuals shall be provided by the Contractor. Three (3) copies of the manuals as specified bound in hardback, loose-leaf binders and (3) copies on CD-R media shall be provided with the first delivery of equipment. The softcopy file formats shall be one of the following. Microsoft Office, Adobe PDF and AutoCAD DWG formats. The CDs shall be formatted to allow the files to be read by any computer. Each manual's contents shall be identified on the cover. The manuals shall have a table of contents and tab sheets. Tab sheets shall be placed at the beginning of each chapter or section and at the beginning of each appendix.

M. Functional Design Manual: The functional design manual shall identify the operational requirements for the system and explain the theory of operation, design philosophy, and specific functions. A description of hardware and software functions, interfaces, and requirements shall be included for all system operating modes.

N. Hardware Manual: The manual shall describe all equipment furnished including:

O. General description and specifications Installation and check out procedures

P Equipment layout and electrical schematics to the component level- (CAD file)

Q. System layout drawings and schematics-(CAD file)

R. Alignment and calibration procedures

S. Manufacturer's repair parts list indicating sources of supply

T. Software Manual: The software manual shall describe the functions of all software and shall include all other information necessary to enable proper loading, testing, and operation. The manual shall include:

U. Definition of terms and functions

V. Use of system and applications software
W. Initialization, start up, and shut down
X. Alarm reports
Y. Operator's Manual: The operator's manual shall fully explain all procedures and instructions for the operation of the system including:

Z. Computers and peripherals

a. System start up and shut down procedures

b. Use of system, command, and applications software

c Recovery and restart procedures

d. Graphic alarm presentation

e Use of report generator and generation of reports

f. Data entry operator commands

g. Alarm messages and reprinting formats

h. System access requirements

i. Logical connectivity

j. Identify which startup and shutdown tasks can be performed unattended

i. Integration Programs for all substituted equipment. Program contents are identified in section 01300.

ii. Installation Programs for all substituted equipment. Program contents are identified in section 01300.

iii. Test Programs for all substituted equipment. Program contents are identified in section 01300.

iv. Maintenance Manual: The maintenance manual shall include descriptions of maintenance for all equipment including inspection, periodic preventive maintenance, fault diagnosis, and repair or replacement of defective components.

1.03 ACCEPTABLE MANUFACTURES

A. Acceptable manufacturers are identified in Section 2.

1.04 RELIABILITY AND QUALITY ASSURANCE

A. The application software shall be specifically designed for ATM networks. All software will be open architecture, off the shelf, with modules capable of supporting DVVDTSE specific requirements. Interoperability with other vendors equipment and software both as part of DVVDTS and DVVDTSE will be identified, documented and any interface development will be the responsibility of the contractor.

B. MIA currently has Marconi ASX-4000 ,ASX-1000 and ES 2810 switches located in 15 existing security rooms.

C. The existing application software has been specifically designed for DVVDTS. All system components shall be produced by manufacturers who have been regularly engaged in the production of integrated DVVDTSE system components of similar type.

D. All system and application software shall be produced by manufacturers who have been regularly engaged in the production and development of integrated DVVDTSE system and application software of similar type and complexity.

E. The system provided shall be of the manufacturer's latest released product.

F. Supply only new materials. Equipment shall be free of defects. Software shall be free of bugs and coding errors. All software problems identified by any project participant will be documented with alternative actions identified by the Contractor with workarounds. Manufacturers must correct software problems in a timely manner that corresponds to the seventy of the problem and the impact on the system's operability, maintainability, or reliability. All problems must be fixed no later than one year after being identified, documented, and manufacturer notified.

G No single hardware component of the system shall have a mean time between failure of less then 15,000 hours

H. All materials and equipment supplied shall be rated for continuous duty.

I. Comply with NFPA 70.

J. Comply with all applicable MDAD Design Guideline Manuals.

K. There shall be a local representative and factory authorized local service organization, which shall carry a complete stock of parts and provide maintenance for the DVVDSTE during the warranty period.

1 05 WARRANTY

A. Warranty The System supplier shall warrant the DVVDTSE for 36 months with 24 hour and 7 day coverage from the date of final system acceptance.

B Additional Warranty Terms: For equipment specified in this document, inclusion and exclusion of manufacturer's standard hardware and software by manufacture's trained technicians shall not void this warranty. Tailoring the configuration of the equipment specified in this document for use at MIA shall not void this warranty.

1.06 MAINTENANCE AND SERVICE

A. Maintenance and Service: The Contractor shall provide all services required and equipment necessary to maintain the entire DVVDTSE in an operational state as specified for a period of three year with 24/7 coverage after formal written acceptance of the system, and shall provide all necessary material required for performing scheduled adjustments or other nonscheduled work.

1. Description of Work: The adjustment and repair of DVVDTSE includes network equipment, computer equipment, software updates, signal transmission equipment, control equipment, facility interfaces, and support equipment. Responsibility shall be limited to system supplier installed equipment. Provide the manufacturer's required adjustments and other work as necessary.

2. Personnel: Service personnel shall be qualified to accomplish all work promptly and satisfactorily. Authorized representative of Miami-Dade Aviation Department shall be advised in writing of the name of the designated service representative and of any change in personnel.

3. Inspections: The System supplier shall perform two inspections at six-month intervals or more often if required by the manufacturers. This work shall be performed during regular working hours. These inspections shall include:

   a. Visual checks and operational tests of the central processor, local processors, monitors, keyboards, system printers, peripheral equipment, DVVDTSE equipment, power supplies, and electrical and mechanical controls.

   b. Clean system equipment, including interior and exterior surfaces.

   c. Perform diagnostics on all equipment.

   d. Check and calibrate each DVVDTSE device.

   e. Run system software and correct diagnosed problems.

   f Resolve previous outstanding problems.

   g. Clean up and archive hard drive/system files as needed.

B. Emergency Service: authorized representative of Miami-Dade Aviation Department will initiate service calls when the DVVDTSE is not functioning properly. Qualified personnel who are properly trained and certified by the manufacture, and have at least five years of experience servicing similar equipment shall be available to provide service to the complete DVVDTSE. Authorized representative of Miami-Dade Aviation Department shall be furnished with the telephone number where the System supplier's service supervisor who can be reached at all times. Service personnel shall be at the site within 1 hour after receiving a request for service.

1.07 TESTING

A. General: The Contractor shall follow the test methodology stated in section 13700. The Contractor shall submit for approval by MDAD and perform pre-functional testing, functional testing, integration testing for all substitution equipment and commissioning as outlined in the MDAD Commissioning Program The Contractor shall provide all personnel, equipment, instrumentation, and supplies necessary to perform all testing. Written notification of planned testing shall be given to authorized representative of Miami-Dade Aviation Department at least 14 days prior to the test, and in no case shall notice be given until after the System supplier has received written approval of the specific test procedures Test procedures shall explain in detail, step-by-step actions and expected

results demonstrating compliance with the requirements of the specification. Test reports shall be used to document results of the tests. Reports shall be delivered to authorized representative of Miami-Dade Aviation Department within 7 days after completion of each test. Testing and verification shall comply with all applicable ANSI/EIA/TIA, IEEE, ISO/IEC, NFPA, standards, recommendations and MDAD approval.

B. Performance Verification Test: The System supplier shall demonstrate that the completed DVVDTSE complies with the contract requirements. Using approved test procedures; all physical and functional requirements of the project shall be demonstrated and shown.

C. The system supplier shall submit Commissioning plan prior to acceptance.

1.08 SOFTWARE

A. The System supplier shall provide free DVVDTSE software releases and firmware updates during the software maintenance period and verify operation in the system as required. These updates shall be accomplished in a timely manner, fully coordinated with the DVVDTSE administrators, and shall be incorporated into the operations and maintenance manuals and software documentation.

B. Testing of all software upgrades, micro code and new software versions shall be completed in the MDAD Integrator Facility that simulates the Miami International Airport data network. All testing shall at a minimum document continued availability of all prior software functionality as well as new features. Testing documentation for upgrades shall be the same type as required for initial software submissions with testing procedures, and expected test results

C. All custom and special purpose software shall be delivered with well-documented source code in addition to the executable version. Source code shall be delivered in both hardcopy and machine-readable formats on a media acceptable to MDAD. The Contractor may propose a non-disclosure agreement.

D. For any of the above software products where source code is not directly delivered to MDAD, the source code shall be placed in an escrow account and MDAD shall retain ownership of this code.. The source code in the escrow account shall be the same version and revision of code that is being used by MDAD. If any of the following conditions are met, MDAD shall be allowed to obtain the source code from the escrow account at no charge:

1. The software supplier (i.e. Contractor or subcontractor) becomes insolvent.

2. The software supplier becomes non-responsive to MDAD's needs.

3. The software supplier has demonstrated lack of willingness to continue to support MDAD in a reasonable manner.

D. MDAD shall have permission to use that source code as necessary to support operations at Miami International Airport once obtained from the escrow account.

E Agreements with MDAD shall be required to allow vendor to distribute to other customers.

F. A backup copy of the configured system software shall be provided on CD-ROM media. All onginal distnbution software shall be delivered with an installable backup While CD-ROM is the preferred media, tape or diskette is acceptable if required by the specific software.

G The software shall be designed using a modular approach, in a commonly available development environment. Software shall be well documented in order to facilitate maintenance by personnel other than the original programmer. A single use license of the development system shall be included in the proposal as a deliverable item. Custom assembly language routines are not allowed without specific written approval from the Owner.

1.09 EXTRA MATERIALS

A. Submit list of spare parts and operating materials. Quantity of each spare part shall be one or 10% of total installed whichever is greater. As agreed to by MDAD, the following information shall be provided:

1. Part description
2. Manufacturer's model/part number
3. Estimated quantities for one year of operation. Contractor shall supply these parts as part of the contract requirements.
4. Estimated quantities for 5 years of operation
5. Shelf-life, or self life as applicable
6. Special storage requirements
7. Delivery cycle
8. Special tools
9. Cost of parts

1.10 INTELLECTUAL PROPERTY

A. Patents Should patented articles, methods, materials apparatus, etc., be used in this work, the contractor shall acquire the right to use same. The contractor shall hold Metro-Dade Aviation Department and his agents harmless for any delay, action, suit, or cost growing out of the patent rights for any device on this project.

B Copynghts: Should copyrighted software be used in this work, the contractor shall acquire the right to use same. The contractor shall hold Metro-Dade Aviation Department and his agents harmless for any delay, action, suit, or cost growing out of the copynghts for any software on this project.

C. License to Use: All software required for the complete operation of the system as specified herein shall be delivered with either full ownership transferred to Metro-Dade Aviation Department or a one time limited License to use on each machine it is installed on, up to ten workstations, including the right to make back up copies.

D. All software written specifically for this project shall become the property of Miami International Airport, or to be held in escrow.

PART 2 - PRODUCTS

2.01 2.00 GENERAL

Refer to schedule of values for Integration Demonstration & Delivery schedules.

A. ATM Network Edge Device (ANED)
   i. Integration
   ii. Integration Demonstration
   iii. Delivery

B. Ethernet Network Edge Device (ENED)
   i. Integration
   ii. Integration Demonstration
   iii. Delivery

2.01 MANUFACTURERS

A. Manufacturers: Subject to compliance with requirements, provide products by one of the followi Equal, as approved by MDAD for the network equipment:

   a. Marconi Services
      1000 Marconi Drive
      Warrendale, PA 15086-7502
      Tel: +1-866-MARCONI (627-2664)

   b. Specifications were developed using Technical Documents based upon existing Marconi product litterature. Equivalent products will be accepted in accordance with requirements outlined within this specification.

2.02 GENERAL REQUIREMENT

A Products and Equipment: Standard products of manufacturers regularly engaged in manufacturingcomponents of the type indicated. Components shall be modular plug-in, heavy-duty, industrial- or commercial-grade units. This specification may not have included all components necessary for a functional and operational system. Provide components where required to achieve the specified performance.

B. Power Supply Characteristics: Power-operated devices shall operate within specified parameters for ac supply voltages of 120 V, 60 Hz.

C. Protection from Power-Line Surges: The ac power-operated devices shall be protected against transient voltage surges by integral surge suppressors specified in LTL 1449.

D. Protection from Signal-Line Surges: Signal cables and connected components shall be protected against transient voltage surges by suppressors and absorbers designed specifically for the purpose.

E. Environmental Conditions: System components shall be equipped and rated for the environments where installed.

   a. Service Conditions for Indoor Equipment: Equipment ratings include examples below, except as otherwise indicated:
      i. Temperature: 41 deg F to 122 deg F (5 deg to 50 deg. centigrade)
      ii Relative Humidity: 0 to 99 percent.

F Grounding: All equipment racks/cabinets shall be connected to master ground bar via individual # 6 AWG stranded copper conductor cable.

G. Unless otherwise indicated, all equipment shall be of the dual rack-mount type designed for mounting in standard 19" E.I.A. cabinets.

H. All DVVDTSE network components shall be SNMP manageable, conform to RFC 1157, 2271, 2275 and include MIB tables that conform to RFC 1156, 1213, 1757 for RMON. Management of all network components will be down to the individual card level. The DVVDTSE shall be integrated with the existing DVVDTS NMS by the Contractor.

I. The DVVDTSE network equipment shall provide on-line health monitoring for verifying the health status of all major network components including backbone and edge devices to support software and hardware maintenance activities.

2.03 SYSTEM PRODUCTS

A. SYSTEM ARCHITECTURE

1. The main ATM data network backbone utilizes OC-48 fiber circuits connecting four node switches, two of which are in the NTD project area and two that are located in other MDAD Systems Rooms in Concourse E thru J. The fifteen current and four new MDAD Systems Rooms are connected to the four node switches by OC-12 fiber circuits. All cables connecting the nodes and switch equipment are upgradeable to OC-255 for future anticipated bandwidth requirements. All cables connecting the nodes to the MDAD Systems Rooms and edge equipment are upgradeable to OC-48 for future growth.

2. The ATM backbone is a mesh design with redundant fiber links between each Switch Node. In addition primary and secondary fiber routes are utilized between each MDAD Systems Room back to two Switch Nodes.

3. Copper and fiber mesh connectivity are incorporated from the four MDAD Data Network nodes to the fifteen MDAD Systems Rooms and corresponding 400 Telecommunications Rooms.

4. Single mode, multimode fiber and copper cables connect all MDAD Data Network nodes to each other and the MDAD Systems Rooms. Multimode fiber and copper cables connect all MDAD Systems Rooms to each corresponding MDAD Telecommunications Room.

5. The DVVDTSE Contractor shall provide ATM equipment for four additional System Rooms. This ATM equipment in each room shall connect to two of the existing DVVDTS ATM core devices via OC-12 single mode fiber circuits.

B SYSTEM FUNCTIONALITY

1. The equipment shall be capable of supporting multiple network protocols including IEEE802.3 Carrier Sense Multiple Access/Collision Detection, IEEE802.4 Token Bus, IEEE802.5 Token Ring, IEEE802.6 Metropolitan Area Network (MAN), IEEE802.7 Broadband Technology, IEEE802.8 Fiber Optic LAN, IEEE802.9 Integrated Services LAN, IEEE802.10 LAN Security, IEEE802.11 Wireless LAN, IEEE802.12 Demand Priority Access Method (DPAM) LAN, and IEEE802.14 Cable Modem LAN

2. Each MDAD Systems Room shall be capable of supplying shared 100MB Ethernet connections to the individual locations in a zone of influence with the capability of supplying 40 locations with switched 1GB Ethernet connections as required by MDAD.

C. SYSTEM CAPACITY AND CAPABILITY

The system and the associated components shall have the capability and capacity to perform tasks as follows

1. The DVVDTSE shall have the capacity to provide all Security systems with adequate bandwidth to accommodate current and anticipated data and special circuit connectivity as required by MDAD. The capacity of the network shall be at least 200 percent of all current data and special circuit connectivity in use by MDAD as of May 2003.

2. The s DVVDTSE shall be capable of providing each individual location and data outlet to be logically connected to the airports "backbone". The airports "backbone" shall provide logical connectivity to all MDAD security and life safety systems, and have the capability of providing connectivity to Wide Area Networks, and the Internet via firewalls.

3. The DVVDTSE shall be designed to accommodate system expansion on an individual workstation (or port) level The Contractor shall supply pricing for expansion of the system by each component.

D. ATM Network Edge Device (ANED)

1. ANED shall meet the following ATM edge device requirements:
   a. 2.5 to 10 Gbps non-blocking switching capacity
   b. Scalable up to a minimum of 128 ports
   c. Minimum port speed range: T1 to OC12c with OC12c is the minimum acceptable top speed
   d. Hierarchical traffic shaping
   e. ATM Forum PNNI 1.0
   f. ATM Forum peer group leader hierarchy
   g Enhanced ATM Forum LANE 1.0
   h. Virtual UNI
   i. Per-VC queuing
   j. Per-VC shaping and statistics
   k. Greater then 2,000,000 cell buffers
2. ANED shall meet the following compatibility requirements:
   a. Connect with two existing ASX-4000 switches via OC12c connections and support automatic link failover using LANE 1.0 with only configuration changes to the ASX-4000 devices
3. The minimum acceptable ANED configuration shall be the Marconi ASX-1000 configured in the following manner:
   a. 2.5 Gbps of non-blocking switch capacity, expandable to 10 Gbps with fabrics 3 and 4 installed.
   b. (16) OC-3c, 155 mbps ports
   c. (2) OC-12c, 655 mbps ports
   d. 8.x ForeThought switch code
   e. Redundant power supplies

f. The ANED shall be configured as shown below:

Fabric 1			Fabric 2		
SCP ASXP5	NM-1/622MMSCE	NM-4/155MMSCE	SCP ASXP5	NM-1/622MMSCE	NM-4/155MMSCE
SCP Slot Y	NM-4/155MMSCE		SCP Slot Y	NM-4/155MMSCE	

E. Ethernet Network Edge Device (ENED)

1 ENED shall utilize the Marconi ES-2810 or equivalent stackable ethernet switch
2. ENED shall utilize an OC3c ATM uplink to the ANED.
3. ENED shall provide (24) 10/100baseT auto-sensing connections
4. ENED shall be configured as shown in below:

ES-2810 Slots	
ATM-1/155MMSC	
(24) 10/100-TX	

PART 3 - EXECUTION

3.01 SYSTEM INSTALLATION

A Contractor/installer shall provide detailed installation plan and schedule, subject to MDAD's approval, prior to installation of system.

B. All system components and accessones shall be installed in accordance with the manufacturer's instructions, applicable standard and codes, and MDAD guidelines.

C. All necessary interconnections, services, and adjustments required for a complete and operable system shall be furnished as specified and shown

D. Control signal, communications, and data transmission line grounding shall be tested by the Contractor to preclude ground loops, noise, and surges from adversely affecting system operation. Provide rack mounted hardware and accessories as required to ensure equipment performance.

E. All inputs shall be protected against surges induced on device wiring. Outputs shall be protected against surges induced on control and device wiring. All communications equipment shall be protected against surges induced on any communications circuit.

3 02 IDENTIFICATION

A. All equipment shall be identified on bluepnnts, drawings and physically labeled by system components, wiring, cabling, and terminals in compliance to applicable sections listed in MDAD Design Guidelines Manual.

B. All cabling and point to point wiring shall be completely identified and documented according to the existing CMS criteria & guidelines on final drawings and shall be submitted in CAD and electronic media.

3.03 FIELD QUALITY CONTROL

A. Manufacturer's Field Service: Provide services of a factory-authonzed service representative to supervise the field assembly and components connection and the pre-testing, testing, and adjusting of the system.

B. Inspection Verify that units and controls are property installed, connected, and labeled and that interconnecting wires and terminals are identified

C. Pre-testing Align and adjust the system and pretest all components, wiring, and functions to verify they conform to specified requirements. Replace malfunctioning or damaged items with new items. Retest until satisfactory performance and conditions are achieved.

3.04 CLEANING

A. Clean installed items using methods and materials recommended by manufacturer

B. The contractor shall clear the project area where systems devices are installed to be free of debris.

3.05 TRAINING

A. The System supplier shall conduct training courses for personnel designated by authorized representative of Miami-Dade Aviation Department in accordance with Section 8 of the Contractor specifications and section 13700.

B. A minimum of 100 hours of training, including both, classroom and on the job training shall be provided to MDAD. Training shall cover the maintenance and operation of the DVVDTSE for Operations Staff, System Administrators, Maintenance Personnel and End Users.

C. The SSI shall allow for training for all shifts on all days

D. The system shall be installed and tested prior to the commencement of training. The training shall utilize the specific system being installed under this contract.

E. Training manuals shall be submitted for review and approval. The manuals shall include an agenda, defined objectives for each lesson, and a detailed description of the subject matter for each lesson.

F. The System supplier shall furnish location, audio/visual equipment and other training materials and supplies as necessary. Where the System supplier presents portions of the course by audiovisual material, copies of the audiovisual material shall be delivered to Miami-Dade Aviation Department on the same media as that used during the training session.

G. The system supplier shall be responsible to professionally video record the complete training session so that it can be used for future training purpose. (Training for technicians, administrators, reporting, and operators). Provide outline for each class and training material that is specific to the system installed at MIA.

PART 4. PAYMENT

Payment for all delivered and accepted equipment in this Section shall be made at the listed unit price in the Schedule of Values.

Payment will be made under Schedule of Values:

Item No. 30	Network Edge Device Integration and Integration Demonstration with the existing ACS	Lump Sum
Item No. 31	Network Edge Device	Per Each
Item No. 32	Ethernet Switch Router Integration and Integration Demonstration with the existing ACS	Lump Sum
Item No. 33	Ethernet Switch Router	Per Each

END OF SECTION

SECTION 13743

SUPPLEMENTAL NETWORK DEVICES

PART 1 - GENERAL

1.01 SUMMARY

The Miami International Airport (MIA) as part of a F ederal Aviation Agency (FAA) airport security nitiative and as part of the Miami International Airport (MIA) Capital Improvement Program is installing a high-speed digital data, digital video, and digital audio and voice system, consisting of software and hardware to provide connectivity for transporting, voice, video, audio and data information throughout the MIA Terminal Complex. This project, the Supplemental Network Devices (SNDs) provides additional network equipment to extend network services to end users.

1 02 SCOPE OF WORK

A. This specification identifies the requirements for the Supplemental Network Devices (SNDs) needed by MDAD to support the expansion of the MDAD Digital Video, Voice, and Data Transport System (DVVDTS) currently installed at MIA. The Contractor shall provide these SND equipment in accordance with the specifications provided in PART 2 PRODUCTS

B. SND includes equipment to extend the existing DVVDTS into new areas of MIA. SNDs include switching hubs and Uniterruptable Power Supplies.

C. The SND equipment specified in this document shall attach to the existing DVVDTS. The devices shall conform and be fully compatible with the power and signal physical connectors, voltage levels and data messaging required to interface with the existing DVVDTS in a seamless manner as defined in this document.

D SUBMITTAL

1. Submit shop drawings, product data and manufacturer's installation instructions per section 01340 of the specifications.
2. Submit delivery schedule in accordance with Section 01300 of the specifications.
3. Product Data: Provide three (3) sets of complete product data including the following:
   a. Manufacturer's data for all material and equipment provided as part of SND equipment.
   b. Description of the SND equipment provided as part of this procurement if it is different then the equipment specifically identified in this specification This can occur only in two ways including:
      i. MDAD had approved a substitute piece of equipment during the bid process
      ii. A later version of equipment specified by MDAD will be supplied. This equipment shall function and interface to the existing equipment in a manner identical to the MDAD specified equipment.

4. Manuals: Manuals shall reflect in detail the SND equipment delivered to MIA. Both printed and softcopy manuals shall be provided by the Contractor. Three (3) copies of the manuals as specified bound in hardback, loose-leaf binders and (3) copies on CD-R media shall be provided with the first delivery of equipment. The softcopy file formats shall be one of the following: Microsoft Office, Adobe PDF and AutoCAD DWG formats. The CDs shall be formatted to allow the files to be read by any computer. Each manual's contents shall be identified on the cover The manuals shall have a table of contents and tab sheets. Tab sheets shall be placed at the beginning of each chapter or section and at the beginning of each appendix.

   a. Hardware Manual: The manual shall describe all equipment furnished including:
      i. General description and specifications Installation and check out procedures
      ii. Equipment layout and electrical schematics to the component level- (CAD file)
      iii. System layout drawings and schematics-(CAD file)
      iv. Alignment and calibration procedures
      v. Manufacturer's repair parts list indicating sources of supply
   b. Software Manual: The software manual shall describe the functions of all software and shall include all other information necessary to enable proper loading, testing, and operation. The manual shall include:
      i. Definition of terms and functions
      ii. Use of system and applications software
      iii. Initialization, start up, and shut down
      iv. Alarm reports
   c. Maintenance Manual

1.03 ACCEPTABLE MANUFACTURES

A. Acceptable manufacturers are identified in Section 2.

1.04 RELIABILITY AND QUALITY ASSURANCE

A. The application software shall have been specifically designed for SND. All system components shall be produced by manufacturers who have been regularly engaged in the production of integrated SND components of similar types to be installed for at least 3 years.
B. All system and application software shall be produced by manufacturers who have been regularly engaged in the production and development of integrated SND system and application software of similar type and complexity as the specified system for at least 3 years.
C. The system provided shall be of the manufacturer's latest released product.
D. Supply only new materials. Equipment shall be free of defects.
E. No single hardware component of the system shall have a mean time between failure of less then 15,000 hours
F. All materials and equipment supplied shall be rated for continuous duty
G. Comply with NFPA 70.

1.05 WARRANTY

A. Warranty: The network equipment will be installed by vendor-trained staff as part of a separate project. The equipment shall have the manufacture's warranty for three years from the delivery acceptance date. Contractor's failure to satisfy this requirement shall entitle the County to exercise any of the remedies provided in the Contract Documents.

B. Additional Warranty Terms: Inclusion and exclusion of manufacturer's standard hardware and software by manufacture's trained technicians shall not void this warranty. Tailoring the configuration of the equipment specified in this document for use at MIA shall not void this warranty.

1.06 MAINTENANCE AND SERVICE

A Maintenance and Service: (Not in this Contract). The MIA Telecommunications Provider will provide all services required and equipment necessary to maintain the SND equipment in a state with 24/7 coverage.

1.07 TESTING

A. General: Refer to Section 01590 – Equipment Testing

1.08 SOFTWARE (as apporiate)

A. The System supplier shall provide free SND software releases and firmware updates during the warranty period.

B. All custom and special purpose software shall be delivered with well documented source code in addition to the executable version. Source code shall be delivered in both hardcopy and machine-readable formats on a media acceptable to MDAD.

C. Two (2) backup copies of the configured system software shall be provided on CD-ROM media. All original distribution software shall be delivered with an installable backup.

1.09 EXTRA MATERIALS

Submit list of spare parts and operating materials. Quantity of each spare part shall be one or 10% of total installed whichever is greater. As agreed to by MDAD, the following information shall be provided:

1. Part description
2. Manufacturer's model/part number
3. Estimated quantities for one year of operation. Contractor shall supply these parts as part of the contract requirements.
4. Estimated quantities for 5 years of operation
5. Shelf-life, or self-life as applicable
6. Special storage requirements
7. Delivery cycle
8. Special tools
9. Cost of parts

1.10 INTELLECTUAL PROPERTY

A. Patents: Should patented articles, methods, materials apparatus, etc., be used in this work, the contractor shall acquire the right to use same. The contractor shall hold Metro-Dade Aviation Department and his agents harmless for any delay, action, suit, or cost growing out of the patent rights for any device on this project.

B. Copyrights: Should copyrighted software be used in this work, the contractor shall acquire the right to use same. The contractor shall hold Metro-Dade Aviation Department and his agents harmless for any delay, action, suit, or cost growing out of the copyrights for any software on this project.

C. License to Use All software required for the complete operation of the system as specified herein shall be delivered with either full ownership transferred to Metro-Dade Aviation Department or a one time limited License to use on each machine it is installed on, up to ten workstations, including the right to make back up copies.

D All software written specifically for this project shall become the property of Miami International Airport, or to be held in escrow.

E. Agreements with MDAD shall be required to allow vendor to distribute to other customers.

PART 2 - PRODUCTS

2.01 MANUFACTURERS

A. Manufacturers: Subject to compliance with requirements, provide products by one of the fo Equal, as approved by MDAD for the managed switch:
   a. Cisco
   b. D-Link
   c. Dell
   d. Others, upon approval by MDAD

B Manufacturers: Subject to compliance with requirements, provide products by one of the fo Equal, as approved by MDAD for the UPS:
   a. Cyber Power
   b. APC
   c. Belkin
   d. Others, upon approval by MDAD

2.02 GENERAL REQUIREMENT

A. Products and Equipment: Standard products of manufacturers regularly engaged in manufacturing components of the type indicated. Components shall be modular plug-in, heavy-duty, industrial- or commercial-grade units. This specification may not have included all components necessary for a functional and operational system Provide components where required to achieve the specified performance

B. Power Supply Characteristics: Power-operated devices shall operate within specified parameters for ac supply voltages of 120 V, 60 Hz.

C. Environmental Conditions: System components shall be equipped and rated for the environments where installed.

1 Service Conditions for Indoor Equipment: Equipment ratings include examples below, except as otherwise indicated:

a. Temperature: 41 deg F to 122 deg F (5 deg C to 50 deg C)
b. Relative Humidity: 0 to 99 percent.

D Unless otherwise indicated, all equipment shall be of the dual rack-mount type designed for mounting in standard 19" E.I.A. cabinets

D All equipment provided, as part of this procurement shall be new, never used equipment.

2.03 SYSTEM PRODUCTS

A. EXISTING SECURITY NETWORK ARCHITECTURE

1. The Security Network Architecture is composed of Ethernet based Layer 2 switches and ATM/Gigabit Ethernet Layer 3 switches The Managed Switch units that are part of the SND attaches to Layer 2 switches via a 100BaseT connection and provides 10/100BaseT Ethernet service to a minimum of eight (8) devices. The Uninterruptible Power Supply (UPS) units that are part of the SND procurement provide continuous power for both the SH and the attached user devices.

B SPECIFIC EQUIPMENT CONFIGURATIONS

1. Managed Switch Units

The Managed Switch units shall comply with the following ***minimum*** specifications

a. Mounting. Rack mountable (1RU) or stand alone
b. Features: Managed switching, Flow Control, Auto-sensing on all ports, stackable
auto-negotiation for speed, deplex mode and flow control, port mirroring, access password protected
c. Uplink Port: 10/100/1000BaseT Gigabit Ethernet switching ports
d. Network Ports: eight (8), 10/100BaseT
e. Communication Mode: Full Duplex(FDX), Half Duplex (HDX)
f. Connectivity Cable (CAT5e)
g. Forwarding Rate: 9.5 Mpps
h MAC Addresses: 8,000
i. VLAN: VLAN support for 256 VLANs, tagged and port-based (per IEEE 802.1Q)
j. Quality of Service (QoS): IEEE 802.1p tagging, port-based prioritization, two (2) priority queues per port, Weighted Round Robin (WRR) queue scheduling
k. Multicast: IGMP snooping for IP Multicast Support
l. Management: Web-based management interface, console management interface accessable via Telnet or local, SNMPv1 supported, 4 RMON groups supported, TFTP transfer of firmware, sstatistics for error monitoring and performance optimization
m. Data Link Protocols: Ethernet, Fast Ethernet, Gigabit Ethernet

n. Data Transfer Rate/Bandwidth: 10/100/1000 MB/s
o. Power: 120 VAC, single phase, integrated unit
p. Temperature: 0 to 40 degrees C
q. Humidity: 10 to 90%
r. Connector Type RJ-45
s. MIB Support MIB II (RFC1213), Ethernet Interface MIB (RFC1643), Bridge MIB (RFC1493), RMON MIB (RFC1757), Enterprise MIB
t. Compliance Standards: IEEE 802.1D, 802.1p, 802.1Q, 802.3, 802.3ab, 802.3ad 802.3u, 802.3x, and 802.3z,

2. Uninterruptible Power Supply (UPS) Units

The Uninterruptible power Supply (UPS) units shall comply with the following ***minimum*** specifications.

a. Input Voltage: 120 VAC, single-phase
b. Output Voltage: 120 VAC, single phase, conditioned and protected
c. Output Load Rating: 525VA
d. Duration of Hold-up Period: Five (5) minutes
e. Quantity of Duplex Recepticles: Three (3) UPS and surge Protected, Three (3) Surge protected
f. The dimensions shall not exceed 4" X 9" X 14"

PART 3 - EXECUTION

3.01 SYSTEM DELIVERY

A. All system components and accessories shall be delivered in accordance with the manufacturer's instructions, applicable standard and codes, and MDAD guidelines.
B. All necessary interconnections, services, and adjustments required for a complete and operable system shall be furnished as specified and shown.

PART 4 PAYMENT

Payment for all delivered and accepted equipment in this Section shall be made at the listed unit price in the Schedule of Values.

Payment will be made under Schedule of Values:

Item No 34	Managed Switch Units	Per Each
Item No 35	Uninterruptible Power Supply (UPS) Units	Per Each

END OF SECTION

SECTION 4

NOT USED

BST1984

SECTION 5

BID FORM

BST1985

BID FORM

MIAMI-DADE COUNTY, FLORIDA DATE: _____

BIDDER _____

ADDRESS _____

TELEPHONE NO. _____

PROJECT TITLE MIA Security Equipment Procurement II

PROJECT NUMBER ITB MDAD-05-02

THE UNDERSIGNED, AS BIDDER, HEREBY DECLARES THAT:

The only person or persons interested in this Bid as Principal, or Principals, is or are named herein and that no person other than herein mentioned has any interest in this Bid or in the Contract to be entered into; that this Bid is made without connection with any other person, company or parties making a Bid, and that it is in all respects fair and made in good faith without collusion or fraud.

The Bidder further declares that it has examined the Bid Documents and the site of the Work and is fully informed in regard to the work to be performed and accepts all conditions pertaining to the place where the work is to be done.

THE BIDDER ACKNOWLEDGES RECEIPT OF THE FOLLOWING ADDENDA:

Addendum No. ___ Addendum No. ___ Addendum No. ___ Addendum No. ___

Addendum No. ___ Addendum No. ___ Addendum No. ___ Addendum No. ___

Failure to acknowledge addenda shall not relieve such bidder from its obligation under this bid.

THE BIDDER FURTHER AGREES THAT:

BID ACCEPTANCE: If this Bid is accepted, to contract with Miami-Dade County, Florida, in the form of Contract attached, in strict accordance with the Bid Documents and to furnish the prescribed Performance and Payment Bonds, each for not less than the Total Contract Amount, including the Allowance Account(s)and Audit Accounts, and to furnish the required evidence of the specified insurance, all within the applicable time.

BST1986

BID GUARANTY: Each Bid must be accompanied by a Bid Guaranty in the amount and manner stipulated in Section 1 of the bid solicitation. The Bidder shall not withdraw this Bid after bid opening for the period stipulated as the bid guaranty period in the Advertisement for Bids.

DISADVANTAGED BUSINESS ENTERPRISE PROGRAM:

The Bidder, when applicable, shall comply with the following DBE Goal. The DBE Goal is based on the Contract Amount, exclusive of the amounts of the Inspector General and IPSIG audit accounts.

THE DBE GOAL APPLICABLE TO THIS PROJECT:

	DBE
Set-Aside	
Trade Set-Asides	
Subcontractor Goals	10%

CONTRACT TIME: Completion of the work within the Contract Time is of the essence. The Contract Time for this work is 1995 calendar days from the effective date established in the Notice To Proceed. Operations and Maintenance, Schedule of Values Item 36 shall commence on the completion and acceptance of Schedule of Values items 1 through 35 and be as specified in the Technical Specifications of the Contract. The Unit Prices quoted in the Schedule of Values shall remain unchanged (firm) for the duration of the Contract. All deliveries shall be scheduled and directed by the Owner utilizing a Release for Delivery.

MILESTONE 1 TIME: Time is of the essence for completion of Milestone 1, Schedule of Values Items 1 through 35. The Contract Time for this work is 900 calendar days from the effective date established in the Notice To Proceed.

LIQUIDATED DAMAGES FOR MILESTONE 1: Liquidated Damages at the rate of $2,000 per day, will be deducted from the Contract amount for each calendar day of delay of milestone 1 due to a Non-Excusable Delay.

LIQUIDATED INDIRECT COSTS FOR MILESTONE 1: Liquidated Indirect Costs recoverable by the Contractor, shall be $ 1,400 per day for each day the project is delayed due to a Compensable Excusable Delay.

COMPENSATION: To accept as full compensation for all work required to complete the Contract, the prices named therefore in the following Schedule of Prices Bid:

BST1987

SCHEDULE OF PRICES BID

[All Prices shall be in U.S. Dollars]

PROJECT: MIA SECURITY EQUIPMENT PROCUREMENT II
PROJECT NO.: ITB MDAD-05-02

BID ITEM A – LUMP SUM BID – SECURITY EQUIPMENT: Lump Sum Bid for furnishing all software, hardware, documentation, installation, integration, testing, training, operation, maintenance, and warranty for the Work, as identified in the Schedule of Values, completed in strict accordance with the Contract.

TOTAL BID ITEM A: ..... $_____
(Amount Bid in Figures)

_____ Dollars
(Amount Bid in Words)

ITEM B - ALLOWANCE ACCOUNT:

General Allowance Account: (10% of Total Bid Item A):

TOTAL BID ITEM B ..... $_____
(Amount Bid in Figures)

_____ Dollars
(Amount Bid in Words)

ITEM C - AUDIT ACCOUNTS:

1. Inspector General Audit Account: (0.25% of Total Bid Item A): $_____
(Amount Bid in Figures)

_____ Dollars
(Amount Bid in Words)

2. IPSIG Audit Account: (0.75% of Total Bid Item A): ..... $_____
(Amount Bid in Figures)

_____ Dollars
(Amount Bid in Words)

TOTAL BID ITEM C (Total of Bid Items C-1 plus C-2): ..... $_____
(Amount Bid in Figures)

_____ Dollars
(Amount Bid in Words)

BST1988

TOTAL AMOUNT BID (Total Bid Item A+ Total Bid Item B+ Total Bid Item C)

$_____
(Amount Bid in Figures)

_____ Dollars
(Amount Bid in Words)

(Remainder of Page Intentionally Left Blank)

BST1989

BID SIGNATURE PAGE

Attached is a [Certified Check] [Cashier's Check] [Irrevocable Letter of Credit] [Bid Bond], for the sum of _____ U.S. Dollars, ($_____), in accordance with the Section 1 of the bid solicitation.

FEI NO. : ___/___-___/___/___/___/___/___/___

(Bidder Federal Employer Identification Number as used on Return Form 941)
If none, Bidder Social Security No. The Bidder must provide a copy of the primary owner's social security card if the social security number is being used in lieu of the Federal Identification Number (F.E.I.N.).

PROMPT PAYMENT TERMS

Payment will be made to the Contractor pursuant to the terms of this contract. The Bidder may offer discounts for prompt payment in accordance with the following schedule. Should the County issue payment within the applicable time limit after receipt of a proper invoice, the County will deduct and retain the applicable percentage discount from the current payment.

Payment issued within:	Amount of applicable discount:
20 days	____%
30 days	____%
45 days	Net

The undersigned bidder certifies that this bid proposal is submitted in accordance with the bid specifications and conditions governing this bid, and that the bidder will accept any award(s) made to him as a result of this bid.

FIRM NAME _____

STREET ADDRESS _____

CITY/STATE/ZIP CODE _____

TELEPHONE NUMBER _____ FAX NUMBER _____

E-MAIL _____

*AUTHORIZED SIGNATURE _____ Date _____

***PERSON AUTHORIZED TO ENTER INTO CONTRACTUAL AGREEMENT**

PRINT NAME OF AFFIANT _____

TITLE OF OFFICER _____

FAILURE TO SIGN THIS PAGE, WILL RENDER YOUR BID NON-RESPONSIVE

SCHEDULE OF VALUES

Schedule of Values shown below shall be applied for purposes of payment, additions, and deletions. The total sum of Item Numbers 1 through 36 shall equal the Lump Sum bid shown in the Schedule of Prices Bid as Total Bid Item A. The Contractor shall deliver all equipment, complete the integration demonstrations, and the installations within the specified days after Notice to Proceed (NTP) quoted below.

In addition to serving as the basis for partial payments, the prices shown below may, at the sole discretion of Owner, be used for pricing changes to the Contract and shall remain unchanged (firm) for the duration of the Contract. Unit Prices will not be considered separately in determining the lowest responsive, responsible Lump Sum bid.

Item No.	Spec. No.	Description	Unit	14 days after NTP Quantity	90 days after NTP Quantity	150 days after NTP Quantity	330 days after NTP Quantity	730 days after NTP Quantity	Total Quantity	Unit Price	Total Extended Value
1	16774	Equipment Racks	each	0	0	0	0	14	14		
2	13730	Indoor Ceiling Mounted, Fixed Camera, Lens: 2.8-6mm	each	0	0	0	44	0	44		
3	13730	Indoor Pendant Mounted Fixed Camera, Lens: 2.8-6mm	each	0	0	0	30	0	30		
4	13730	Outdoor Pendant Mounted Fixed Camera, Lens: 2.8-6mm	each	0	0	0	28	0	28		
5	13730	Indoor Ceiling Mounted Fixed Camera, Lens: 5-40mm	each	0	0	0	31	0	31		
6	13730	Indoor Pendant Mounted Fixed Camera, Lens: 5-40mm	each	0	0	0	28	0	28		
7	13730	Outdoor Pendant Mounted Fixed Camera, Lens: 5-40mm	each	0	0	0	28	0	28		
8	13730	24 VAC/110 VAC power supplies for fixed cameras	each	0	0	0	189	0	189		
9	13710	Access Control System Components, Integration and Integration Demonstration	LS	0	1	0	0	0	1		
10	13710	Card Reader (Master/Slave), Delivery & Installation	each	0	0	0	0	412	412		
11	13710	Reader Control Module, Delivery & Installation	each	0	0	0	0	206	206		

BST1991

SCHEDULE OF VALUES

Item No.	Spec. No.	Description	Unit	14 days after NTP Quantity	90 days after NTP Quantity	150 days after NTP Quantity	330 days after NTP Quantity	730 days after NTP Quantity	Total Quantity	Unit Price	Total Extended Value
12	13710	Alarm Horn/Strobe -Yellow, Delivery & Installation	each	0	0	0	0	206	206		
13	13710	Alarm Horn/Strobe - Blue, Delivery & Installation	each	0	0	0	0	206	206		
14	13710	Access Control System - Building Controller, Delivery & Installation	each	0	0	2	0	2	4		
15	13720	Camera control server Integration and Integration Demonstration with the existing ACS	LS	0	0	0	0	1	1		
16	13720	Camera control server, Delivery & Installation	each	0	0	0	0	1	1		
17	13720	DVAR Integration and Integration Demonstration with the existing ACS	LS	0	1	0	0	0	1		
18	13720	DVAR, Delivery & Installation	each	0	0	53	15	6	74		
19	13720	Additional Recording support for 16 cameras, Delivery & Installation	each	0	0	53	15	6	74		
20	13720	Additional 160 Gb of Storage, Delivery & Installation	each	0	0	159	45	18	222		
21	13720	Support for 32 In & 32 Out Dry contacts, Delivery & Installation	each	0	0	53	15	6	74		
22	13720	RDVAR Integration and Integration Demonstration with the existing ACS	LS	0	1	0	0	0	1		
23	13720	RDVAR, Delivery & Installation	each	0	0	11	0	8	19		
24	13720	Digital Video Tape Storage Integration and Integration Demonstration with the existing ACS	LS	0	1	0	0	0	1		
25	13720	Digital Video Tape Storage, Delivery & Installation	each	0	0	11	0	8	19		

BST1992

SCHEDULE OF VALUES

Item No.	Spec. No.	Description	Unit	14 days after NTP Quantity	90 days after NTP Quantity	150 days after NTP Quantity	330 days after NTP Quantity	730 days after NTP Quantity	Total Quantity	Unit Price	Total Extended Value
26	13715	DVTS & Components, Integration and Integration Demonstration with the existing ACS	LS	0	1	0	0	0	1		
27	13715	DVTS, Delivery & Installation	each	0	0	8	0	8	16		
28	13715	Security Operator Workstation Video Interface Unit (SOW-VIU), Delivery & Installation	each	0	0	2	0	2	4		
29	13715	Remote Expansion Unit, Delivery & Installation	each	0	0	64	0	32	96		
30	13742	Network Edge Device Integration and Integration Demonstration with the existing ACS	LS	0	1	0	0	0	1		
31	13742	Network Edge Device Delivery	each	0	0	2	0	2	4		
32	13742	Ethernet Switch Router Integration and Integration Demonstration with the existing ACS	LS	0	1	0	0	0	1		
33	13742	Ethernet Switch Router Delivery	each	0	0	2	0	2	4		
34	13743	Managed Switch Units	each	250	0	0	0	0	250		
35	13743	Uniteruptable Power Supply (UPS) Units	each	250	0	0	0	0	250		
36	13700	3 year Operation, and Maintenance, and 2 year extended Warranty of all ESSI installed components	LS	0	0	0	0	0	1		
37	13700	Training	LS	0	0	0	0	1	1		
										Total	

BST1993

BID BOND

State of _____ **County of** _____

We, _____ **as Principal**

and _____ **as Surety**, are held and firmly bound unto Miami-Dade County, Florida hereinafter called the County, in the **Penal sum of** _____ **Dollars** ($_____) lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents. The Principal has submitted the attached Bid, dated_____,20_____, for Project No **ITB-MDAD-05-02, MIA Security Equipment ProcurementII**. The Principal shall at time of bid opening furnish all documents and information required by the Contract Documents, and shall not withdraw said Bid within the time stipulated in the advertisement for bids and shall within the time stipulated in the Instructions to Bidders execute and deliver to the County, the Contract, the Performance Bond, Payment Bond and satisfactory evidence of all required Insurance. The Principal shall give a Performance Bond and a Payment Bond with good and sufficient surety, as required by the Contract Documents, for the faithful performance and proper fulfillment of such Contract and for the prompt payment of all persons furnishing labor or materials in connection therewith. Having met these obligations shall render this Bond void and of no effect; or in the event of withdrawal of said Bid within the period specified, or in the event of the failure to comply with the Contract Documents, or in the event of failure to enter into such Contract and give such Bonds and evidence of insurance within the time specified, if the Principal shall pay the County the difference between the amounts specified in said Bid and the amount for which the County may procure the required work and supplies, provided the latter amount be in excess of the former, then the above obligations shall be void and of no effect; otherwise, to remain in full force and virtue.

The above bounden parties have caused this Bond to be executed by their appropriate officials as of the____ day of _____, 20__.

CORPORATION

_____ _____

Witness **By:**

_____ **Title** _____

PARTNERSHIP OR JOINT VENTURE *

_____ _____

Witness **By:**

_____ **Title**_____

_____ _____

Witness **By:**

_____ **Title** _____

* Note: All Partners or Joint Venture Members shall sign and submit documentation proving their authority to sign on behalf of the Partnership or Joint Venture.

COUNTERSIGNED BY RESIDENT FLORIDA AGENT OF SURETY: **SURETY:**

_____ _____

(Copy of Agent's current Identification Card as issued by State of Florida Insurance Commissioner must be attached) By: Attorney-in-Fact

(CORPORATE SEAL)

(This form must be submitted in duplicate - one original and one copy)

SECTION 6

AFFIDAVITS
and
CERTIFICATIONS

MIAMI-DADE COUNTY

MIAMI-DADE AVIATION DEPARTMENT SINGLE EXECUTION AFFIDAVITS

This sworn statement is submitted with the Bid for:

Project Title MIA Security Equipment Procurement II

Project Number ITB-MDAD-05-02

COUNTY OF Miami-Dade

STATE OF Florida

Before me the undersigned authority appeared, _____
(Print Name)

who is personally known to me or who has provided _____

as identification and who did (did not) take an oath, and who stated:

That he is the duly authorized representative of

_____
(Name of Bidder)

_____
(Address of Bidder)

hereinafter referred to as the contracting entity being its

_____
(Sole Proprietor)(Partner)(President or Other Authorized Officer)

and as such has full authority to make these three affidavits

1. SWORN STATEMENT ON PUBLIC ENTITY CRIMES
2. CRIMINAL RECORD AFFIDAVIT
3. MIAMI-DADE COUNTY DEBARMENT DISCLOSURE AFFIDAVIT

and say as follows.

BST1996

SWORN STATEMENT UNDER SECTION 287.133(3)(a), FLORIDA STATUTES, ON PUBLIC ENTITY CRIMES

1. I understand that a "public entity crime" as defined in Paragraph 287.133(1) (g), **Flori Statutes**, means a violation of any state or federal law by a person with respect to and direc related to the transaction of business with any public entity or with an agency or politi subdivision of any other state or with the United States, including, but not limited to, any bid contract for goods or services to be provided to any public entity or an agency or politi subdivision of any other state or of the United States and involving antitrust, fraud, theft, bribe collusion, racketeering, conspiracy, or material misrepresentation.

2. I understand that "convicted" or "conviction" as defined in Paragraph 287.133 (1)(b), **Flori Statutes**, means a finding of guilt or a conviction of a public entity crime, with or without adjudication of guilt, in any federal or state trial court of record relating to charges brought indictment or information after July 1, 1989, as a result of a jury verdict, nonjury trial, or entry a plea of guilty or nolo contendere.

3. I understand that an "affiliate" as defined in Paragraph 287.133(1)(a), **Florida Statut** means:

1. A predecessor or successor of a person convicted of a public entity crime: or

2. An entity under the control of any natural person who is active in the management of entity and who has been convicted of a public entity crime. The term "affiliate" inclu those officers, directors, executives, partners, shareholders, employees, members, and age who are active in the management of an affiliate. The ownership by one person of sha constituting a controlling interest in another person, or a pooling of equipment or inco among persons when not for fair market value under an arm's length agreement, shall b prima facie case that one person controls another person. A person who knowingly ent into a joint venture with a person who has been convicted of a public entity crime in Flor during the preceding 36 months shall be considered an affiliate.

4. I understand that a "person" as defined in Paragraph 287.133(1)(e), **Florida Statutes**, me any natural person or entity organized under the laws of any state or of the United States with legal power to enter into a binding contract and which bids or applies to bid on contracts for provision of goods or services let by a public entity, or which otherwise transacts or applies transact business with a public entity. The term "person" includes those officers, directc executives, partners, shareholders, employees, members and agents who are active management of an entity.

5. Based on information and belief, the statement which I have marked below is true in relat to the entity submitting this sworn statement. **[Please indicate which statement applies.]**

_____Neither the entity submitting this sworn statement, nor any officers, directors, executiv partners, shareholders, employees, members, or agents who are active in management of the entity, nor any affiliate of the entity have been charged with and convicted of a public en crime subsequent to July 1, 1989.

BST1997

SWORN STATEMENT UNDER SECTION 287.133(3)(a), FLORIDA STATUTES, ON PUBLIC ENTITY CRIMES (Cont'd)

_____The entity submitting this sworn statement, or one or more of the officers, directors, executives, par shareholders, employees, members, or agents who are active in management of the entity, or an affiliate entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989, AND [I **indicate which additional statement applies.]**

_____There has been a proceeding concerning the conviction before a hearing officer of the State of Fl Division of Administrative Hearings. The final order entered by the hearing officer did not place the p or affiliate on the convicted vendor list. **[Please attach a copy of the final order.]**

_____The person or affiliate was placed on the convicted vendor list. There has been a subsequent proc before a hearing officer of the State of Florida, Division of Administrative Hearings. The final order ente the hearing officer determined that it was in the public interest to remove the person or affiliate fro convicted vendor list. **[Please attach a copy of the final order.]**

_____The person or affiliate has not been placed on convicted vendor list. **[Please describe any action by or pending with the Florida Department of General Services.]**

CRIMINAL RECORD AFFIDAVIT

Above named bidder, as of the date of bid submission:

_____ has not been convicted of a felony during the past ten (10) years, nor does it, as of the date of bid subr have an officer, director or executive who has been convicted of a felony during the past ten (10) years.
_____ has been convicted of a felony during the past ten (10) years, or as of the date of bid submission, has an director or executive who has been convicted of a felony during the past ten (10) years.

MIAMI-DADE COUNTY DEBARMENT DISCLOSURE AFFIDAVIT PURSUANT TO COUNTY CODE 10-38

Bidder or his agents, officers, principals, stockholders, subcontractors or their affiliates are not debarred by Miami-County.

BST1998

This single execution shall have the same force and effect as if each of the above three affidavits individually executed.

_____
(Signature of Authorized Representative)

_____
Title

_____
Date

STATE OF: _____

COUNTY OF: _____

The following instrument was acknowledged before me this _____ day of _____, 20___,

by _____,
(Authorized Representative)

of _____,
(Name of Corporation, Partnership, etc.)

who is personally known to me or has produced as _____ identification and who did take an oath.

(Signature of Notary) _____

(Print Name) _____

Notary Commission Number: _____

My Commission Expires: _____

Notary Stamp or Seal:

MIAMI-DADE COUNTY

MIAMI-DADE AVIATION DEPARTMENT SINGLE EXECUTION CONDITION OF AWARD AFFIDAVITS AND CERTIFICATIONS

This sworn statement is submitted for:

Project Title MIA Security Equipment Procurement II

Project Number ITB-MDAD-05-02

COUNTY OF Miami-Dade

STATE OF Florida

Before me the undersigned authority appeared _____(Print Name), who personally known to me or who has provided _____ identification and who did (did not) take an oath, and who stated:

That he is the duly authorized representative of

_____
(Name of Entity)

_____
(Address of Entity)

___/___-___/___/___/___/___/___/___/
Federal Employment Identification Number

hereinafter referred to as the contracting entity being its

_____
(Sole Proprietor)(Partner)(President or Other Authonzed Officer)

and as such has full authority to make these eight certifications/verifications and say as follows.

1. CONTRACTOR'S DISCLOSURE AFFIDAVIT FOR MIAMI-DADE COUNTY

PART I

OWNERSHIP

Publicly Traded Corporations are exempt from this Part I requirement, but must indicate by letter t is a Publicly Traded Corporation and include the name of the stock exchange market and symbol v registered.

That the information given herein and in the documents attached hereto is true and correct.

1. The full legal name and business address* of the person or entity (Contractor) contracting or trans business with Miami-Dade County is:

_____

_____

_____

2. If the contract or business transaction is with a Corporation**, provide the full legal name and bu address* and title for each officer.

_____

_____

_____

3. If the contract or business transaction is with a Corporation**, provide the full legal name and bu address* for each director.

_____

_____

_____

4 If the contract or business transaction is with a Corporation**, provide the full legal name and bu address* for each stockholder who holds directly or indirectly five percent (5%) or more o corporation's stock and state the percentage.

_____

_____

_____

5. If the contract or business transaction is with a Trust, provide the full legal name and address* fo trustee and each beneficiary. All such names and addresses are:

_____

_____

_____

1. CONTRACTOR'S DISCLOSURE AFFIDAVIT FOR MIAMI-DADE COUNTY
PART I (Cont'd)

6. The full legal name and business addresses* of any other individuals (other than subcontractors, materialmen, suppliers, laborers, or lenders) who have, or will have, any interest (legal, equitable, beneficial or otherwise) in the contract or business transaction with Miami-Dade County are:

_____

_____

_____

7. If a Corporate Joint Venture, list the names and titles of the Officers of the Corporate Members of the Joint Venture:

(a) President:_____ (b) President: _____

Vice-Pres: _____ Vice-Pres:_____
Secretary: _____ Secretary:

Treasurer: _____ Treasurer:_____

8. **If a Non-Corporate Partnership or Joint Venture, list the names of the Principals of the Non-Corporate Partnership or Joint Venture:

(c) _____ (d) _____
(Name) (Name)

(c) _____ (d) _____
(Title) (Title)

(CONTRACTOR: ADD EXTRA SHEETS IF NEEDED

* **Post Office Box addresses not acceptable.**

** **If a Joint Venture, list this information for each member of the Joint Venture**

BST2002

1. CONTRACTOR'S DISCLOSURE AFFIDAVIT FOR MIAMI-DADE COUNTY
PART II
EMPLOYMENT DISCLOSURE

1. Does your firm have a collective bargaining agreement with its employees? ☐ Yes ☐ No

2 Does your firm provide paid health care benefits for its employees? ☐ Yes ☐ No

3 Provide a current breakdown (number of persons) of your firm's work force and ownership as to race, national origin and gender:

White:	_____ Males	_____ Females	Asian:	_____ Males	_____ Females
Black:	_____ Males	_____ Females	Native American.	_____ Males	_____ Females
Hispanics:	_____ Males	_____ Females	Alaskan Natives:	_____ Males	_____ Females
_____:	_____ Males	_____ Females	_____:	_____ Males	_____ Females

1. CONTRACTOR'S DISCLOSURE AFFIDAVIT FOR MIAMI-DADE COUNTY
PART III
CONTRACT HISTORY

LIST ALL CONSTRUCTION OR PROCUREMENT CONTRACTS IN EFFECT WITH MIAMI DADE COUNTY DURING THE LAST FIVE (5) YEARS:

CONTRACT DATE	DOLLAR AMOUNT OF ORIG.CONTRACT	FINAL AMT. OF CONTRACT	PERCENTAGE DIFFERENTIAL
(1)			
_____	$_____	$_____	_____%

Summary of Work performed _____

_____

_____

Litigation Arising out of Contract _____

_____

_____

(2)

_____ $_____ $_____ _____%

Summary of Work performed _____

_____

_____

Litigation Arising out of Contract _____

_____

_____

1. CONTRACTOR'S DISCLOSURE AFFIDAVIT FOR MIAMI-DADE COUNTY
PART III (Cont'd)

CONTRACT DATE	DOLLAR AMOUNT OF ORIG.CONTRACT	FINAL AMT. OF CONTRACT	PERCENTAGE DIFFERENTIAL
(3)			
_____	$_____	$_____	_____%

Summary of Work performed _____

_____

_____

Litigation Arising out of Contract _____

_____

_____

(4)			
_____	$_____	$_____	_____%

Summary of Work performed _____

_____

_____

Litigation Arising out of Contract _____

_____

_____

(CONTRACTOR: ADD EXTRA SHEET(S) IF NEEDED.)

1. CONTRACTOR'S DISCLOSURE AFFIDAVIT FOR MIAMI-DADE COUNTY

PART IV
CONTRACT REFERENCES

A. How long has firm been in business? _____

B. Has the firm, or the principals of the firm, ever done business under another name or with another firm? _____
If so, attach separate sheet(s) listing same information as in Parts I, II and III of this affidavit.

C. Provide a representative listing of your firm's private sector business for the last five (5) years (minimum of 5 listings)

NAME OF CLIENT	DESCRIPTIVE TITLE OF PROJECT
(1) _____	_____
(2) _____	_____
(3) _____	_____
(4) _____	_____
(5) _____	_____

(BIDDER: ADD EXTRA SHEET(S) IF NEEDED.)

2. DRUG-FREE WORK PLACE CERTIFICATION

The entity named above certifies that the firm will provide a drug free workplace in compliance with Section 2-8.1.2(b) of the Code of Miami-Dade County.

3. DISABILITY NONDISCRIMINATION CERTIFICATION

That the above named entity is in compliance with and agrees to continue to comply with, and assure that any subcontractor, or third party contractor under this project complies with all applicable requirements of the laws listed below including, but not limited to, those provisions pertaining to employment, provision of programs and services, transportation, communications, access to facilities, renovations, and new construction.

The Americans with Disabilities Act of 1990 (ADA), Pub. L. 101-336, 104 Stat 327, 42 U.S.C. 12101-12213 and 47 U.S.C. Sections 225 and 611 including Title I, Employment; Title II, Public Services; Title III, Public Accommodations and Services Operated by Private Entities; Title IV, Telecommunications, and Title V, Miscellaneous Provisions

The Rehabilitation Act of 1973, 29 U.S.C. Section 794
The Federal Transit Act, as amended 49 U.S.C. Section 1612
The Fair Housing Act as amended, 42 U.S.C. Section 3601-3631
Miami-Dade County Resolution No. R-385-95.

Any contract entered into based upon a false certification submitted pursuant to resolution No. R-385-95 shall be voidable by the County. If any attesting firm violates any of the Acts during the term of any contract such firm has with the County, such contract shall be voidable by the County, even if the attesting firm was not in violation at the time it submitted its certification.

4. MIAMI-DADE COUNTY REGARDING DELINQUENT AND CURRENTLY DUE TAXES, FEES AND PARKING TICKETS (Section 2-8.1(c) of the County Code)

Except for small purchase orders and sole source contracts, the above named entity verifies that all delinquent and currently due fees or taxes - including but not limited to real and property taxes, utility taxes and occupational licenses - which are collected in the normal course by the Miami-Dade County Tax Collector as well as Miami-Dade County issued parking tickets for vehicles registered in the name of the entity have been paid.

5. CODE OF BUSINESS ETHICS AFFIDAVIT

The above named entity has adopted a Business Code of Ethics that complies with the requirements of County Code Section 2-8.1(i).

The above named entity hereby affirms its understanding that its failure comply with its Code of Business Ethics shall render any contract between it and the County voidable, and subject it to debarment from future County work pursuant to Section 10-38(h)(2) of the Code of Miami-Dade County. The Inspector General shall be authorized to investigate any alleged violation by a contractor of its Code of Business Ethics. Nothing contained herein shall be construed to limit the powers and duties of the Inspector General as stated in other sections of the Code of Miami-Dade County.

6. CURRENT IN OBLIGATIONS TO THE COUNTY AFFIDAVIT PURSUANT TO COUNTY CODE SECTION 2-8.1(h)

Above named bidder, as of the date of this affidavit, verifies that the individual or entity is current in its obligations to the County and is not otherwise in default of any County contract.

7. FAMILY LEAVE PLAN CERTIFICATION

That in compliance with Section 11A-29, et seq., of the Miami-Dade County Code, the above named entity provides the following information and is in compliance with all items in the aforementioned Code

Employees shall be entitled to take leave on the same terms and conditions as are provided within the Family and Medical Leave Act of 1993 (FMLA), Public Law No. 103-3, and any amendments thereto, with the exception of the following:

(a) An employee may also take leave to care for a grandparent with a serious health condition on the same terms and conditions as leave is permitted under the FMLA to care for a parent with a serious health condition.
(b) Employers are not required to maintain coverage under any group health plan for the duration of an employee's leave.
(c) Nothing in the County Code shall be construed to affect any employee benefit plan that the employer may otherwise provide.

Pursuant to the Miami-Dade County Code, an eligible employee shall be entitled to a total of 12 workweeks of leave during any 12-month period for one or more of the following:

(a) Because of the birth of a son or daughter of the employee and in order to care for such son or daughter.
(b) Because of the placement of a son or daughter with the employee for adoption or foster care.
(c) In order to care for the spouse, or a son, daughter, or parent, of the employee, if such spouse, son, daughter, or parent has a serious health condition.
(d) Because of a serious health condition that makes the employee unable to perform the functions of the position of such employee.

8. DOMESTIC LEAVE CERTIFICATION

The entity named above certifies that the firm is in compliance with the Domestic Leave requirements pursuant to Miami-Dade County Code Section 11A-60, et seq.

BST2008

This single execution shall have the same force and effect as if each of the above eight affidavits/certifications/verifications had been individually executed.

_____
(Signature of Authorized Representative)

Title_____

Date_____

STATE OF:_____

COUNTY OF:_____

The above instrument was acknowledged before me this _____ day of _____, 20___,

by _____,
(Authorized Representative)

of _____,
(Name of Corporation, Partnership, etc.)

who is personally known to me or has produced _____
as identification and who did/did not take an oath.

_____
(Signature of Notary)

Notary Stamp or Seal

_____
(Print Name)

Notary Commission Number: _____

My Commission Expires: _____

BST2009

County Contractors Employment and Procurement Practices
County Code 2-8.1.5

In accordance with the requirements of County Code 2-8.1.5, all firms with annual gross revenues in excess of $5 million, seeking to contract with Miami-Dade County shall, as a condition of award, have a written Affirmative Action Plan and Procurement Policy on file with the County's Department of Business Development. Firms whose Boards of Directors are representative of the population make-up of the nation are exempt from this requirement and must submit, in writing, a detailed listing of their Boards of Directors, showing the race or ethnicity of each board member, to the County's Department of Business Development. Firms claiming exemption must submit an appropriately completed and signed Exemption Affidavit in accordance with County Code 2-8.1.5 These submittals shall be subject to periodic reviews to assure that the entities do not discriminate in their employment and procurement practices against minorities and women-owned businesses. A bidder selected to be recommended for award must submit an Affirmative Action Plan and Procurement Policy or an Exemption Affidavit to **Maria Machado, AAP Coordinator, Department of Business Development, 175 NW 1st Street, Miami, FL 33128, 305/ 349-6105,** prior to being recommended by the County Manager for award by the Board of County Commissioner, unless the annual gross revenues of such bidder do not exceed five million dollars.

It will be the responsibility of each firm to provide verification of their gross annual revenues to determine the requirement for compliance with the County Code. Those firms that do not exceed $5 million annual gross revenues must clearly state so via letter to the Clerk of the Board with supporting documentation.

Any bidder/respondent which does not provide an affirmative action plan and procurement policy may not be recommended by the County Manager for award by the Board of County Commissioners.

Having submitted the foregoing documents and subsequently notified by the Department of Business Development (DBD) of the applicable file number and expiration date, the Bidder must also submit an appropriately completed and signed Affirmative Action Plan/Procurement Policy Affidavit to the Clerk of the Board.

BST2010

AFFIRMATIVE ACTION PLAN/PROCUREMENT POLICY AFFIDAVIT

Project Title MIA Security Equipment Procurement II Date: _____

Project Number ITB-MDAD-05-02

STATE OF FLORIDA)

COUNTY OF MIAMI-DADE)

Before me, the undersigned authority, authorized to administer oaths and take acknowledgments, personally appeared: _____ after being first dully sworn, upon oath deposes and says that he is an authorized representative of.

_____
(Legal name, Corporation, Partnership, Firm, Individual)

(hereinafter called Bidder) located at _____
(address, city, state)

and, that said bidder or respondent has a current Affirmative Action Plan and/or Procurement Policy as required by Miami-Dade County Code Section 2-8.1.5, processed and approved for filing with Miami-Dade County Department of Business Development (DBD) under File No. _____ and the expiration date of ____

Witness _____ By _____
(Signature) (Signature)

Witness _____ _____
(Signature) (Legal Name and Title)

The foregoing instrument was acknowledged before me this _____ day of _____,20____

FOR AN INDIVIDUAL ACTING IN HIS OWN RIGHT

by: _____

FOR A CORPORATION, PARTNERSHIP, OR JOINT VENTURE

by: _____ Having the title of
( )a _____corporation ( ) partnership ( ) joint venture
He/She is ( ) personally known to me, or
( ) has produced _____ As identification.

Notary Seal: Notary Signature:_____ Type or print name:_____

Please note
County Code Section 2-8.1.5 requires firms with annual gross revenues in excess of five (5) million dollars have an affirmative action plan/procurement policy on file with the County. Firms that have Boards of Directors that are representative of the population make-up of the nation are exempt.

For Questions regarding these requirements contact the Department of Business Development at (305) 523-2100

This affidavit must be properly executed as a condition of award

AFFIRMATIVE ACTION PLAN/PROCUREMENT EXEMPTION AFFIDAVIT

Project Title MIA Security Equipment Procurement II Date: _____

Project Number ITB-MDAD-05-02

STATE OF FLORIDA)
ss
COUNTY OF MIAMI-DADE)

Before me, the undersigned authority, authorized to administer oaths and take acknowledgments, perso appeared: _____ after being first dully sworn, upon oath deposes and says th is an authorized representative of

_____
(Legal name, Corporation, Partnership, Firm, Individual)
hereinafter called Bidder) located at _____
(address, city, state)

and, that said bidder or respondent has a Board of Directors which is representative of the population make-u the nation and hereby claims exemption in accordance with the requirements of Miami-Dade County C Section 2-8.1.5. Said bidder or respondent has a current Board of Directors Disclosure form as required by County Code, processed and approved for filing with Miami-Dade County Department of Business Develop (DBD) under File No. _____ and the expiration date of _____

Witness _____ By _____
(Signature) (Signature)

Witness _____ _____
(Signature) (Legal Name and Title)

The foregoing instrument was acknowledged before me this _____ day of _____ 20____

FOR A CORPORATION, PARTNERSHIP, OR JOINT VENTURE:

by _____ Having the title of _____
( ) a _____corporation ( ) partnership ( ) joint venture
He/She is ( ) personally known to me, or
( ) has produced _____ As identification.

Notary Seal: Notary Signature: _____

Type or print name: _____

Please note.
County Code 2-8 1 5 requires firms with annual gross revenues in excess of five (5) million dollars have an affirmative plan/procurement policy on file with the County. Firms that have Boards of Directors that are representative of the population make the nation are exempt.

For Questions regarding these requirements contact the Department of Business Development at (305) 523-2100

When applicable, this affidavit must be properly executed by the bidder as a condition of award.

ADDITIONAL CONDITIONS REQUIRED PRIOR TO CONTRACT AWARD

The following page is provided for the Bidders' convenience and is prerequisite to a cont award:

	Page No.
Subcontractor/Supplier Listing (Ordinance Nos.97-104 & 00-30)	S6-20

Also required, but no format (page) is provided is the Bidder's Subcontracting Policies Statem which shall be submitted to the Clerk of the Board:

Subcontracting Policies Statement (County Code 2-8.8(4)). For all contracts in which a bidder may a Subcontractor, prior to contract award, the bidder shall provide a detailed statement of its policies a procedures for awarding subcontracts. Failure to provide the required statement shall preclude the bi from receiving the contract. The format for this document is per the Bidder's choice.

SUBCONTRACTOR/SUPPLIER LISTING
(County Code 2-8.1(f))

Firm Name of Prime Contractor/Respondent: _____ Project No. ITB-MDAD-05-02

Project Name: MIA Security Equipment Procurement II

Business Name and Address of First tier Subcontractor/Subconsultant	**Principal Owner**	**Scope of Work to be Performed by Subcontractor/Subconsultant**	**Subcontractor Dollar Amount**	**(Principal Owner) Gender**	**Race**

Business Name and Address of Direct **Supplier**	**Principal Owner**	**Supplies/Materials/Services to be Provided by Supplier**	**Supplier Dollar Amount**	**(Principal Owner) Gender**	**Race**

BST2014

I certify that the certifications contained in this Subcontractor/Supplier Listing are to the best of my knowledge true and accurate

Prime Contractor/Respondent Signature _____ Print Name _____ Print Title _____ Date _____

(Duplicate if additional space is needed)

CERTIFICATION OF PROPOSED EXPANDED NEW SECURITY SYSTEM INTEGRATOR (ENSSI) CAPABILITIES

The undersigned bidder and proposed ENSSI hereby certify that the proposed ENSSI:

A. is currently engaged in the installation, operation, and maintenance of integrated security systems of similar size and scope as that specified herein; and
B. has installed, operated, and maintained other systems of similar size and scope as that specified herein; and
C. shall provide local, factory trained representatives, capable of maintaining the New Security System on a 24 hours per day, 365 days per year basis; and
D. shall provide service call response time of not more than two hours.

Name of Bidder	Name of Proposed ENSSI
Authorized Signature	Authorized Signature

SECTION 7

CONTRACTOR AND SUBCONTRACTORS RELEASES AND AFFIDAVITS

CONTRACTOR'S AFFIDAVIT AND RELEASE OF CLAIM FOR PAY APPLICATION FOR PAYMENT NO. ___

STATE OF _____)
ss
COUNTY OF _____)

Before me, the undersigned authority, personally appeared the AFFIANT, _____

who being duly sworn, deposes and says as follows:

That they are the duly authorized representative of

_____
(Name of Contractor)

being its _____
(Partner) (President or other Officer)

and as such has full authority to make this affidavit and to give this Release of Claim.

That the said Contractor has completed certain work for the Owner, under its Contract No._____ dated_____, for which the Contractor has requested partial payment This Application for Payment is for $_____, and of the said amount, the Contractor has heretofore received the sum of $_____, under prior Pay Application No. _____ leaving a balance of $_____, now due and payable.

That the said Contractor hereby covenants that the claims of all persons supplying labor, materials and supplies, used directly or indirectly in the prosecution of the work covered by the aforesaid prior Application for Payment No. _____, have been paid in full,

That the said Contractor hereby releases the Owner from any and all claims of any nature arising out of the performance of the aforesaid certain work described in prior Pay Application No._____, and hereby accepts the aforesaid Amount in lieu of those claims

CONTRACTOR:

_____
Name of Contractor

By _____
(Signature of Authorized Representative)

_____ _____
(Title) (Date)

BST2017

CONTRACTOR'S AFFIDAVIT AND RELEASE OF CLAIM FOR PAY APPLICATION FOR PAYMENT NO. (Cont'd)

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____ 20____, by

_____
(Authorized Representative)

of _____
(Corporation, Partnership, etc.)

who is personally known to me or who has produced _____

as identification and who **did / did not** take an oath.

_____
(Signature of Notary)

_____
(Print Name)

Notary Stamp or Seal

Notary Commission Number _____

My Commission Expires: _____

BST2018

CONTRACTOR'S AFFIDAVIT AND RELEASE OF ALL CLAIMS

STATE OF _____)
ss
COUNTY OF _____)

Before me, the undersigned authority, personally appeared the AFFIANT,

_____

who being duly sworn, deposes and says as follows:

That they are the duly authorized representative of:

_____
(Name of Contractor)

being its _____
(Partner) (President or other Officer)

and as such has full authority to make this affidavit and to give this Release of All Claims.

That the said Contractor has completed certain work for the Owner, under its Contract No _____ dated _____, for which the Contractor has requested payment in full. The Final Contract Amount is $_____, and of the said amount, the Contractor has heretofore received the sum of $_____, leaving a retained balance of $_____, now due and payable.

That the said Contractor hereby covenants that the claims of all persons supplying labor, materials and supplies, used directly or indirectly in the prosecution of the work covered by the aforesaid Contract, have been paid in full, except for the sum of $_____, which shall be paid in full from the aforesaid retained balance due the Contractor.

That the said Contractor hereby releases the Owner from any and all claims of any nature arising out of the performance of the aforesaid Contract, and hereby accepts the aforesaid Final Contract Amount in lieu thereof.

That the said Contractor hereby covenants that payment by the Owner of the Final Contract Amount in no way releases the Contractor from his continuing obligations under the Performance and Payment Bonds heretofore posted with the Owner, and the Surety on said Bonds hereby consents to the payment by the Owner of the retained funds.

CONTRACTOR:

_____
Name of Contractor

By _____
(Signature of Authorized Representative)

_____
(Title)

_____
(Date)

BST2019

CONTRACTOR'S AFFIDAVIT AND RELEASE OF ALL CLAIMS (Cont'd)

STATE OF

COUNTY OF

The foregoing instrument was acknowledged before me this

day of _____ 20 _____, by

_____
(Authorized Representative)

of _____,
(Corporation, Partnership, etc.)

who is personally known to me or who has produced _____

as identification and who did/did not take an oath.

_____
(Signature of Notary)

_____
(Print Name)

Notarial Stamp or Seal

Notary Commission Number: _____

My Commission Expires _____

BST2020

SUBCONTRACTOR'S AFFIDAVIT IN COMPLIANCE WITH SECTION NO. 10-35, MIAMI-DADE COUNTY CODE

NOTE: The Prime Contractor shall attach this statement, completed by each First Tier Subcontractor whose work appears on the prior requisition for payment, and by each direct supplier to the Prime Contractor who has furnished materials directly to the Prime Contractor which materials were included in the prior requisition for payment.

Project Name: _____ Project Number: _____ Date: _____

Name - General Contractor _____

Name - Subcontractor/Supplier _____

Signature of Authorized Representative of Subcontractor/Supplier:

_____

Title: _____

Date: _____

This Affidavit is an attachment to the Prime Contractor's Pay Requisition No. _____.

Total Subcontract/Supplier Amount $ _____.

Amount of work done by Subcontractor/Supplier under this pay requisition is $ _____.

STATE OF

COUNTY OF

The foregoing instrument was acknowledged before me this _____ day of _____ 20 __, by

_____
(Authorized Representative)

of _____
(Corporation, Partnership, etc.)

who is personally known to me or who has produced _____ as identification and who did/did not take an oath, deposes and says that pursuant to the provisions of the Contract for said project, all money due under prior requisitions for payment have been paid by _____, the Prime (General) Contractor.

_____
(Signature of Notary

_____
(Print Name)

Notary Commission Number: _____

My Commission Expires: _____

Notarial Stamp or Seal

BST2021

RELEASES OF CLAIM BY SUBCONTRACTORS REQUIRED

Section 10-35, Miami-Dade County Code

Before any prime contractor can receive any draw, except the first draw, for moneys due it as a result of a ~~percentage of the work completed, it must~~ pay all first-tier subcontractors and all direct suppliers of the prime contractor who have performed any work or supplied any materials directly to the prime contractor for the project as of that date their proportionate share of all previous draws and must provide the Owner's project manager with duly executed affidavits (subcontractor's statement of satisfaction) or releases of claim from all first-tier subcontractors and direct suppliers to the prime contractor who have performed any work or supplied any materials for the project as of that date, stating that said subcontractors and suppliers have been paid their proportionate share of all previous draws. In the event such affidavits cannot be furnished, the contractor may submit an executed consent of surety to requisition payment, identifying the subcontractors and suppliers, and the amounts for which the statement of satisfaction cannot be furnished. The Contractor's failure to provide a consent of surety to requisition payment will result in the amount in dispute being withheld until (1) the statement of satisfaction is furnished, or (2) consent of surety to requisition payment is furnished.

(Ord. No. 78-23, 4-4-78; Ord. No. 84-11, 2-7-84; Ord. No. 86-6, 2-4-86; Ord. No. 88-13, 3-1-88)

BST2022

Consent of Surety to Pay Application for Payment

PROJECT NAME:_____ PROJECT NO.:_____

CONTRACTOR:_____

A/E CONSULTANT:_____

Attachment to Requisition No._____dated _____ in the amount of $_____

TO MIAMI-DADE BOARD OF COUNTY COMMISSIONERS

The Surety Company, _____
(insert full name or legal title and address of Surety)

on the bond of the Contractor listed above, hereby approves this payment to the Contractor. Said payment shall not relieve the Surety Company of any of its obligations to Miami-Dade County, including the Security from any and all liens, claims, or demands whatsoever that may now exist or be made in the future by any subcontractor or material suppliers against this project and contract

This Consent of Surety recognizes that claims have been made by the following subcontractors and material suppliers against the contract in the amounts listed below:

(subcontractor/material supplier name and telephone number)	(amount of claim)
_____	$_____
_____	$_____
_____	$_____
_____	$_____
_____	$_____
_____	$_____
_____	$_____
_____	$_____

( ) attached find additional listed names/amounts on pages 2 thru _____

The Surety recognizes that releases of lien or releases and assignment of claim have not been requested or received from all the subcontractors and material suppliers for this facility.

IN WITNESS WHEREOF, the Surety Company has hereunto set its hand this _____ day of _____, 20_____

Attest:
Witnesses:

_____ Surety: _____
Signature of Authorized Representative

_____ Title: _____

(Seal)

Attachment: Surety Power of Attorney

BST2023

CONTRACT FORM

THIS CONTRACT made and entered into as of the _____ day of _____,20___, by and between M Dade County, Florida, by its Board of County Commissioners, hereinafter called the Owner and

_____

_____hereinafter called the Contractor.

WITNESSETH, that the said Contractor, for and in consideration of the payments hereinafter specified and agr be made by the County, hereby covenants and agrees to furnish and deliver all the materials required, to d perform all the work and labor, in a satisfactory and workmanlike manner, required to complete this Contract the time specified, in strict and entire conformity with the Plans, Technical Specifications and other Cc documents, which are hereby incorporated into this Contract by reference, for;

PROJECT TITLE: MIA SECURITY EQUIPMENT II

PROJECT NO: ITB MDAD-05-02

The Contractor agrees to make payment of all proper charges for labor and materials required in the aforemen work, and to defend, indemnify and save harmless the County and all its officers, employees and agents again from all suits and costs of every kind and description, and from all damages to which the said County or any officers, agents and employees may be put, by reason of injury or death to persons or injury to property of resulting from the performance of said work, or through the negligence of the Contractor, its officers, age employees or through any improper or defective machinery, implements or appliances used by the Contract officers, agents or employees in the aforesaid work, or through any act or omission on the part of the Contractor officers, agents or employees.

In consideration of these premises, the County hereby agrees to pay to the Contractor for the said work, when completed, the total maximum sum of

_____

_____Dollars ($_____)

consisting of the following accepted items or schedules of work as taken from the Bid Form:

Total Unit and L.S. Price Items _____

_____Dollars $_____

Allowance Account _____

_____Dollars $_____

Inspector General Audit Account _____

_____Dollars $_____

IPSIG Audit Account _____

_____Dollars $_____

TOTAL MAXIMUM CONTRACT AMOUNT _____

_____Dollars $_____

The total maximum contract amount is subject to such additions and deductions as may be provided for Contract. Partial and Final Payments will be made as provided for in the Contract.

CONTRACT (Cont'd)

IN WITNESS WHEREOF, the above parties have caused this Contract to be executed by their appropriate officials as of the date first above written.

BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA,

By: _____
County Manager

ATTEST: Harvey Ruvin Clerk

By: _____
Deputy Clerk

(MIAMI-DADE COUNTY SEAL)

_____

Approved for Form and Legal Sufficiency

_____
(Assistant County Attorney)

CONTRACTOR (If Corporation)

_____
(Corporate Name)

By: _____
President

Attest _____
Secretary

CONTRACTOR (if Partnership or Corporate Joint Venture)

(A) PARTNERSHIP OR CORPORATE JOINT VENTURER:

_____
(Corporate Name)

By _____
President

Attest _____
Secretary

(B) PARTNERSHIP OR CORPORATE JOINT VENTURER:

_____
(Corporate Name)

By: _____
President

Attest _____
Secretary

(ATTACH ADDITIONAL SHEETS FOR EACH JOINT VENTURER, AS NEEDED)

(CORPORATE SEAL)

NAME OF MANAGING JOINT VENTURER:

By _____
Signature of Authorized Representative of Joint Venture

Witnesses as to Above

_____

_____

SURETY PERFORMANCE BOND

By this Bond, We _____, as Principal, whose principal business address is _____, as Contractor under the contract dated _____, 20 ____, between Principal and Miami-Dade County for the providing, installation, operation, maintenance and warranty of certain equipment under **Project No. ITB MDAD-05-02, MIA Security Equipment Procurement II** (herein after referred to as "Contract") the terms of which Contract are incorporated by reference in its entirety into this Bond and _____, a corporation, whose principal business address is _____ as Surety, are bound to Miami-Dade County (hereinafter referred to as "County") in the sum of _____ (U.S. dollars) $_____, for payment of which we bind ourselves, our heirs, personal representatives, successors, and assigns, jointly and severally.

THE CONDITION OF THIS BOND is that if Principal

1. Performs all the work under the Contract, including but not limited to guarantees, warranties and the curing of latent defects, said Contract being made a part of this bond by reference, and in the times and in the manner prescribed in the Contract, including any and all damages for delay; and

2. Pays County all losses, damages, including damages for delay, expenses, costs and attorney's fees, including appellate proceedings, that County sustains because of a default by Principal under the Contract, including but not limited to a failure to honor all guarantees and warranties or to cure latent defects in its work or materials within 5 years after completion of the work under the Contract; and

3. Performs the guarantee of all work and materials furnished under the contract for the time specified in the Contract, including all warranties and curing all latent defects within 5 years after completion of the work under the Contract;

then this bond is void; otherwise it remains in full force.

Surety specifically assumes liability for any and all delay damages arising from Principal's default of the Contract, as well as all latent defects uncovered in the work of the Principal after final acceptance of the work by the County.

Any changes in or under the Contract Documents and compliance or noncompliance with any formalities connected with the Contract or the changes does not affect Surety's obligation under this Bond.

This Bond shall remain in full force and effect for such period or periods of time after the date of acceptance by the County of the Contract work as are provided for in the Contract by which Principal guarantees to repair or replace any or all work performed or materials and equipment furnished, which were not performed or furnished according to the terms of the Contract. If no specific periods of warranty are stated in the Contract for any particular item or work, material or equipment, the warranty shall be deemed to be a period of one (1) year from the date of final acceptance by the County; provided however, that this limitation does not apply to suits seeking damages for latent defects in materials or workmanship, such actions being subject to the limitations found in Section 95.11(3)(c), Florida Statutes

SURETY PERFORMANCE BOND (Cont'd)

IN WITNESS WHEREOF, the above bounden parties have caused this Bond to be executed by appropriate officials as of the _____ day of _____, 20 __.

CONTRACTOR

_____
(Contractor Name)

BY:

_____
(President) (Managing Partner or Joint Venturer)

(SEAL)

COUNTERSIGNED BY RESIDENT
FLORIDA AGENT OF SURETY:

SURETY:

_____

_____
(Copy of Agent's current
Identification Card as issued by
State of Florida Insurance Commissioner must be attached) By: _____

Attorney-in-Fact

(CORPORATE SEAL)

(Power of Attorney must be attached)

SURETY PAYMENT BOND

By this Bond, We _____, as Principal, ~~whose principal business add~~
_____, as Contractor under the contract dated _____, 20 ___, between Pri
and Miami-Dade County for the providing, installation, maintenance and warranty of certain equi
under **Project No. ITB MDAD-05-02, MIA Security Equipment Procurement II** (herein after re
to as "Contract") the terms of which Contract are incorporated by reference in its entirety into this Bon
_____, a corporation, whose principal business address is_____
_____
as Surety, are bound to Miami-Dade County (hereinafter referred to as "County") in the su
_____ (U.S. dollars) $_____, for payment of which w
ourselves, our heirs, personal representatives, successors, and assigns, jointly and severally

THE CONDITION OF THIS BOND is that if Principal:

1. Promptly makes payments to all claimants, as defined in Section 255.05(1), Florida St supplying Principal with labor, materials, or supplies, used directly or indirectly by Principal prosecution of the work provided for in the Contract, which is made a part of this bond by refe and in the times and in the manner prescribed in the Contract; and

2. Pays County all losses, damages, expenses, costs and attorney's fees, including ap proceedings, that County sustains because of a failure by Principal to make any such payments;

then this bond is void; otherwise it remains in full force.

A claimant shall have a right of action against the Principal and the Surety for the amount due it. Such shall not involve the County in any expense.

A claimant, except a laborer, who is not in privity with the Principal and who has not received payment labor, materials, or supplies shall, within 45 days after beginning to furnish labor, materials, or supplies f prosecution of the work, furnish the Principal with a notice that it intends to look to the bond for protecti claimant who is not in privity with the Principal and who has not received payment for its labor, mater supplies shall, within 90 days after performance of the labor or after complete delivery of the materials or su deliver to the Principal and to the Surety written notice of the performance of the labor or delivery of the ma or supplies and of the nonpayment.

No action for labor, materials or supplies may be instituted against the Principal or the Surety unles notices have been given No action shall be instituted against the Principal or the Surety on the bond after o year from the performance of the labor or completion of delivery of the materials or supplies. A claimant m waive in advance its right to bring an action under the bond against the surety

Any changes in or under the Contract Documents and compliance or non-compliance with any form connected with the Contract or the changes does not affect Surety's obligation under this Bond.

SURETY PAYMENT BOND (Cont'd)

IN WITNESS WHEREOF, the above bounden parties have caused this Bond to be executed by their appropriate officials as of the _____ day of _____, 20__.

(CONTRACTOR)

_____
(Contractor Name)

BY: _____
(President) (Managing Partner or Joint Venturer)

COUNTERSIGNED BY RESIDENT FLORIDA AGENT OF SURETY:

_____
(Copy of Agent's current Identification Card as issued by State of Florida Insurance Commissioner must be attached)

SURETY:_____

By: _____
Attorney-in-Fact

(CORPORATE SEAL)

(Power of Attorney must be atta

SPECIAL PROVISIONS 1

Disadvantaged Business Enterprise (DBE) Participation Provisions

DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION PROVISION CONTRACTOR

1) UTILIZATION OF DBE CONTRACTORS

(a) *The Contractor or sub-contractors shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any DOT assisted contract or in the administration of its DBE Program or the requirements of 49 CFR Part 26. The Contractor shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of DOT assisted contract. The MDAD DBE Program, as required by 49 CFR Part 26 and as approved by DOT, is incorporated by reference in this agreement. Implementation of this Program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. The MDAD may impose sanctions to contractors who fail to carry out the terms of this Provision as provided under Part 26*

(b) Each sub-contract the prime contractor signs with a sub-contractor must include the following assurance:

> "The contractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR part 26 in the award and administration of this contract. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or as the MDAD deems appropriate."

(c) Award of this contract will be conditioned upon satisfying the requirements of these bid specifications. These requirements apply to all Contractors, including those who qualify as DBE. A DBE contract goal of 10 % participation has been established for this contract. The Contractor shall make good faith efforts, as defined in Appendix A, 49 CFR of Part 26 Section 26.55, to meet the contract goal for DBE participation in the performance of this contract.

(d) The Contractor will be required to submit the following information with its bid in order to be deemed responsive:

1) The Disadvantaged Business Enterprises (DBE) Utilization Form (Form No. DBE-MA-1 Attached)

2) The Schedule of Participation: which constitutes a written representation by the Contracto that to the best of the Contractor's knowledge the DBEs listed are available and have agreed to perform as specified (Form No. DBE-MA-2 Attached).

3) Letter (s) of Intent: all Contractors must submit signed Letter(s) of Intent completed by the participating certified DBE subcontractor by 4:00 p.m. on the second business day following bid opening. Be sure to include their respective dollar value and percentage of work. Expenditures to DBEs on a Schedule of participation that are not confirmed by a Letter(s) of Intent shall not count toward the goal (Form No. DBE-MA-3 Attached).

4) If the contract DBE goal is not met, documentation demonstrating good faith effort must be included in the bid.

(e) Procedures for determination of a Contractor's Efforts to Meet the DBE Contract Goals - Provided the Contractor shall have submitted completed forms and information required by these Provisions, and its bid is otherwise responsive to the solicitation, a Contractor shall be provided an opportunity to participate in the proceedings set out in this Provisions. The Contractor's failure to submit completed forms and information required by these Provisions can neither be cured by supplementary submittals and testimony at hearings nor shall the non-responsiveness of the bid on account thereof be waived, negotiated or compromised.

(f) Determination of Compliance: The total price for work to be performed by DBE firms as indicated in the Contractor's Schedule of Participation by DBE firms is required to be sufficient to fulfill the stated goal, unless the Contractor shall demonstrate to the satisfaction of MDAD that

1) it has made every reasonable effort to contact and negotiate with DBE firms in an attempt to subcontract work, including every reasonable effort to select the portions of the work proposed to be subcontracted, in order to achieve the stated goal.
2) it was unable, notwithstanding such efforts, to achieve the stated goal because DBE firms were not Qualified or were Unavailable; and
3) it included in its Schedule of Participation, all such proposed agreements it was able to make.

MDAD shall not award a Contract to any Contractor which it determines fails to comply with the applicable requirements of these Provisions. Nothing herein shall relieve any Contractor or any Contractor performing any work under the Contract from any of the terms, conditions, or requirements of the Contract or modify Owner's rights as reserved in the Contract Documents.

Attendance at pre-construction conferences is encouraged to ensure that the contractor and their subcontractors are aware of the reporting requirements and their responsibilities as they relate to the DBE Program. MDAD staff makes itself available to both the contractor and their subcontractors during the course of the contract if any disputes arises concerning the DBE requirements.

2) Investigations and Recommendation by Compliance Officer:

In the event that the Contractor has not met the stated goals, and has submitted the good faith efforts extended by the Contractor to meet the stated goals, the Compliance Officer may, require that the Contractor meet with the Compliance Officer at Miami-Dade County Aviation Department, Minority Affairs Division Building 5A, 3rd Floor, Miami, Florida 33159, or such other place as the Compliance Officer may designate. The purpose of this meeting shall be for the Compliance Officer to determine, if necessary, whether the good faith efforts of the Contractor to meet the stated goals are sufficient. At this meeting the Contractor shall have an opportunity to present information pertinent to its compliance with the applicable requirements

The Compliance Officer may require the Contractor to produce such additional information as the Compliance Officer deems appropriate.

No later than fifteen (15) days after the initial meeting with the Contractor, the Compliance Officer shall make a written recommendation to the Aviation Director or his/her designee (hereinafter referred to as "Director") which shall include a statement of the facts and reasons upon which the recommendation is based.

a) Determination by MDAD - Following receipt of the recommendation, the Director shall, at his discretion, request such further information from the Contractor as he deems appropriate, and may rely upon any factual conclusion reported by the Compliance Officer which is not contradicted by the Contractor, relevant to the issues on which his recommendation to the Board will be based. As soon as practicable, the Director shall make a determination, in writing and setting forth the facts and reasons upon which it is based, whether the bid of such Contractor complies with the requirements of these Provisions or recommending to the Board that the Contract not be awarded to the Contractor. A copy of such determination shall be sent to the Contractor Such determination shall not affect the power of the Board of County Commissioners to reject the Contractor's bid for any other reason or to take action on the recommendation of the Director as it deems appropriate.

b) Consideration of Other Bids - If MDAD deems it advisable in the interest of expediting the award of the Contract, the procedures set forth in these Provisions may be carried out with respect to the bids of one or more additional Contractors at the same or different times with each such proceeding to be separately conducted.

c) Failure of Contractor to Participate - The Contractor will be bound by proceedings under these Provisions to which it has been given required notice without regard to its participation or lack of participation in them. Its lack of participation, upon receiving notices and requests pursuant to these Provisions, shall not be grounds for reconsideration of any actions taken in the proceedings under these Provisions.

d) Substitution of DBE Firms for those listed in the Schedule of Participation by DBE Firms and Letter (s) of Intent Prior to Contract Award - A Contractor must submit in writing any substitution of another firm from that provided in its Schedule of Participation. Such authorization may be given upon a determination that

(i) although listed by a Contractor in good faith, a subcontractor appearing on the Contractor's Schedule of participation is not a DBE subcontractor, is not qualified or in unavailable and that,

(ii) if the work scheduled to be performed by the said contractor is not performed by a DBE subcontractor, the Contractor will not achieve the level of participation listed on its schedule. Upon receiving such authorization, the Contractor shall make every reasonable effort to replace a subcontractor listed in its Schedule of Participation with another qualified DBE subcontractor to perform, for not less than the same price or the price necessary to achieve the level of participation listed on its schedule, the same work or other work not appearing on the Schedule included with its bid submission Failure on the part of the Contractor to comply with all of the requirements of these Provisions shall be grounds for the recommendation of the Director to the Board of County Commissioners that the Contract not be awarded to the Contractor.

3) Administrative Reconsideration

1) Within 5 days of being informed by MDAD that its bid is not responsive/responsible, because it has not documented sufficient good faith efforts, a Contractor may request administrative reconsideration. Contractor should make this request in writing to the Contracting Officer: Aviation Director, P O. Box 592075, Miami, Florida 33159-2075, telephone number (305) 876-7077 The reconsideration official will not have played any role in the original determination that the Contractor did not make to document sufficient good faith efforts.

2) As part of this reconsideration, the Contractor will have the opportunity to provide written documentation or argument concerning the issue of whether it met the goal or made adequate good faith efforts to do so. The Contractor will have the opportunity to meet in person with the reconsideration official to discuss the issue of whether it met the goal or made adequate good faith efforts to do so. MDAD will send the Contractor a written decision on reconsideration, explaining the basis for finding that Contractor did not meet the goal or make adequate good faith efforts to do so. The result of the reconsideration process is not administratively appealable to the Department of Transportation

3) In a "design-build" or "turnkey" contracting situation, in which the recipient lets a master contract to a contractor, who in turn lets subsequent subcontracts for the work of the project, MDAD may establish a goal for the project. The master contractor will then establish contract goals, as appropriate for the subcontracts it lets. MDAD will maintain oversight of the master contractor's activities to ensure that they are conducted consistent with the requirements of the DBE plan.

4) MDAD will require that a prime contractor not terminate for convenience a DBE subcontractor (or an approved substitute DBE firm) and then perform the work of the terminated subcontractor with its own forces or those of an affiliate, without prior written consent by the Aviation Director or designee

5) When a DBE subcontractor is terminated, or fails to complete its work on the contract for any reason, MDAD will require the prime contractor to make good faith efforts to find another DBE subcontractor to substitute for the original DBE. These good faith efforts shall be directed at finding another DBE to perform at least the same amount of work under the contract as the DBE that was terminated, to the extent needed to meet the contract goal established.

6) MDAD will include in each prime contract a provision for appropriate administrative remedies that it will invoke if the prime contractor fails to comply with the DBE requirements of the contract.

4) <u>REQUIREMENTS AND PROCEDURES SUBSEQUENT TO CONTRACT AWARD</u>:

A) **Schedule of Participation** - The Contractor shall subcontract with those subcontractors listed on the Schedule of Participation by DBE, with substitutions authorized under these Provisions, and shall thereafter neither terminate such subcontract(s) nor reduce the scope of the work to be performed by, or decrease the price to be paid to, the DBE subcontractor(s) thereunder without the prior written authorization of the Director.

B) **Substitution of Subcontractors**:

1) **Excuse from Entering Subcontracts.** If prior to execution of a subcontract required by these Provisions, the Contractor submits a written request to the Director and demonstrates to the satisfaction of the Director that, as a result of a change in circumstances beyond its control of which it was not aware and could not reasonably have been aware until subsequent to the date of award of the Contract, a DBE Contractor which is to enter into such subcontract has become not qualified, or that the DBE Contractor has unreasonably refused to execute the subcontract, the Successful Contractor shall be excused from executing such subcontract.

2) **Rightful Termination of Subcontracts.** If after execution of a subcontract required by these provisions, the Contractor submits a written request to the Director and demonstrates to the satisfaction of the Director that, as a result of a change in circumstance beyond its control of which it was not aware and could not reasonably have been aware until subsequent to the date of execution of such subcontract, a DBE Contractor which entered into such subcontract has become not qualified or has committed and failed to remedy a material breach of the subcontract, the Contractor shall be entitled to exercise such rights as may be available to it to terminate the subcontract.

3) **Determination of Excuse of Rightful Termination.** If the Contractor at any time submits a written request under these Provisions, the Director, as soon as practicable, shall determine whether the Contractor has made the requisite demonstration, and shall not determine that such a demonstration has not been made without first providing the Contractor an opportunity to present pertinent information and arguments.

4) **Alternative Subcontracts.** If the Contractor is excused from entering a subcontract under this Regulation or rightfully terminates a subcontract under this Regulation and without such subcontract the Contractor will not achieve the level of DBE Participation upon which the contract was awarded, the Contractor shall make every reasonable effort to enter into an alternative subcontract or subcontracts for the same work to be performed by another Qualified DBE subcontractor or subcontractors for a contract price or prices totaling not less than the contract price under the excused or terminated subcontract, less all amounts previously paid thereunder. The Contractor shall be deemed to satisfy the requirements of this Regulation if:

   a) it shall enter each such alternative subcontract(s) for the same work;
   b) it demonstrates to the satisfaction of the Director that it has made every reasonable effort to negotiate with a DBE Contractor in an attempt to subcontract such work, but that it was unable to subcontract the work because the DBE Contractors were (i) not Qualified, (ii)Unavailable, or (iii) although Qualified and not Unavailable, were unwilling or unable to propose a price for such work equal to or less than the price originally scheduled for such work (less all amount previously paid thereof);
   c) when situations covered by these Regulations arises, the Compliance Officer shall promptly meet with the Contractor and provide him an opportunity to demonstrate compliance with these Provisions. The Compliance Officer shall, as promptly as practicable, recommend to the Director whether the Contractor should be determined to be in continued compliance with these Provisions.

The Compliance Officer may require the Contractor to produce such information as the Compliance Officer deems appropriate and may obtain whatever other and further information from whatever source the Compliance Officer deems appropriate A copy of the Compliance Officer's recommendation shall be promptly hand delivered or sent by registered mail to the Contractor. The Compliance Officer shall not make his/her recommendation under this paragraph without giving the Contractor notice and an opportunity to present pertinent information and arguments.

The Director will consider objections to the Compliance Officer's recommendation only if such written objections are received by the Director within five (5) calendar days from the Contractor's receipt of the Compliance Officer's recommendation. The Director will reply to the Contractor's written objection within (10) days of receipt of these objections.

BST2036

5) **Prompt Payment**

Miami-Dade Aviation Department (MDAD) has, as part of its DBE Program, a contract clause which implements the Miami-Dade County (MDC) ordinance required by State of Florida law on prompt payment of contractors and subcontractors. The ordinance requires MDAD/MDC to pay small businesses, and for prime contractors to pay subcontractors for satisfactory performance of their contracts no later than 30 days after a proper invoice has been received. This clause also requires the prompt return of retainage payments from the prime contractor to the subcontractor within a specific number of days after the subcontractor work is satisfactorily completed. The prompt payment ordinance and MDAD contracting procedures provide for appropriate penalties for failure to comply with the terms and conditions of MDAD contracts. Any delay or postponement of payments among the parties may take place only for good cause, with MDAD's prior written approval.

MDAD has established, as part of its DBE Program, the following additional mechanisms that may be applied to ensure prompt payment:

1. A contract clause that requires prime contractors to include in their subcontracts, language providing that prime contractors and subcontractors will use appropriate alternative dispute resolution mechanisms to resolve payment disputes MDAD will specify the nature of such mechanisms as appropriate;

2 A contract clause providing that the prime contractor will not be reimbursed for work performed by subcontractors unless and until the prime contractor ensures that the subcontractors are promptly paid for the work they have performed; and,

3 Other mechanisms, consistent with this part and applicable state and local law, to ensure that DBEs and other contractors are fully and promptly paid

6) **Procedures for Post Monitoring**

MDAD shall monitor the compliance of the Contractor with the requirements of these Provisions during the course of the work to be performed under the Contract. MDAD shall have access to the necessary records to examine such information as may be appropriate for the purpose of investigating and determining compliance with these Provisions, including, but not limited to, manpower tables, records of expenditures, observations at the job site, and contracts between the Contractor and his subcontractors, suppliers and material men entered into during the life of the Contract.

The MDAD's DBE Program also includes a monitoring and enforcement mechanism to verify that the work committed to DBEs at contract award is actually performed by the DBEs. This mechanism provides for a running tally of actual DBE attainments (i e., payments actually made to DBE firms); includes a provision ensuring that DBE participation is credited toward overall or contract goals when payments are actually made to DBE firms; and requires the following elements:

BST2037

1) Site inspections are conducted to verify that the DBE contractors identified as performing work on our contracts are actually doing the work. Inspections may include desktop audits where invoices are examined as well as payments. Subcontracts may be reviewed and employees interviewed to verify information that has been submitted.
2) Monthly Utilization Report (MUR), as found in Form DBE-MA-4 (Attached), is required from all contractors in which a DBE goal has been set. The reports provide the dollars paid to the prime contractor and what the prime contractor has paid each to their subcontractors This data is entered into a database to be monitored for compliance with goals.
3) Prime contractor must include with their MUR, proof of payment to the DBE subcontractors. This is achieved by providing copies of checks or written statements from the subcontractors in which they acknowledge payment.

7) **Sanctions for Violations**

If at any time MDAD has reason to believe that the Contractor is in violation of its obligation under these Provisions, or has otherwise failed to comply with these Provisions, MDAD may, in addition to pursuing any other legal remedy, commence proceeding to impose sanctions on the Contractor. Such sanctions may include, but are not limited to, one or more of the following:

1) The suspension of any payment or part thereof due the Contractor until such time as the issues concerning the Contractor's Compliance are resolved

2) The termination or cancellation of the Contract in whole or in part, unless the Contractor demonstrates within a reasonable time its compliance with the terms of these Provisions.

3) The denial to the Contractor of the right to participate in any further contracts awarded by MDAD for a period no longer than three years. No such sanction shall be imposed by MDAD upon the Contractor except pursuant to a hearing conducted by the Director.

DISADVANTAGED BUSINESS ENTERPRISE (DBE) UTILIZATION

The undersigned bidder/offeror has satisfied the requirements of the bid specification in the following manner (please check the appropriate space).

_____ The bidder/offeror is committed to a minimum of _____% DBE utilization in this Contract.

_____ The bidder/offeror (if unable to meet the DBE goal of _____% is committed to a minimum of _____% DBE utilization on this contract and submits documentation demonstrating good faith efforts.

Name of bidder/offeror's firm: _____

State Registration No. _____

By: _____ Title: _____
(Signature)

_____ Date: _____
(Print Name)

FORM DBE-MA-1
Revised May 15, 2002

SCHEDULE OF PARTICIPATION BY DBE FIRMS

Listed below is the information pertaining to "certified" DBE firms who will be participating in this contract.

NAME OF DBE FIRMS	DESCRIPTION OF SERVICES	$ & % OF BID/PROPOSAL

Form to be completed and signed by the Bidder/Proposer I certify that the representation contained in this Schedule of Participation are to the best of my knowledge true and accurate.

Signature **Date**

Print Name **Title** **Company Name**

FORM DBE-MA-2 **Revised May 15, 2002**

BST2040

LETTER OF INTENT
DISADVANTAGED BUSINESS ENTERPRISE
PARTICIPATION

To:_____

Project:_____

Contract Number:_____ **Total $ value & % of Bidder/Proposal:**_____

The undersigned holds DBD Certificate No._____ **expiring on,**_____ **20**_____.

The undersigned intends to perform the following work in connection with the above Bid/ Proposal (Describe):_____

Description of Services	$ value & % of Bid/Proposal

Total%_____

Signature_____ **Date**_____

Print Name_____ **Title**_____

DBE Firm_____

FORM DBE-MA-3
Revised May 15, 2002

BST2041

August 22, 2001

MONTHLY DISADVANTAGED INESS UTILIZATION REPORT

Miami-Dade County Disadvantaged Business Utilization 1. Contract Goal ____%

2. Reporting Period

From: _____

To: _____

This report is required by Metropolitan Dade County. Failure to comply may result in MDC commencing proceedings to Impose sanctions on this Contractor. In addition to pursuing Any other available legal remedy. Sanctions may include the suspension of any payment or part thereof, termination or cancellation of the Contract, and the denial to participate in any future contracts awarded by MDC.

5. CONTRACTOR INFORMATION

3. Name of Contractor & Address

4. Name of Contract & No.

5a. Date of Pre-bid Confer	5b. Date of Pre-Const. Conf	5c. Contract Amount	5d. Change Order Amount	5e. DBE % Goal Attained	5f. Date of Notice to Proceed	5g. Sched Completion	5h. %Project Completed

7. DBE Utilization

6. Name of Subcontractor(s)

7a. Subcontract Amount	7b Description of Work	7c Amount Drawn	7d. Amount paid to Date	7e. Actual Starting Date	7f. Scheduled Completion Date

BST2042

8 Company Official's Signature and Title 9 Date 10 Telephone

PLEASE PRINT OR TYPE NAME

MIAMI INTERNATIONAL AIRPORT

Minority Affairs Division
Project Worksheet

Project/Contract Title: MIA Security Equipment Procurement II
Project/Contract No: MDAD-05-02 **Funding Source:** FAA AIP Grant
Estimated Cost of Project/Bid: $11,003,942.00 **Resubmittal Date(s):**

Description of Project/Bid: The Security Equipment Procurement #2 (SEP #2) Project procures integrates and installs access control, Closed Circuit Television (CCTV) video transmission, CCTV recording equipment and data network equipment. This project expands the existing New Security System (NSS) by providing equipment for four additional Security Rooms as well as expanding the CCTV video handling capability of the existing 15 Security Equipment Rooms to their design capacity. This project will improve the security of the traveling public, tenants, aircraft and MDAD staff. SEP #2 also covers the procurement, integration and installation of ATM data network equipment, Ethernet data network equipment, audio/video transmission and reception equipment, audio/video recording equipment, access control equipment, security door equipment, CCTV cameras, equipment racks, uninterruptible power supplies (UPS), software and training.

DBE Recommendation

Measure	Program	DBE Goal Percent
Goal	DBE	10%

Reasons for Recommendation

This is a reasonable Goal, based on the 16 available DBE firms for the trades identified.

Analysis for Recommendation

Subtrade	Cat.	Estimated Value	% of Items to Base Bid	Availability
Equipment Racks	DBE	$ 33,600	.3%	
Indoor Ceiling Mounted, Fixed Camera, Lens: 2.8-6mm	DBE	$ 17,160	.2%	
Indoor Pendant Mounted Fixed Camera, Lens: 2.8-6mm	DBE	$ 13,650	.1%	
Outdoor Pendant Mounted Fixed Camera, Lens: 2.8-6mm	DBE	$ 16,324	.1%	
Indoor Ceiling Mounted, Fixed Camera, Lens: 5-40mm	DBE	$ 11,625	.1%	
Indoor Pendant Mounted Fixed Camera, Lens: 5-40mm	DBE	$ 13,244	.1 %	9
Outdoor Pendant Mounted Fixed Camera, Lens: 5-40mm	DBE	$ 14,840	.1%	
24 VAC/110 VAC power supplies for fixed cameras	DBE	$ 3,591	.03%	
Alarm Horn/Strobe	DBE	$127,728	1.2%	
Small Hub	DBE	$100,000	.9%	
Uninterrupted Power Supply (Small UPS)	DBE	$ 15,000	.1%	
Installation, Electrical	DBE	$756,995	6.9%	↔ 7
Total		$1,122,849.00	10%	16

Minority Affairs Recommendation

DBE Goal 10% No Goal

Associate Director — Date 12/11/02

Project Manager — Date 12/11/02

MIAMI-DADE AVIATION DEPARTMENT ♦ P.O. BOX 592075 AMF ♦ MIAMI, FLORIDA 33159
PHONE: 305.876.7017 ♦ FAX: 305.869.1270
Www.miami-airport.com

MIAMI-DADE

BST2043

Shields, Holly S

From: Sims, Nancy H
Sent: Wednesday, September 18, 2002 6:13 PM
To: Gomez, Tito
Cc: Criser III, Marshal M
Subject: Miami Dade Airport and Orlando Airport

Based on the Miami Dade response re. service being provided by the airport, it appears that the Miami Dade Airport and the Orlando Airport may have overstepped their authority in providing telephone service to entities associated with the airport (not involved with the safety and air transport of passengers.) Wayne Tubaugh is investigating the service being provided - we believe shops, rental car agencies, and motels may be involved.

I wanted to make sure that you were aware of this so that there would be no surprises. We will have to regroup once we have the info. as this appears to be a violation of the FPSC rules.

I will be out of the office until Sept. 30th, but Wayne will be available. I believe he will be in Miami tomorrow.

Nancy

EXHIBIT
MDC 50

BST. 19739

Final Exhibit
No. 269

DADE AVIATION CONSULTANTS
GENERAL CONSULTANT TO THE DADE COUNTY AVIATION DEPARTMENT

A JOINT VENTURE OF
BECHTEL CORPORATION
DAY & ZIMMERMANN INC
SPILLIS CANDELA & PARTNERS INC
THE BUGDAL GROUP
FORREST CONSTRUCTION MANAGEMENT INC
MAURICE GRAY ASSOCIATES INC
SHARPTON, BRUNSON, & COMPANY
THOMPSON CONSULTANTS INTERNATIONAL INC
AN EQUAL OPPORTUNITIES EMPLOYER

BellSouth/MDAD Meeting

Date: April 12, 2002
Time:
Location: IS Conference Room

Purpose: Discuss BellSouth Participation in POP at MIA

Minutes by Rick Kautz

Next Meeting: Not scheduled

Attendees:

Name	Org	Phone	Fax	Email
Elena Cordal	BBS	3055697279		Elena cordal@bellsouth.com
Lonnie Maier	BBS	3055697210		Lonnie.maier@bellsouth.com
Orlando J. Soto	BLS-Net	3052608231		ojs@bellsouth.com
George Hill	BLS-Net	3056299432		George.f.hill@bridge.bellsouth.com
Jorge F. DeApodaca	Director-Network	3055921489		Jorge.deapodaca2@bridge.bellsouth.com
Ed Gonzalez	BBS	3055692202		Eduaudo.Gonzalez@bellsouth.com
Tito Gomez	BBS/REA	3053475450		Tito.Gomez@bellsouth.com
Maurice Jenkins	MDAD	3058760934		mjenkins@miami-airport.com
Pedro Garcia	MDAD	3058767523		pjgarcia@miami-airport.com
Howard Werner	MDAD	3058760272		hwerner@miami-airport.com
Rick Kautz	DAC	3058760608		kkautz@miami-airport.com

Attachments:
1 BellSouth Feedback Letter Dated April 5, 2002

Final Exhibit No. 270

CC: R. Robinson
Document Control

BST256

Minutes:

Item #	Discussion	Action:
1	Ms. Cordal stated that a second response to MDAD's discussion on use of Point of Presence was sent on April 5. BellSouth provided copies of this response to review at this meeting.	No action
2	Mr. Garcia said that MDAD had the PSC ruling and the County Charter reviewed by the County Attorney. Their legal position is that the airport can implement a Point of Presence and charge a reasonable price. MDAD cannot deny access to a customer.	No action
3	BellSouth stated that the potential issue with the County Charter is whether or not MDAD can provide dial tone.	No action

Item #	Discussion	Action:
4	Mr. Gomez stated that the April 5th letter says that if MDAD charges the same, as it would cost BellSouth to provide the connectivity there is no issue. He said that the document highlights a sub-issue that BellSouth has an obligation to provide maintenance and service to comply with the PSC. To do this, BellSouth needs access to the facilities at MIA.	No action
5	Mr. Garcia said there will always be issues between concept and implementation. At some places POP may not be practical. The implementation needs to be worked through situation by situation.	No action
6	Mr. Garcia pointed out that MDAD is updating the MDAD design guidelines to meet telecom and BICSI guidelines. This addresses the technical issues listed on page 2 of the MDAD document.	No action
7	Mr. Gomez said that BellSouth's issues were more operational in nature in terms of how they would operate in a POP environment. He reiterated BellSouth's willingness to work through the issues with MDAD.	No action
8	Mr. Gomez stated that there is another issue pertaining to MDAD providing dial tone to other then county personnel. Mr. Jenkins said that the County Attorney had rendered an opinion stating that this is not an issue. It was agreed that the County and BellSouth attorneys should discuss this issue. David Hope is the relevant County Attorney. Sharon Leibman is the BellSouth attorney.	Mr. Garcia to initiate a discussion between attorneys
9	Mr. Jenkins said that MDAD wants to address the wants and needs of the public. The MIA Airline Committee has many expectations of MDAD that involve no increase of landing fees. So MDAD needs to find other ways to collect revenue. Mr. Jenkin's goal is apply technology to run the airport as a business.	No action
10	Mr. Jenkins stated he appreciates George Hill and Kenny Wendt's professionalism in working with MDAD.	No action
11.	Mr. Gomez said that BellSouth originally hesitated in providing support for the POP concept due to issues that occurred prior to Mr. Jenkins and Mr. Garcia representing MDAD. BellSouth was concerned about being forced into an approach that was not mutually agreed. Since MDAD and BellSouth are in agreement that there is not a cookie cutter solution to all implementation issues BellSouth feels good about the implementation approach.	No action
12	Lonnie Maier reports directly to Janice Kraft who attended the last meeting with MDAD. BellSouth will make sure that MDAD will kept up to date about the technology that is available for MIA. Mr. Jenkins said he is interested in ways to make money and not interested more ways to spend money.	BellSouth to keep MDAD up to date on potential revenue making technologies
13	BellSouth asked about MDAD's position on the infrastructure that BellSouth already has in place Mr. Kautz stated that MDAD knows that MIA won't have a pure POP implementation. It is not likely that MDAD will take over this existing infrastructure. At some time in the near future MDAD will take the position that from that time forward MDAD will install and own all new infrastructure installed.	No action
14	BellSouth has many questions about what MDAD will provide as part of POP. For instance, in some cases BellSouth needs to use electronics in customer areas to send/receive information. Does MDAD plan to provide the equipment on the airport? These details need to be worked out. In general,	No action

Meeting notes compiled by Rick Kautz, DAC. Any comments regarding these notes must be submitted in writing within 5 days of receipt of meeting notes.

Item #	Discussion	Action:
	MDAD plans to provide the same type of services currently provided by NEXTIRA. For cases such as the example listed, MDAD would provide dark fiber and BellSouth would provide equipment at both ends of the communications circuit. BellSouth also talked about having spare pairs in cables allocated to BellSouth so that they could make emergency repairs without getting MDAD involved.	
15	Mr. Garcia talked about his future trip to Orlando to see their POP facility. BellSouth said that Orlando does not have a complete POP implementation and that they would like George Hill to go along to explain what Mr. Garcia is seeing.	George Hill and Pedro Garcia to coordinate meeting about trip to Orlando

Meeting notes compiled by Rick Kautz, DAC. Any comments regarding these notes must be submitted in writing within 5 days of receipt of meeting notes.

TEXT Dated: 5/6/2002 at 7:58
Subject: Updated Meeting Minutes Size: 587 bytes
Creator: KKautz@miami-airport.com

The attached meeting minutes have two corrections from George Hill.

(corrected spelling of two names)

<<2002-05-06 bellsouth letter.doc>>

Rick Kautz
Sr. IT Consultant
Dade Aviation Consultants
P.O. Box 594040
Miami, Florida 33159-4040
Phone: 305-876-0608

**** IMPORTANT NOTICE ****
The Miami-Dade County Aviation Department is a public agency subject to Chapter 119 of the Florida Statutes concerning public records. E-mail messages are covered under such laws and thus subject to disclosure. All e-mail sent and received is captured by our server and kept as a public record.

REPLY Dated: 5/6/2002 at 7:08
Subject: Meeting Minutes from the April 12 MDAD/BellSouth Meeting Contents: 2
Sender: George F. Hill /m6,mail6a

Item 1

FROM: George F. Hill /m6,mail6a; PHONE=305-629-9432
TO: KKautz@miami-airport.com

Item 2

Rick,

Please make the following changes:

Resend this out with Jorge's name spelled DeApodaca and change his e-mail address as well.

The BST attorney in referenced in item 8 should be Sharon **Liebman.**

Thanks!

George

BST260

David Hope

From: Pedro Garcia
Sent: Thursday, April 21, 2005 4:58 PM
To: David Hope
Subject: BellSouth Services to MDAD

The following services are provided by BellSouth to MDAD at an average monthly charge of $52,624.16 a month*

- Local Service (business lines)
- Centrex
- PRIs
- PTP T-1s
- Channelized Megalink
- ISDN
- DSL
- T-1 for Internet Service
- OPX Circuits (for off premise extensions)
- SmartRing
- Data Grade quality and/or Leased Line Circuits (for BMS, Matrix Card Readers)

(*) 6 month average

Final Exhibit
No. 271

EXHIBIT
MDC 51

Mr. Banfield
AML

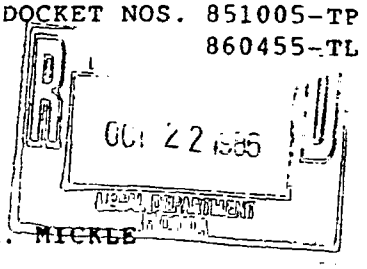
BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

WBB
LEG
SAW

In the Matter of : DOCKET NOS. 851005-TP and 860455-TL

Investigation of Joint and Shared Use of Telephone Service. :



DEPOSITION OF: JACKLYN A. ~~MICKLE~~

TAKEN AT THE INSTANCE OF: FLORIDA PUBLIC SERVICE COMMISSION

PLACE: 4300 Southern Bell Center
675 West Peachtree Street
Atlanta, Georgia 30375

RECEIVED
REPORTING

TIME: Commenced at 10:15 a.m.
Terminated at 2:35 p.m.

OCT 20 1986
Florida Public Service Commission

DATE: Thursday, October 16, 1986

REPORTED BY: JOY KELLY, CSR, RPR
Official Commission Reporter

APPEARANCES:

JAMES McAULEY, FPSC Division of Legal Services, 101 East Gaines Street, Tallahassee, Florida 32301, Telephone No. (904) 487-2740, appearing on behalf of the Commission Staff.

RUSSELL M. BLAU, of the firm Pepper, Hamilton and Scheetz, 1777 F Street, Northwest, Washington, D.C. 20006, Telephone No. (202) 842-8171, appearing on behalf of the Greater Orlando Airport.

CHARLES BECK, Office of the Public Counsel, 624 Fuller Warren Building, 202 Blount Street, Tallahassee,

cc R Stamey

Final Exhibit
No. 272

APPEARANCES CONTINUED:

Florida 32301, Telephone No. (904) 488-9330, appearing on behalf of the Citizens of the State of Florida.

LEN S. ANTHONY, 4300 Southern Bell Center, 675 West Peachtree Street, Northeast, Altanta, Georgia 30375, Telephone No. (404) 529-5091 appearing on behalf of Southern Bell Telephone and Telegraph Company.

LAWRENCE E. GILL, 666 Northwest 79th Avenue, Miami, Florida 33126, Telephone No. (305) 263-2033, appearing on behalf of Southern Bell Telephone and Telegraph Company.

LESLIE R. STEIN, Post Office Box 110, Mail Code 7, Tampa, Florida 33601, Telephone No. (813) 224-4001, appearing on behalf of General Telephone Company of Florida.

ALSO PRESENT:

ROBIN NORTON, FPSC Division of Communications.

ALPHONSO J. VARNER, Segment Manager -- Rates, and Southern Bell Telephone and Telegraph Company.

JAMES THOMAS KNIGHT, Operations Manager -- Rates and Service Costs, Southern Bell Telephone and Telegraph Company.

PAUL D. GLASSBURN, Pricing and Tariffs Manager, General Telephone Company of Florida.

STEVE R. MIXSON, Revenue Development Coordinator, General Telephone Company of Florida.

I N D E X

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WITNESS	
JACKLYN A. MICKLE	
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Examination by Mr. Beck	77
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ERRATA SHEET	116
CERTIFICATE OF REPORTER	117

EXHIBITS

Number:	Identified
1 - (Late-Filed) 1985 LIUC Study Summary	15
2 - (Late-Filed) Summary of Per-Line Expense Savings	74

S T I P U L A T I O N

IT IS STIPULATED that this deposition was taken pursuant to notice in accordance with the applicable Florida Rules of Civil Procedure; that objections, except as to the form of the question, are reserved until hearing in this cause; and that reading and signing was not waived.

IT IS ALSO STIPULATED that any off-the-record conversations are with the consent of the deponent.

MR. McAULEY: I think we can all agree that this deposition is taken pursuant to the rules of civil procedures in Florida, and that any objections will be reserved except to the form of the question itself.

MR. ANTHONY: Agreed. We do not waive the reading and signing.

MR. McAULEY: All right.

JACKLYN A. MICKLE

appeared as a witness, and after being first duly sworn by the Court Reporter, testified as follows:

DIRECT EXAMINATION

BY MR. McAULEY:

Q Ms. Mickle, would you please -- for the record my name is James McAuley, Staff Counsel. With me is Robin Norton.

Ms. Mickle, please tell me your position and give a background.

A I am a Staff Manager in the Rates and Costs Department for Southern Bell. I handle the resale local service.

As far as my background in this area, approximately two years ago I was the Marketing Account Executive, marketing to shared tenant service providers throughout our four-state region. I did that for approximately one year and worked with various customers across the nation but obviously focusing on their requests for our four-state region. And then moved from

that position into the Rates position which I currently hold.

Q What are your responsibilities as the Rates and Tariffs Manager?

A I'm responsible for the resale local service and those tariffs that we have where we have them employed, which is in South Carolina as well as in Georgia; and any tariff questions that come up regarding the resale local service. I also work in some capacity for general local service rates.

Q Are you responsible to review all tariff filings in Florida?

A No, I'm not.

Q No, you're not? All right. Just in the area of shared tenant services or all measured service and all new services?

A Primarily in the area of shared tenant service or resale local service, and occasionally in other tariff offerings for business trunks and 1-FB service.

Q All right. Would you please turn to Page 6 of your prefiled testimony?

A Direct testimony?

Q Direct testimony. The bottom of Page 6, the top of Page 7, I call your attention to the statement you make in response to -- the question is, "Describe the rates which you propose in this resale tariff."

Would you read your answer?

A "The rates we are proposing are very similar to rates which this Commission has previously approved in the cellular mobile carrier and radio common carrier tariffs. These rates are generally applicable to a wide range of usage sensitive situations."

Q That's all right, thank you. Okay, I want to ask you a question. Are you familiar, then, with the cellular mobile carrier tariffs and radio common carrier tariffs?

A I'm familiar with their generate rate structure.

Q And does their general rate structure include a 6-cent for the first minute and 2-cent for each additional minute?

A Yes, it does.

Q Can you tell me what the cost factors were that were used to calculate those rates?

A The cost justification used for those rates were the 1985 LIUC Study for Florida.

Q The 1985 LIUC Study for Florida?

A Yes.

Q I would like to obtain a copy of the summary page of the 1985 LIUC Study for Florida.

A Okay.

Q Make that --

A You probably already have that. I feel certain that you do. In fact, the cost study that the -- sheet that was

submitted to me that I know you all have in your possession has that cost.

Q Are you referring to the '86 -- are you referring to the late-filed deposition exhibit in August?

A No, that was the 1986 LIUC Study.

Q Right.

A In fact, there were some numbers dropped on that which I need to submit the new page to you.

Q Can I see what you're referring to?

A Yes. What I'm referring to is this sheet right there which was used in the cellular docket. I have not produced that. You have that from another docket.

Q What I'm asking, though, is I would like to have that for this docket.

A 1985 LIUC Study summary?

Q 1985 LIUC summary.

A Okay. I can tell you what those cost elements are.

Q Would you please do that?

A Yes. In the 1985 LIUC Study, the cost for the first minute of usage is .03427. The additional minute usage is .01055; this is peak period.

Q Right.

A Off-peak period is .00390 for the first minute. Additional minute is .00046.

Q Okay. Just to clarify those numbers that you just

read into the record, they are in dollars?

A Yes, those are in dollars.

Q Okay. Have you had an opportunity to review your deposition from the -- previous deposition taken on August 26th, 1986?

A Yes, I have.

Q Were the answers that you gave in that correct?

A What particular question?

Q All right. I would like to call your attention to Page 9 of your previous deposition.

A Yes. Page 9. All right, I see Page 9.

Q All right, on Page 9 of the previous deposition I asked you about -- let me back up to Page 8 -- for a summary of your LIUC Study, and you said, "I can tell you --" well, would you read your answer?

A "I can tell you what those cost figures are for the usage; I can tell you exactly what the rates are."

Q All right. Further on down you indicate your answer to, "When was that study prepared?" Would you read that answer?

A "I don't know the exact date of that study, the most recent date of that study."

Q All right. Continue reading because I want to get the rest of it.

A "The first minute, using the cost studies that we

have for usage, show the cost for the first minute of usage during the peak rate would be 5.547 cents, and additional minutes are 2.37 cents. Off-peak usage costs are for the first minute 2.93, and the additional minutes are .047."

Q All right, thank you. Can you tell me why, from 19 -- is this the 1985?

A These cost figures are not specific to Florida. The cost figures that are in this are specifically Florida LIUC. So, really, these rates that we read previously of the .03427 are more appropriate and should have been in that.

Q Okay. So, you're telling me that your answer to the question on Page 9 would be corrected?

A For 1985 Florida LIUC it would be the figures we read earlier. 1986 LIUC has become available.

Q The nonFlorida-specific rates that you reported in the deposition, what year was that?

A That was 1985. What that was was information that was given to me that I understood to be Southern Bell rates and subsequently I found those were specific to Georgia; and the Florida 1985 LIUC Study showed the rates of .03427, .0100 -- pardon me, .01055 for the first additional minute peak usage. First minute off-peak was .00390, additional minute .00046.

Q All right, you've told me that what you reported in the deposition was not specific to Florida. What areas did it include?

A It was specific to Georgia.

Q Georgia only, did you say?

A Yes, Georgia only. 1985 LIUC Study for Georgia.

Q So, the correct numbers are as you indicated earlier, the ones that would be in the -- that you reported .03427, et cetera?

A Yes. That would be correct for 1985 LIUC.

Q All right.

A But that will differ from my deposition exhibit.

Q I'm going to ask you about that. As a matter of fact I'll go to that right now. You filed as a late-filed exhibit to the last deposition Exhibit No. 1 entitled, "First Minute Costs."

A Yes.

Q Do you have a copy of that in front of you?

A Yes, I do.

Q In response to the request for the deposition exhibit you provided a summary that says that this cost figure reveals a first minute cost of .04141 for Florida?

A Yes.

Q Is that correct?

A That's correct.

Q This cost figure is comprised of set-up costs and conversation minute costs?

A Yes.

Q If I were to direct your attention to the summary below, you've listed peak set-up costs and conversation costs. Should the sum of the set-up costs and the conversation costs equal to the first minute costs?

A Yes, they should. There are typographical errors in those peak costs such that there were some digits dropped by the word processor, or the person doing that. And I have corrected copies of that here with me. So, the individual set-up costs should read -- I do have corrected copies of that which I'll give you at this time.

MR. ANTHONY: For the record go ahead and read in what your corrections are.

WITNESS MICKLE: Okay. The individual peak set-up cost should read ".02731." The conversation should be ".01410," which still makes your first minute, .04141; and changes you're additional minute peak period to ".01410." Some digits were dropped. The off-peak remain the same.

Q All right, so the correction was in the set-up cost during peak?

A Well, the conversation, they dropped the one. They dropped a hundredth, or a thousandth. It's missing a "1." It reads right now ".0140" and it should read ".01410."

Q All right. I would like to do a little comparison shopping, if you will, here. Earlier you read into the record that the 1985 costs for the LIUC Study was -- what was that,

would you repeat it?

A For the first minute peak?

Q Yes.

A .03427.

Q All right. And for 1986 you indicated that the peak is .02731?

A No, for the first minute --

Q Set up.

A For set up only.

Q Right. I'm asking you the cost for the -- okay, I see the problem.

What is the set-up cost in the '85 year during the first minute, the first minute cost should be .04141 for 1986?

A Yes, that's correct for the first minute, .04141.

Q Okay, and that's for peak.

A Peak, first minute cost, that's right.

Q 1986.

A That's correct.

Q In 1985 the first minute on-peak was .03427?

A Yes.

Q Can you explain the difference in the LIUC Study and the increase in the peak during 1986 from 1985?

A I will defer that question to our LIUC expert.

Q All right. On the same line, in the off-peak as well, there's a change, in costs between '85 and '86, first

minute?

A Yes.

Q And can you explain that difference?

A I will defer both those questions to our LIUC expert. I can -- well, I will defer both of those questions.

Q All right. So you don't know why those costs fluctuate?

A I have a general understanding. It's due to different technology that was used in the study. The study is based on certain switches, ESS switches, and we measure those. From one year to the next the number of those switches differs, and I really believe our LIUC expert can better explain that.

Q Do you know whether the methodology of the study has changed or just the components that is what is included in the study?

A It is not the methodology, the methodology has not changed. It's the components of the central office.

Q Can you describe the methodology of the study for me?

A No, I cannot. I defer that to our LIUC expert.

Q Okay.

A I may be able to provide you with a simple conceptual description.

MR. ANTHONY: Let me object. We will produce an LIUC Study expert who will answer any questions you may have on the LIUC Study. And I think those questions are better directed

toward that person than to let Jackie try to surmise as to what she thinks the methodology may be.

MR. McAULEY: Well, I think she can answer whether or not she is capable of responding to the question if she knows that information. If she doesn't --

MR. ANTHONY: She indicates she doesn't know the methodology.

MR. McAULEY: Fine.

When I ask for a summary of the LIUC Study, I would like the study to include the following elements: Comptrollers, operator services, service center, measurement equipment, switching, and trunking. And that should be broken out, of course, by the set-up costs, the conversation minute costs, and the measured line.

MR. ANTHONY: Jim, could you give that to me after the deposition is over? I don't write that fast.

MR. McAULEY: I'll be glad to.

THE REPORTER: Jim, does that make No. 1?

MR. McAULEY: It was The late-Filed 1 we asked for earlier.

(Late-Filed Deposition Exhibit No. 1 identified.)

Q Let me back up to another area. I asked you in your earlier deposition whether or not Southern Bell had any shared tenant providers with more than 500 trunks. The response in

your late-filed exhibit was that there were none?

A Well, I believe the question was do we have any PBX customers, period.

Q PBX customers, excuse me.

Do you have any shared tenant providers?

A With more than 500 trunks?

Q Uh-huh.

A You mean people in the business of providing a shared PBX that uses --

Q That resells --

A -- shared trunks, that resells with local trunks? No, we do not. We have only had tariffs in place for approximately one year. And, as you can imagine, it takes awhile for people to get up and running. And we only have such tariffs in place in Georgia and South Carolina. So there really hasn't been time enough for any operation to grow to that size, grow to their potential size.

Q At the prehearing this came up and that's the reason I ask about it at this time. Does Southern Bell, to your knowledge, have any shared tenant providers within its service area in Florida?

A Any people, again, in the business of reselling local service trunks?

Q Right.

A We have, as I -- I believe you asked this in the

interrogatory. And what I provided was a list of the customers we are aware of in our region that have services that by some semblance of definition might meet the definition in the fact that they extend their service to other clients.

But when you look at STS as the true concept of a multi-tenant building and an STS provider that's in the business of providing shared tenant services, we don't have any such true operations. We have customers that have almost by default kind of fallen into this, but not customers such as the ones we've seen in this docket that are really in place and have used that. We've worked real closely with our customer contact people to make sure that as inquiries came up that we relaid the current policies and the correct policies to the customers. And, you know, it has not been authorized in Florida.

Q All right. Then you are indicating that there are people you -- there are customers, excuse my term "there were people" -- there are customers in your service area in Florida that are sharing but are doing it by default? Is that a fair characterization?

A Well, I believe in my interrogatory we provided -- we went back to our customer contact people and said, you know, "Go look at your records today and see what you have out there today." And the information that came back was five different customers whose design is somewhat like this. Three of these

customers are executive office suite operations. An executive office suite operation used to use a different method of providing service to the executives. And some of those operations have switched to a PBX, and then found themselves, by definition of how we're looking at this concept, of being in the concept. But they are not the same as what we think of when we think of shared tenant services. That's a little bit of a different customer picture.

Now, the other two operations are the Baptist Hospital, which we found out about, an intervenor, that's also something that is going to come under the umbrella; and another medical-type development.

Q But those people are sharing service behind a PBX, those customers?

A It's our understanding that we provide service to these customers, for instance, the executive office suites, and they're extending it; or the hospital, they're extending it to the doctors in the neighboring doctors' building.

Q And they are in Florida?

A Yes, these were customers in Florida.

Q Page 2 of your direct testimony -- on Line 13 you indicated that you spent your last year in marketing working with shared tenant providers in the Southern Bell region.

A Yes, that's true.

Q The Southern Bell region includes Florida?

A Florida, North Carolina, South Carolina, and Georgia.

Q So you worked with certain shared tenant providers in Florida, or not?

A I worked with many providers who were making inquires about various developments in Florida; and these were very large developments in Florida, yes.

Q What type of inquires were those?

A These were buildings that were coming up and developers or STS providers were interested in providing a switch and the whole operation of shared tenant services within that development. We had a number of large requests -- large operations that were discussing the concept of shared tenant services. And I handled those inquires as they came in.

Q As an employee of Southern Bell, what was your -- were you employed by Southern Bell?

A Yes, I was.

Q And what was your position, Southern Bell's position, as an employee, regarding that service?

A Well, these were customers that were wanting to do -- I mean, these were businesses that were wanting to do a particular design in Florida. And it was our goal to make sure these people had the correct information so they didn't make an investment that later proved to be unbeneficial for them. So it was our position to find out the information that they needed, tell them how they could do what they wanted to do,

what they could not do; and essentially try to work with them to accomplish their goals but do so in a proper framework.

Q Did you ever tell them they could purchase a PBX and resell the service?

A What we told them, the policies at the time were they could sure share a PBX, but they could not -- it was not authorized in Florida to share and resell local service. So that if they wanted to use the concept of shared tenant services where you're sharing a PBX, providing all these enhanced services, they could do so but it had to be such that the local service was not being shared or resold, or in other words, partitioned.

Q So, it was partitioned on the trunk side, or the --

A Well, the Policy in Florida, because of --

Q Stations?

A -- was both trunkside and stationside due to the Hollywell decision, for the station side. So I provided that information to the inquiry so they would know the correct framework in Florida.

Q I asked you in your previous deposition about what procedures were in place for identifying shared tenant providers. I won't characterize the exact words of the deposition, but let me just ask you again here.

Do you have a description of what procedures will be taken, i.e., questions of customers your representatives will

ask in order to identify shared tenant providers?

A On a going-forward basis?

Q Yes.

A What we do today on a going-forward basis?

Q Going forward. Going forward.

A Well, this is a function of our marketing and our customer contact personal, and they're continuously updating their procedures to make sure they're correct for the circumstances. So, as the environment changes, you know, if it changes this next year in Florida, then I'm sure our customer contact personnel will accommodate those changes in their procedures. And those procedures have not been developed, to my knowledge, at this time on how they would handle inquires in the future. We do have existing procedures in place, and we really have worked closely with our customer contact personnel to make sure they do have the information available so as customers are interested in this we can give them the correct information.

Q What are those procedures, if I may ask?

A I believe that's provided as part of my deposition exhibit.

Q Can you identify --

A Or a part of the interrogatory. I know we have provided that.

Q Well, if you've provided it then I won't ask you

again for it on that particular matter.

Exhibit No. 1 to your late-filed exhibits from your previous deposition you identified certain cost elements for set-up costs.

A Yes. This is the LIUC Study, 1986 LIUC, which we have updated this exhibit now.

Q The cost elements that were identified were: comptrollers, operator services, the service center, measurement equipment, switching and trunking

A Cost elements for the set-up cost.

Q Right.

A Correct.

Q All right. For those costs, can you -- are you familiar with the calculation of what goes into each one of those costs?

A No, I'm not.

Q And who would be the person to ask those questions to?

A That would be our LIUC Study. That would be a part of the methodology of the study.

Q Okay. Would you characterize the costs that are calculated -- well, this is labeled "local incremental usage cost."

A Yes. I have been advised that's levelized -- it is known as another name. It's generally referred to in our

department as the LIUC Study.

Q Uh-huh.

A But I understand those stand for other things, levelized -- I believe there is another term in there that's different -- levelized incremental -- I don't believe the second term is "incremental."

Q So you don't know what the term is, then?

A There we go. It's "levelized incremental unit costs."

Q All right.

A So that should be "levelized" instead of "local."

Q What is your understanding of an incremental unit cost?

A That is a unit cost on an incremental basis.

Q You've answered my question with the same words. Let me rephrase it then. What is the difference between an incremental cost and an embedded cost?

A The embedded costs look at it from an historic perspective, where incremental is forward looking. But I believe this could be -- this is, you know, again getting into the nature of the study and I believe this question could also be explained more to your satisfaction by our LIUC expert.

Q Would you please turn to Page 59 of your deposition, previous deposition -- transcript from the previous deposition, if you have one available. If not I'll give you this one.

A I have one.

Q On that page, on Line 13, I asked you a question that related to your tariff filings, particularly to local operators, whether they will be exempt from charges -- that "they" meaning the shared tenant provider -- would be exempt from charge calls to the local operator.

A Yes.

Q Your response was -- would you read your response, Line 22?

A "I would have to assume from here that they would not be exempt."

Q Okay. You filed a Late-Filed Deposition Exhibit No. 13. The request was an explanation of usage treatment for access to the local operator.

A I believe I further described in this deposition that I didn't know the exact answer to that, and therefore requested to provide the answer.

Q Right. That's why I'm getting at it now because I want to clarify it. Your response was that Southern Bell -- in the late-filed exhibit, your response is: "Southern Bell does not apply usage charges on local calls to the local operator."

MR. ANTHONY: What exhibit number is that, please?

MR. McAULEY: That's No. 13, Late-Filed Deposition Exhibit No. 13.

A All right.

Q Your earlier response was that they would not be exempt and therefore that implies that they would be charged usage charges to the local operator.

A Well, what I said in the next answer was because they are not -- you know, you said I would have to assume -- my previous answer was I'd have to assume. You said why not. I said well, because they're not identified here and the other calls are. However, I don't know the details of how our billing elements are priced for calls that go to an operator.

In further describing that, you know, and as we explored it as part of this deposition and this deposition exhibit, it became clear that we do not bill for the local portion of that, for measured trunk. We do bill for the operator handling as we would for any other customer.

Q Well, I'm not clear on your answer, then. Are you saying that operator charges will apply or will not apply to the tariff provision for shared tenant providers?

A We had two different charges. We're talking about the measured charge --

Q Right

A -- for regular usage, and we're talking about an operator charge.

Q Okay.

A If you dial the operator, you're charged 25 cents.

They'll still be billed that 25 cents, and I use that for an example. You know, I'm not an expert on what the exact rate is in Florida. But what they would not be billed for is they would not be charged for the measured portion of that call.

Q Well, our concern is that the tariff section A-3.4.3(b)1 does not clarify that, does not that make that clear that the -- the distinction that you just pointed out. We're concerned that operator services would be -- usage charges would apply on local calls, you know, based on the tariff language. And you're telling me here they're not, is that correct?

A That's correct, they're not.

Q Okay. Do you feel that that tariff language should be clarified in any way?

A Yeah, we could surely do that, and be happy to do that. And that might be helpful to people so they understood.

Q Okay, great. Are you familiar with the elements of the access line tariff?

A The elements which you have discussed, the switching and transport elements?

Q Yes.

A Yes, I'm familiar with those.

Q Access charges, I should say

A Yes, I'm familiar with th[illegible]

Q You are familiar with them.

The interstate access rates, what are those elements?

A Well, I understand the elements that you all have discussed in your testimony as well as in Jill's deposition focus on local switching and local transport -- what it referred to was local switching and local transport.

Q Well, yeah. My question is can you identify the elements in the tariff for access rates?

A Well, I'm not assess tariff expert, I don't know all the elements. I know they have BHMOC, which is busy hour minutes of capacity. They have carrier common line charges; they have line termination charges, as well as local switching, local transport. There may be others, I don't know the entire access area.

MR. ANTHONY: Southern Bell has access charge witness available sometime today. As soon as we finish, Jack can answer your questions on it.

Q (By Mr. McAuley) So you would refer any questions --

A Not necessarily any questions, but --

Q Well, are you telling me that the interstate access tariff has a BHMOC in it?

A I am not an expert on the interstate access tariff. I understand what -- I have reviewed the access tariff because of the recommendations of the Staff, and I have focused on the Staff's recommendation which has been expressed as being interested in the elements of local switching and local transport.

Q Okay. You could not tell me, then, what costs are included in the local transport element of the interstate access tariff?

A I cannot tell you all the components of that particular cost element. I can talk about that from a conceptual perspective and that as a costing element and a rate element.

Q All right. For instance, in your LIUC Study there are elements included which include, for instance, comptrollers.

A Yes. And that is not included. Well -- go on with your question.

Q Well, would the element of comptrollers, are any of the costs -- first of all you said earlier you're not familiar with the LIUC Study.

A I am familiar to a certain degree. I'm not an expert on the LIUC Study.

Q Are you familiar with what the costs are involved in calculating the comptrollers element of the LIUC Study?

A I don't have the report in front of me to give you the exact number. I can talk on a conceptual perspective and compare some factors of the two studies and the two concepts.

Q Well, let's do that for a moment, then. How would you characterize the access tariff? Would those be considered embedded costs pricing or would that be considered incremental cost pricing?

A I don't know the cost study that they particularly used. I do know that the cost study that they used in developing rates for the access area focused on costs we experienced for long distance calls, and then allocated those costs to all access. And I know that the LIUC Study looked at the cost we experienced for local calls and allocating those to local calls.

Q Again, my question is: Do you know whether the access costs are based on embedded cost or are they incremental costs?

A I would differ that to the people familiar -- that particular question to the people familiar with the cost study used and the elements used as input.

Q Okay. So any comparison of the elements between the access tariff to elements of the LIUC Study as to their -- what composes those elements for each --

A No, I can talk about some elements of that, but I cannot give you the exact numbers about that.

Q Well, if you can't tell me whether they are embedded or whether they would be considered incremental, I would defer it to the other witness.

Let me ask you this question because I think it is conceptual, and get your response. Why do you feel it is more appropriate to use an incremental cost study in pricing new services such as STS than an embedded cost pricing scheme?

A Well, embedded costs simply look at what you've done in the past and they measure, you know -- focus on what was done in the past and they are more valid or more useful as a report card of where you are. But when you're looking at new services you ought to look on a forward-going basis and at current costs rather than embedded cost. Embedded costs, you know, we couldn't replace a switch today at what we bought it at in 1975. So, it's more appropriate to look at forward looking costs and forward studies. Additionally, it's more appropriate to look at local costs.

Q For ratemaking purposes, are you indicating that all new services should be priced using an incremental cost basis?

A Yes, we are.

Q For all services?

A Yes.

Q If you add a new -- a new subdivision comes on and you start serving them local telephone service should that be priced using incremental costs or --

A Well, by new services I don't mean every new service. We have an existing tariff rate for 1-FRs. That would be a 1-FR service and, you know, we have existing tariffs for that.

Q That would be a new service but not a new tariff?

A Not a new tariff, not a new service offering.

Q Service offering. For all new service offerings you

would support using incremental costs --

A Yes.

Q -- Because they are looking-forward costs?

A Uh-huh.

Q They look forward, that is --

A It's more appropriate to use forward-looking costs then it is to use embedded costs.

Q Do you have a copy of your tariff with you concerning STS?

A Yes, I do.

Q This would be the General Subscriber Tariff, Section A-2, Page 4.

A A2?

Q Yes. I don't know if they would apply to STS alone or if this would be a general subscriber tariff?

A Okay, I don't believe I have a copy of that.

Q Okay. Let me give you a copy.

(Hands document to witness.)

A Okay.

Q Would you read out the -- excuse me, may I have it back one moment, I'll point it out to you. Concerning this particular there (indicating), would you read out the section and label or name for that?

A Which particular section?

Q Right, this right here and the page number.

A I believe that's Original Page 2, I can't be sure of that because of the Xeroxing. And this is A-2.3.2 flat and message rate service. This is effective date on January 1st, 1984. And the --

Q Would you give me your interpretation of Section A-1 of trunking arrangements provided to hotel and hospital premises?

A (Pause) All right. I have read this.

Q All right. Can you give me your interpretation of what that tariff means, that provision?

A An individual customer has the option, for their own direct use, to order local service either flat or message rate where both are available, in exchanges where they are both available. And that is in general, because as we know some customers are required to have a message rate. And it says that if you order this service -- if you order message rate service for your own direct use that -- and individual customers are not permitted to mix that message rate service at the same premises with flat rate service for the same customer same premises.

Q Would you please read A-1, that I have an asterisk right next to it, into the record?

A "To hotel and hospital premises where flat rate service may be furnished for the exclusive use of the hotel or hospital management, or may be contracted for separately

by guests or patients in addition to the message service ordinarily provided in guests' or patients' rooms and lobbies."

Q And I would ask you to take a minute to review that and give me your interpretation of whether a hospital can be provided flat rate trunks to serve their administrative purposes as well as their patients in hospital rooms.

A Well, hospitals are permitted to have flat rate service for both themselves and their patients in the State of Florida.

Q All right. So, your interpretation is that the flat rate service would apply to their administrative uses as well as to the patients in the rooms?

A That's for hospitals.

Q Right.

A Yes.

Q Okay. So, I'm understanding the way this tariff reads, it is optional the way hospitals may take flat rate service?

A Yes, that's true in the State of Florida. Hospitals may have flat rate service for their patients in Florida. It's not necessarily true in all our other states.

Q All right. Are you advocating -- you're not advocating changing that because I believe Southern Bell's and your testimony is that hospitals should be exempt under the transient exception?

A Hospitals, as I understand it, have been excluded from this docket. Patient rooms and hospitals have been excluded from this docket as a stipulation.

Q Are hotels as well?

A Yes, they have also been stipulated.

Q Would it be optional for a hotel to have a flat rate?

A Hotels are permited to have flat rate service for their own administrative use. That means the management of the hotel can have flat rate service for their individual direct use. They are not permitted to extend that flat rate service to the guest of the hotel. They must have message rate service for the guests to use.

Q Would they be mixing that service in that case?

A Yes. And that is what the tariff clarifies. That is what this section of the tariff is intended to clarify, that for a particular PBX it would have flat rate service for the hotel administrative line and message rate service for the patient, so you have a mixture of service at one premises.

Q The hotels have to have a message rate to the guest rooms?

A That's correct. It's mandatory message rate for the service they use to extend to the guest.

Q Turning your attention again to Section A-1, where in the tariff does it make the distinction that it would be --

optional for hospitals but not for the hotels as far as the guests?

A I believe that's in A-2.2.1, I believe, makes it clear there. In A-2.2.1.

Q Could you read that, please?

A I don't have A-2.2.1 but it talks about what is permitted where you can extend service -- in general it says services provided for the direct use of each subscriber except -- and it mentions several --

MR. ANTHONY: Let me enter an objection here. Hotels, motels and hospitals are excluded from the docket. I fail to see how they are treated as relevant to this proceeding.

MR. McAULEY: Well, I think that the Commission is looking at sharing and setting policy on sharing, and to the extent that they are looking at that, how the tariff provisions interact for other services in other areas, such as hospitals and hotels, would be important to review the tariff and get that information. After all, this is discovery and it is not necessarily something that would be evidence.

MR. ANTHONY: Well, discovery is limited to those things that are relevant to the subject matter. And the order expressly said hotels, motels and hospitals were not considered as duplicating and competing with [illegible] change service and were expressly excluded. I fail to see the relevance. We can

pursue a little further, but I'd like my objection noted for the record.

MR. McAULEY: Well, so noted.

Q (By Mr. McAuley) Could you obtain a copy of that section of the tariff and explain what you a just commented upon a minute ago in your previous answer?

A On the fact that hospitals are permitted to have flat rate service?

Q Right.

A And hotels are required to have message rate? Are you saying you would like a copy of the -- A-2.2.1

Q Like to get a copy of the tariff so we can see it and I could ask you a question about it.

A Right now?

Q No, we can come back to it. That's fine.

A Okay.

Q Would you please turn to Page 100 of your previous deposition on August 28th.

A All right. Page 100.

Q Page 100, this would be line 16. I asked you, "Do you consider residents of ACLF to be transient?" And you answered, no, you do not. "They buy a condominium just like any other condominium development. They do not appear to be transient whatsoever." If I asked you the same question today would your answer be the same?

A Generally it would be the same. In some cases ACLFs they may be renting, leasing rather than buying the condominium. But the thrust of the answer which is, "No, we do not consider them to be transient," would be the same.

Q Are you familiar with just what an adult congregate living facility, an ACLF is and the services that they perform for their residents?

A Yes. I'm not -- not all the services, but yes, I'm generally familiar with them.

Q Are you familiar with the levels of care that they provide, Type 1 Care and Type 2 Care?

A I understand that they provide different types of -- different levels of care. But I understand that there is a difference between the ACLF and a nursing home; the level of care provided in a nursing home.

Q Are you aware they are licensed under the State of Florida?

A Yes, I am aware.

Q Are you aware the Type 1 Care residents receive housing and food services and require personal supervision of activities of daily living, such tasks as -- including bathing, dressing, eating, grooming, other personal hygiene activities; they may require supervision of self-administered medications. May also require administration of medication? Were you aware of those things as part of the Type 1 Care?

A I don't know the -- I don't have a list of the differences between the Type 1 and Type 2 and all the exact criteria, but we are aware that services are provided as a part of the ACLF. Attention is given to these residents, and medical type of attention is given to them.

Q Do you feel that this type attention is the same as someone who buys a condo?

A The question here or the point we're trying to make is that it's hard to distinguish where you have to draw the line between various operations, and we are trying to establish clear cut criteria and in some -- it could be that the ACLF is somewhat -- there are various situations that are kind of gray. We must draw the line and try to establish criteria. And we have used the transient concept, there are condominium developments that might provide alot of services for the people that live there. Some condominium developments provide shopping services for their people so they don't have to go to the grocery store.

We simply have to try to develop criteria that's clear cut for the marketplace, and we don't believe the ACLF can be all that clearly distinguished from a condominium development that is primarily marketing its services to the elderly or retirement community.

Q Well, I mentioned Type 1 Care. In Type 2 Care they actually provide additional support as to the activities of

daily living and the supervision of medications and so forth; very close supervision.

Do you feel that these personalized services by an ACLF are equivalent of what a condo buyer acquires when they buy a building, part of a building?

A The market is such that they can provide any type of services. The condominium development can provide any type of services I just mentioned. Some condominium developments provide shopping for people and care such as this. If a condominium developer is trying to target their market at the elderly community, they will market services that would appeal to the elderly community.

Q Are you aware of any condominium developments that provide the level of personal care that is provided in a Type 2-ACLF care environment?

A I have not done this kind of market research on condominium developments and retirement communities, but it does seem inherent that a condominium development that's trying to market its service towards the elderly would provide services that would appeal to that class of customers.

Q But you don't know; you don't have any studies to that effect?

A I have not done any market studies, but again we're trying to establish criteria and let the marketplace -- criteria that's clear cut and equitable, and we have a hard

time distinguishing between an ACLF environment and another environment that is not licensed per se, but targeting its services.

Q Your responses you have not done any studies to backup those feelings that you have about what condominium developers would -- who wish to target the elderly would provide. That's your own personal opinion?

A Your question, would you restate your question, please?

Q Is it your personal opinion as to what the condominium developer would provide to target the elderly that you stated earlier, is that your personal opinion, or do you have some sort of study that supports what they would provide?

A That is based on opinion, market opinion.

Q Okay. I want to refer to Page 104 of your transcript deposition. On Page 104 you made reference to how many residents of ACLFs have been pressured into receiving service through the ACLF. Are you aware of any particular circumstances?

A I am aware we have dealt with -- our customer contact people in Florida have experienced these circumstances, and I believe Jill Hurd even testifies to this in her direct testimony, that the Commission Staff has experienced complaints from people that have -- elderly people -- I believe she describes

it at length in either her testimony or deposition -- elderly people who are in this environment, feel that this will be the last place they ever live and have been pressured into receiving service through this arrangement and felt frightened from -- about expressing any complaint of this arrangement to the ACLF operation because they were afraid that since it was the last place they want to live, they didn't want management to be hostile towards these individuals.

Q Do you have any personal knowledge, are you involved in any situation in which those events occurred?

A I'm not. The customer contact people, those operations are handled by our customer contact people and the line people.

Q So, you're telling me that someone told you that they told that person about these complaints? That is someone told your customer contact person these stories?

A No. No. I have been advised of these situations by our customer contact people. I know we have experienced this and I know Florida has seen situations such as what I've described.

Q How do you know that, though? Someone from the customer contact people told you that, right?

A Yes, our customer contact people who handle this type of situation have reported about these operations.

Q Do you know the number of ACLFs that are licensed

in the State of Florida?

A No, I do not know the total.

Q Then you wouldn't know the number of residents served by those facilities?

A No, I do not know that either.

Q So, subject to some check, would you agree that there is some 47,000 people served by ACLFs in Florida?

A I have no knowledge.

MR. ANTHONY: I object to that because I don't believe Ms. Mickle has access to the entire State of Florida. She might have access to areas served by --

MR. McAULEY: I withdraw the question.

Q (By Mr. McAuley) Are you familiar with the Orlando Aviation Authority's request --

A What --

Q I'll back up. Are you familiar with the Orlando Aviation Authority?

A Yes, I am.

Q And the -- have they made any request that Southern Bell conduct an usage study of their facility?

A I believe they have.

Q When did they ask Southern Bell to provide that?

A I don't know the exact date when they asked to provide that.

Q Could you find that out for me?

A Well, that might be speculation -- as far as the exact date?

Q Well, I'm shooting at -- my reason is what I want to find out is have you provided them that information yet?

A This is handled by our customer contact people. The information you're now describing, the usage study, would be requested, you know, that would be a function of the Aviation Authority as any other customer, working with our marketing personnel and discussing a study and requesting it and then having the study provided.

Q Marketing personnel don't conduct the study, do they, the usage study?

A They handle the request and initiate the study and process it.

Q Do they fill out a document when they handle such a request or any kind of request form?

A They get a report and then we provide the information to the customer and let them know what we found out about their usage.

Q I'd like to get as a late-filed Exhibit No. 2 a copy of the report or request.

A I don't believe the report is available. I believe -- to do a usage study takes some time, some amount of time to do an usage study and to do the analysis. And we have a week left before the hearings. It is not readily available.

MR. ANTHONY: Let's sort of come to an understanding on the late filed exhibits. Like Jackie pointed out, we have a week and a half. If something is readily available certainly we'll produce it. However, we're not going to promise --.

MR. McAULEY: We think the usage study is relevant to this case. Even if it was a late-filed exhibit that was provided --

WITNESS MICKLE: After the hearing.

MR. McAULEY: After of the hearing, with the stipulation that it would be -- excuse me.

MR. McAULEY: Go off the record a minute.

(Discussion off the record.)

MR. McAULEY: I would put on the record as to this study that we were discussing previously, that you will investigate the status of the study and use your best efforts to determine where we are at with that.

Q (By Mr. McAuley) Okay. I want to ask you some questions about your Late-filed Exhibit No. 3, and basically I'd like you to walk me through the exhibit. I have some questions about it. Are you familiar with the details of this exhibit?

A Yes. All too well.

Q Could you explain to me the methodology used, the overall methodology used to calculate the study?

A We used -- this was a complex study. There

are several elements here.

What we did first of all, the study focuses obviously on shared tenant services, so we had to get a profile of a shared -- typical shared tenant service operation. So, we identified several buildings in Florida, identified the customers existing in those buildings today or at the time the study was done. Using the names of those customers, we looked at our individual service records and determined how many lines, whether they were 1-FBs or 1-FBs with rotary or trunks that each one of those customers had. That gave us a picture of the customers on a before basis; the buildings on a before basis.

Then we had to develop the revenues, you know, on a before basis, and we did that as a part of the picture, established the revenues on a before basis.

We then converted each one of those buildings to being a shared operation where the trunks were shared and determined the usage characteristics for each service, separate usage characteristics for 1-FB, a 1-FB with rotary and a trunk. Added all those up. Then used traffic theories to determine what the trunking requirements would be to carry that CCS load or that load of usage generated by the entire building as a whole. And using those trunking theories we developed the number of trunks required. We then priced out each of the remaining elements for each building such as the -- definitely the DID services which so many other witnesses seem to think we

forget, as well as the trunks, the client charge, and priced out what the entire project would be like on an after basis under our illustrative tariff. We then compared the scenarios, we compared it on a flat rate basis at today's existing flat rates and determined what that would be. We then determined what the impact would be under our illustrative tariff.

Q Was the assumption used in each one of these cases for each building that there would be 100% conversion?

A No. I believe in cases it indicates different assumptions. It identifies different assumptions.

Q Is that in Exhibit 3 or 4?

A It's no both of those. Exhibit 3 for each particular case, it talks about the building profile and identifies how many tenants there were in the building and how many were converted.

Q What assumption did you make on conversion?

A Well, the assumptions made on conversion were that generally some customers would be inappropriate for being candidates for shared tenant services, and generally those customers that would either want their own partition for their own direct trunks or would have their own system would be the larger customers that would not necessarily have as much to gain by going under the concept of the shared tenant services, so we excluded those customers.

Q You excluded larger customers because they would

have their own equipment?

A Yes. We have found that to be the case.

Q For instance, IBM?

A Yes.

Q And a smaller customer?

A Was not excluded.

Q Okay. What was the cut off or point where you determined how small they would be before they would -- is there any --

A By large customers, we used as a general criteria if they had 20 trunks or more then they would probably have either their own partition, which would mean they might be a part of the STS operation but they might simply have their own local direct trunks, or they would have their own system. 20 trunks is a pretty large system.

Q I think what we would like to do is take one example I've given you or that you've just explained and to work through one example.

A Do you want to take Example One, Example Two.

Q It doesn't matter, whichever one you choose. Identify it before you start.

A Let's take Example One. Do you want me to go through the whole process? Okay. What you'll see there under example one, you'll see the description, this is a multi-tenant building --

Q Excuse me, wait a minute. Where are you in this -- what are you looking at, let me ask you that?

A I'm at Exhibit 3, Late-filed Exhibit 3, Deposition Exhibit 3.

Q Page what?.

A Page 9.

MR. ANTHONY: I think it would work better if you would ask her questions and let her respond instead of just letting her go through the whole nine yards.

Q Let me do this: Before we go to Page 9, let's go back to Page 1 again of 38.

A Okay.

Q Explain the individual traffic load determinations in step one.

A Okay. First of all Item A is looking only at the -- is determining the traffic characteristics of a 1-FB single line only. Okay. The first step determines -- we have certain studies that provide certain information and what we wanted to focus on obviously for this ratemaking process was local service, so we had to use this information and then get it in terms of local calls.

So, the first step there is doing just that, converting the monthly originating call rate -- that's what at CR means -- call rate for local completed calls. Then it adds interstate originating call rate and then monthly interstate

and determines the percentage of usage that is local.

The next step determines your traffic mix, your typical traffic mix of originating versus incoming. This differs based on the class of service. So, we go through various calculations there to determine what that percentage is.

Q The percentage of originating --

A Traffic versus incoming --

Q Incoming traffic?

A Yeah. That looks at off-hook time, working days, develops monthly off-hook time, then looks at originating CCS -- CCS is a term we're all familiar with, it's the usage of the line, pulls out the long distance calls so that at the bottom of that we're looking at the originating monthly off-hook time and if you compare that to the average monthly off-hook time then you get a percentage of --

Q Okay. Let me backup. As to the off-hook time, originating monthly off-hook time, is that equivalent to busy hour?

A No, this is all off-hook time.

Q Backup. Then explain how you derive the CCS load.

A We have a report that shows that.

Q Okay. And as to the originating versus incoming traffic mix, how did you determine that there was 78% originating and 22% incoming?

A You see on top where you have the average monthly

off-hook time. You've the daily off-hook time, you multiply it times your working days.

Q Right, 22.

A All right. Then you come up with mean originating daily call rate, all call attempts, got to pull out the long distance calls which we calculate above, that means above you saw that 93 -- approximately 94% of your calls are local on a 1-FB. It comes up there with a mean originating local daily call rate, all call attempts, times your working days.

Q As to the mean originating local daily call rate, all attempts, 19.95. What does that 19.95 stand for exactly?

A That's the number of originating local calls that are generated --

Q Per day?

A Yes. Per day, times the working days. Come up with a monthly figure. Times the average holding time which is the CCS figure, to come up with the originating monthly off-hook time in terms of CCS.

Q And this end figure of 671.45 CCS, describe what that gives you.

A Well, that gives you the amount of time in terms of CCS that a 1-FB is off-hook on an originating call, originating basis.

Q So, it's a originating [illegible] off-hook during that month.

A That's right.

Q And how did you use that information?

A Well, you take that and divide it by your total off-hook to determine a percentage of your calls or percentage of the usage that is originating for 1-FB. By the way, so we do not have to do this for each class that you go through --

Q We're not going to do it for each class, I assure you.

A Step for each class.

Q And then you obtain that information and you use it to do what?

A On that particular -- well, that gives us a percentage that is used later on --

Q Where is it used?

A -- in this calculation.

Q Do you have to skip a step to get to that percentage of where you're going to use it or is it a linear --

A I believe you have to skip a step. Well, on the next page --

Q Page 2?

A Yes. Under Item A you'll see that we used that percentage.

Q Page 2 is a calculation of the trunking size busy hour CCS?

A Yes.

Q And you have several elements A, B, C, D listed and under D, 1 and 2.

A Uh-huh.

Q These elements are all used total call rate for, A, the incoming call rate, daily call rate for C; D is the busy hour analysis. Each of these is used to arrive at what figure that's meaningful as to your overall calculation?

A What we're developing, we're trying to get -- all right, this is for trunk sizing. You size your trunks based on the requirements you generate at the busy hour. You size everything based on the busy hour. So, what we have to do in looking at the usage is figure out for each class of service, the 1-FB -- because that's how our before picture is, what kind of usage they would on average generate at the peak hour. That is what this whole process is doing. Determining a typical 1-FB generates this much CCS requirements, in this case .479, CCS load at the busy hour.

Q Do you need to have the information as to -- at the busy hour what 1-FB generates?

A Yeah. And the reason we do is later on in this analysis -- you know, I talked previously about the fact that we have the picture of the building a before basis and we know how many single line 1-FBs are there, how many rotary trunks and how many trunks -- I mean, rotary 1-FBs and how many trunks. If we add -- for each one of those customers we know

we have 10 got, 1-FBs, for instance. So we multiply this by ten.

Q This meaning .479?

A .479. If we happen to have ten 1-FBs single line customers and multiply that .479 by ten, it would tell us that if all their busy hour usage occurred at the same time, how much would be generated by those customers.

Q And you're concerned -- what is your purpose and concern with the busy hour?

A Well, again that's how you -- the logic you use in sizing trunks.

Q Right.

A What we want to do is take a picture of the building before basis, add up all their traffic requirements -- and it's assuming something, it's a significant assumption. It's assuming that every tenant has the same busy hour, all right?

So we, through this process, come up with the CCS load that's generated by this building at one busy hour that they all generate their calls, and then from that we go to Poisson and get how many trunks are required to serve that, assuming they have all the same busy hours -- a conservative assumption -- it will tell you the highest number of trunks that would be required to serve those customers.

Q Without digressing too far -- and you did make that assumption, that conservative assumption?

A Yes, we did. Now, what might actually prove to be the case, in some STS operations you may have a mixture of tenants whose busy hour occurs at different times and they could actually -- may find that they could serve the project with less trunks than what is figured in our calculations.

Q Stepping aside from this calculation for a minute, you mention the busy hour characteristics. Are the busy hour characteristics different based upon this calculation than what would be for other individual PBX users?

A This calculation is using average data that is typical for all 1-FBs. I mean it's CCS load for 1-FB.

Q Excuse me, but the -- okay.

A If you compare it to --

Q I withdraw the question.

A Okay. I'll stop.

Q Okay. I direct your attention to Page 2 of this exhibit. Your busy hour analysis. You have a daily call rate; all calls at 12.99.

A Uh-huh.

Q How did you derive the 12.99? How did you derive that?

A The --

Q 12.99.

A What does it mean or how [illegible] derive it?

Q My question is how did you derive it.

A Let me see. That's from above.

Q Is it as a result of these calculations using the total call rate --

A Yeah. The 12.99 is Item C.

Q What does that mean then?

A That means the daily call rate that is generated for all calls.

Q By trunk or by line?

A Now, this is a 1-FB. This is for each single line 1-FB only, so that's the calls generated daily.

Q When you arrive at the .479 CCS, how is that information used?

A Okay. That's used again to figure out the busy hour requirements for the building. You take all the 1-FBs, all the 1-FBs with rotary and all the trunks and then you'd have entire projects trunking requirements, CCS load requirements.

Q At busy hour?

A During a busy hour, and you know that's -- you want to size your trunk for the busy hour.

Q And you're using that information to determine the trunk sizing?

A Yes, the number of trunks required.

Q Okay. Move to Page 3, if you would, turn the page. 1-FB with rotary is just the same thing over again?

A Yes, but it's for a different class of service. They

have different calling characteristics.

Q With a rotary.

A Yeah.

Q At this point can we then go to Page 9 which you were about to start into? Or -- stepping aside from the calculation using 1-FB with rotary, I'm assuming you do this for each type of service, this calculation, after you get past that -- what about the trunk sizing, busy hour CCS, there is an explanation on Page 5. Is that basically what you just went through?

A What this is explaining is, you know, now that we've added all these CCS loads requirements, we go to Poisson Traffic Theory and you can -- Poisson has several different columns and has several different assumptions you can make in order to determine how many trunks are required.

What we assume -- and now we know the CCS loads, what we assumed in figuring out the number of trunks was that there was PO-1 grade of service, which means 1% of the calls generated during the busy hour would be blocked. The remaining calls would receive the trunk. This, too, is a very good grade of service, a conservative assumption. It again gives the most trunks that would be required.

Q 99% of the calls would go through under this assumption?

A Under the busy hour, yeah.

Q Under the busy hour.

A You know, some customers might chose a different grade of service which will result in less trunks. Likewise, they could have more trunks, but that's a very good grade of service.

Q All right. As to your aggregate usage, Step 4 on Page 6 of the study.

A Yeah, that's what I was describing before. Of how we add these -- all this usage up.

Q You're going to add up all the particular usages that you determined from the earlier calculation to get an overall aggregate busy hour?

A Right, overall usage for these projects. And you have to do it for each class of service as well as for originating and incoming.

Q And the usage calculations.

A On page --

Q 7?

A Yeah.

Q What assumptions go into the usage calculations for --

A Well, it uses the average holding time which is appropriate for each class of service and this is also data we have for reports. And you'll see the average holding time differs based on various classes of service; 1-FB versus 1-FB with rotary and a trunk. Uses that, then rounds that to what

the -- what that would be on a minute basis. Then takes the rates which we have proposed in our illustrative tariff and determines what the the typical amount of usage revenue would be for each class of service.

All right. So, if you look there you'll see -- on Page 7 you'll see the full call rate, that's ten cents for a 3 minute average call which a 1-FB generates; during the discount period that's five cents.

We have determined what -- the percentage of calls that occur in the discount period and the percentage that occur in the full rate period. We then come up with a composite average usage revenue for each 1-FB. You see the calculations there, you know, 73% of the calls occur at the peak hour, you have got .739 times ten cents, plus the other calculations.

You come up with your composite average usage revenue for each 1-FB call. Then you take the number of calls for each 1-FB times the revenue and you come up with the typical usage revenue we would expect to receive from each one that would be represented on a before basis.

Q On a before basis; that's a monthly before basis.

A Yeah. We're having to add all the -- we've got the trunks, now we've got to look at the usage and the usage revenues

Q And this $19.37 would be the usage revenues that you would expect from the 1-FB category?

A Yeah. Customers that were previously served by 1-FBs.

Q That's on a before basis.

A Yeah.

Q And you would then aggregate the usage revenue from a 1-FB times the number of 1-FBs in that building on a before basis?

A That's correct. And likewise for the 1-FBs with rotaries and likewise --.

Q Et cetera.

A Yeah.

Q And how would that information be used?

A That is used to determine the usage revenue that we expect to receive from the building on the after basis and if you'll see in the cases --

Q Let me stop you there. That's the calculation of what the revenue from all the various 1-FB whatever, all the service categories on a before basis.

A No. No. On a before basis they are getting their -- you know, before it's a flat rate service. What we're trying to do is convert that operation conceptually to the shared arrangement, and what these calculations do is prove the usage revenue that we would receive if that typical customer -- we assume their calling characteristics that we are not going to change.

Q So, your assuming the calling characteristics are not going to change and this is on an after basis because you're going to calculate it using your proposed tariff rates, which would be full call rate of ten cents; discount call, five cents.

A That's correct.

Q For a 1-FB single line.

A Yeah. We do it for each class of service.

Q Right. I'm just particularly identifying that one.

Have you made no assumption -- that is, you haven't taken into consideration any kind of dampening or any reduction of call rate on an after basis?

A Repression.

Q Yeah, repression.

A We've assumed no repression of their calling characteristics, that's correct.

Q After you go to a -- after you go to your proposed tariff, right?

A Right. What we're converting -- really it's a conservative analysis of the before and the after basis, and we assume no change in calling characteristics, no repression, you know, this is simply what that same project would generate under a sharing environment.

Q Why do you feel that there wouldn't be any repression or dampening of the amount of calls made by this

particular type of line, 1-FB?

A On an after basis you're talking about a rate that is billed to a STS provider, you know. It's speculative as to what would happen to the actual user, the person who is generating the call. Likewise, we wanted to be conservative in our calculations. We really wanted to look totally at the exact same picture. Therefore, we did not want to make that kind of assumption. It's a more conservative picture.

Q Do you have an opinion as to whether the providers of STS would charge their clients on a flat rate, on a message rate and if on a message rate on a measured rate or a message rate if the tariff went through?

A I believe they would rate their services however they deemed appropriate and really whatever the market demand. And they may choose to do it on an usage sensitive basis they may choose to do it on a flat rate basis, that will be at their option, their discretion.

Q That's, of course, with -- your own personal opinion? You don't have any experience as to what they would do in that area?

A Well, I have worked in the area and I am familiar with that.

Q But from your experience then what is your opinion?

A I would imagine that they would feel it appropriate to bill the people that are generating the calls and they could

do that under a number of options. You know, the market is a very flexible thing. They may do it one way for awhile and choose to do it another way, but they would probably want to allocate the costs they are experiencing to the people that are generating it and that would probably be some variation -- if not a total usage sensitive basis I would imagine

Q So, there may be some variation in there as far as --

A I would imagine they would use usage sensitive.

Q I turn your attention to Page 8 of your Exhibit. Labeled PBX trunk, there's an AHT, average holding time without set up its labeled, and you have a -- explain your calculation that arrives at an usage revenue per trunk of $35.65.

A Okay. The average holding time for that -- is typical of a PBX trunk is 2.4 minutes, that rounds to a three minute call. As far as billing purposes the full rated call would be just like -- in this case just like the 1-FB, ten cents for a three minute, six cents for the first, two for each an additional; discounted calls five cents, 26.2% of the calls occur in the discount period. It goes through the the same calculation described previously that come up with a composite average usage revenue per trunk represented and -- for trunk cost; in this case it totals to .0869. You take the number of completed local originating calls that are generated on a typical trunk on a monthly basis, multiply that times the typical -- the composite usage revenue and you come up with $35.65 of

usage revenue that would be generated by -- that we could hope to receive from each PBX trunk on -- that was represented on the before basis.

Q Thank you. Are your trunks priced based upon what rate group --

A Yes, they are.

Q Okay. What assumption have you made as to the rate group that these trunks would be priced, in what rate group?

A Well, this doesn't concern itself with rate group. We've got a proposed tariff and we're developing what the usage revenues are that we received and usage revenues are -- in our illustrative tariff are 6 and 2 regardless of the rate group, so this is simply looking at usage revenues.

Q I may be misunderstanding you then. This is usage revenue per trunk. This is not what would be the tariffed rate for that trunk?

A On no, no, no. No.

Q It would not be equivalent.

A Well, let me make sure this is perfectly clear. Again what we're trying to do, we've added up the trunking requirements, figured out how many trunks, now we have to add up for all the different customers on a before basis because again we're having to -- what the usage generated revenues are, and we had to come up with the typical usage revenue; it takes a call rate times the typical call revenue.

Q I understand you now.

MR. GILL: Jim, may I ask at this point, we have been going almost two hours and we're getting close to the lunch hour, how much further -- how much additional time you anticipate?

MR. McAULEY: Let me take a moment and ask my technical person.

MR. ANTHONY: Could we get estimates from the rest of the people?

MR. BECK: Two, three minutes.

MR. BLAU: Forty-five minutes, an hour.

MR. McAULEY: Let's go off the record.

(Discussion off the record.)

(Recess taken.)

MR. McAULEY: Back on the record.

Q (By Mr. McAuley) Let me ask you to turn to Page 9 of your Exhibit No. 3.

A Okay.

Q It's entitled Case 1, Multi-tenant Building Complex over 300,000 square feet. Bidding profile: 71 tenants, 65 converted to STS. And the -- I assume that the five that didn't convert was based upon the same reasoning you gave before.

A The six, yes, the six.

Q Six, yes, excuse me. Explain to me the breakdown by

item of current services for the 65 customers, who converted to STS?

A All right. Yes, those current services are 65 customers who did -- in this case were converted to the shared trunk arrangement, and what you have there is a list -- as I told you before, we identified the customers and went to our service records, determine exactly what type of services, how many these customers had and we added that up for the building and that's what's identified here, how many PBX trunks were in -- served to those 65 customers, how many 1-FBs single line, 1-MBs which are message rate oriented lines, how many rotary hunting charges we had and those are -- essentially that would be appropriate for 1-FBs, some 1-FBs had rotary, and the number of touchtone that was provided for 1-FBs as well as trunks and the unit rate and the total revenue.

Q So, essentially this page represents a before and after comparisons with the 65 customers?

A That's correct.

Q Of course, in terms of revenues.

A Yes, that's correct.

Q Case No. 1, Page 10, "before" is entitled Traffic Engineering. Explain the acronym NAR and trunks/NAR, and then you have a series of numbers listed below that to total 243 trunks.

A All right. A NAR is a network access register that

is a trunk simulated facility that's used in our Essex system. So, it's essentially the equivalent of a trunk as far as traffic characteristics are concerned. So, what's listed here is the PBX systems or -- PBX systems or Essex systems that were within those 65 customers. For instance, we had one with five, either trunks or NARs, have them separated, 19, 16, all the numbers down here represent the individual customer and the number of trunks they have. To the right of that or each trunk NAR is the theoretical -- this is a very important point -- the theoretical Poisson maximum CCS load requirement that can be carried by that trunk or NAR system.

Q And that Poisson load requirement would assume, of course, the .01 or 99%.

A Based on .01. This is getting the before basis. What you're doing here is developing the before busy hour CCS load for trunks. You see how we did it, I've already demonstrated in a 1-FBs and 1-FB with rotary, this is simply trunks. So, if you do that for each one of these systems take the busy hour CCS load requirement theoretical maximum again then you have -- for all of those trunks pulled together you have your busy hour CCS load requirement, which is in this case is 3,960.

Q What do you use that figure to determine?

A That's used to determine the trunk sizing. It's a different method than was used on the 1-FB and 1-FB with rotary because Poisson is appropriate for trunks.

Q All right. Explain the trunk sizing calculation below.

A Okay. This has as it's assumption again the assumption that all these customers are going to have the same busy hour, which results in the most number of trunks that could possibly be required -- theoretically be required. So, you take the busy hour requirements for a 1-FB class of service single line, and we've determined that earlier, 1.699 CCS. In this case we happen to have 15 single lines, so you multiply that and you come up with a total for the 1-FB class of service of 25.485 busy hour CCS. Okay. You do the same process for the 1-FB with rotary, come up with their busy hour CCS, and the trunk busy hour CCS comes from up above. And in this case you have to get the trunk to -- we're developing originating, so you have to -- we determined in previous calculations the percentage of trunk usage that is originating versus --

Q Versus the other direction.

A Yeah. Terminating. So, you add all those up for the entire customer basis and you come up with a busy hour requirement of 15 -- 1,522.28 busy hour CCS.

You go to Poisson you'll see that all you need for PO-1 grade of service are 59 trunks, and we put in one spare there just to again -- because that's often how it's done and that's again adding one extra trunk that's theoretically required.

Q Now, to reiterate and emphasis the point you made before you said that all customers will have the same busy hour, that's an assumption that's going into this.

A That's an assumption. If customers -- and quite likely they might have different busy hours, then less trunks than the 60 indicated here or the 59, really, would be required.

Q And that -- the same busy hours assumed to get to a max point --

A Maximum requirement.

Q Right. I want to backup. Ms. Norton has a question she wants me to ask here as to the same Page 10, under trunk sizing, 1-FB single line, where are you getting the 15 single lines from that are represented -- multiplied times the 1.699 factor?

A If you will look on Page 9 on the current services you'll see 1721-FB line, and plus 4 1-MBs make 176. 161 of those lines have hunting or rotary services, so that means 161 are considered in a class 1-FB rotary, that leaves you a net of 15 that are single line.

Q Thank you. All right. Pressing forward, Page 11, incoming traffic. Is this essentially the same calculation for incoming traffic?

A Yes, it is.

Q Okay. Under the usage revenues, explain your total

usage dollars of 12,039.87.

A Previously we determined for each class of service what the typical usage revenue would be that would be generated from 1-FB, 1-FB with rotary. This takes that average revenue, multiplies it times the number of 1-FBs, number 1-FBs with rotary and the number of trunks, and -- because this was the best way of determining the usage calculations, then we have a picture of what the usage revenues would be once those customers converted.

Q Earlier you explained how you got to the 19.37 as an average usuage, so now you're multiplying that, for instance, on the 1-FB single line times the 15 lines to get the $290.55, and that represents the total dollar usage for incoming -- I'll restate that. What does that $290 represent, incoming only or total revenues in that single line?

A It's usage revenue which our illustrative tariff billings on outgoing only, completed calls only.

Q So, all this would be on outgoing only completed calls?

A Yes.

Q Page 12, excuse me, I think we're done with Case 1 and that's all the questions I have about that case. I have one other point then I'll be done.

I would like to ask you some questions about the accumulative forecast of STS projects. I believe it starts

on Page 24. I would like to walk through this as to your projection or how you determine, for instance, from the $50 to $150,000 a square foot category you have 7 in each year, '87 through 1990, and in the 300,000 square foot category you have 10 in '87, 19 in '88, 21 in '89 and 25 in 1990. How did you arrive at those?

A What we did is worked with our forecasting people and had them conduct or develop a forecast for us. We told them of the docket, the docket going on and said we want you to look at the activity occuring in your area and develop a forecast of what type of projects, the volume of projects you would anticipate in each one of these categories.

So, what they did was inventory -- these were our forecasters who are required to be knowledgeable of this on a regular basis, part of their job -- they inventoried the existing buildings and the projects that were available and current, projects we knew of, and the contacts they had had with these customers, the indications the newspaper articles, things along that line that indicated projects were going to go shared tenant services. From compiling all that information together this is the forecast that they developed. It had certain assumptions which are identified on page 25.

Q All right. And those assumptions are the basis for the projections on the previous page, is?

A Yes. (Pause) I believe one sentence is out of place

there, on those assumptions. There is a sentence in Item 1, the second sentence says, "Only three such projects were included in the forecast," that sentence should be at the bottom of that paragraph.

Q Okay the -- turn to Page 27. The direct revenue loss illustrative tariff. Explain to me -- for instance, we've gone through Case 1, correct?

A All right.

Q Under the description here you have Case 1 revenue impact of 614. How did you -- where does the 614 come from?

A Well, in Case 1, if you look back at Case 1, Page 9, if you take the revenue at the bottom which is the revenue on the after basis, and subtract the revenue before, you'll find we had a positive revenue impact under our illustrative tariff of in this case $614.

Q It's the net of the before and after?

A Yes.

Q Okay.

A And we did the same for Case 2.

Q Each case is the same?

A Yeah, and what you do with the category average, I just took half of -- I averaged the impact, both Case 1 and Case 2 are 300,000 square feet, took the impact and averaged.

Q All right. And your annualized the revenue impact in the last column?

A Yes.

Q The cumulative revenue forecast category, is that taking the revenue impact and aggregating it through each year?

A Yes, and it's applying it to the forecast, revenue impact for each category applying it to the volume of activity in that respective category and coming up with the annualized impact. Now in 1987, due to this legislation we only use half a year, because presumably we don't expect to --

Q So, for instance, the annualized revenue impact for the average from categories 1 and 2 was a net loss of 16,842, and in '87 you reflect that times -- well, in '87 you reflected that, in '88 you had 19 as a number, and you used that same 16,842 multiplied by the 19 to arrive at a loss of 319,998 and so forth?

A That's correct.

Q Through each year?

A That's correct.

Q Let me ask you about your annualized savings expense on Page 28. What assumptions go into the per building annualized savings expenses, for instance, in the $300,000 category, I'm assuming this is for -- well, I won't assume anything. I'll ask you. The $8,394, what --

A 8 thousand --

Q Page 28, displaced lines to the title of -- excuse me, annualized expense savings per building.

A How did we --

Q How did you calculate the 8,394, just multiplication of that out, is that all?

A Well, you need the input from above. If you look at Case 1, for instance, back to Case 1, and you add up the total number of lines, and by this I mean PBX, 1-FB, 1-FB with rotary, and it will -- you add that up on a before basis, you see how many lines are required or an after basis once they are sharing. You take the net of those and in this case you'll find that 248 lines that we once provided were no longer being provided. Case 2 is 448, the average of that, I took the average, 348, annualized it, brought that number down times the expense savings we experienced per line, coming up with an annualized expense savings.

Q Ms. Norton wants to know how you calculated the per-line expense savings of $2.01?

A This was provided by other people, another department. The network.

Q Are you familiar with how they generate this $2.01 expense savings per line?

A No, I don't know what exactly that is comprised of.

Q Okay. I think we'll request late-filed exhibit for that in a summary fashion, it would be Late-Filed Exhibit No. 2 for this deposition, per-line expense savings used in calculating annualized expense savings; just per-line

expense savings will be fine.

MR. ANTHONY: Just a summary.

MR. McAULEY: Summary. The elements that go into calculating it.

MR. ANTHONY: Again we'll make our best efforts.

MR. McAULEY: It's understood.

(Late-Filed Deposition Exhibit No. 2 identified.)

Q (By Mr. McAuley) Let me ask you the annualized CALC loss, of course, is based upon the current CALC charges which you would be losing when you a lose the access lines?

A That's correct, nad you'll use the same number.

Q Page 30, please -- excuse me, 31. Briefly explain using the category of 300,000 the monthly quantified other revenues for Case 1; 5,233.

A When the information was provided by the marketing people and they looked at each record, they knew specifically what to identify but some people provided additional information on other services that we currently provide, and they quantified that revenue, and kind of for our information, that is the revenue that is represented here. We provide -- of course, we have a number of other services that we offer, provide in a multi-tenant building besides just the trunks.

Q This would be other revenue that would be lost as a result of the imposition?

A It would most likely be lost. Now, how we use this, we identified it and you'll see in building two that the figure there is unknown because it was not really quantified, so the category average in this case another very conservative analysis, just presumed that to be zero, so, essentially the category average just cuts what was identified in Item 1 in half, and that's not a very conservative annualized.

This was provided for our information. It was not used in our revenue neutrality, in our pricing mechanism, process we went through, developing the revenue neutrality and the rates and all that, but it is provided as for our information. We do anticipate we would lose some of these revenues.

Q What percent, if you could give me an estimate are these other revenues to the total revenues that would be --

A Okay, if you go to Page 32 you'll see the application of these other revenues to the -- applied to the forecast and for purposes of the summary sheet that's at the very back, 33, we annualized the other revenues and then took only 25% of those other revenues.

Q How did you arrive at 25% as an assumption?

A It is an assumption. You simply have to make some kind of assumption.

Q Okay.

A But I would state 25% is a --

Q Pretty conservative.

A Yeah. We've already backed out zero for Case 2.

Q Okay.

A And again it was not used in our ratemaking process. To do so would, of course, you know, indicate higher -- a higher rate structure, a higher revenue requirement.

Q One other question regarding your late-filed exhibit concerning the bypass which you asked for protective -- filed a motion for protective order on.

A Which question is this deposition --

Q It was Exhibit No. 5, late file support study for bypass. Turn to page 35 of your deposition transcript. And at that point I asked you -- you indicated on line 9, Deposition Exhibit No. 5, support study for bypass was the question I asked you, and you provided a document which we really need to obtain some list of assumptions made and the rationale for those assumptions in those calculations. The calculations themselves as they are provided are somewhat meaningless.

A I think there were a list of assumptions. It might have been a part of the interrogatory.

Q We didn't receive that as part of the --

A Interrogatory?

Q Exhibit that we received. Simply several pages that

A I believe that's in the interrogatory.

Q -- have numbers listed on the pages, with no assumption attached to it.

A I believe that is in the interrogatory.

Q Okay. If you could identify what interrogatory you believe it to be in.

A Just so many questions, they may take a minute.

MR. GILL: Why don't we try to identify that during the lunch break and let Mr. Beck proceed and you get him done take a lunch break.

MR. McAULEY: That's fine.

EXAMINATION

BY MR. BECK:

Q Ms. Mickle, my name is Charlie Beck with the Office of Public.

I believe earlier in response to the Staff's questions you mentioned that most of your time is spent in the area of resale of local service, is that right?

A That's correct.

Q And is STS part of those duties?

A STS totally.

Q Totally?

A 95% of that.

Q What is the remaining 5% of your time regarding resale of local service?

A Well, I do handle some questions that come up that are related to resale local service such as hotels, motels and hospitals.

Q Have you spent any time on the PATS tariffs?

A No. That is handled by another person.

Q I notice that you're tariff rate proposal of 6 cents for the first minute and 2 cents for the second minute is the same that's being proposed by Southern Bell in the PATS application, are you aware of that?

A Not specifically.

Q You have had no coordination with the PATS people concerning that tariff structure?

A No.

Q Do you also have other duties outside of the resale of local service?

A Yes, I do.

Q What are those duties?

A I work on trunks, 1-FBs, business 1-FBs; general local exchange.

Q And is your work toward rate structures for those types of services?

A Yes, it is. Tariffs for those.

Q Okay. What do you believe is the proper scope of the tariff that you've proposed for shared tenant services? What I'm getting at is do you believe that tariff should be expanded to other services?

A Well, we have testified that we believe ultimately there should be one tariff for all forms of resale local

service and that is the testimony, that is the scope -- of course, the scope of what we're proposing is limited to this docket and to the parties effected by this docket.

Q But you believe it's appropriate for resold local service, is that correct?

A Ultimately. Some parties that resaell service are not in this docket and effected -- that's going to be effected by it.

Q Do you believe that some day that same tariff structure should apply to PBX trunks in general?

A I don't believe I should be speaking on that.

Q Do you have an opinion regarding that?

A That particular tariff?

Q Yes.

A I believe at that time we would have to re-evaluate the appropriate rate structure for all customers.

Q You mentioned that you do work regarding trunks. I guess you meant PBX trunks by that?

A Yes.

Q Could you explain a little bit more what your work is in that area?

A Well, if we were having rate activity or a proposal that would be to determine the rate for a PBX trunk, then I may or may not be involved in that project depending on the activity that is currently going on for resold local service.

Q But what have you actually been doing in that regard?

A Well, I've done some activity for -- concerning Georgia rates and some -- I'm somewhat familiar with ideas that we have for pricing.

Q Does Georgia have a mandatory measured rate for PBX trunks?

A No, we do not.

Q What type of rate do you have for PBX trunks?

A For all PBX trunks? No, we do not.

Q What type of rate structure is there in Georgia?

A A customer has the option of flat rate trunks or message rates trunks or where we have trials in place measured rate trunks for their own direct use. Some customers are required to be usage sensitive in a similar way that some customers are in Florida.

Q Is that only with regard to resold application?

A Yes. Resold such as hotels have to be message rate, the resale of local service tariff that is in effect in Georgia is also message rate.

Q What are those rates in Georgia?

A The particular rates?

Q Yes.

A Could you be specific?

Q If you know what is the message rate?

A The message rate in particular in Georgia is 12 cents per call.

Q What's the measured rate?

A Well, we only have one trial in Georgia and I'm not familiar with the rates.

Q Could you tell me what the trial is?

A The trial is a measured service trial in Gainesville, I believe, I'm not very familiar with the details of that trial.

Q Your speciality is rates rather than costs, is it not?

A Yes, it is.

Q But you have at least some general familiarity with the LIUC Study?

A Yes, I do.

Q Do you know whether the costs in that study have been separated between interstate and intrastate costs?

A The costs we had look at in the LIUC are local only, costs for a local call and that's a big difference there, not the costs for the long distance calls; they are local.

Q Well, some of the costs include the costs of the local switch, do they not, in that study?

A The costs -- in costing a local call, yes, you have to include the cost of switching.

Q And do you know whether the cost of switching is

separated -- for a local switch is separate between interstate and intrastate purposes?

A Again, the study is the cost of the local call, it's not necessarily the cost of the switch

Q But that's not my question. Do you know whether the switch is separated for jurisdictional purposes between interstate and intrastate?

A The switch itself, I don't know the answer to your question.

Q Okay. So you don't know -- or do you know whether the costs in the LIUC study have been separated between interstate and intrastate costs?

A I know that the costs that are reported in the LIUC study are costs identified for a local call, and we have separate cost studies that are used for long distance calls.

Q If we assume hypothetically for a moment that a portion of those costs are assigned to interstate for jurisdictional separation purposes -- could we assume that?

A I cannot assume that. The LIUC are the costs for the local call. They are not the costs for long distance, and the LIUC study tells me we have a cost of -- we've gone over the rates -- let's say approximately $.04 for the first minute. That is specific to local only. That includes elements that are specific to local only.

MR. GILL: Mr. Beck, I think your question would be

more meaningfully addressed to our LIUC.

MR. BECK: That's not correct, I'm going to ask that of your LIUC witness, but I'm asking this for the purposes of your rate decision.

Q (By Mr. Beck) Would it make a difference to you as far as your rate decision goes if part of those costs were separated to interstate?

A In making our rate decisions we think it is appropriate to look at the cost for local call and not the cost for long distance call.

Q That doesn't answer my question. In making your rate decision let's assume hypotehtically at this point, we'll find out later with your cost expert -- let's assume hypothetically that a portion of the costs included in the LIUC study are in fact separated for jurisdictional purposes to the interstate jurisdiction, and then are recovered through interstate access rates. If that were true, would that affect your proposal for a rate to be recovered in this case?

MR. GILL: Do you understand the question.

WITNESS MICKLE: I can't really comment on that speculation.

MR. GILL: Do you understand the question?

WITNESS MICKLE: I believe my understanding from what you're asking is if our LIUC Study and the the cost figures we've used did not in fact represent only a local call, but in

fact represented some costs for a long distance call, would that -- is this what you're meaning by your question.

Q (By Mr. Beck) No, not precisely. I want you to assume hypothetically, and we'll find out later whether this hypothetical is true, assume hypothetical that a portion of those costs in the LIUC study are separated to interstate for jurisdictional purposes and those costs are recovered through interstate rates already, can you assume that, do you understand my hypothetical?

A Let me try to make sure I understand. You want me to assume that these costs identified here, part of these costs are recovered under the interstate access.

Q Yes, that's exactly what I want you to assume.

A The people that -- interexchange carriers, in other words, are covering these costs.

Q A portion of those costs. Could you assume that hypothetically for a moment? Well, just assume that.

A All right.

Q If that were true-up hypothetically, would that effect your proposal for a rate?

A Really, our proposal for the rates are designed to be revenue neutral, and that is the underlying principle we have used in making this proposal. We have stipulated or we have strived to accomplish, approach revenue neutrality on local exchange services on the before and after basis, and if

we found that we'd made such assumptions, we would still be faced with the same concern of revenue neutrality. And that would effect our -- the revenue neutrality is what is affecting our rates.

Q Would it be true then that you would be proposing that rate regardless of the cost because you're trying to maintain revenue neutrality?

A We want to make sure that the rates we propose do cover our costs and approach revenue neutrality, maintain the revenue neutrality.

Q Can you rate an importance, whether revenue neutrality was more important than cost basis in your design?

A Well, I would say -- you know, I couldn't give you exact percentages of which one drove the process but we -- as I stated before, we wanted to ensure that the rates we proposed did cover our cost, and approach revenue neutrality, so if we -- if we had one that was revenue neutral but did not cover our costs we wouldn't be happy. If we had one that covered our costs but did not approach revenue neutrality, we wouldn't be accomplishing what we needed to accomplish to protect the interest of the general ratepayer.

Q From your viewpoint then was the most important thing that it be revenue neutral and cover its cost?

A Yes.

Q Whatever that cost is, as long as it's covered, you

are happy for the purpose of this proceeding?

MR. GILL: Object to the form of the question. She said specifically revenue neutral. Your question -- repeat the question, please.

(Question read back by the reporter)

Mr. GILL: Object to the form of that question. That was inconsistent with her prior response that revenue neutrality is also important.

MR. BECK: The question was intended to be in conjunction with revenue neutrality.

MR. GILL: Fine.

WITNESS MICKLE: Would you restate the question.

MR. BECK: No. We'll just withdraw it.

WITNESS MICKLE: Thank you, that's all the questions I have.

MR. GILL: Do you want to take a lunch break now?

(Lunch recess taken.)

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MR. McAULEY: Back on the record.

EXAMINATION

BY MR. BLAU:

Q Ms. Mickle, my name is Russell Blau. I'm representing the Greater Orlando Aviation Authority. And if you have any need for clarification of any of the questions that I ask, please go right ahead and say so and I'll be happy to rephrase

the question or repeat it if you don't understand it. Otherwise, if you go ahead and answer, I'll assume that you did understand the question. Is that all right?

A Is that the only party you're representing? I have a question about that.

Q Well, for the purpose of this deposition. We also represent Ameri-Systems.

A This can be off the record, but is that the new name for Lin-Com?

Q Yes.

MR. ANTHONY: Let's just answer the questions.

(Laughter)

Q (By Mr. Blau) This morning you mentioned that before your present job you held a position in the Marketing Department in which you dealt directly with STS providers, is that correct?

A That's correct.

Q Do you know who holds that position or performs that function now?

A I don't believe anyone performs that function, any one person performs that function under the same organization that I once did. I was in a separate organization, corporate accounts. There is no one in corporate accounts that handles that function.

Q If a customer in Florida wanted to inquire of

Southern Bell about shared tenant services and what the restrictions there were and what services were available, who would they ask? Who would they talk to?

A They would probably work with our COG group or they may work through the network marketing organization.

Q Would the COG group be then, on a geographic basis it would depend on where the customer was located, who they would talk to?

A In Florida, we have two separate COG groups. Yes, it is a geographic organization of Florida.

Q Now, you testified this morning, and also in your prefiled testimony, that you thought that the particular tariff provisions you attached to your testimony were appropriate for shared and resold local telephone service, is that correct?

A Shared and resold local service, that's correct.

Q Would you consider that the same rates might not be appropriate for nonshared local telephone service?

A I wouldn't say they are not appropriate. I'd say the rates that were proposed and developed were developed specifically for the -- to be applied specifically to the classes of customers that are parties to this docket.

Q Is it your opinion that shared and resold local service ought to be treated differently from other local services, in terms of rates?

A I believe these are questions or these are issues

that are covered in Mr. Knight's direct testimony, the comparison that you're alluding to.

Q Okay. You'd defer to Mr. Knight on that rather than express your own opinion?

A I would redirect that question to Mr. Knight.

MR. GILLS: I might add, also, that Southern Bell stated its position in the prehearing statement specifically to that question as to what its position is as far as rates for STS providers versus shared providers, other shared providers.

Q (By Mr. Blau) Do you know what rates apply in Southern Bell territory to customers who share a partitioned PBX?

A If a customer is sharing a PBX and requests local service for their own direct use, they are allowed to have service from the GSST which would be flat rate or message rate service, whichever they prefer. But they are able to have service under GSST for their own direct use. So, it's not the sharing of the switch, it's the sharing of local service that develops concerns.

Q Now, you previously testified that you believe that shared tenant services facilities may be particularly prone to bypass, is that correct?

A Shared tenant service operations?

Q Yes.

A Yes.

Q Now is that because of the sharing of local service or is it because of the sharing of the PBX?

A It's really the aggregation of customers that makes an STS operation more likely to bypass.

Q If customers are sharing a partitioned PBX, would they be likely to bypass, in your opinion?

A Yes, in my opinion they would.

Q Would they be more likely or less likely to bypass than customers who are sharing a nonpartitioned PBX?

A I believe the likelihood to bypass would be the same for a partitioned PBX versus a nonpartitioned PBX.

Q And I think you said this morning that Southern Bell's policy is that they permit the sharing of PBX on a partitioned basis, is that correct?

A Yeah, customers are allowed to share but -- it's not Southern Bell's policy, necessarily. I mean, customers are allowed to share PBXs. Southern Bell's policy concerns itself with the local service.

Q Now, you referred a number of times in your testimony this morning, and in your prefiled testimony, to revenue neutrality. Is that referring to maintaining constant the total amount of revenues that Southern Bell obtains or is it net revenues after you account for the ...?

A That was applied as a net revenue.

Q Now, is that the same thing as the contribution or would that term refer to something else?

A That is -- I'm not sure I understand your question. Would you restate your question?

Q Well, I've heard testimony in this docket relating to the contribution produced by a given service which I take -- which I understand, but correct me if I'm wrong, to be the revenues minus the costs of providing that service. Is that correct?

A Yes, in general. Yes.

Q So when you're talking about revenue neutrality are you talking about maintaining the contribution at a constant level?

A When we talk about revenue neutrality it is revenue neutrality. I mean, it focuses on the revenues generated. That's what it focuses on, is revenue neutrality.

Q Let me direct your attention to Page 21 of your direct testimony where you state at Line 7 through 10, and you're talking in general about airport service there. You say, "In the case of the Orlando Airport however, with great administrative difficulty, we continue to prorate the local service charges and bill each user directly for local service access." What do you mean by "great administrative difficulty"? What's involved in doing that?

A Well, the pro ratio that was used under the CLCS

arrangement was based on the number of station lines that customers had in service.

When divestiture occurred, and the equipment portion of that operation was designated and allocated to AT&T, Southern Bell no longer had control of the station lines. We no longer had consistent knowledge of when a new station line was installed, or another station line was removed, something like that. Therefore, it was much more difficult, we required a great deal more coordination with other parties, other companies besides Southern Bell, in order to maintain any semblance of organization. It's hard to bill customers for something when you're not responsible for the information. You don't have control of the calculations there, the station lines. When the station lines and the stations were in AT&T, we no longer had responsibility for that; therefore, it increased our administrative requirements.

Q Well, how do you obtain the number of stations for each user?

A Well, this is only done for Orlando, and -- would you restate your question?

Q How do you obtain the information that you need to render a bill?

A Today?

Q Yes?

A Today it is done on the basis of AIOD, what is known

as AIOD stations. And we have to coordinate very closely with Orlando Aviation Authority as well as with AT&T to ensure that our records are correct and the stations that are activated.

Q Now, on Page 23 of your direct testimony, starting at Line 14, you're describing situations in which the extension of the subscriber's local service does appear to be duplicative or competitive. And one of the ones you list is the airport CLCS arrangement. Does that apply to Orlando Airport?

A Yes, it would apply to the Orlando Airport.

Q Now, in what respect is the service at the Orlando Airport duplicative or competitive of Southern Bell's service?

A Well, in that the individual airlines could order direct service from Southern Bell as opposed to service that is -- the trunks are shared in that arrangement.

Q Well, I mean you're providing -- Southern Bell is providing service to those customers now through the PBX, correct?

A Southern Bell provides local service which is terminated on a PBX and is then extended from the PBX to the airlines. It's not direct service to each individual airline, it is -- there is one group or two trunk groups, perhaps an incoming and outgoing, but essentially those trunk groups are shared for the different airlines.

Q Now, is that competition, in your opinion?

A What I said is that it does appear to be duplicative

or competitive. And the CLCS arrangement which is being described here is in general different than -- the Orlando Airport has a continuation of how it was originally designed in that we continue to bill those individual users. But the CLCS arrangement in general does allow sharing and in that case it would be competitive because it does permit the service to be extended.

Q Well, who is competing with Southern Bell?

A Could you be more specific in, you know, how you're actually asking -- what you're really getting at.

Q Well, competition usually involves two parties or at least two parties who are competing with each other. And I want to know who is competing with Southern Bell at the Orlando Airport?

A Well, this is talking about the CLCS arrangement. In a CLCS arrangement there's one trunk group that's generally billed to the Aviation Authority. And the Aviation Authority then handles that bill. All right? Now, in that case it is competitive. So, in that sense it --

Q I thought you testified that's not how the billing is handled at the Orlando Airport?

A That's not how the billing is handled, that's how -- technically that's how it works in that there's one trunk group provided to the airport. But Southern Bell does pro rate that bill. We do handle that billing. So, it's a very unique

design that exists right now at the Orlando Airport.

Does that answer your question? Do you have a point here?

Q Are you saying that the Orlando Airport Authority is competing with Southern Bell then, in providing local exchange service?

A What I'm saying is that the airport CLCS arrangement which is -- as I've described it previously appears to be duplicative or competitive. In Orlando we do continue to pro rate the bill. And as long as, you know, it's prorated then it is a different animal. But the CLC -- what the testimony is getting at is that the CLCS arrangement which does permit the sharing appears to be duplicative or competitive.

Q Do you understand -- in your opinion is there a difference between duplicative and competitive? Or are you just using those two terms together to describe a single situation?

A In my testimony here I'm using them together.

Q I'd like to ask you a couple of questions about the illustrative tariff that's attached to your testimony. On Page 3, Paragraph A-23.1.2, letter D, I take it the gist of that paragraph is that a resale client may have a tie line connected to the PBX for its private use, is that correct?

A That's correct.

Q Could a reseller also have a tie line connected to

the PBX for its own private use as opposed to the use of its clients?

A An interexchange reseller, a long distance reseller?

Q No, I'm talking about the customer of record in this case.

A The local service reseller? Yes, for their own private use.

Q Do you think that it might be appropriate to clarify your tariff when it's finally filed to make that distinction?

A Well, it says for the private use of a single resell client and cannot be used to access local exchange service in lieu of sharing a resale trunk.

Q Well, I'm suggesting perhaps after, in addition to the private use of a single resale client you might also say "or the customer of record." Do you think that would be appropriate?

A We could do such a thing for the private use of a single -- an individual client,and that could be a wording change.

Q Now, on the last few pages of this illustrative tariff you talk about DID service. I'm particularly interested in Page 6. First of all, in general, does Southern Bell also have tariffs that make direct inward dialing service available on PBX trunks that are not shared or resold?

A Yes.

Q Are there any differences between the tariff applicable to those other trunks and this particular illustrative tariff?

A Yes.

Q And what are the differences?

A I don't have that tariff in front of me, but my memory indicates first of all the DID tariff that's in effect in Florida currently requires 100 numbers as a minimum. It generally is a charge for the numbers rather than charging for the trunk terminations. The structure of it focuses more on the numbers rather than -- the DID numbers, that is, rather than the trunk terminations.

Q Is there any charge for trunk termination in the tariff for nonshared lines?

A I don't recall.

Q Why did you feel it was appropriate to change the structure of the tariff for this particular application?

A First of all, we think customers would prefer to have the option of ordering DID service in blocks of 20 numbers rather than blocks of 100 numbers.

Secondly, this is the tariff that is being recommended by Southern Bell wherever we are recommending DID. These are the DID rates that are in effect in the remainder of the Southern Bell region, other than Florida. And it's a rate structure we had developed and considered

appropriate for DID service.

Q Do you know whether Southern Bell has any plans to change its existing rate structure in Florida for all DID service to conform to this tariff?

A I believe we have proposed that before, previously.

Q And do you know what action was taken on that?

A Well, it must not have passed.

Q Well, it could still be pending, that's why I asked.

A Oh, I don't believe it's pending.

Q Now, I know you testified before as to what you considered to be a single building. And I'll try not to belabor that point too much, but are you familiar with the layout of the Orlando Airport?

A Yes, I am.

Q Do you consider the Orlando Airport terminal to constitute a single building or multiple buildings?

MR. GILL: I object to the form of the question. Be more specific as to what you mean by "terminal."

MR. BLAU: Well, I'm encompassing all the areas that passengers use to get from the street to the airplane.

MR. GILL: Would that include the satellite concourses?

MR. BLAU: Exactly;

MR. GILL: They're connected by the --

MR. BLAU: That's called the airsides and land-sides

MR. GILL: Do you understand the question?

WITNESS MICKLE: Yes, I believe I do.

MR. GILL: Okay. Go ahead and answer the question.

A For the purposes of the airport terminal, we do view this as a single structure, single terminal structure for the airport to function as an airport does function. So we consider it a single arrangement for the airport terminal.

Q Would you consider that then to be within the tariff provisions concerning a single building?

A For an airport terminal, we would consider that to be within the appropriate perspective of how to provide service within an airport terminal.

Q I'd like to turn now to your Late-Filed Exhibit No. 3 which was discussed at some length this morning, just to go over a few aspects of it. Let's first of all refer to Page 4 of the exhibit, under the heading "PBX trunks." Under Step 1 it says "Monthly originating CR" which you explain as call rate local, "completed calls only, 400.70," is that correct?

A That's correct.

Q That indicates the average number of calls per trunk in a month, is that correct?

A For your average PBX trunk in the State, yes.

Q And that represents the number of calls -- an absolute number of calls. It's not --

A It's not CCS.

Q -- CCS or some other measurement. Let me see if I'm understanding this correctly. On Page 8, again we're under "PBX trunks" and towards the bottom of that page it says, "Completed local originating calls per month equals 410.28." Can you explain to me the difference between the 400.70 on Page 4 and the 410.28 on Page 8 because judging from the captions it looks to me like they ought to be the same?

A I can't explain that right at this time. This was as you've heard this morning a detailed study. We have different sources of input -- we have two different sources of input that were used. I can't explain the exact discrepancy here. If we used the 400.7 it would, of course, produce a lower usage revenue per trunk which would mean that the rates would have to be higher to come up to the same level that we've projected here.

Q Let me ask you a few more general questions. All the figures on Pages 1, 2, 3, 4 -- I guess through Page 4, those are all statewide averages, is that correct?

A They are averages for that class of service.

Q And do you know how those averages were determined?

A We have studies, complex studies, that are used to determine the average for each class. I might add here that the study that we used for PBX trunks focused only on PBX trunk systems, uses as it's input only PBX trunk systems that were 36 trunks or less, so it does not -- and that gives us the average

call rate. Which on the larger systems would actually be heavier, might have a higher call rate than that. So it is an average for each class of service but on PBX it is trunk groups that are 36 trunks or less.

Q Now, do you know whether these averages were determined by using some sort of statistical sample?

A Oh, yes, I do and they definitely were a statistically valid sample.

Q Do you know what the standard deviation were on the samples that were used?

A No, I cannot tell you what the standard deviations were, but it was definitely a statistically valid sample and is a massive study.

Q Did you personally participate at all in forming that study or validating the results?

A No, I did not.

Q Do you have any opinion as to why the breakdown between originating and incoming calls varied so greatly between the different classes of service?

A That is representative of different calling characteristics of our customers.

Q On Page 1 -- (Pause)

Please tell me now if I'm comparing these figures incorrectly, but I seem to see under Step 1 it says total originating call rate, completed calls, 237.81, and then under

Step 2, towards the bottom, monthly originating local call rate all attempts 438.85. And the difference between those two, I assume, would be those calls that were not completed?

A Yes. This is for 1-FB.

Q For 1-FB. Which means -- would it be fair to say that about 55 to 60% of the calls are completed, then, for that class of service?

A Yes.

Q I'm just --

A Somewhere around there.

Q -- just trying to get the neighborhood. And then if you look on Page 4 under PBX trunks and compare the same comparable figures you've got 429.16 for completed calls and 453.2 for all attempts which would seem to suggest that people who use PBX trunks have a much lower chance of getting a busy signal than people who use 1-FBs. Does that seem reasonable to you?

A Or are smarter in what number they are dialing. There are a number of reasons for an uncompleted call.

Q Would you expect, based on your own experience, that the completed call rate would vary so greatly between different classes of service?

A This is a statistically valid study and trying to explain something like that. It's [illegible] why 1-FB customers would have that kind of ratio. It could be due to a number

of factors. That could just be representative of how they make their calls. It's really hard to explain. It is a statistically valid study. It is the same study.

Q Well, you said that several times but let's make sure the record is clear. You've been led to believe that it's a statistically valid study, correct? You haven't verified that personally?

MR. GILL: I object to the form of the question. She's indicated clearly that her personal knowledge is that it was statistically valid even though she did not personally participate in it.

Q (By Mr. Blau) How do you know it's statistically valid?

A I have been advised by the people who developed the statistical programs that it's statistically valid.

Q Do you have any personal knowledge of that other than what you've been advised by those people?

A I guess -- no, the only way I would is if I did the sample myself. And no, I did not draw the sample, so, no, I do not have personal knowledge on that.

Q Now, I'd like to turn back to the five cases that you used. Those represent five actual buildings. Are they all located in the State of Florida?

A Yes, they are.

Q How did you pick those five buildings?

A Our marketing people were told to find five representative of typical multi-tenant buildings and identify those buildings.

Q Would you agree that five buildings out of the State of Florida is probably not a statistically valid sample?

A Yes, I would agree that that is -- we did not attempt to do a statistically valid sampling of all the multi-tenant buildings and then, you know, inventory the tenants in each particular building. And we had to make some decisions. And we told our marketing people to use their judgment and come up with a typical building, and accepted that information.

Q Are these five buildings distributed in different geographic areas in the State of Florida?

A Yes, they are.

Q Do you know where the five building are located or at least which metropolitan areas?

A Some are in Miami, some are in Jacksonville, only one may be in Pensacola.

Q Now, for each of these buildings you have a subheading entitled "Traffic Engineering," and one of those appears on Page 13 if you'd like to refer to it. And under the column labled "Trunks/NAR," could you just describe what the individual numbers under there signify?

A Each one of those represents one customers. In other words, in this senario you had however many customers -- looks

like you had 9 customers that had systems which employed either trunks or ESSEX NARs, which I described earlier this morning, and it represents the number of trunks that each one of those customers had.

Q I don't seem to have it here, but one of your late-filed exhibits lists a breakdown for the entire State of Florida as to how many trunk groups of each size category exists in the State, is that correct? Do you have a copy of that exhibit?

A I'm not familiar with what -- I don't know exactly what you're asking about. I don't recall such an exhibit.

Q Was there an answer breaking down PBX trunk groups by size? And let me direct your attention to your Late-Filed Exhibit No. 7.

A Is this a deposition exhibit?

Q Yes. Late-Filed No. 7?

A All right.

Q Would it be fair to say that looking at all five of the cases that you used in your study in Exhibit 3 that the average trunk group size in all of those buildings seems to be considerably higher than the statewide average that you've given in Exhibit No. 7?

A I've not done this comparison. I would have to study it to come up with that. You're looking at apples and oranges, one was -- these were specific buildings with well-known trunks

customers actually had, in these particular cases, which we've said is not necessarily statistically valid or representative of all PBX customers. These were in multi-tenant buildings in those three category.

Q Okay. Do you think that the average trunk group size of a tenant in a multi-tenant building is likely to be different one way or the other from the average trunk group size of customers in other types of buildings?

A Well, you're talking averages and, yeah, the entire State is so large, I mean so many customers that I really don't have knowledge thorough enough to compare a typical -- I don't know all our business customers and have an understanding of that well enough to compare all customers with the customers that are specifically in these particular multi-tenant buildings.

Q Do you have any knowledge that would indicate that customers, for example, with five or fewer trunks, tend to be located in particular types of buildings or in particular geographic areas?

A No, I don't.

Q Do you know if there is anybody in the Company who would have made a study of that information and might have that knowledge?

A There is nothing like that that I'm at all familiar with.

Q Let me ask you to turn now to Page 27 out of Exhibit No. 3. In the category "300,000 plus," you analyze two buildings, one of which had a revenue impact of plus 614 and the other one had a revenue impact of negative 3,421. Is that correct?

A That's correct.

Q And you simply took an average of those two buildings and used that to project the statewide impact in that category?

A That's correct.

Q Given the fact that the two particular cases you studied were so different in magnitude, don't you think that that's rather speculative to extend that to the entire State?

A That's why we took an average between one case and another, and we had to make decisions. And this analysis was done -- is real data and so that's why we averaged the impact because it's different. I don't think it's speculative, per se, but it is a forecast.

Q In fact, if you had only done one building in category 300,000 plus and had done two building in category 150 to 300,000 could you not have come out with extremely different results?

A If I had different input data, yes, I might have different results.

Q Now, in the final column [illegible] on the top of Page 27 you project these out on an annual basis and you give it to the

nearest dollar. Do you think these figures are really reliable to the nearest dollar?

A Yes, I do. These were real cases and again, this is a forecast. But the numbers that were provided were real numbers, they were live data. Of course, I could have rounded to the nearest $10 or $100.

Q But isn't it true that the validity of this forecast applied to buildings other than the five buildings that you've chosen depends on how well the typical buildings were chosen, correct?

A That's true but our people were told to choose typical buildings and we're looking at typical buildings that an STS provider would be interested in. We're forecasting STS. We're not forcasting necessarily every building that's in that category. We're looking at STS operations.

Q None of these buildings that you actually studied, however, are actually STS operations today, are they?

A STS is not legal today in the State of Florida for sharing and resale.

Q And none of these are STS operations that were grandfathered by the Commission's decision last year?

A We in Southern Bell do not have the type of STS operation that you are talking about in our territory in Florida.

Q Have you done any studies on the revenue levels derived from any building in other states where STS is allowed?

A No.

Q Studies similar to this one showing the level of revenues from a given group of tenants, in any other state, for an actual STS building?

A No. In our territory?

Q Correct.

A No, and surely not outside of our territory.

Q Do you know whether Bell South Systems Technologies has ever done any studies of this sort to analyze the revenues from building where they operate shared tenant services?

A I do not have any knowledge of what Bell South System Technologies has done.

Q At the time that you were in the Marketing Department and having direct contact with STS providers, did you have any contact with Bell South Systems Technologies?

A Yes, I did.

Q Do you know whether they operate any STS buildings with or without shared local service in the State of Florida?

A I do not know that -- no, I don't know.

Q Do you have any idea how many partitioned shared switches there may be in the State of Florida today or in Southern Bell territory?

A This is a general knowledge right now that I understand there are about 10.

Q Now, you testified earlier about the fact that there

are some shared executive suite-type operations, as you described them, which do at the moment have shared PBX trunks in the Southern Bell territory, is that correct?

A Yes, there are three that I'm aware of.

Q And would those be subject to the STS tariff if, in fact, the Commission approves that tariff?

A Yes, I believe they would be. Now, we will have in our tariff a -- or add to our tariff an individual line, 1-MB type service and that may be appropriate for an executive office suite.

Q And that would be in the shared tenants services tariff?

A Yes, it would.

Q Would you anticipate that if that sort of a tariff was approved that there might be some growth in that aspect of shared tenant services, also?

A Yes, I believe there will be some.

Q Have you included any smaller operations of that type in your impact study?

A Well, a lot of time executive office suites are very, very small operations. They're in one floor. Our project is looking at buildings in the range of 50 to 150,000, 150, 300 300,000 and above. We haven't attempted to address the market that has a, you know, 5,000 square . .

Q On Page 31 you have your other revenue analysis. And

I note that one of the items you list there under Case 5, or Case 4, excuse me, is additional listings. Is your opinion that customers who now have additional listings would no longer need additional listings after they went into a STS operation?

A That's unpredictible, they probably would. You'll also note there that the total revenue loss there is $43 on a monthly basis and a category average of $21 on an annualized figure of 252, it's not really a significant effect in this analysis.

Q I believe you testified in your previous deposition that you were aware of one building in Atlanta that was bypassing Southern Bell facilities, is that correct?

A That's correct.

Q Is that an STS operation?

A Yes, it is.

Q Do you know who operates that?

A Well, yes, I do.

Q Could you tell us?

A I think that's customer proprietary; very much so, customer proprietary information.

Q Are you aware of any -- well, how many total STS buildings in the City of Atlanta are you aware of?

A Approximately 10 that I am aware of. I am not the customer contact person for this -- there may be more than 10 in the Atlanta area. There are some that are partitioned, there

are some that are under the now effect of the recently effective tariff.

Q And one of those is bypassing?

A Yes, which I have personal knowledge of, and is not Bell South System Technologies. I said I do not have direct knowledge of what they're doing in their operation. I happen to know this other.

Q You have also said you know that there are in the neighborhood of 10 partitioned PBX operations in Florida. Do you know if any of those are bypassing?

A It is unusual that I know of the Atlanta operation, that is because one of the guys there is a friend of mine. And so I know more about their operation then I usually would. I am not the customer contact person for the operations in Florida and do not have direct knowledge of how they are accessing long distance.

Q Who would know if any of those PBX operations is bypassing?

A Probably the STS providers.

Q Who within Southern Bell would know?

A We may not know. And the way -- if they were using special access to bypass we would know because they ordered special access, whoever processed that order. But we may not know that they are bypassing.

Q Okay. Well, that's a good point. Is that facility

in Atlanta that you were talking about using Southern Bell provided special access facilities?

A No, it is total bypass, total facilities bypass.

Q Okay. Are you aware, personally, of any STS operations, and I include partitioned, that are not bypassing?

A Well, that's actually the only one I have much knowledge about, much direct knowledge of how they are accessing their long distance. I would surely presume that some of the others are not bypassing at this stage but it is still a new concept that is growing in its market application and in its customer base.

Q You may have already answered this and if so, I apologize, but is there any place within Southern Bell's service area in any state where a mandatory measured service tariff is in effect for any sort of local service?

A The cellular tariffs have mandatory measured tariffs in Florida. There are several situations that have mandatory usage sensitive pricing. In all of our states where the resale of local service is permitted, those being Georgia and South Carolina, it is mandatory usage sensitive pricing.

Q I asked the question the wrong way. I meant to ask you are there any places where there is mandatory usage sensitive billing for nonshared and nonresold local services?

A No. Throughout our four-state region customers are allowed to order flat rate service for their own direct use.

And I do not know, you know, I don't have all-encompassing knowledge. I do not know of any situations where individual customers are required to have usage sensitive pricing for their own direct use.

Q You testified this morning that in preparing the study, Exhibit No. 3, in some of the cases you excluded some of the larger customers, is that correct?

A That's correct.

Q Do you have any idea as to what difference it would have made in the results if you had included those larger customers?

A I really would have to run the whole price out, you know, and have to look at that all over again.

MR. BLAU: I have no further questions. Thanks.

MR. GILL: Could we take a break?

(Recess taken.)

(Thereupon, the deposition concluded at 2:25 p.m.)

- - - - -

This is to certify that I, JACKLYN A. MICKLE, have read the foregoing transcription of my testimony, Page 5 through 114, given on Thursday, October 16, 1986, in Docket Nos. 851005-TP and 860455-TL, and find the same to be a true and correct transcription of my testimony, with the exceptions, and/or corrections, if any, as shown on the errata sheet attached hereto.

_____
JACKLYN A. MICKLE

Sworn to and subscribed before me this

_____ day of _____

19____.

_____
NOTARY PUBLIC

State of_____

My Commission Expires:

ERRATA SHEET

DOCKET NOS. 851005-TP, 860455-TL
NAME: JACKLYN A. MICKLE
DATE: October 16, 1986

Page	Line	

FLORIDA)
:
COUNTY OF LEON)

CERTIFICATE OF REPORTER

I, JOY KELLY, CSR, RPR, Notary Public in and for the State of Florida at Large,

DO HEREBY CERTIFY that the deposition of JACKLYN A. MICKLE was taken before me in the matter of the Investigation of Joint and Shared Use of Telephone Services, Docket Nos. 851005-TP and 860455-TL, commencing at 10:15 a.m., Thursday, October 16, 1986, at 4300 Southern Bell Center, 675 West Peachtree Street, Atlanta, Georgia 30375.

I FURTHER CERTIFY that the witness was first placed under oath to tell the truth; that the preceding pages, 5 through 114, are a true and correct transcription of my steno-type notes of said deposition, and that the deposition will be read and signed by the witness.

I FURTHER CERTIFY that I am neither of counsel nor related to the parties in said cause and have no interest, financial or otherwise, in the outcome of this docket.

WITNESS my hand and official seal this 20th day of October, A.D., 1986.

My Commission Expires:
March 19, 1989

JOY KELLY, CSR, RPR
OFFICIAL COMMISSION REPORTER
FP[illegible] of Reporting
101 East Gaines Street
Tallahassee, Florida 32301
Telephone No. (904) 488-5980

BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

In The Matter of

Investigation of Joint and Shared Use of Telephone Service, and Investigation into Appropriate Rates and Conditions of Service for Shared Local Exchange Telephone Service.

DOCKET NO. 860[illegible]

AFTERNOON SESSION-FIRST DAY

VOLUME III

Pages 274 through [illegible]

RECEIVED
DIVISION OF RECORDS & REPORTING
NOV 4 1986

FPSC Hearing Room 106
Fletcher Building
101 East Gaines Street
Tallahassee, Florida [illegible]

Monday, October [illegible], 1986

Met pursuant to adjournment at 1:30 p.m.

BEFORE: COMMISSIONER JOHN R. MARKS, III, Chairman
COMMISSIONER KATIE NICHOLS
COMMISSIONER MICHAEL McK. WILSON
COMMISSIONER JOHN T. HERNDON

APPEARANCES:

(As heretofore noted.)

Final Exhibit No. 273

REPORTED BY:

JANE FAIROT
JOY KELLY, CSR, RPR
Official Commission Reporters

DOCUMENT NO
10896-86
11-4-86

I N D E X

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EXHIBITS

Number:	Identified	Admitted
7 - (Macbeth) Attachment A - Marketing Document Prepared for GOAA by Southern Bell	278	405
8 - (Macbeth) Attachment B - Newspaper Article: Phones Fail, Knocking Out 911 System	279	405
9 - (Macbeth) Attachment C - Public Utility Commission of Texas, Document 6076, Examiners Report Dated 1/8/82	279	405
10 - (Macbeth) Newspaper Article: Springsteen Fans Jam Phone Lines	279	405
11 - (Macbeth) Newspaper Article: Southern Bell Honcho Puts the Emphasis on Customer Satisfaction	280	405
12 - (Macbeth) GOAA Responses to Staff's Interrogatories 10, 11, 16, 29, 30, 33, 34, 36, 37, 39, 47 and 48	393	398
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(Transcript continued from Volume II.

COMMISSIONER NICHOLS: Mr. Macbeth?

HUGH J. MACBETH

was called as a witness on behalf of Greater Orlando Aviation Authority, and, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. LIPMAN:

Q Will you please state your name for the record?

A My name is Hugh Macbeth.

Q Mr. Macbeth, what is your title and your employer?

A My title is Manager of Information Systems and Telecommunications for the Greater Orlando Aviation Authority.

Q And what is the business address there, please?

A The business address there is Orlando International Airport, 6000 McCoy Road, Orlando, Florida 32812.

Q Did you cause testimony to be prepared and filed in this proceeding on July 15, 1986?

A Yes, I did.

Q And did you also cause to be prepared and filed rebuttal testimony in this proceeding on August 15, 1986?

A Yes, I did.

Q Do you have any changes or corrections to either your initial testimony or your rebuttal testimony?

A No, I do not.

Q Will you please summarize your --

COMMISSIONER NICHOLS: Counselor, do you want to insert his testimony into the record as though read?

MR. LIPMAN: I was going to do it, Commissioner, after his summary because there are several exhibits attached to that as well.

COMMISSIONER NICHOLS: Okay.

Q (By Mr. Lipman) Could you please summarize your testimony?

A My testimony is provided to describe the unique and critical shared airport telecommunication needs for an airport operator such as the Greater Orlando Aviation Authority, the shared PBX system that was designed and installed by Southern Bell in 1981, which is currently in use at Orlando International Airport; the substantial operational and safety benefits offered by that system; and the disruption and potential safety risk and economic harm which would be created by precluding our shared system or by imposing onerous and discriminatory conditions on our sharing arrangement.

Q If you were asked the same questions contained in your direct and rebuttal testimony, would you have the same answers today?

A Yes, I would.

MR. LIPMAN: Commissioner, I would move at this time that both Mr. Macbeth's initial and rebuttal testimony be

admitted into the record.

COMMISSIONER NICHOLS: I'm having trouble finding his rebuttal.

MR. LIPMAN: I will be happy to provide you an extra copy.

COMMISSIONER NICHOLS: Do you have another copy of his rebuttal? And we will insert it into the record as though read.

Do you want to number his exhibits?

MR. LIPMAN: Fine.

COMMISSIONER NICHOLS: What is the next number, Counselor?

MR. SEXTON: 7.

MR. LIPMAN: The first exhibit we have to his rebuttal testimony is Attachment A, Macbeth Exhibit 1, which is a marketing document prepared for the Greater Orlando Aviation Authority by Southern Bell.

COMMISSIONER NICHOLS: Attachment A will be Exhibit 7.

(Exhibit No. 7 marked for identification.)

COMMISSIONER NICHOLS: Attachment B which attached with a cover letter of October 16 --

MR. LIPMAN: No, we would like to hold off on that if we could.

COMMISSIONER NICHOLS: Are you planning on not --

MR. LIPMAN: I was going to do that sequentially. That was a supplemental to our rebuttal testimony. Attachment B to his initial testimony, Macbeth Exhibit 2, is Orlando Sentinel articles dated April 26th, 1986, and May 9, 1986. And those articles are supplemented, Commissioner, but the item that you just referenced, our October 16 correspondence which contains an additional article from the Orlando Sentinel dated October 15, 1986 entitled, "Phones Fail Knocking Out 911 System."

COMMISSIONER NICHOLS: All right, that would be Exhibit 8.

(Exhibit No. 8 marked for identification.)

MR. LIPMAN: Exhibit 9 is Attachment C to Mr. Macbeth's initial testimony, and that is Macbeth's Exhibit 3, and it is Public Utility Commission of Texas Document 6076, Examiners Report dated January 8, 1986.

COMMISSIONER NICHOLS: That is Exhibit 9.

(Exhibit No. 9 marked for identification.)

MR. LIPMAN: For Exhibit 10, Attachment A to Mr. Macbeth's rebuttal testimony which is a Washington Post article dated July 23, 1985, entitled, "Springsteen Fans Jam Phone Lines."

COMMISSIONER NICHOLS: Exhibit 10.

(Exhibit No. 10 marked for identification.)

MR. LIPMAN: Exhibit 11, Attachment B to that

rebuttal testimony, Macbeth Exhibit 5, again, an Orlando Sentinel article of April 25, 1986, entitled, "Southern Bell Honcho Puts the Emphasis on Customer Satisfaction."

COMMISSIONER NICHOLS: Exhibit 11.

(Exhibit No. 11 marked for identification.)

MR. LIPMAN: That concludes our exhibits.

COMMISSIONER NICHOLS: Where is the list -- oh, I'm sorry, that appears to be a deposition.

MR. LIPMAN: We would also move those exhibits along with his initial and rebuttal testimony into the record.

COMMISSIONER NICHOLS: The exhibits will be moved after cross, if there is no objection.

MR. LIPMAN: No further questions. We tender him for cross.

COMMISSIONER NICHOLS: Do you want to summarize his testimony first?

MR. LIPMAN: I think he already did.

ORIGINAL

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In Re: Investigation Of Joint And Shared Use of Telephone Service In Florida	)))	Docket No. 851005-TP
In Re: Investigation Into Appropriate Rates And Conditions Of Service For Shared Local Service	)))	Docket No. 860455-TL

TESTIMONY OF HUGH J. MACBETH
ON BEHALF OF THE GREATER ORLANDO
AVIATION AUTHORITY

Q: Please state your name and current business address.

A: My name is Hugh J. Macbeth. My current business address is 6000 McCoy Road, P.O. Box 620004, Orlando, Florida 32862-0004.

Q: By whom and in what position are you currently employed?

A: I am employed by the Greater Orlando Aviation Authority ("GOAA") as Manager of Information Services and Telecommunications. I have been employed by GOAA since 1981.

Q: What are your job responsibilities?

A: I joined GOAA three months prior to the opening of Orlando International Airport in 1981. I am responsible for network planning and system expansion of the airport's shared

telecommunications system and GOAA's management information systems. I am also responsible for GOAA's telecommunications and data systems at Orlando Executive Airport.

In addition to my responsibilities at GOAA, I serve as Chairman of the Information System and Telecommunications Subcommittee of the Airport Operators Council International, a trade association consisting of 218 members representing over 800 airports worldwide. The Subcommittee is currently planning a major exhibition of airport, airline and passenger-related telecommunications and information services. Because of my experience at GOAA and with the Subcommittee, I am often called upon to consult with representatives of other airports, both in the United States and abroad, concerning the design and implementation of state-of-the-art airport communications systems.

Q: What is your educational background?

A: I received a B.S. degree in Accounting from Hiram College in 1968. Since graduation, I have attended numerous seminars and workshops relating to the telecommunications and airport industries.

Q: Have you ever testified before this Commission?

A: No.

Q: Is this the first time GOAA has submitted testimony concerning shared telecommunications service issues?

A: Yes. GOAA decided to intervene and present testimony in this proceeding when it became aware that the outcome of the proceeding could pose a substantial threat to the safe, reliable and cost-efficient operation of our airport telecommunications system.

Q: What is the purpose of your testimony?

A: The purpose of my testimony is to describe the (1) unique and critical shared telecommunications needs of an airport operator such as GOAA, (2) the shared PBX system designed and installed by Southern Bell in 1981, which is currently in use at Orlando International Airport, (3) the substantial operational and safety benefits offered by that system, and (4) the disruption and potential safety risks and economic harm which would be created by precluding our shared system or by imposing onerous and discriminatory conditions on such a sharing arrangement.

First, I will discuss GOAA's status as an agency of the City of Orlando, which is not supported by tax dollars but

instead is required to be self-supporting through its own operating revenues and bond issues; a requirement which means that our operation must be run as efficiently and economically as possible. I will also address the necessity for GOAA to maintain a centralized communications system to monitor and control communications in an airport environment where security and safety are of paramount concern, and where the facility must be able to adapt to new situations on an almost daily basis; for example, where gate assignments are often changed or "timeshared" among the airlines. In this regard, I will also describe how timely, coordinated response to assaults, thefts, medical emergencies, terrorist threats and other airport emergencies through a cost-efficient shared telecommunications system is a daily requirement at GOAA facilities. Our ability to respond quickly and effectively depends largely upon the capacity of the numerous airport functional agencies, airlines and other tenants to intercommunicate between and among each other in a dependable and immediate fashion.

Q: Please describe the Greater Orlando Aviation Authority.

A: The GOAA, an agency of the City of Orlando, operates two airports in the Orlando area which are owned by the City of

Orlando: Orlando Executive Airport and Orlando International Airport. Orlando Executive Airport is a general aviation facility serving primarily corporate and charter traffic. Its communications system is a key system configuration and is not linked to our shared PBX system at Orlando International Airport.

As I mentioned earlier, GOAA is an agency of the City of Orlando which was established pursuant to the Greater Orlando Aviation Authority Act, Chapter 57-1658, Special Laws of Florida, 1957, as amended. The Orlando International Airport and Orlando Executive Airport are owned by the City of Orlando and, in 1976, the City transferred the custody, control and management of the airports to GOAA for a period of fifty years. Each airport functions as a self-supporting enterprise whose operations are supported entirely through airport revenues and through bonds issued to finance airport expansion and construction. (Under the Act, GOAA is authorized to issue bonds of the City which are payable solely from the revenues derived by GOAA from the operation of the airport system; they are not general obligations of the City and neither the faith and credit nor the taxing power of the City is pledged to their payment.)

A substantial portion of GOAA's revenues are derived from Lease and Use Agreements with Signatory Airlines. The rates and charges for these airlines are reviewed at least annually and adjusted as necessary so that for each fiscal year they are sufficient for the airport to pay all of its operating expenses together with the principal and interest on its bond obligations. Thus, the rates and charges paid by the airlines bear a direct relationship to the airport's operating expenses, and, to the extent the airport is able to reduce or contain its expenses, the costs of the airlines are directly affected.

Q: What are the telecommunications needs of an airport such as Orlando International Airport?

A: In 1985, Orlando International had a passenger volume of over 10 million people; a level which reflects a growth of 15-20 percent per year since the airport opened in 1981. Our telecommunications system is critical to the safe and efficient operation of a facility handling that amount of traffic (not to mention the considerable freight traffic also transported through the facility), and the rapid growth of the airport also mandates that we utilize a system which can easily and economically keep pace with our expansion. The overriding

concern in choosing our telecommunications system was to ensure that communications throughout our airport campus are available at all times and that all telephone locations have the same state-of-the-art capabilities. Our need to provide the most cost-effective service possible to our airline and other tenants and airport functional agencies was also an important consideration in choosing a system. Finally, we also have a unique need for operational flexibility, and, in addition, require that the system include not only a voice communications system but also other systems such as video surveillance cameras, building controls (i.e., heating, ventilation and air conditioning), and specialized operator services, particularly for security purposes or for response to airfield alert or other medical emergency conditions.

Q: Is there a community of interest and affiliation among tenants in an airport that distinguishes them from tenants in other types of commercial developments?

A: Yes. GOAA, the airlines and other tenants, such as rental car agencies, airline food service companies, air cargo freight forwarders, tour operators and others, all share a community of interest in conducting the business of an airport and serving the needs of the general public and

businesses that use that facility. Because of this affiliated interest, GOAA and its tenants have a unique need to communicate between and among themselves, particularly with regard to the common airport-wide security system. In fact, even before construction of our new terminal and initiation of our shared PBX system, all tenants were required to participate in an airport-wide intercom system. Given these common characteristics and strong community of interest, airports such as those operated by GOAA should be treated as a single user of communications facilities.

At a minimum, the Commission should confirm that an airport and its tenants are affiliated entities (as described in the Holywell decision) and that they may intercommunicate behind a PBX switch. In the "illustrative" tariff attached to a document prepared by Southern Bell when it was marketing a shared PBX system to GOAA, Southern Bell stated that such affiliated tenants would be permitted to share a PBX and to intercommunicate between and among themselves behind that shared switch because of the recognized substantial need for such intercommunication. (Attachment A hereto, Macbeth Exhibit 1 at Illustrative Tariff Section A14.39.1.A(2).) Specifically, the illustrative tariff represented that GOAA would be permitted to share common PBX equipment where

"[e]ach customer is a member of a group of customers engaged in the conduct of interacting business industry of [sic] government which, by nature of their common interest have a need for large amount of communications service between stations and/or systems of the interacting group and a service arrangement could be beneficial to the general business or industrial community." (Id.)

Q: Please describe the system which is currently in use at Orlando International Airport.

A: Currently, the main voice communications system (and the heart of our telecommunication system) at Orlando International Airport is a Dimension 2000 Private Branch Exchange ("PBX") leased from AT&T Information Systems. This PBX serves the majority of the communications needs of the 26 airlines, several dozen other tenants, and the multiple administrative and operational staffs of the airport. Because of specialized data communications needs or other factors, however, approximately 30 percent of the tenants' communications needs are served directly by Southern Bell. (In this regard, I should note that all end users located on the airport campus have the ability to obtain service

directly from Southern Bell -- our local exchange carrier -- at all times, and I believe that tenants should continue to have the option of obtaining service directly from the LEC.)

Q: How was this communications system developed?

A: Our shared PBX system was designed and installed by Southern Bell in 1981. At that time, it was marketed by Southern Bell as the most efficient and effective type of facility to meet the airport's complex and unique communications needs. Southern Bell's proposal offered Joint Airport Service ("JAS") to GOAA and its tenants at Orlando International Airport. According to a marketing document prepared for the airport by Southern Bell, "JAS is the marriage of two distinct offerings, namely Common Location Communications Service ["CLCS"] and Joint User Service"; CLCS covered the joint use of the Dimension PBX system leased by the airport, and Joint User Service covered the provision of shared PBX trunks used in conjunction with that premises equipment. (Attachment A, Macbeth Exhibit 1 at "Executive Summary.") As stated by Southern Bell's marketing document, "[t]he economies of JAS are significant. The quality of service to each user is a marked improvement over Centrex or individual PBX systems . . . . JAS is an important breakthrough in the

services offered to the Airline Industry." (Id.) On the basis of this marketing, GOAA and the airlines, after reviewing the Southern Bell proposal, chose to use a shared PBX instead of the less desirable Centrex or other Central Office facilities used by other airports in Florida.

Following the break up of the Bell System, AT&T Information Systems has assumed ownership of the Dimension PBX and other customer premises equipment ("CPE") used at Orlando International Airport. Our telecommunications system, however, essentially remains functionally and technically the same as when Southern Bell controlled both the CPE and the shared telephone transmission facilities used by the airport. Experience with the system designed and installed by Southern Bell has proven that its initial marketing representations were correct and that, while the system has needed (and will continue) to evolve and develop with technological changes and improvements, expanded needs and increased demand, it remains clear that the JAS system is the best telecommunications arrangement currently available to meet all of the unique needs which arise in the airport context. Any determination to eliminate or impair the efficiency of this shared PBX system would have a substantially deleterious effect in terms of safety, economy

and operational efficiency. Given our unique characteristics, these services could not be provided by the LEC without the installation of a Centrex-type switch on our airport campus. (A Centrex-type switch in the Central Office would not provide the security and safety benefits of a switch located on our premises, and, in addition, lines to the Central Office would entail very large capital costs which are not required with a customer premises switch.)

While installation of a shared Centrex-type switch on the airport campus might be functionally equivalent to our shared PBX in many respects, a changeover of that type of sharing arrangesment simply does not make economic sense. In the service arrangement currently in operation at Orlando International Airport, the users of the telecommunications system were directly responsible for the capital costs of the system. To replace these facilities with equivalent or nearly equivalent services through a shared Centrex-type switch, the cost would have to be borne either by the general body of ratepayers or the current users would have to pay twice in less than five years for essentially the same system.

Q: How does GOAA bill tenants for use of the system?

A: As originally proposed, Southern Bell directly billed end users (i.e. GOAA and its various airport tenants) for their pro rata share of common premises equipment services plus a five (5) percent administrative charge (non-common items were billed to the individual user incurring the charge). Jointly used trunks, on the other hand, initially were delivered to the "Primary User" (i.e., GOAA), who was responsible for distribution of the individual bills for the common trunk charges and joint user charges among all the various end users. In July, 1982, Southern Bell began to bill GOAA and its tenants directly for their pro-rata share of common trunk costs and their individual intraLATA long distance and directory assistance charges.

After divestiture, this arrangement changed only insofar as Southern Bell no longer bills GOAA and its tenants for customer premises equipment; that function now rests with AT&T Information Systems. With respect to common trunk charges, however, the arrangement remains the same, and Southern Bell continues to bill GOAA and its tenants individually for their pro-rata share of common trunk costs and other individual charges. Tenants pay their bills directly to Southern Bell, and the LEC is the direct customer contact for questions relating to the network transmissions

quality and billing. GOAA, on the other hand, serves as the contracting agent for network services and common hardwire expansion requirements. It also serves as the subscriber-of-record for facilities at jointly used gates.

Q: In the absence of the JAS type of service offerings or practices currently provided by Southern Bell, would it be possible for GOAA to provide equivalent service to its users?

A: Absolutely not. It is essential that GOAA be permitted to continue the shared PBX service that Southern Bell designed and installed for us. We unequivocably agree with Southern Bell's network design engineers and marketing representatives that a shared campus-wide PBX provides us with the requisite capability to meet our unique and critical needs.

Q: Could you give some examples of the types of capabilities which would be jeopardized by such a change?

A: Certainly. If the airport's shared PBX service is withdrawn or materially restricted, the ability of one JAS user to call another user would require routing through to Southern Bell's central office several miles away. If Central Office lines are damaged during a hurricane or thunderstorm, or as a result of construction site activities, emergency security

and other telephone communications at the airport would cease. Given the level of development in the Orlando area, such interruptions in telephone service unfortunately occur quite regularly. (See, e.g. Attachment B hereto, Macbeth Exhibit 2, Orlando Sentinel articles, April 26, 1986 (p. D-10) and May 9, 1986 (p. D-1).)

Moreover, it is an unfortunate circumstance of airport operations today that we must also plan against man-made, as well as natural, disasters. Consequently, telephone connections from the airport to the central office must be viewed as an additional area of vulnerability to terrorist threats. Terrorist-proof redundancy of local loop facilities may be one alternative to the present system in addressing this problem, but it hardly seems to be in the interest of local ratepayers to bear such expense, given the fact that a shared PBX system avoids such expense entirely.

Another example of the detrimental effect of eliminating or severely restricting our campus-wide ability to share a PBX and common trunks would be the elimination of the emergency calling system now in effect and its replacement with a system which would threaten our ability to meet the emergency response time of 180 seconds mandated by Section 139.49 of the Federal Aviation Administration ("FAA")

Regulations, 14 C.F.R. § 139.49 (1986). (In fact, I understand that the FAA is considering a reduction in that response time.) Today, a caller at any telephone throughout our campus connected to our shared PBX can reach a specially trained operator familiar with campus geography and our field conditions simply by dialing "0" or "2911". (Indeed, our airport operations have, at great expense, been established with this calling capability in mind.) Under this abbreviated dialing arrangement performed behind the switch, the calling number is displayed to the airport operator, who can then accurately identify the telephone's location, enabling accurate dispatch of medical, police or fire assistance.

Without the shared PBX system and the related intercommunication behind the switch, only dialing "911" would connect a caller to the airport operators, and these calls, routed through the Central Office, would be vulnerable to interruption as a result of power outages, construction site mishaps, or other factors. In fact, this vulnerability would be heightened by the fact that automatic "911" data is retrieved from Ft. Lauderdale and therefore must travel much further than even the local Central Office.

As good as "911" service currently is, it is materially less valuable than our shared service in two respects: first, in our experience most people dial "0" in an emergency, not "911"; and second, the possibility exists that "911" service would cease if the Central Office or lines to it are interrupted. Given the potential emergency situations existing at a major airport such as Orlando International, these alternatives to our JAS system would seriously increase our emergency and security response time -- a result we believe to be untenable.

The airport also needs to have a highly flexible shared telephone system to accommodate the special demands placed upon it. For example, gate assignments are often changed among the airlines, and, in some cases, may even be "timeshared" by airlines which do not have a full time need for a gate. Under such conditions, it would be virtually impossible (not to mention prohibitively expensive) for Southern Bell to be constantly moving and rearranging the lines among the airlines. Under our JAS system, moves and changes do not typically require the presence of the local telephone company, which reduces both the time and expense which would otherwise be incurred.

All of these abilities enable GOAA to have access to, and to provide its tenants with access to, significant quality and cost of service advantages over the service which could be provided by Southern Bell.

Q: Does the provision JAS type service or practices on the part of Southern Bell lead to stranded network investment?

A: No. In the case of Orlando International Airport, the shared telecommunications system was installed in primarily new structures where embedded plant did not previously exist. Southern Bell and GOAA were able to work closely together prior to construction to develop extensive planning models to formulate initial service configuration alternatives, costs and benefits, and to project future growth. At that time, it was predicted that the service would grow to 1,000 stations. Currently, the system is 20 percent ahead of that forecast, and has approximately 1,220 stations. It is therefore plain that there has been no stranding of Southern Bell's forecasted investment. And, as the airport continues to expand, GOAA continues to work with Southern Bell to develop the most complete and accurate information available to develop planning forecasts. By having GOAA as a central point of contact for the many diverse end users located in

airport facilities, Southern Bell clearly has more complete information available regarding the type and mix of users expected to participate in the system than it would in forecasting use and conducting planning with the individuals users.

I would also like to note that, even where a shared system is installed in existing airport facilities, I do not believe that stranded investment will be significant. First of all, in such a situation the load on the local exchange carrier's Central Office would remain the same and, assuming the same traffic would be generated, there will be no stranded Central Office equipment; the only thing which might be stranded is plant. Even with respect to plant, it is more correct to say that such plant would be "idled," not "stranded," since such plant might be able to be used immediately (or soon thereafter) for other purposes or would be in place for airport growth, which Orlando International and all other major Florida airports are currently experiencing and expect to continue in the future.

Q: Does the sharing of PBX equipment and local telephone lines, as in JAS, offer benefits to non-participating local ratepayers as well as to participating airport users and their tenants?

A: Yes. The general public (i.e., the local exchange company's ("LEC's") ratepayers) stands to benefit from the existence of shared telecommunications services in several significant ways:

First, shared telecommunications services at an airport engender more efficient use of existing LEC facilities, leading over time to reduced total facilities requirements and capital investment. Efficiencies resulting from the aggregating of trunk lines will enable LECs to reduce future investment in outside plant, including reductions in the number and size of trunks and cable pairs. These types of reductions in investment requirements will lead to a reduction in the overall revenue requirements of the LEC, and therefore in the rates it must charge its customers to earn a reasonable rate of return;

Second, because of efficiencies engendered by shared services, the LECs will require fewer Central Office terminating facilities;

Third, LECs will have reduced administrative and maintenance expenses in situations where they deal with and bill only the Customer-of-Record (the shared system manager) instead of many customers, and, in addition, the LEC's service and maintenance obligations will stop at the PBX;

Fourth, LECs will receive increased revenues in several ways as a result of shared services. Among the areas in which revenues can be expected to increase are the following:

- LECs will receive increased DID charges, including charges for assigning DID numbers, and also will receive additional revenues for listing individual users in the telephone directory;
- LECs will receive increased monthly charges when customers who might have otherwise used key systems with accompanying business line rates instead pay PBX trunk rates in a shared environment. In particular, LECs receive higher rates because PBX trunk rates will apply to a shared PBX as opposed to the individual business line rates which would apply in a non-shared environment; and
- LECs will receive additional charges for touch tone service;

Fifth, shared telecommunications services will result in increased call completion probability where the system, such as that of GOAA, offers message center services, thereby increasing revenue potential to local carriers; and

Sixth, the information provided LECs by shared system managers will enhance carrier planning capabilities.

Q: What effect would precluding or severely restricting the shared use of JAS trunks have on the beneficial use of shared JAS services by GOAA?

A: A prohibition on the use of common local telephone trunks by GOAA and its airport tenants would be seriously detrimental to the safe and efficient operation of the airport. As discussed earlier, given the current configuration of GOAA's system, the ability to share a PBX (i.e. to intercommunicate behind the PBX and share common trunks) is essential to airport safety. In addition, the sharing of these facilities greatly enhances the efficient and economical operation of the airport, which I believe to be very much in the interest of participating airport users and the general public in the Orlando area -- an area heavily dependent upon tourism. For example, as persuasively argued by Southern Bell in marketing the JAS system, the economies associated with the sharing of common trunks are a major reason why our shared PBX system is cost effective.

A prohibition or severe restriction on the sharing of local trunks would, among other things, require GOAA and our other tenants to prematurely jettison the JAS system in favor of a partitioned switch. Partitioning would require tenants

to individually utilize their own local access trunks, dramatically increasing the required size of the switch and the overall system, and would require additional software (and perhaps related hardware).

As an initial matter, since our Dimension PBX is inherently incapable of being station partitioned, a prohibition or restriction of intercomming would require the purchase of a new switch. Moreover, the cost of trunk partitioning a switch, would be prohibitively expensive for our use. Even assuming that we were able to justify the cost of a partitioned switch, we would also lose many of the substantial cost savings and efficiencies attributable to common trunking and intercomming. The absence of such cost savings and efficiencies will necessarily make the price of other telecommunications-related and information management services which can be provided in a sharing situation substantially more expensive because GOAA users will be denied the efficiencies from utilizing fewer trunks to the telephone company's Central Office.

Because users in a partitioned system do not share local access lines, the total number of lines required in a partitioned system would be substantially greater than if such lines were shared, thus contributing significantly to

user costs by requiring them to purchase unneeded facilities. As the history of the industry over the past several years clearly indicates, it is critically important that airport authorities and airlines contain costs in order to survive in an extremely competitive industry. If users are not permitted to share trunks at reasonable and non-discriminatory rates, shared services may simply not be economically feasible, and the benefits which are provided by such a system would be unavailable to the airport and its tenants.

Finally, the inefficiencies inherent in a partitioned switch create operational and maintenance problems in a shared telecommunications situation which would be seriously detrimental to the functioning of a shared airport system. For example, in a partitioned switch, the line and trunk port assignments must be reconfigured when any participating tenant expands or reduces usage. Accordingly, often when a user changes the location of any of its assigned numbers (such as a gate reassignment or a new tenant initiates service), certain parts of the shared PBX system must be taken out of service, causing possible service interruptions to that tenant as well as other tenants -- a situation which, as described above, would be untenable for emergency response

and security reasons. This continuous software reprogramming also increases the possibility that the switch will need more maintenance than would otherwise be required, which again would generate increased service outages and interruptions and increased costs. Moreover, the need to reprogram continuously the switch and the additional software requirements generated by a partitioning requirement (e.g., to aggregate user's interstate calls) will add to the cost of the sharing arrangement, thereby further pricing the services out of reach of the typical small or medium-sized tenant.

Q: Do you believe GOAA's ability to provide safe and efficient service through the existing JAS system and to contain costs influences the well-being of your community and the State of Florida generally?

A: Most definitely. I believe that GOAA's ability to provide the best and most cost effective telecommunications service possible to its own airport functional agencies (such as the control tower, fire and security forces, etc.), tenants, and the travelling public clearly benefits the Orlando area community and has played a perceptible role in creating the dynamic and forward-looking image that the area projects to both tourist and business visitors. It is critical that the

services available at the airport be state-of-the-art, that they be reasonably priced, and that they be able to continue to grow and evolve with the expanded needs of the airport community. These were precisely the factors Southern Bell relied upon in attaining the consent of the GOAA to make the large capital investment required for the JAS system -- and these same factors remain true today. Accordingly, I believe that GOAA, and other airports throughout Florida, should be permitted to share telecommunications equipment and facilities among their own agencies and their tenants throughout their airport campuses.

Q: Do you believe airport sharing arrangements should be subject to geographic limitations?

A. I believe that airports, as a unique type of governmental entity, must be permitted to share telecommunications equipment and facilities throughout their airport campuses. This was essentially the geographic limitation originally imposed by Southern Bell in its system proposal to GOAA and it is the only reasonable geographic limitation for an airport. As originally set forth in Southern Bell's proposal, its service would be subject to the following geographic limitations:

(1) "Each customer is a member of a group of customers situated on the connecting premises and/or nearby properties of a common geographical location such as an airport complex, joint medical college/hospital institutions, complex of government agencies, etc."; and

(2) "Each customer is a member of a group of customers engaged in the conduct of interacting business industry of government which, by the nature of their common interest have a need for large amounts of communications service between stations and/or systems of the interacting group and a service arrangement would be beneficial to the general business or industrial community."

(Attachment A, Macbeth Exhibit 1 at Illustrative Tariff Section A14.39.1.A(1)-(2), emphasis added.) In this regard, the Florida legislature specifically exempted government entities from the "single building" limitation contained in Section 364.339, F.S. I believe that the government exemption would apply to government agencies such as GOAA.

Q: What type of rate structure do you believe is appropriate for shared PBX service?

A: I believe that the local exchange carriers should implement reasonable rate levels and rate structures which satisfy the revenue needs of the local utility, the service needs of the users of shared CPE and which treat shared and individual PBX users in the same way. Any appropriate rate structure should encourage customers to make more efficient use of existing common carrier facilities, thus fostering the overall best

interests of the public. One of the factors contributing to the economies and administrative attractions of the system was the ability to share flat rate service.

Q: What specific objections do you have to a rate structure which distinguishes between shared and individually-used PBXs?

A: A distinction in rates between trunks interconnected with a shared PBX and an individual PBX is arbitrary and unreasonable. I do not believe that the sharing of telecommunications facilities, as opposed to the use of such facilities by a single user, constitutes a reasonable classification which would justify a discriminatory rate structure for shared users. The LEC's cost of service and the value of service to sharing customers and similarly-sized individual customers is the same. As stated by the Texas Public Utility Commission in rejecting an LEC proposal to impose discriminatory mandatory measured rates on shared, but not individual, PBX customers:

> Whether this argument is analyzed on a cost to service basis or on a value of service basis, the ALJ is of the opinion that it is discriminatory. . . . From a cost of service basis it cannot be shown that the cost to provide a PBX trunk and handle the traffic placed on it (whether highly concentrated or not) can be distinguished by the identity of

> those using the PBX switch to which PBX trunks are connected. To make a distinction merely on the basis of the identity of those using the PBX switch would be discriminatory. Shared tenant service cannot be distinguished on a value of service basis either. It is not logical to argue that the benefits of advanced telecommunications technology and information management services is more valuable to small and medium sized businesses than to large businesses. It also cannot be maintained that access to the local exchange network is more valuable to small and medium sized businesses than the large businesses.

Attachment C hereto, Macbeth Exhibit 3, Public Utility Commission of Texas, Docket No. 6076, Examiner's Report at 5 (January 8, 1986), affirmed in pertinent part, Order, Docket No. 6076 (January 24, 1986).)

It seems patently unfair and discriminatory to me to allow very large users, such as banks and insurance companies, who have enough traffic to justify a PBX of their own, to take advantage of the trunking efficiencies I described earlier and LEC flat rate structures and not to allow airports and their tenants to band together and take advantage of the same efficiencies.

To the extent that a carrier's PBX trunk flat rates, if applied to sharing situations, will not adequately recover its costs or will result in reduced revenues -- facts which I have never seen successfully demonstrated -- the problem exists equally for both individual and shared PBX use. Both

types of PBX use allow the customer to obtain greater trunking efficiency than would be possible for multiple individual customers. Accordingly, the problem which a carrier may seek to remedy by imposing additional usage and client charges on trunks used for shared purposes is not unique to shared use situations. Accordingly, LECs should not be permitted to single out shared PBX users for mandatory measured service. Such a rate structure is highly arbitrary and discriminatory, and may cause certain airport tenants to migrate off the system thus raising emergency response and security concerns.

Q: Do you have any objection to the use of nondiscriminatory usage sensitive rates for PBX trunks?

A: I have no objection to the imposition of nondiscriminatory cost-based usage sensitive rates where such rates are uniformly applied to all PBX and Centrex/ESSX customers, are structured in a way which is simple to administer, and provide the LEC with a reasonable rate of return. The Commission may well determine at some point that such rates are in the public interest.

Nevertheless, it is unfair and discriminatory to allow certain large PBX users to concentrate their traffic on flat-

rate lines and to deny the opportunity for small and medium-sized users such as the tenants of Orlando International Airport to do the same thing through sharing arrangements. Similarly, it is unfair to permit Centrex/ESSX customers to have access to flat rate lines but to deny that opportunity to shared PBX users.

Q: Should shared telecommunications arrangements such as that undertaken by GOAA be regulated?

A: No. I believe that neither sharing itself, nor the customer of record in a sharing arrangement, should be regulated by the Commission. The provision of shared services is not a common carrier activity but rather simply serves a management function for customer premises equipment and underlying telecommunications service to a limited and discrete group of users; it does not offer service to the public at large. Moreover, the rates for the underlying service are approved by the Commission in LEC tariffs. Since individual tenants in a sharing location such as an airport have the alternative to obtain service directly from the LEC, the LEC's rates will effectively place a competitive limit on the rates which may be charged by the shared service manager. Finally, the service standards for users of customer premises equipment

are set forth in Part 68 of the Federal Communications Commission's Rules, and, in the case of GOAA, a further government-mandated performance standard is the FAA response time I mentioned earlier. Accordingly, I do not believe that any public purpose would be served for the Commission to subject shared service arrangements to any entry/exit, rate, or service regulation.

Q: Does this conclude your testimony?

A: Yes it does.

(End of Prefiled Direct Testimony)

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

Investigation Of Joint And Shared Use Of Telephone Service In Florida	)	Docket No. 851005-TP
Investigation Into Appropriate Rates And Conditions Of Service For Shared Local Service	)	Docket No. 860455-TL

REBUTTAL TESTIMONY OF HUGH J. MACBETH
ON BEHALF OF THE GREATER ORLANDO AVIATION AUTHORITY

Q: Please state your name and current business address.

A: My name is Hugh J. Macbeth. My current business address is 6000 McCoy Road, P.O. Box 62004, Orlando, Florida 32862-0004.

Q: By whom and in what position are your currently employed?

A: I am employed by the Greater Orlando Aviation Authority ("GOAA") as Manager of Information Services and Telecommunications.

Q: Have you previously filed testimony in this proceeding?

A: Yes, I filed direct testimony in this proceeding on July 15, 1986.

Q: Have you reviewed the testimony filed by other parties in this proceeding?

A: Yes, I have reviewed the direct testimony filed in this proceeding.

Q: What is the purpose of your rebuttal testimony?

A: The purpose of my rebuttal testimony is to address issues raised by local exchange carrier ("LEC") witnesses in this proceeding. Specifically, I intend to address certain issues regarding the sharing of telecommunications services and facilities raised by Southern Bell Telephone and Telegraph Company ("Southern Bell") witnesses J. Thomas Knight and Jacklyn A. Mickle, General Telephone Company of Florida ("General") witness Paul D. Glassburn, United Telephone Company of Florida ("United") witness Robert L. McCullers, Jr., and Public Service Commission Staff ("Staff") witness Jill Nickel Hurd. (The direct testimony of these witnesses and the direct testimony of other witnesses will be cited by the witness' name and page number.)

Q: As a threshold matter, would you comment on the assertion of General's and United's witnesses that the sharing of local telephone service is not in the public interest?

A: Certainly. My rebuttal testimony will address the position of the LEC witnesses from the perspective of sharing arrangements undertaken in a government-owned airport situation such as Orlando International Airport. As my direct testimony demonstrates, the shared telecommunications system currently in operation at Orlando International Airport (and installed by Southern Bell) is very much in the public interest. Indeed, the public interest, particularly the public safety, would be enhanced, not impaired, by the institution of similar shared systems at other government-owned airports in Florida. Accordingly, it is my belief that, regardless of the outcome of this proceeding with respect to other shared service arrangements, this Commission clearly should determine that the type of sharing arrangement undertaken at Orlando International Airport is in the public interest and should be continued in its current configuration.

In their direct testimony, two LEC witnesses testify that the sharing of local telephone service by unaffiliated, non-transient entities is not in the public interest. (McCullers at 3; Glassburn at 3, 7.) Southern Bell's witness Knight states that such sharing is in the public interest "if

tariffed properly" -- a caveat which, given Southern Bell's tariff proposal, would likely as a practical matter foreclose the development of such arrangements and thereby preclude the public from ever achieving that interest. (Knight at 21.) In my view, and as explained later in more detail, the LEC witnesses fundamentally ignore the public and private benefits which have occurred as a result of the shared PBX arrangement, including shared local telephone service, currently in operation at Orlando International Airport and which would not be realized in the absence of that shared system. (E.g., Macbeth at 14-18.)

Moreover, the attempt by the LEC witnesses to show that the public interest would be harmed by such sharing is fundamentally flawed. (McCullers at 3; Glassburn at 3, 7; Knight at 6-8.) As I showed in my direct testimony, LECs will not experience a significant loss in revenue as a result of the sharing of local service and, as LinCom witness Smith stated in his direct testimony, such sharing will not materially change the likelihood of bypass of the local exchange network. (Macbeth at 20-21; Smith at 19-21.)

Q: Would you explain your disagreement with the assertion by LEC witnesses that the full range of services that GOAA currently obtains through its shared system can be provided through a partitioned PBX?

A: Yes. The LEC witnesses maintain that "most, if not all, of the benefits of STS can be achieved via a partitioned PBX without the sharing and resale of local service." (Knight at 4; see also McCullers at 5; Glassburn at 4, 12.) In fact, contrary to that assertion, the sharing of local trunks is an essential aspect of our shared telecommunications arrangement at Orlando International Airport.

A prohibition on the sharing of local trunks might take the form of a station partitioning requirement (preventing users from intercommunicating behind a shared switch) or a trunk partitioning requirement (prohibiting users from commingling their local traffic on shared trunks). Either or both of these types of requirements would effectively eliminate the benefits of our shared system.

Q: Why would a provision prohibiting intercom calling between end users in a shared service arrangement eliminate the benefits of GOAA's system?

A: As a preliminary matter, GOAA's PBX is inherently incapable of being station partitioned, and a station partitioning requirement would therefore require that we jettison our switch and purchase a new switch. (Macbeth at 23.) Clearly such a requirement would eliminate the economic viability of our system.

Moreover, in my opinion, such a prohibition would virtually eliminate the value of Orlando International Airport's shared telecommunications system and would pose a seriously detrimental effect on the safe and efficient operation of the airport. Incredibly, it was precisely the need of airport tenants and administrative offices to intercommunicate among themselves which Southern Bell recognized as a primary feature (and major selling point) of our shared system. As indicated in Attachment A to my direct testimony, in marketing our shared system, Southern Bell advised us that tenants with "common interests" (such as airport tenants) would be permitted to share a PBX and to intercommunicate between and among themselves behind the shared switch because of the recognized substantial need for such intercommunication. (Macbeth Exhibit 1 at Illustrative Tariff Section A14.39.1.A(2); see Macbeth at 8-9.) Southern

Bell has not -- and cannot -- provide any justification for its current reversal of position.

All of the users of GOAA's shared telecommunications system at Orlando International Airport share a community of interest in conducting the business of an airport and serving the needs of the public using that facility. Because of this affiliated interest, these users have a unique need to communicate with each other, particularly with regard to the airport security system. (Macbeth at 7-8.) Southern Bell's proposal that all calls between and among airport tenants be routed through Southern Bell's Central Office is not only highly inefficient and wasteful of Southern Bell's facilities, it would also be highly detrimental to airport security and emergency response capabilities. (Macbeth at 14-18.) There are numerous reasons why calls through a Central Office may be delayed or blocked. For example, it was widely reported that prior to a Bruce Springsteen concert, calls in the Washington, D.C. calling area were blocked for a substantial period of time as a result of ticket sale calls. (Wash. Post, July 23, 1985, at A-1, Attachment A hereto (Macbeth Exhibit 4).) I submit that to subject airport security and emergency responses to such

vicissitudes of traffic volume (or other problems of the type described in my direct testimony) would be irresponsible.

Given Southern Bell's earlier recognition of the unique needs of airport tenants to intercommunicate and the disastrous effect which elimination of intercommunication capability would have on airport security and other operations, Southern Bell's proposal to prohibit intercommunication among tenants is simply unreasonable and incomprehensible. The Commission should firmly reject any proposal to prohibit such intercomming by airport tenants at either existing shared airport PBX arrangements (such as Orlando International Airport) or at airports which may in the future decide to improve their telecommunications system by instituting a shared PBX arrangement.

Q: Why would trunk partitioning eliminate the benefits of your system?

A: As I stated in my direct testimony, trunk partitioning (i.e. the segregation of each user's access lines) would materially increase the processing and port requirements of the switch which needed to furnish service to our users. This would, in turn, add substantially to the overall cost of the PBX and

the transition to a partitioned configuration would also entail service disruption for our users. Moreover, because users in a partitioned system may not share access lines, partitioning negates most of the trunking efficiencies and cost savings which our PBX can achieve, thus diminishing substantially the economic viability of our system. This would obviously decrease the economic availability of the important security and safety capabilities our system provides in order to meet the airport's unique and critical needs. (Macbeth at 14-18.)

In addition, the inefficiencies inherent in a partitioned switch create significant operational and maintenance problems in a shared situation. For example, I understand that the software needed to govern a partitioned PBX is more complicated to develop than software used in comparable non-partitioned switches. Moreover, the added processing steps involved to perform the partitioning function may slow call processing; also, the added network-side trunks may result in lower station capacity than that of an otherwise identical unpartitioned switch. Further, the line and trunk port assignments in a partitioned switch must be reconfigured when any participating tenant increases or reduces usage. As my

direct testimony explained, this is particularly inefficient and disruptive given the fact that airlines share gate facilities and move among gates. Accordingly, implementation of trunk partitioning in our shared PBX arrangement would effectively deny GOAA and its tenants the multiple benefits of our shared system. (See Macbeth at 22-25.)

Q: Several LEC witnesses have recommended that if the sharing of local trunks is permitted to continue, shared service managers such as GOAA should be regulated by this Commission. What is your view on such regulation?

A: United's witness McCullers testifies that shared service managers should be required to obtain certification like any telephone utility and should be subject to the same rate regulation as public resellers. (McCullers at 9.) General witness Glassburn advocates what seems to be a more streamlined certification requirement and a requirement that shared service providers file a rate schedule at the Commission. (Glassburn at 5, 14-15, 17.) Southern Bell witness Knight similarly argues for a "minimal" certification requirement, but takes no position on whether the Commission should regulate the rates charged by shared service providers. (Knight at 18.) All three witnesses advocate the

establishment of service standards for sharing operations, and United's witness suggests that the standards imposed on resellers would be appropriate. (McCullers at 10; Glassburn at 18-20; Knight at 19.)

In my opinion, Commission regulation and oversight of sharing arrangements would serve no useful public purpose and instead simply would generate unwarranted costs and delays in providing telecommunications and information management services to Florida users. As I stated in my direct testimony, I believe that it would be in the best interest of shared service users (and Florida ratepayers and taxpayers generally), if STS were governed by competitive marketplace forces and appropriate tariff conditions permitting the LECs direct access to tenants in STS arrangements. (Macbeth at 9-10, 31-32.)

Public utility regulation is inappropriate for private shared service providers who manage, for a discrete group of tenants, shared local telephone service as well as other telecommunications and information management services. First, providers of shared services (such as GOAA) do not offer their services indiscriminately to the general

public. (This is particularly true in an airport situation where the users of the system have a strong community of interest.) Rather, these arrangements are clearly a private undertaking among entities sharing a common property development, much like hotel/motel proprietors, hospital or nursing home operators and others who provide service to a defined and limited group. Second, tenants in GOAA's sharing arrangement are not required to obtain service from GOAA, but may obtain services under alternative arrangements, including direct access to the LEC. (Macbeth at 9-10.) A requirement in LEC tariffs that sharing arrangements permit such direct access would plainly obviate the need for rate and service oversight by the Commission. Under these circumstances, I do not believe that it would be appropriate or productive to regulate shared service providers. (See Macbeth at 31-32.)

Q: Do you believe shared service providers should be required to provide tenants the option of obtaining service directly from the LEC?

A: Yes. As I stated in my direct testimony, tenants at Orlando International Airport have the option of obtaining service directly from Southern Bell. I believe that tenants should continue to have that alternative, and that an LEC tariff

requirement to that effect would be appropriate means of guaranteeing that providers do not obstruct a tenant or the LEC from such direct access. All of the LEC witnesses agree with such a requirement. (Knight at 19; McCullers at 8; Glassburn at 5, 18.) However, General witness Glassburn, unlike the other LEC witnesses, takes the position that the shared service manager should provide facilities at no charge to the LEC for such direct access. (Glassburn at 5, 18.) As Southern Bell and United's witnesses acknowledge (Mickle at Attachment p. 3; McCullers at 8), it is only reasonable that where the LEC elects to use the shared service provider's facilities in order to serve tenants directly, the provider should be reasonably compensated for the cost of those facilities just as, for example, the Florida Institute of Technology compensated the LEC for existing cable to be used in its shared PBX arrangement. (Murphy at 4.)

In many cases, the shared service provider, such as GOAA, will have made a substantial investment in the facilities needed to reach individual customers in the shared service area. Simple equity requires that where an LEC uses the shared provider's facilities to serve individual customers (as opposed to the LEC's own facilities), the LEC should

compensate the provider for such use. Without reasonable compensation, shared service providers will either have to recover the costs from the other tenants who do choose to utilize their services, or, if this is not possible because of competitive or other factors, the shared service providers will have to absorb the cost. The former results in an unfair cross subsidy from one group of tenants to another and the latter is clearly confiscatory. Moreover, in certain circumstances it may be difficult -- if not impossible -- for the shared service providers to obtain compensation directly from non-participating end users because there will be no contractual relationship between the two parties.

Thus, I believe that the shared service provider should be allowed to recover the applicable costs of such facilities from the LEC. Of course, the LEC could, in turn, recover these costs directly from the directly served subscriber in precisely the same manner as it would if it installed the wiring. It is my understanding that General's affiliates in Texas (General Telephone Company of the Southwest) and California (General Telephone Company of California) have agreed that compensation for STS provider-owned wiring is reasonable.

Q: Several LEC witnesses have testified that the sharing of local telephone service by shared service providers will result in a significant loss in carrier revenues. Do you agree?

A: No. As I testified in my direct testimony, the LECs will not experience a significant loss in carrier revenues as a result of shared tenant services. (Macbeth at 20-21.) LEC claims of adverse financial impact do not withstand scrutiny. (Mickle at 4-5; McCullers at 3; Knight at 6; Glassburn at 3, 7.) It is particularly surprising to me that Southern Bell's witnesses state that the LEC would expect to lose revenue, since that company very actively and aggressively marketed our shared system to GOAA. In the five years since service inception in 1981, the GOAA sharing arrangement has exceeded the LEC revenue forecast Southern Bell had prepared as part of its marketing proposal. In our shared environment, station lines are 20 percent ahead of Southern Bell's forecast, while efficient trunk utilization has enabled the system to remain within the 125 trunk line per year growth planned by Southern Bell. Our sharing arrangement, by accommodating unexpected growth, would appear to increase, rather than decrease, carrier revenues over those

projected. For the reasons I indicated in my initial testimony, I believe that shared tenant services will result in no significant loss in carrier revenues for LECs in Florida. (Macbeth at 20-21.)

The availability of shared service arrangements in Florida will result in substantial cost savings for LECs in transmission facilities, administrative duties, and other activities, which should lead, in turn, to a reduction in the LECs' revenue requirements. (See pp. 18-20, infra.) In addition, the LEC witnesses have generally failed to take into account new sources of revenue that will accrue as a result of sharing arrangements. These revenue sources include:

- increased DID charges, including charges for assigning DID numbers;
- additional charges listing tenants with non-dedicated lines in the telephone directory;
- increased monthly trunk rate charges from subscribers who might have otherwise received service under less expensive business line rates (see, for example, Staff witness Hurd's testimony at 4.)
- additional charges for touch tone service; and
- increased call completion probability where message center services are offered by shared service operators.

LEC cost savings in conjunction with the above-referenced increased revenues should eclipse any LEC revenues lost through the more efficient use of trunking occasioned by a PBX.

Q: Have you reviewed LEC projections of revenue loss expected from the sharing of local trunks by STS arrangements?

A: Yes. I have reviewed the testimony of Southern Bell, General and United's witnesses on this issue and, in my view, the LECs have failed to meet their burden of providing an empirical basis for their conclusions of decreased carrier revenues resulting from STS. In addition to the points I raised in the answer to the proceeding question -- failure to account for new revenue opportunities and cost savings -- the LEC testimony makes no attempt to quantify or support its conclusions, even though there are existing shared service arrangements in Florida (proposed and installed by the LECs themselves and, in some cases, predating 1978) which presumably could have been studied and which would either confirm or contradict the LEC conclusions. Without any such empirical information, and given their failure to account for additional revenue and cost savings, the LEC projections of revenue loss must be wholly discounted.

Q: LEC witnesses have also testified that the cost savings associated with STS will be negligible. Do you agree?

A: No. I fundamentally disagree with the position of LEC witnesses that there will be no appreciable cost savings for LECs as a result of STS. (Glassburn at 9-10; Knight at 13-16.) On the basis of GOAA's experience, I believe that the availability of shared service in Florida results in meaningful cost savings for LECs and their ratepayers.

One major area of cost savings is in the more efficient utilization of LEC facilities occasioned by STS arrangements. The demand for telecommunications service in Florida is expected to grow rapidly over the next several years. As a result, Florida LECs must expand their physical plant if they are to keep pace with new demand at current levels of facilities utilization. Some of this capital expenditure can be deferred or avoided, as it was in the case of Orlando International Airport, if sharing arrangements with efficient trunking configurations are permitted to share local trunks. These LEC witnesses also fail to note that further savings in LEC capital expenditures will result from the fact that carriers generally will be freed from the obligation to

place inside wiring and related facilities in new buildings served by sharing arrangements. Such reductions in LEC investment requirements will lead, in turn, to reduction in the carrier's revenue requirements and therefore in the rates it will ultimately charge its customers.

Moreover, the LECs generally fail to provide adequate weight to the fact that by dealing with a single sharing arrangement, instead of its constituent customers, the LEC will save administrative costs. Southern Bell has alluded to this when reasoning that the direct billing of the end user at GOAA is only accomplished at great administrative effort and therefore should be discontinued, yet this direct billing and customer contact is what would be involved absent a sharing arrangement. (Mickle at 21, lines 7-10).

Further, as evidenced by our experience at GOAA, LEC repair teams will be required only when the shared service provider ascertains that a service problem is, in fact, attributable to carrier facilities. This arrangement relieves the LEC of major diagnostic and maintenance responsibilities. Further, the shared service provider will have a closer relationship with end-users than generally would be possible for an LEC.

This will enable the shared service provider to deal directly with most customer concerns, thereby relieving the LEC of customer relations responsibilities while contributing to increased customer satisfaction. The fact that the LECs have generally ignored these cost savings in their testimony further lessens the validity of their economic forecasts.

Q: You have indicated that STS may limit the need for the construction of new LEC facilities. LEC witnesses have asserted, however, that unless they are relieved of certain service establishment standards, LECs will need to maintain duplicate facilities to meet their universal service obligations. Do you agree?

A: Not at all. First of all, I am unaware that the problem raised by these witnesses has arisen either in Florida or in numerous other states where sharing has long occurred. (Knight at 13-15; Glassburn at 10; McCullers at 9; see also Hurd at 5.) In my opinion, the LECs should have the burden to show that they will be unable to meet tariffed requirements without maintaining duplicative facilities; a burden which I do not think is likely to be met. If an LEC can demonstrate that such a situation exists in a particular instance (i.e., affidavits showing lack of available

transmission facilities), however, a relaxation of the requirements may be justified. If so, the Commission should mandate that LECs must provide service as expeditiously as possible under the circumstances. In no event should the LEC be permitted to delay service beyond ten days absent approval from the Commission. Such minimal service requirements are necessary to prevent LECs from discriminating against buildings where shared service is provided or abandoning their service requirement for these tenants.

Q: General witness Glassburn testified that stranded telephone company investment may result from the sharing of local trunks by shared service arrangements. Would you comment on this concern?

A: I do not believe this concern is valid. (Glassburn at 10.) First, as I explained in my direct testimony, Orlando International Airport's shared telecommunications system was installed in primarily new structures where embedded plant did not previously exist, and our system has expanded beyond the size originally forecasted. Accordingly, there has been no stranding of Southern Bell's forecast investment. (Macbeth at 18-19.) Moreover, even if a shared system were to be installed in existing airport facilities, it would most

likely be established in conjunction with airport expansion, which would mean that facilities and plant freed up by a more efficient shared system would be deployed or reconfigured to serve new demand at that facility. Given the pace of new airport construction (and new construction generally) in Florida, such redeployment will certainly be possible for most idled plant. For example, Southern Bell will add a record number of lines to its Florida network this year, some of which might not be needed if existing facilities are used more efficiently. (See, e.g., Attachment B hereto, The Orlando Sentinel, April 25, 1986 at B-1 (Macbeth Exhibit 5).)

I would also like to note that the need to reconfigure telephone plant to other uses does not seem to me to be unique to shared service arrangements. LECs are routinely required to cope with subscriber turnover and change when, for example, subscribers open and close businesses or move to different buildings, buildings are razed and new buildings are constructed, customers with different communications requirements move in and out, buildings stand idle for periods of time or are converted to other uses, or subscribers migrate between individual business lines and key systems, CENTREX services, and dedicated PBXs. Shared

service raises network utilization issues no different from the factors listed above, which have been traditionally and successfully factored into LEC network planning.

Q: Certain LEC witnesses have argued that shared service arrangements are more likely to increase the likelihood of bypass of the local exchange network. Do you agree?

A: No. I disagree with the concerns raised by LEC witnesses in this regard. (McCullers at 3, 7; Glassburn at 3, 7.) The LEC witnesses have failed to identify a single STS arrangement in which LEC bypass is occurring. In fact, as LinCom witness Smith pointed out, the availability of shared local trunks will likely tend to discourage bypass. (Smith at 20-21.) Given rising telecommunications costs, many business users are seeking various telecommunications alternatives to reduce their costs. Sharing local trunks represents one such cost-efficient alternative. In a sharing arrangement, users are able to utilize more efficiently exchange carrier trunks and other embedded plant to access the LEC's central office. LECs would continue to collect revenues from these users, who would also be subject to both interstate and intrastate access charges to reimburse the carrier for originating and terminating toll traffic. In the

absence of the economies and efficiencies provided by sharing arrangements, business users (such as our airport tenants) might seek alternative means of reducing their telecommunications costs, certain of which may involve abandoning the local network. Accordingly, shared service arrangements may enable small and medium-sized businesses to achieve economic efficiencies while using LEC facilities and without the necessity of bypass.

Q: Certain witnesses have testified that the current PBX flat rate is not appropriate for shared service arrangements and that a usage sensitive rate is required. Do you agree?

A: No. I fundamentally disagree with the position of the LEC witnesses that a special usage sensitive rate should be imposed on STS customers. (Knight at 10; McCullers at 7; Glassburn at 6, 21; see also Hurd at 7-13.) The rate for shared PBXs, whether flat rate or usage sensitive, should be that rate which is charged to other PBX users. United witness McCullers apparently recognizes that there is no basis for any such distinction in rates between shared and non-shared PBX customers when he states that "the PBX trunk and usage rates proposed for STS providers [should] also be applied to other PBX users." (McCullers at 10, lines 8-

10.) And, both Southern Bell witness Mickle and Staff witness Hurd recognize that the same rates should eventually apply to some or all other PBX customers. (Mickle at 25; Hurd at 13.)

As I stated in my direct testimony, shared PBXs are technically and functionally no different from privately owned and operated PBXs. (Macbeth at 28-30.) General witness Glassburn quite correctly recognizes that LEC's experience the same costs in serving either type of similarly-sized PBX arrangements, and the other LEC witnesses have not provided any evidence to the contrary. (Glassburn at 22.) Even if Southern Bell witness Knight is correct that network switching costs are lower for smaller PBX's than larger PBX's, this argument fails to distinguish shared from non-shared PBX costs, since similarly sized non-shared PBX's will impose the same network switching costs as shared PBX's. (Knight at 13; see Glassburn at 22.)

Moreover, Mr. Knight's argument that, unlike individual PBX's, shared service displaces other business service providing subsidies is equally infirm. (Knight at 13.) When a single business user migrates from a key system or CENTREX

type of service to a PBX configuration, the same displacement of business line service occurs as would occur with the implementation of a shared PBX arrangement. Accordingly, shared service arrangements should be treated no differently than other PBX users, or at least PBX users of comparable size. And, if an LEC believes that its current PBX rate is not appropriate, it should submit cost or other data to the Commission and initiate a tariff revision of the PBX trunk rate under appropriate Commission procedures. For LECs to devise a special PBX rate solely for STS arrangements, based on questionable revenue loss projections, unjustly discriminates against one class of telecommunications users. This unreasonably discriminatory treatment must be disallowed by the Commission, particularly where the LECs acknowledge that the same rate should "ultimately" be applied to other PBX users.

Q: Do you have any concerns about the geographic limitations proposed by the various LEC witnesses?

A: As I stated in my direct testimony, I believe that airports, as a unique type of governmental entity, should be permitted to share telecommunications equipment and facilities throughout their airport campuses, regardless of whether that

campus encompasses multiple buildings or crosses rights-of-way. (Macbeth at 26-27.) Therefore, in my opinion, airports should be exempted from any of the geographic restrictions which may be imposed on non-governmental sharing arrangements, such as those proposed by the LEC testimony. (Glassburn at 44; McCullers at 4; Mickle at 8-9.)

Accordingly, and given the express legislative exclusion of governmental entities in Section 364.339, F.S., the provision in Southern Bell's proposed tariff limiting sharing arrangements to a "single building under the control of a single owner or ownership unit" should be modified to expressly exempt airport sharing arrangements and other governmental arrangements. (Mickle at Attachment p.3, Section A23.1.2(A).) (I would like to note also that the proposed tariff language conflicts with Ms. Mickle's testimony. Whereas the tariff talks about a "single owner or ownership unit", Ms. Mickle's testimony speaks in terms of a "single owner or management unit". Compare Mickle at 8, line 11 with Mickle at Attachment p. 3, Section A23.1.2(A), emphasis added.)

Q: Do you have any concerns about Southern Bell's other tariff restrictions as identified in Southern Bell witness Mickle's testimony?

A: Yes. Southern Bell provides no justification whatsoever for the arbitrary selection of a 500 trunk limit for sharing arrangements. A trunk limitation is inherently arbitrary, as witnessed by the fact that Southern Bell itself has agreed to a 950 limit in Georgia. South Central Bell, Southern Bell's sister company, does not impose any trunk limit at all. Only two states in the country have adopted a trunk limitation -- Georgia and South Carolina -- and in my opinion the adoption of any arbitrary limit in Florida is both unnecessary and unreasonable.

Similarly, Southern Bell provides no reasonable justification for its proposed reseller client charge since it would appear from Ms. Mickle's testimony that the only service provided for this charge is a directory listing. (Mickle at 11.) Shared PBX users are entitled to the same rate structure as other PBX users, and additional directory listing charges applied to other business users are equally appropriate for users in a shared service arrangement. As I stated in my direct testimony, there is no cost or value of service basis

to impose any greater charges on shared PBX customers than those applied to similarly-sized individual PBX customers. (Macbeth at 28-29; see also Macbeth Direct Attachment C, (Macbeth Exhibit 3).) Accordingly, there is no basis for any "client" charge beyond the tariffed rate for an additional listing.

Q: Does this conclude your rebuttal testimony?

A: Yes.

(END OF PREFILED REBUTTAL TESTIMONY)

CROSS EXAMINATION

BY MR. ANTHONY:

Q Mr. Macbeth, were you present during the testimony of Dan Smith earlier this morning?

A Yes, I was.

Q Do you recall him talking about the trunking ratio, the four to one he was talking about, stations to trunks, do you recall that part of his testimony?

A No, I do not.

Q You weren't here when, I think it was Commissioner Herndon, was asking Mr. Smith questions about, "Given that the trunking limits would be around 500, how many stations could he serve off a 500 trunk group?"

A I was here during that comment, yes.

Q Do you recall him saying four to one would translate into about 2,000 stations?

A I don't recall that directly.

Q Could you tell me how many trunks the Orlando Airport currently has?

A The central office inbound and outbound trunks currently serving our switch number approximately 60 trunks.

Q About 60?

A Yes, sir.

Q And isn't it also true that you have approximately 1,200 stations?

A That is correct.

Q Wouldn't you agree that that translates into a 20 to 1 ratio?

A Approximately.

Q And if you had 500 trunks that would translate into 10,000 stations?

A Approximately.

Q Are you aware that the typical PBX station-to-trunk ratio is approximately 10-to-12-to-1?

A I am not aware of that particular percentage. However, I might amplify that the PBX that we have at the Orlando Airport is not really a typical PBX. The PBX that we have currently installed since 1981 was designed really to supplement the intercom calling on the campus of the Airport and not necessarily to be placing long distance calls through central office trunks.

Q Isn't it true that the greater the number of trunks the greater the trunking efficiencies?

A I believe so, yes.

Q Okay. You are the Chairman of the Subcommittee on Information Systems and Telecommunications of Airport Operations Council International, are you not?

A Yes, I am.

Q And through that position, you serve as a consultant to various telecommunications systems for different airports?

A We have served as a demonstration point to other airports that come to see how Orlando has implemented the technology Southern Bell provided to us and the other administrative functions that we have added to that PBX installation.

Q It is your testimony that you do or you don't provide consultation to other airports on their telecommunications systems?

A We do provide nonpaid consultation to other airports as they request them.

Q So you are familiar with the telecommunications systems of other airports, are you not?

A I'm familiar with the questions that they ask Orlando International Airport as relates to their plans for future expansion.

Q Well, isn't it true that there are only two airports in Florida, that being the Orlando Airport and West Palm Beach, which utilize a shared system, isn't that true?

A Utilize a shared system in substantially the same format as we do.

Q That's true then?

A Yes.

Q And isn't it also true that there are airports which share the switch but which are trunk-side partitioned, isn't that true?

A Trunkside partitioned in terms of the airline tieline

trunk groups that are common partitions for central office access both inbound and outbound.

Q Well, there are airports that are out there sharing a switch but have trunk partitioning, isn't that true?

A I don't have direct knowledge of that specific engineering information.

Q Do you remember my taking your deposition on October 14, 1986?

A Yes, I do.

Q Do you have a copy of that deposition with you?

A Yes, I do.

Q Would you turn to Page 68, please? Really, the bottom of 67, starting at Line 15, the question is posed, "Do you know if other airports operate their switches on a partitioned basis?" The response is "I don't know directly." I asked you, "What do you mean by that?" And you said, "A general understanding that there are some airports operating on a partitioned basis, I do not know whether they own the switch or the exact nature of their serving arrangements."

"Question: Do you know if there are some out there operating on a partitioned basis?"

"Answer: (Nods head.)"

So you do know of some out there operating on a partitioned basis?

MR. LIPMAN: I object to the form of the question.

The question that was originally asked was is he aware of any switches operating on a trunk partitioned basis. The testimony asks him if he is aware of any switches operating on a partitioned basis, which could include both trunk partitioning and switch partitioning. We are talking apples and oranges.

Q (By Mr. Anthony) Mr. Macbeth, do you know of any airports operating out there on a station partition basis?

A I don't have direct knowledge of any airports operating on a station partition basis.

Q You do have knowledge, though, that there are airports functioning on a trunk partition basis, though, don't you?

MR. LIPMAN: I object to the form of the question. He has already answered twice that he has no knowledge of airports operating on a trunk partition basis.

CHAIRMAN MARKS: Have you already provided that answer?

WITNESS MACBETH: Yes, I believe I have.

COMMISSIONER WILSON: And was your answer that you have no knowledge?

WITNESS MACBETH: I'm sorry, could you repeat that?

COMMISSIONER WILSON: Was your answer that you have no knowledge?

WITNESS MACBETH: No direct knowledge.

Q (By Mr. Anthony) Let me refer you back to your deposition one more time, Page 67, the question at Line 18, "What do you mean by, 'you don't directly know that?'" Your answer was "I have a general understanding that there are some airports operating on a partitioned basis."

Is that not your answer?

A I have a general understanding of some airports operating on a partition basis.

Q So your answer is not that you have no knowledge?

A It goes on to say that I do not know whether they own the switch or the exact nature of the service arrangement.

Q But your answer is, "I have a general understanding that there are some airports operating on a partitioned basis." Is that not true?

MR. LIPMAN: I'm going to have to object again. If you are going to quote from the transcript, please quote the entire answer that Mr. Macbeth gave without taking a part of it out of context.

COMMISSIONER WILSON: I think in the process of this it has probably been thoroughly quoted.

MR. ANTHONY: I will move on.

CHAIRMAN MARKS: Good.

WITNESS MACBETH: Thank you.

Q (By Mr. Anthony) Mr. Macbeth, the annual budget, I assume for 1986, is approximatley $55 million, is it not?

A The total budget for the airport is approximately 55 million, yes.

Q And the amount budgeted for telecommunications is approximately $750,000, is that not correct?

A The budget within my department is $750,000, yes.

Q Would it be fair to say that at most two-thirds of that, or $500,000, is going to be paid to Southern Bell?

A I believe I answered at the deposition that I do not have direct knowledge of that, and would be willing to check on that for Counsel.

Q Would you be willing to admit here that $500,000 is a fair estimation of how much of that telecommunications budget will be paid to Southern Bell?

A As I have previously responded in the deposition, I do not have direct knowledge on that and will be happy to check on it.

Q You'll agree, then, that even if the entire $750,000 were to be paid to Southern Bell, which it is not, since you do have lease payments that have to be made to AT&T for the switch, isn't that correct?

A That is correct.

Q So the entire 750,000 will not go to Southern Bell, will it?

A That is correct.

Q So if you use a little addition and division, it

appears that your telecommunications budget is somewhere around 1% of your entire operating budget, is that not correct?

A That is the Aviation Authority's approximate percentage, and that would represent the Aviation Authority's bill being a 35% proration of total bill to the airport campus.

Q We are just talking about the budget of the Orlando Airport right now, Mr. Macbeth.

Isn't it true that the paramount reason that you feel that the Orlando Airport needs to share a telephone system is safety, is that not correct?

A Safety is one of our paramount concerns.

Q And by "safety" you mean so that the airport can handle emergencies in a prompt and efficient manner?

A Prompt and efficient manner and to the extent prudent, independent of local utilities.

Q Isn't it true that approximately 30% of the tenants at the airport are not even conncted to your system?

A That is a truthful statement based on the Authority's viewing of activities at tenant locations, and that would also include data services --

Q That is a truthful statement based on your testimony, is it not?

MR. LIPMAN: Excuse me, Counsel, could you let him finish answering the question?

A That 30% would also include data services for airline reservation systems that do not go through the voice communications switch.

Q Isn't it true that trunk sharing is not even necessary for your emergency system to work and that the sharing of trunks has no impact of the safety at the airport?

A I'm not sure that is entirely true. I think there are exceptions as noted in the Springsteen article, and perhaps more recently in the results of the crash of the Dallas Delta flight where an extreme influx of communication calls requesting information basically blocked the switch at the airport and severely hampered the airport's ability to call back staff to that property.

Q Could you turn to Page 31 of your deposition, please, Line 18. The question as posed, "Can you tell me how sharing of PBX trunks helps the safety of this airport?"

"Answer: Sharing of the PBX trunk directly, under our presently configuration, has no impact of the safety at the airport."

Is that not true?

A That is true within the context of day-to-day business or normal business operation.

Q Your airport has many different tenants housed out there, does it not?

A Yes, it does.

Q And these tenants range from the airlines, themselves, to shoeshines and barber shops, is that not correct?

A Shoeshines, barber shops, aid for aircraft, maintenance operations, freight forwarders, fixed based operators, fueling agencies --

Q Gift shops, translation services, I think we could go on for quite a while, couldn't we?

Now, these business that are necessary in order for the airport to function are known as airport operations, is that not correct?

A I'm sorry, I didn't hear the latter part of your question.

Q Out of all these different businesses, certain ones of them are only necessary in order for the airport to actually function as an airport, isn't that correct, and they are known as airport operations?

A There are varying degrees of what is necessary for airport operation.

Q Mr. Macbeth, I believe we went through this same scenario at the deposition. Could you turn to Page 16 of your deposition, starting at Line 8, the question as posed, "Do you consider shoeshines to be support services?"

"Answer: In terms of what the passenger expects of an airport, yes, in terms of airport operations, no."

At this point I am asking you about airport

operations. Are we operating on the same wave length here?

A Yes, we are. If Counsel will give me a minute to review the full page?

Q Certainly. (Pause)

Q What I'm trying to establish is some sort of name for these services that are necessary for the airport to function. We realize that shoeshines are helpful. But it isn't necessary for the airport to function.

A I believe, Mr. Anthony, and I'm at a loss to find the exact page right now, I believe we had discussed further on that we had such services as translation services where there were personnel of that individual entity located in the Kiosk in the main concourse in direct contact with the public, and that those would be very much involved in the airport operation. Whereas that same tenant may also have back offices not immediately in view of the public which would not be as directly associated. They would be the same tenant and it would be the functionality of their location where we would question what their support would be in the movement of passengers.

And to further amplify that, the actual service of shining a shoe is possibly arguable that it is not a direct support service to moving a passenger through the terminal. However, we also had noted that in the one instance where the Orlando International Airport had been highjacked as a

building, the location of the shoeshine shop and the duty-free shop also functioned as an emergency command post.

Q Mr. Macbeth, I'm trying to establish, and I think we can do this, we can do the same --

COMMISSIONER WILSON: You're not contending that you maintain a shoeshine shop and a duty-free shop for command posts in the event of highjacking the Orlando Airport, are you?

WITNESS MACBETH: No, sir, that's also in the deposition. However, one of our missions is to be always able to respond to an unexpected event wherever it may happen throughout the campus. And to the extent that the normal operation of that business may not have anything directly to do with the operation of the airport, when one looks at it from the standpoint of being prepared for an emergency which can happen at any time and any location then we may have an interest in that location being of aid to the responding agencies.

Q (By Mr. Anthony) Let me just -- I hate to do this but it looks like we're going to have to. Page 16, Line 8 of your deposition, the question as posed: "Do you consider shoeshines to be support services? Answer: In terms of what the passenger expects of an airport, yes; in terms of airport operation, no." And the next question is, "I want to talk about airport operation. I want you to tell me what services you think are necessary in order for airport operation to proceed as it is required to under either the FCC laws or just commonsense

savings. Following that to Page 17 we go through the same sort of back and forth that we are doing right now. So at Line 9 the question is posed: "Let me see if I can help you. A moment ago we went through a litany of different types of stores and services that are --"

COMMISSIONER NICHOLS: Counselor, you could read faster than you can talk and the Court Reporter is trying to take it all down.

MR. ANTHONY: I apologize to the Court Reporter.

COMMISSIONER NICHOLS: Thank you.

MR. LIPMAN: Maybe we can break through this impass. We're willing to stipulate that the deposition says what it says, if that's what you're trying to get at.

MR. ANTHONY: I'm trying to get Mr. Macbeth to admit that what he said in the deposition is true and there are airport functions and then there are support functions, such as a shoeshine, and that a shoeshine is not necessary for an airport to function.

MR. LIPMAN: I believe you asked that exact question; it was your last question and his response was direct and germane to that question.

Q (By Mr. Anthony) Mr. Macbeth, will you admit that a shoeshine, bookstore and so forth are not necessary in order for an airport to function?

A If one limits the definition of that to --

COMMISSIONER WILSON: Let's have a "yes" or "no," and then you can explain.

A (Continuing) -- Yes, if one limits that to the normal day-to-day operation of those businesses as they are narrowly defined.

Q When will an airport ever have to have a shoeshine in order to function? Or a bookstore, or a speciality shop?

A If I may direct counsels to Page 21 of the same deposition --

COMMISSIONER WILSON: You can just go ahead and answer the question. You don't have to refer to a deposition or anything because I'd like to hear this answer myself.

WITNESS MACBETH: (Continuing) In that portion of the deposition, several pages later, I was having difficulty identifying --

CHAIRMAN MARKS: No, no; wait a minute. Wait, wait. The question was, if I recall correctly, when does an airport have to have a shoeshine parlor or a shoeshine stand to function? That's the question. Not what's in the deposition; not what maybe you previously have said or whatever, but that question alone. That's the only one he's asking.

WITNESS MACBETH: The specific occupant of that rental space being a shoeshine shop may not be in its normal course of business directly necessary for successful operation of the airport.

COMMISSIONER WILSON: Tell me when, when a shoeshine shop is essential for the operation of the airport? That's the question.

WITNESS MACBETH: During such situations where we have passengers moving through the terminal, where we have a great need to intercommunicate on the terminal. For example, if a person is engaged in baggage theft and we are trying to track that person through the terminal so he can be apprehended, the tenants have a crime watch program which is utilizing that intercommunication capability from tenant to tenant, regardless of the course of business they are normally engaged in, so that we can monitor that individual and apprehend him before he reaches curbside and leaves the property.

Q (By Mr. Anthony) I believe we're back to Commissioner Wilson's observation that you need a shoeshine as some sort of sentinel outlook to report in helping crime. In order for them to be that sentinel they need to be able to intercommunicate with everybody else on the airport campus. Is that the bottom line here?

A I believe what I'm saying is independent of a shoeshine, we do heavily utilize those businesses which have direct customer contact as the passenger proceeds through the terminal. We have integrated that into the airport emergency response communication system.

Q Do you pay any of these people for their security

services and their crime reporting?

A No, we do not.

Q Then the only reason you can give for needing a shoeshine to intercommunicate is in the event there is a crime they can pick up the phone and notify the proper parties?

A That's correct.

Q Thank you. Let me touch upon --

COMMISSIONER WILSON: You know this really explains something; it explains cafeteria and food services in the airport. Obviously they are primarily there for surveillance and not serving food.

COMMISSIONER NICHOLS: And if you've ever eaten at the Orlando Airport --

CHAIRMAN MARKS: You need that 911 number.

COMMISSIONER NICHOLS: -- it lends credence to the --

WITNESS MACBETH: If Commissioner Wilson would forgive a facetious remark, in the past the one building-jacking that we had did happen to take place on the ledge of the restaurant and the ancillary shops around that from duty-free to the news/gift were the staging command post for emergency response to a hostage situation that transpired over several hours.

Q (By Mr. Anthony) Mr. Macbeth, let me address some of the expansion that you've got planned for the Orlando Airport. Isn't it true that you're planning to add a third runway in

the next ten years?

A Our immediate plans over the next five years include a third airport and 24 gates in an airside building which is physically connected to the main terminal building by an automated train system.

Q And you also intend to build a hotel, do you not?

A Our master plan does call for hotel integrations at some indeterminative point in the future.

Q Mr. Macbeth, do you perceive a difference between the arrangements offered by shared tenant service providers and the telecommunications needs of your airport?

A According to the definitions that I have heard, a shared tenant provider is primarily in the business of providing communications, and I think the airport sharing arrangement, our primary business is in providing the movement of passengers safely through the terminal where the telephone is incidental but critical to the movement of those passengers.

Q Are you saying there is some sort of affiliation of interest at the airport?

A We have an extreme community of interest among those entities that are directly seen by the traveling public through the facility, especially, where the traveling public perceives multiple buildings to be as one building, and the direct support related activities to the airlines and other major carriers that are operating through the facilities which would

include Air Cargo, UPS, Federal Express, Flying Tigers.

Q Well, then, you do see a difference between your arrangement and shared tenant service providers?

A To the extent that we have a very strong community of interest that requires intercommunication between the entities in that community of interest, yes.

Q And isn't it true that you're here today representing the Orlando Airport in the best interest of the Orlando Airport, is that not correct?

A Yes, I am.

Q Let me pose this hypothetical to you then. Let's assume this Commission finds that shared tenant service providers should be allowed to share trunks on a flat rated trunk basis just as the airport does. And let's assume as a result of that the telephone -- local telephone companies have a revenue shortfall and the trunking rates to you are increased. So as a result of STS providers being allowed to share trunks at a flat rate, Orlando's rates go up. Would you be in favor of the shared tenant service providers being allowed to have this rate if that is the outcome?

A I believe my testimony -- I testified that I would be happy to go along with any rate that the Commission sets as long as it's fair and nondiscriminatory to all users of PBXs.

Q So is it your testimony that you would go along with a rate increase to Orlando Airport in order for the shared

tenant service providers to have a flat rated trunk?

MR. LIPMAN: Objection. I think that's an inaccurate and inappropriate characterization of his testimony.

CHAIRMAN MARKS: Rephrase the question if you can. See if we can get it in a --

Q (By Mr. Anthony) We're assuming, for the sake of this hypothetical, that as a result of shared tenant service providers being allowed to share trunks on a flat rated basis, that there's a revenue shortfall to the local exchange company which must be made up and it is made up through an increase in the rates to the Orlando Airport. Assuming all of those things are true, would you as a representative of the Orlando Airport go along, then, with shared tenant service providers being allowed to share trunks on a flat rated basis?

A I would defer to the wisdom of the Commission to set those rates as long as those rates were fair and nondiscriminatory to all users of PBXs.

Q So, it's possible you would go along with the rate increase to Orlando Airport?

A As long as it was a fair and nondiscriminatory increase to all users of PBXs.

Q I want to refer you now to Pages 20 and 21 of your direct testimony. I believe on these two pages you are listing the benefits to the public of allowing the Orlando Airport to share a telephone service, is that not correct?

A Excuse me, just a minute. (Pause)

Now that I've reviewed the page, could you repeat the question?

Q Yes, on these two pages is it not true that you're listing the benefits to the general ratepayer of allowing the Orlando Airport to share telephone service?

A Yes, that is correct.

Q Okay. Now, number one, you indicate that a shared system at the Orlando Airport creates efficiencies which lead to a reduction in the local exchange company investment and thus result in reduced local exchange company revenue requirements, is that not true?

A I think more properly in the case of the Orlando International Airport where we cooperated with Southern Bell in '78 and '79, and Southern Bell was proposing to us what would be an optimal solution and an improvement over our previous system, that a reduction might be an ill-advised choice of terms. What we've helped the LEC to do is forestall capital costs which were not necessary.

Q Mr. Macbeth, let's just go by your own testimony. Page 20, starting with line -- you state, "First, shared telecommunication services at an airport engender more efficient use of existing LEC facilities leading over time to reduced total facilities requirements and capital investment efficiencies resulting from the aggregating of trunk lines will enable

the LECs to reduce future investment in outside plant including reductions in number and size of trunks and cable pairs. These types reductions and investment requirements will lead to a reduction in the overall revenue requirements of the LEC." Is that not true?

A Could you finish the --

Q Certainly, certainly, certainly. "And, therefore, in the rates it must charge its customers to earn a reasonable rate of return." Is that not your testimony?

A Yes, it is, particularly in light of the fact that in cooperation with Southern Bell we were able to --

Q It's a "yes" or "no" question here. "Yes" or "no".

MR. LIPMAN: I'm going to --

COMMISSIONER NICHOLS: Is it his testimony, though?

MR. ANTHONY: The question is is it his testimony.

CHAIRMAN MARKS: He says, yes, it is his testimony and I believe he wants to add something to that testimony. And I'm going to let the witness add something to the testimony, if he wants to. Go ahead.

A (Continuing) -- to the extent that there were new facilities that were being opened in 1981 in a brand new terminal, by working in conjunction with Southern Bell, we were able to help them avoid construct unnecessary facilities. That is possibly construed as a reduction in facility, but I would rather say it's a forestallment of the construction of

unnecessary facility and an example of what mutual planning between an agency such the Aviation Authority working in conjunction with the local exchange company can accomplish.

CHAIRMAN MARKS: Next question.

Q (By Mr. Anthony) Isn't it true that other than what you've just stated you have no studies to support your testimony from Lines 8 through 18?

A I'm answering as a generalist and a layman, making logical assumptions.

Q Isn't it true that you have no direct knowledge of how Southern Bell or any local exchange company goes around configuring its network or planning for its network?

A I have no direct knowledge of the internal workings of Southern Bell.

Q Is it not true that you have no idea how the local exchange companies go about planning for their network, is that not true?

A At the present time that's not totally true. I have been provided with some information that indicates that serving the Orlando International Airport there are approximately 1,492 available pairs as of April of this year, of which 1,192 assigned pairs were in use.

Q When did you acquire this information?

A I acquired this information recently.

Q Since the deposition?

A Yes.

Q Let's go to your third example at Line 22 on Page 20, you indicate that local exchange companies will have reduced administrative and maintenance expenses in situations where they deal with and bill only the customer of record. Is that true?

A Yes, that's true.

Q Isn't it true at the airport Southern Bell prorates the charges out there and bills each tenant individually?

A That is correct. And is paid a 5% surcharge for performing that service.

Q But Southern Bell will not be dealing with one single customer at the airport, it's still dealing with each individual tenant, that is true, is it not?

A Southern Bell is dealing with each individual tenant and provides the 5% billing charge in order to do that.

Q So that was true? You also indicate on Page 21 that Southern Bell will receive increased revenues from DID, Touch-tone and additional listing. Is that your testimony?

A Yes, it is.

Q What studies have you done to support that?

A The only studies that we have are the phone bills which were represented by the local exchange company.

Q You've done no study, though, have you?

A Sorry?

Q You have not done any studies to come up with the amount of revenues that will be produced from these so-called increased DID, additional listings and touchtone?

A Only to the extent that we have analyzed the bills that we pay each month.

Q But you have done no studies? Isn't it true that the switch utilized by the airport is partitionable?

A It is not to my knowledge partitionable on the station to station side and it has limited partitions on the trunk side.

Q I'm sorry, I meant trunk partitioning. When I used the term partitioning I'm referring to trunk partition. Isn't it true that it can be expanded to be further partitioned on trunk side partitioning?

A According to the information provided to us by Southern Bell there is a maximum number of trunks, restrictions of 16. Two of those restrictions right now are used for the central office local, and long distance trunks, and the balance of them are used by airlines for the tieline private networks.

Q But isn't it true that it can be expanded beyond those 16 partitions?

A Not to the best of my knowledge.

Q I refer to Page 62 of your deposition, starting at Line 23. The question is posed, "And is your present switch expandable?" Answer: In our present service arrangement it

is possible." Do you see where I'm reading?

A Page 62, Counsel?

Q Of your deposition, starting at Line 23.

A The answer starting on 24 says that if our present service arrangement -- in our present service arrangement it is possible to expand the station lines, and what is meant by in our present service arrangement is that we do not exceed the 16 miscellaneous trunk group restrictions which we are under advice that we cannot do.

Q It's your testimony that the answer at Line 24 is referring to station lines?

A Yes, Counselor. I'm trying to find the exact location where we had indicated that the station lines are reasonably expandable to 4,500 station lines, but the trunk group restrictions are not partitionable greater than 16.

Q Your testimony is the switch cannot be expanded past the present 16 partitions?

A That's correct.

Q Let me refer you to Page 23 of your rebuttal testimony. Are you with me?

A I'm sorry, Page 23?

Q Page 23 of your rebuttal. Question at Line 7: The question is regarding bypass of the local exchange company. Isn't it your testimony that the ability of trunk sharing will discourage bypass?

A (Pause) Yes, that is correct.

Q So, it's your testimony that trunk sharing will possibly discourage bypass?

A Yes, sir.

Q And I believe the reasoning that you gave is that many business users are seeking various telecommunications alternatives in order to reduce their costs and that trunk sharing is one means of achieving this cost efficiency, is that not true?

A That's correct. And that's also what Southern Bell had presented to us in the marketing documents where they had requested us to seriously consider acquisition of the switch.

Q And you indicate that another means of reducing cost is to bypass, is that not correct.

MR. LIPMAN: I object to that. I don't think the witness ever characterized it that way.

CHAIRMAN MARKS: What are you objecting to?

MR. LIPMAN: Objecting to the form of the question and the characterization of what Mr. Macbeth earlier testified to.

CHAIRMAN MARKS: Well, let's see if he can answer the question.

Q (By Mr. Anthony) We just agreed that one means of a business reducing its cost is to trunk share, is that not true?

A Yes. As Southern Bell had explained it to us.

Q Then down at the bottom of Page 23, Line 25, you start the sentence which goes on the top of Page 24, "In the absence of the economies and efficiencies provided by sharing arrangements, business users might seek alternative means of reducing their telecommunications cost, certain of which may involve abandoning the local network, i.e., bypass, is that not true?

A I believe the local network in that particular instance is the airport sharing arrangement and the lines restricted simply to the airport campus and the airport terminal facility.

Q I'm sorry, I didn't understand that answer. When you say abandoning the local network, what are you referring to?

A The on-campus communications facility that is located within the airport facilities.

Q Let's read a little further then, Line 7. "Accordingly, shared service arrangements may enable small and medium-sized businesses to achieve economy, economic efficiencies while using LEC facilities and without the necessity of bypass." I read that testimony as indicating that if customers or businesses are not allowed to trunk share, they are going to turn to bypass as their means of cost savings, is that correct?

A In terms of the proposals that were given us from Southern Bell, one of the ways that we were going to recover

the premium charges that we were being asked to pay in order to install the Dimension system was that in the back five years after the Tier A situation was no longer applicable, we would be receiving significant cost advantages in the remaining trunking and the trunking would itself by lower cost help to offset the capital investment in the first five years.

Q Mr. Macbeth, your testimony is directed to bypass here and you've indicated that the possibility of trunk sharing could discourage bypass, is that not correct?

A Trunk sharing was implicit in our original marketing documents that were presented to us. And, in fact, Southern Bell went so far as to say that if we used an extensive amount of electronic control telephone sets we would be able to reduce the cost of DID service significantly. And the encouragement was that once we went past 800 station lines, we would start to see even more efficiencies that would help to make the Dimension 2000, which we had purchased, a more cost effective situation. Those were also spread out over a 10-year period.

Q Mr. Macbeth, let me try again. You're indicating that trunk sharing could tend to discourage bypass, is that not correct? It's right there on Lines 14 and 15 of your testimony.

A I believe it really says in the absence of the economies and efficiencies provided by trunk sharing arrangements, business users might seek alternative means of reducing

their costs. I think the rationale behind that was that the trunk sharing was one of the important bases upon which we relied in order to buy the system.

Q Trunk sharing is a means of cost reduction, is that is not true?

A Trunk sharing is a means of cost reduction.

Q And on the bottom of Page 23, top of 24, you say, "I the absence of such efficiencies provided by trunk sharing businesses may turn to alternative means of reducing their telecommunications cost." Is that not correct?

A That's correct, within the context of the marketing proposals that we were presented, gave us a ten year period t see the overall initial cost higher than normal service and the savings that would be accommodated by the back five years through the trunk sharing. And then on the basis of a ten year average be able to make a decision as to whether or not we would stay with our original telephone situation or acquire the Dimension 2000 that Southern Bell was providing to us.

Q Are you not saying that in the absence of trunk sharing, businesses may turn to bypass in an attempt to save money. Is that not what you're saying at the bottom of 23 and the top of 24?

A Yes, that is what is specifically on the page, but in the context of the way our particular proposals were given to us, I don't think that's a fair characterization.

Q But that's what's in your testimony, is it not?

A In that one page, in that one sentence.

Q Well, that's what we're talk looking at. And is it what you want this Commission to believe that if people are allowed to save money in one instance, they are not going to look anywhere else to save money. They can save money by trunk sharing; they are not going to try to save money anywhere else such as bypass?

A Within the context of an airport switch I believe that's true.

MR. ANTHONY: Thank you, that's all I have.

CHAIRMAN MARKS: Ms. Stein?

CROSS EXAMINATION

BY MS. STEIN:

Q Mr. Macbeth, isn't it true that other than the airport at West Palm you do not know of any other airports in Florida that allow the sharing of local exchange service?

A Not directly, that's correct.

Q And do you not contend that these other airports that are in Florida who may not share service are acting unsafely, do you?

A Sorry?

Q It's not your contention that all of the other airports other than West Palm and the Orlando Airport act unsafely, is that your contention?

A I think that's an interpretation which has been requested for me to confirm, and I believe that my response at that point was that fortunately or unfortunately, depending on one's point of view, we don't have any indication to the contrary that they may be reacting or operating unsafely.

Q Well, in fact, isn't it true that the Orlando Executive Airport which is on your property does not allow the sharing of trunks?

A That is correct. And it's also true it's an entirely different aviation operation.

Q Well, are you aware of them acting in a unsafe fashion in responding to emergencies at the airport due to their telephone configuration?

A I'm sorry.

Q Is it your contention that they've acted in an unsafe fashion due to their telephone configuration at your airport?

A It is not my intention to state that.

Q The FAA, the Federal Aviation Authority is served directly by Southern Bell and is not a participant in your emergency calling system, isn't that true?

A There are some extensions that are participants on the airport safety system. In addition, there are ring down circuits that are also served directly by Southern Bell, and then there is normal direct Southern Bell connection to that facility, so it's a hybrid of communications.

Q But they have direct service from Southern Bell, isn't that true?

A One-third of their service is direct service from Southern Bell.

Q I believe that Mr. Anthony asked you at your deposition -- I'm referring to Page 43 -- if you could give -- starting at Line 13, "could you give me the names of those tenants who are served directly by Southern Bell," and skipping down to Line 19 you said, "one is the FAA." Isn't that true?

A That is correct.

Q Isn't it true that your switch can be expanded to 4,500 stations?

A That is our current estimate.

Q You weren't present or participated in the hearings before the Public Service Commission in Texas, did you?

A No, I did not.

Q Were you present or did you participate in the public service hearings before the Public Service Commission in California?

A No, I did not.

Q Well, the exhibits that are attached to your testimony that relate to the Public Service Commission hearing officer order from Texas, did you obtain those from your Counsel?

A I believe in that particular case I have obtained

that from counsel, and I've obtained numerous other proceedings from quite a few states from the consultants which we engage.

Q But you have no firsthand knowledge of any of those proceedings by participating in them, do you?

A No, I do not.

Q Mr. Anthony discussed with you your direct testimony in which you related that you consult with representatives of other airports. Isn't it true that you are not an engineer?

A That is correct. I've not held myself out to be an engineer.

Q Isn't it also true that you were not employed by the Orlando Airport at the time the system was installed?

A That is also correct.

Q Isn't it also true that you were not responsible in any way for the design of the system at the Orlando Airport?

A That is also correct.

Q Isn't it true that the representative of the other airports actually visit your facility to see the system that Southern Bell designed?

A I think it's more fair to state that they see the facility that Southern Bell designed wherein our airport demand position, the attendant consoles of campuswide PBX, are one of approximately eight different systems which are used in concert in order to perform airport operation.

Q And weren't those systems designed by Southern Bell, those consoles?

A The attendant consoles to the PBX, to the best of my knowledge, would be designed by AT&T.

Q Isn't it true you're contemplating building a hotel at the airport?

A Our master plans do include for the possibility of the hotel to be part of the terminal complex.

Q And you've not expended any funds to provide it with telephone service as of today from your switch, have you?

A At the present time we're still engaged in master planning and constructing conceptual models on what the particular building configuration would look like, and trying to solve line of sight obstructions between the tower and areas of aircraft operation.

Q I assume the answer to my question is, yes, that you've not expended any funds on telephone communications for the proposed hotel? That's all I'm asking you

A Yes, we have expended -- I'm sorry.

Q Have not expended any funds?

A We have not expended funds at this time.

Q So, you would have no stranded investment if this Commission were to hold that the hotel could not be joined up to your existing switch?

A Neither we nor apparently Southern Bell would have

any stranded investment. They would be new facilities that would be constructed hopefully in concert with one another as partners in progress.

Q You are owners of land which has been developed as an industrial park, isn't that true?

A That is correct.

Q And what is the extent of your property? What size is it?

A The approximate boundry of property at the present time is 9,000 acres. We're negotiating for a 10,000-acre campus. However, I might hasten to add that one of the hallmarks of airports as different from other commercial real estate operation, they are typically located in rural facilities because of noise, clearance zones and other factors.

Q Sir, I don't believe I asked you any of that. All I was asking you was what size, which only required an answer like 10,000 acres.

Q Sir, I don't believe I asked you any of that; all I was asking you was what the size was, which only required an answer like 10,000 acres. It is now 20 minutes until 5:00, and I'm sure all of these people would like to go home today. So if we could stick to what my questions are, and if you have got other comments that you would like to make that are unrelated to my questions, maybe your Counsel could ask you those questions and we might be able to finish.

MR. LIPMAN: Ms. Stein, if your concern is to expedite the proceedings, then I would suggest letting the witness answer the questions and to clarify his answers.

MS. STEIN: Mr. Lipman, the answers are totally unrelated to the questions.

CHAIRMAN MARKS: Ms. Stein has a very valid point, as well as you, Mr. Lipman. We do need to confine the answers to the question asked. The witness will have every opportunity to explain any answer that he gives, but I am not so sure what the relevance was to the question, either, Mr. Macbeth, very honestly. She just asked a very simple question: "What was the size of the park?" 10,000 acres is fine, I don't know if it required any other explanation or not.

WITNESS MACBETH: Only to the extent that the full 10,000 acres is not capable of real estate development because of FAA requirements for flight restrictions.

CHAIRMAN MARKS: She didn't ask anything about that, that is the point. She doesn't want to know anything about it. That may be very useful information that we may want to know, but just confine your answers to the questions. And if your Counsel wants to ask for that additional information, I am sure he can do it.

MS. STEIN: Thank you.

Q (By Ms. Stein) Some of the existing tenants in the park, such as Arvida Corporation, which I understand is a land

development corporation, are not involved in the safe transport of passengers, are they?

A That's correct.

Q So it is not essential for all of Arvida's traffic to go through your switch for security reasons, is it?

A That is correct.

Q Also, I understand that you are going to be having a reservation service, or you have one from Piedmont, is that true?

A No, I'm sorry, I believe in the deposition we corrected that. There is a Piedmont reservation center, and it is not located on the airport campus, it is located on the contiguous office park to our north.

Q Are you planning any reservation services for your property?

A Not at the present time.

Q If Southern Bell, like General Telephone, with its operation at Tampa International Airport, had a central office located at the airport, isn't it true that it could provide the same security and safety benefits that you claim your switch provides?

A It would mitigate our concerns about disruption of service greatly.

Q So your testimony with regard to the alleged vulnerability of Southern Bell's service would not apply to General

Telephone's switch at Tampa International Airport, isn't that true?

A I have no direct knowledge of Tampa Airport's telephone situation.

Q If there was a central office, if you take that as a given at the Tampa International Airport, then the statements that you have with regard to your testimony on vulnerability wouldn't apply, isn't that true?

A Statements on vulnerability would be greatly lessened, that is true.

Q How would your switch be any less vulnerable than a central office of a telephone company located in the same location?

A I think that would be the subject of study that we would defer to consultants to give us a full and proper answer to.

Q Excuse me?

A On the surface, our switch does resemble the central office switch on the campus. I think one significant difference between a local exchange company's switch and the current switch that we have is that on any phone that is connected to the switch, when you dial zero you are connected with the airport communications center, not the local exchange operator.

And within that context, where we are currently under a 180 second response time to respond to an emergency, and the

National Fire Protection Association has just recently indicated they want to short that to 120 seconds, we would still have concerns if dialing zero were to reference the local exchange operator. To the extent that that could be technically routed back to our airport command center, that concern would also be mitigated.

Q Well, your testimony with regard to vulnerability, as far as I understood it, is that you were concerned that the lines, the cables could be cut between the central office and the airport. If the central office is located at the airport, just like your switch, can you explain why it would be more vulnerable? We are not talking about operator service, we are talking about cable. Is it your testimony that the cable that you put in is somehow better than the cable that we put in?

A No, that is not my testimony. The cable that was put in was Southern Bell cable that was put in, and we believe that is reasonably secure.

Q Didn't you state in your direct testimony on Page 12, starting at Line 4, "Given our unique characteristics, these services could not be provided by the LEC without the installation of a CENTREX type switch on our airport campus"?

A Yes, I believe I did.

Q And wouldn't the central office or a CENTREX type switch satisfy those concerns?

A I believe I just answered that in the affirmative.

Q Thank you. Isn't it true that your testimony with regard to the benefits that you state on Pages 20 and 21, and I'm referring to your prefiled testimony, only applies to the unique situation of an airport like Orlando where the switches are already in place?

A I'm sorry, 20 and 21 of direct?

Q Right, prefiled direct.

A Specifically, what line?

Q I'm referring to all of the benefits that you state on those. Isn't it true that you are alleging those benefits only for Orlando Airport, which is a unique situation where the switch is already in place, or are you rendering this testimony on behalf of all the airports in Florida?

A No, we have pretty well confined our testimony to the interests of the Greater Orlando Aviation Authority.

Q Thank you. You state on Page 9, Line 19, of your rebuttal testimony that the added processing steps involved to perform the partitioning function may slow down call processing. Could you tell us to what extent it would slow down call processing?

A I think, Ms. Stein, to give you the exact answer that I think you and the Commmission deserve, that these comments which we have been advised by our consultants would be better answered by the consultants, themselves, in detail.

Q Well, is your consultant going to be here to testify today?

A Not at this time.

Q Well, you have been rendered as an expert, my understanding is, with regard to this testimony. If it is in your testimony, Mr. Macbeth, it is fair game for us to ask the questions. So if you can't answer it, I'm going to ask the Commission to strike that testimony that you have no knowledge of.

A The best answer that I can give you at this point is that all through these proceedings I have held myself out to be a layman with a general understanding of these switches, and that I am relying very heavily on the advice of the consultants which we employ from time to time. But, specifically, I am not an engineer and I would hesitate to give you an engineering answer here in this proceeding.

Q Who is the consultant that provided this testimony which is incorporatated in your prefiled rebuttal testimony?

MR. LIPMAN: I object to that. That is not what he said. He said in his testimony that added processing steps may slow call processing. You asked him to quantify that, and he said that he was unable to give you an exact quantifiable figure. You asked the question and he gave an answer.

CHAIRMAN MARKS: What page are we on?

MR. LIPMAN: Page 9, Lines 19 and 20.

He didn't say it was "X" percent, he just said it would have a dilatorious effect on call processing, and that is what he testified on.

MS. STEIN: Chairman Marks, our problem is that there have been by both this witness and Mr. Smith, there have been allegations as to all sorts of terrible things that are going to happen; call processing is going to be slowed, down which would imply that they wouldn't be able to get their calls through, and there is no one that can really sponsor this testimony and can tell us what effect this would actually be. Our understanding is that it would be less than one-billionth of a second, and I think it is important for the Commission to be able to have that type of information. Without it, it is irrelevant.

CHAIRMAN MARKS: Well, Ms. Stein, I suggest, under those circumstances, that you make that point through your witness. This witness can't do it any further, he can't answer the question any further than it is right here.

COMMISSIONER NICHOLS: He said he is not an engineering witness, so --

CHAIRMAN MARKS: I don't think he can go beyond --

COMMISSIONER NICHOLS: You have to understand where his expertise lies.

MS. STEIN: But he is also sponsoring testimony that says it may do something, and he has no knowledge that it does.

COMMISSIONER NICHOLS: We understand that.

MS. STEIN: So long as you understand that, I will go on to the next question.

MR. LIPMAN: If I can just make one clarification for the record. To the extent Ms. Stein has raised the issue of Mr. Smith's testimony, I think that is totally inappropriate If she had a problem with his testimony, she could have raised it while he was at the stand; not raising it afterwards, after the witness has been excused.

Furthermore, to the extent that she claims that call processing has been affected by some quantifiable amount, I don't think that she is testifying --

CHAIRMAN MARKS: We are not taking her statement as any form of testimony until she gets sworn in and takes the stand.

MR. LIPMAN: I appreciate that.

CHAIRMAN MARKS: She hasn't done that. And this Commission is sophisticated enough, I believe, to understand when an attorney is asking a question and when a witness is testifying. We also understand very well when a witness has been qualified as an expert in a certain area and when a witness has not been. And I understand the witness' question perfectly clear, clear as far as I am concerned; he makes a statement, Ms. Stein asked him to quantify that, he cannot. That's fine, I understand that. And if Ms. Stein -- Ms. Stein,

the numbers that you gave frankly don't mean anything to me.

If she wants to put on a witness to give those kind of figures, she can, and you can cross examine that witness at that point.

MR. LIPMAN: Thank you.

CHAIRMAN MARKS: Next question.

Q (By Ms. Stein) You stated in your rebuttal testimony on Page 12, Line 12, a requirement that the LEC tariffs permitting direct access would obviate the need for rate and service oversight by the Florida Public Service Commmission.

Can you describe the tariff provision which you are recommending and how it would be enforced by the Florida Public Service Commission or the LEC?

A I think that the tariff that would be appropriate for the Airport to be continuing to operate under, if it had those conditions in there which require direct access to the tenant by the LEC, that that would, itself, alleviate the need for rate and service oversight by the Commission of the Airport, specifically.

Q What would the tariff say, whose tariff would it be?

A I would be ill-advised at this point, not having in-depth knowledge of tariffs, to submit that language. However, the tariff that I would envision would be the tariff that is governing the service provided to the Airport in the sharing arrangement.

Q Well, if you would be ill-advised with regard to discussing the tariffs, how do you know that it would plainly obviate the need for rate and service oversight by the Commission?

A I believe it would provide a forum for someone who is finding that they cannot get direct access to the LEC to come back to this area right here, this forum here, and lodge that complaint.

Q Well, are you stating that the Orlando Airport should have a tariff that would have that requirement in it?

A I believe the Southern Bell tariff that governs the service to the Orlando Airport would be an appropriate vehicle for that restriction to be there.

Q What would it say in Southern Bell's tariff, is what I'm asking you? We're trying to come up with a rate design and a tariff design here, what would it say? Because you evidently had something in mind when you offered this testimony.

A Ms. Stein, in the interest of helping these proceedings go forward, I do have some general ideas, but I would hesitate to put them in words. I'm not an attorney, and I don't feel competent to write a tariff.

Q Well, should it say something like, "In the event a tenant contacts Southern Bell and says they are not being able to receive direct access, that the Orlando Airport service should be cut"?

A I think that might be an overly harsh reaction, but I certainly think the complaint should have a forum to be aired and an equitable solution should be arrived at. I don't think the Airport is going to be an insensitive organization to that kind of criticism.

Q Well, other than withholding service to the Airport, what sanction could the LEC place upon the Orlando Airport to enforce the right of direct access?

A Again, I would hesitate to express what exactly those sanctions were.

Q Wouldn't you agree that you would need to be regulated by this Commission so that the Commission could take sanctions against the Orlando Airport in the event that they failed to provide Southern Bell direct access to tenants at the Airport?

A I'm not sure of the full mechanics of the situation, I'm not sure that the Commission needs to regulate another entity, but I certainly think the Commission would have total authority to request us to appear before the Commission and solve that if it escalated to that point and could not be resolved before then.

Q If you are not regulated by this Commission, what right would they have to call you before it?

MR. LIPMAN: I'm going to object. This is about the tenth question in a row along these veins. Mr. Macbeth

is not an attorney --

CHAIRMAN MARKS: That would call for a legal conclusion, if I understand that question correctly. I don't know if this witness is qualified to answer that, Ms. Stein.

MR. LIPMAN: Thank you.

Q (By Ms. Stein) Are you an expert in statistics? I thought we would find your area of expertise.

A At the risk of being facetious, but perhaps this late in the day I could be foregiven, there are times when I think the only function of economic forecasting and statistics is to make astrology look respectable. No, I'm not an expert in statistics. (Laughter)

Q How about statistical modelling?

A We have not done statistical modelling within the area of telephone service.

Q I believe at your deposition we established that the only, if it could be called shared tenant service operation, in Florida that you had any knowledge of, which was proposed in 1978, was the Orlando Airport, isn't that true?

A Could you repeat the first part?

Q I believe at your deposition we established that the only shared tenant service operation in Florida, if it could be called a shared tenant service operation, because you questioned whether it could be called that, that you were aware of that was proposed in 1978 was the Orlando Airport. And if you

would like to look at your testimony, it is on Pages 116 and 117.

A That is the only specific instance that I have direct knowledge of. However, I might hasten to add that on the final pages of the Marketing Document 2 of Southern Bell to us -- with your indulgence, may I quote it? (Pause)

Because of the advent of deregulation within the airline community, the Orlando Airport was under some construction delays in order to open, and we did receive a paragraph under implementation issues that said that due to the uncertain schedule for the conclusion of Orlando International Airport, Southern Bell, we recommend that another airport be selected to implement the first joint airport service and that they are currently investigating several other airports to determine the best candidate for a test case.

Q Well, let me tell you the reason I am asking this. On Page 17, you seem to imply --

A Page 17 of what?

Q Your rebuttal testimony. You seem to imply that there were other shared tenant service type operations that Southern Bell could have studied and would have confirmed or contradicted their conclusions, and I'm reading from lines -- well, between the lines, but Lines 20 to 23, that they should have done to provide information for this docket.

A Ms. Stein, the basis of that, and, again, this is an

untutored answer, but going back to our marketing documents, we had a situation originally where information was apparently not available in exhaustive format. However, the key systems that we were using at the present time went to approximately 125 stations. Three of the tenants comprised 161 stations, and comparisons on the existing service and a Dimension 400 and a Dimension 2000 were included in that proposal to us.

And from a surface example, what was happening was that the proposed service under the PBX was, in fact, recovering exactly the same rate structure as under existing circumstances. Beyond that, I don't have any knowledge, in my possession, neither have I read anything in support of some of the assumptions here. And one of my concerns is that allegations are being made with possibly not appropriate backup, or backup that I may readily admit that I am not capable of digesting in full.

Q I think if I tell you where I'm going, maybe we could speed this up. At your deposition, you said that you did not believe you were a shared tenant service arrangement. The question on Page 9 -- excuse me, on Page 17, Lines 8 and 9, asks if you had looked at our projections of revenue loss expected from the sharing of local trunks by STS arrangements. And somehow or the other you are saying there is something that Southern Bell should have looked at that would have provided them with some advice relating to shared tenant arrangements.

which you are alleging that you are not in this docket, and I'm trying to find out what they have looked at.

A To the extent of my direct experience, and revenue to me seems to be a slippery term, and I would like to give everyone the benefit of the doubt. Revenue could mean profit after costs, revenue could simply mean gross revenue to the Company. The documents that I have in my possession indicated a limited analysis of gross revenue to the Company. And through my analysis of those documents the rate structure was identical with what was currently being presented, and that did include intercoming, which was approximately one-third of the bill of the three airlines that we studied in question.

Q Mr. Macbeth, I'm not asking you about your situation. What I'm asking you about is what could Southern Bell have studied with regard to airports that would have provided them with better data for shared tenant service operations like Mr. Smith's operation?

A I'm not personally knowledgeable of those studies.

Q Isn't it true that you have alleged that you are a unique situation and that with regard to your situation and the data, and a switch, and everything else about it, it is not necessarily applicable to any other shared tenant service operation?

A We do believe we are unique in that situation.

MS. STEIN: I have no further questions.

CHAIRMAN MARKS: Right on time. I think she designed that deliberately in her usual efficient manner. I'm sure there may be other questions for the witness. Why don't we find out.

Are there other questions for this witness?

MR. BERG: No questions.

MR. MELSON: No questions.

MR. RENARD: No questions.

CHAIRMAN MARKS: Staff?

MR. VANDIVER: About 10 minutes.

CHAIRMAN MARKS: Why don't we do that, then, and we can excuse this witness for the day, for the rest of the hearing.

MR. VANDIVER: Sure.

CROSS EXAMINATION

BY MR. VANDIVER:

Q Hi, Mr. Macbeth. My name is Rob Vandiver. A good late afternoon.

Have you had a chance to review the interrogatory responses that I gave you earlier along with the selected deposition pages as identified in the prehearing order and supplemented this morning to include Interrogatory No. 39?

A Yes, I have.

Q Are they true and correct to the best of your knowledge?

A They are true and correct to the best of my knowledge. There were some minor errata that was transmitted, but I don't think they affect the substance in any way, shape or form.

Q Very well.

MR. VANDIVER: Mr. Chairman, I would like to move each of those exhibits into the record at this time.

MR. LIPMAN: Mr. Chairman, at this point in time we would like to add, in addition to that, exhibit --

CHAIRMAN MARKS: Wait a minute, let's get these marked first; and whatever additions, we will mark those as a separate exhibit so we can keep them separate.

MR. SEXTON: For the interrogatories, it would be Exhibit 12; and the deposition would be 13.

CHAIRMAN MARKS: All right.

(Exhibit Nos. 12 and 13 marked for identification.

CHAIRMAN MARKS: Now, you wanted to add something? Was it Exhibit 12 and 13?

MR. SEXTON: That is correct.

MR. LIPMAN: I would like to add, if I may, Mr. Chairman, that Macbeth Deposition Exhibit 3, which is General Telephone Company of the Southwest's tariff in Texas on shared tenant services, a copy of that refers to a decision by the Texas PUC, a copy of which was appended to Mr. MacBeth's direct

testimony, and Mr. Macbeth relied upon the attached materials.

CHAIRMAN MARKS: Wait a minute, now, I am a little -- this is a General Telephone tariff attached to his response to a question?

MR. LIPMAN: Yes. The reason that we are adding it is that in the deposition --

CHAIRMAN MARKS: I am just trying to find out what it is, first.

MR. LIPMAN: It's two things. It's General Telephone Company of the Southwest, General Exchange Tariff, Section 44, and the transcript of the testimony of Kevin Payne, Tariff Administrator, Administration Manager, General Telephone Company of California, California PUC Commission Docket No. A-830665, Pages 509 to 511.

The reason we feel it is encumbent upon us to add these is that one of the deposition pages that will be included in this exhibit is Page 115. And in that deposition, Ms. Stein says that she has spoken with both companies, referring to General Telephone Company of California and General Telephone of Texas, and they deny what Mr. Macbeth had claimed.

Ms. Stein goes on to say, "So we need to know where you obtained this knowledge and to check it as to its accuracy." The purpose of this material is to confirm that accuracy pursuant to Ms. Stein's direct inquiry to Mr. Macbeth in order to round out the deposition.

MS. STEIN: We would object to its admission. We did not ask a question with regard to it, especially with regard to the testimony of one of the witnesses. They are not here. We understand that it was taken out of context; we have not gotten into that argument as part of this case. It is the same thing that Mr. Lipman has asked for our study to be struck. We would ask that our study be reinstated if this type of information is going to be provided. It was not offered by any of the parties and it is inappropriate to be offered at this time.

MR. LIPMAN: If I could respond to that, I think it is a totally different case from your rebuttal testimony. It is a tariff, there is no interpretation to it, it is a tariff filed by your sister company, General Telephone Company of the Southwest.

If we were to include these deposition pages without modifying it, I believe a very expansive gap, a hole, that you implied, couldn't be filled and that Mr. MacBeth's information was erroneous. And we feel that it is important that that answer be rounded out. And to do that, in response to your inquiry, we submit that your sister company's tariff as well as two transcript pages be added to the exhibit as a matter of fairness.

CHAIRMAN MARKS: This is Staff's exhibit. Do you need those other pages that he is talking about?

MR. VANDIVER: We don't need them for our purposes,

Commissioner. We have put in what we thought we needed to i
out the record. This is Mr. Lipman's request, and it would
stand on its own merits. The Staff has not requested those
specific exhibits.

MR. LIPMAN: He has requested a specific page and the specific page leaves open the question we are trying to address.

COMMISSIONER WILSON: What page?

MR. LIPMAN: 115, it is on Lines 12 through 15.

CHAIRMAN MARKS: Well, would it help if we struck that from the deposition, if we just struck lines -- do you need Lines 12 through 25 on Page 115 of the deposition?

MR. VANDIVER: Yes, sir.

CHAIRMAN MARKS: You do need that?

MR. VANDIVER: No, we don't need that specifically, not for anything we are doing.

CHAIRMAN MARKS: Would that satisfy the problem?

MR. LIPMAN: If you would take official notice of that General Telephone Company tariff.

CHAIRMAN MARKS: I don't know if I want to take official notice of General Telephone Company's tariff. I don't know of any reason to do that if we strike this. I am just going to strike that from the deposition.

MR. VANDIVER: That would seem to cure the problem, unless Mr. Lipman or Ms. Stein --

CHAIRMAN MARKS: There is no reference to it.

COMMISSIONER WILSON: If the allegation that you are concerned about, and I can see why you would be concerned that it, is not inserted into the record and it is not an issue before us, then there is really no need to rebut it. If we can decide that those pages can be eliminated, would that not take care of your problem? Because I think if this is left in, and you do have the evidence or that reference that would show that his statement was correct, this does leave the impression that what he said was incorrect, and we would want to have the complete picture.

CHAIRMAN MARKS: Well, I think the Staff is saying that they don't need it, and we are saying to strike it, don't even include it in the record.

MR. VANDIVER: We will withdraw our request as to those three lines, Lines 12 through 15, and then there is nothing for Mr. Lipman to then rebut, I assume.

MR. LIPMAN: If we are going to do that, I would like to strike the whole reference to that colloquy.

CHAIRMAN MARKS: That would be 12 --

MR. LIPMAN: Which would start on Line 3 and, I guess, go down to Line 25.

CHAIRMAN MARKS: If we struck everything from Line 3 down to Line 25 on Page 115, I think that would take care of it. We are going to strike it, we will strike it at this point

in time. If you want to put it back in tomorrow after somebody looks at it -- there is no need to have what you want, Mr. Lipman, all of those tariff pages and all of that good stuff.

MR. LIPMAN: Fine, as long as it is out, that's fine. We just don't want an incomplete impression.

MR. VANDIVER: And with that deletion I would move the insertion of Exhibits 12 and 13 into the record.

CHAIRMAN MARKS: Are there any objections? If there are no objections, it is admitted.

(Exhibit Nos. 12 and 13 admitted into evidence.)

Q (By Mr. Vandiver) Mr. Macbeth, are you familiar with the concept of universal service, briefly?

A Excuse me?

Q Are you familiar with the concept of universal telephone service?

A Yes.

Q Do you believe the Texas decision that you have introduced as Exhibit 9 is relevant to our decision here in Florida? I believe it was your Exhibit C attached to your prefiled direct testimony.

A My purpose of including it is because it was a very helpful general layman's understanding of some of the issues that were involved in that both from the private industry standpoint and from the regulatory commission's standpoint.

Q Okay. I would like to turn your attention to that exhibit. The next to the last page, it is labelled as Page 3.

MR. LIPMAN: I would like to clarify that. That is a dissent.

MR. VANDIVER: Yes, this is a dissenting opinion.

Q (By Mr. Vandiver) But, Mr. Macbeth, when you've found it, I would like for you to go to the last paragraph and I would like for you to read to the Commission a brief passage from that dissent.

CHAIRMAN MARKS: Is it very brief?

MR. VANDIVER: Four sentences.

And then I would like for him to reply to that, if he could.

CHAIRMAN MARKS: We will see, go ahead.

A That is Docket No. 6076, Page 3?

Q (By Mr. Vandiver) Yes, that is correct. Now, in the last paragraph, right down at the bottom, four lines up from the bottom, near the end of the line there is a sentence that starts, "Further, the telephone utility are even," are you with me there?

A No, I am still following, "Further, the majority's premature conclusion."

Q Yes, that's right, I would like for you to read from "Further" to the end of the decision, please.

MR. LIPMAN: The end of the dissent, to clarify that.

MR. VANDIVER: No, to the end of the decision. I want him to read four sentences starting with --

MR. LIPMAN: But it is not the decision, it is the dissent.

MR. VANDIVER: Yes, from the dissenting opinion of the decision.

A "Further, the majority's premature conclusion regarding discrimination could undermine the concept of universal service. This concept has been the Commission's foremost policy consideration in designing rates for telephone service. Surely, the majority does not want to risk this concept by reaching an unnecessary conclusion based upon an inadequate record. Should any party in any future proceeding attempt to bind the Commission by this dictum, I do not intend to be so bound, and would hope that the majority would not either."

Q I would like for you to respond to that, if you could. Do you see the provision of carving out, if you will, areas of the local exchange companies certificated territory to other folks to provide local exchange service as posing any sort of threat to universal service as expressed in this dissent to the Texas Commission's decision?

A If you will pardon me a minute, I would like to reread it. (Pause)

My understanding, in general, of the Commission finding is that the sum and substance is that there is no

difference in the value of service between a large single PBX user and a shared PBX that is used by small or medium business.

Q I agree, but that wasn't really my question. My question is: How does the carving out, if you will, of local areas by folks other than the local exchange company threaten or detract from universal service? And that is what the dissent says. And I wondered if you had any thoughts or reply to that reasoning?

A Mr. Vandiver, I'm not sure I have a direct response to this particular question, but one thought that has been running through my mind is that if there is any potential adverse impact on the local exchange company, it would be my personal opinion that it is more appropriately addressed through rate design and appropriate tariff provisions rather than requiring shared tenant customers to subscribe to more physical connections that are required in order to meet their communication needs. And within that standpoint, I am thinking of partitioning of trunks.

Q Sure. But where do you draw the line? I mean, a residential phone bill of say $50 a month, that would be past the line, I mean, maybe 15, 18, or 20 we could live with, but would you agree that, say, 50 on local ratepayers would be too much if, in fact, the shared tenant folks were siphoning off revenues? I am just trying to get a feel for -- you just

wouldn't draw the line at all, you would say a PBX is a PBX?

A I think the important distinction I would make in my mind is that I would bow to the wisdom of the Commmission on setting the rates for universal service as they relate to residential service; and then the remaining confines of business service, I would hope that all business service would be treated on a fair and nondiscriminatory basis.

Q But you realize it is all the same pot of money?

A I anticipate that business service would in the future, as in the past, be charged a slightly higher rate in order to compensate residential rates.

Q Thank you. I just have one more question, and that is, Ms. Stein questioned you earlier about Arvida Corporation: Are you aware of any future plans that that land development corporation may have to develop any of the 10,000 acres on your campus?

A Their developing is limited to 67 acres, and all master plans in these times are subject to change, but they did indicate that they would have an office park and two hotels located within that 67 acres, and it would be a wholly-contained development unto themselves.

Q There is no future residential development planned within the 10,000-acre or Arvida site, or within your 10,000-acre campus?

A Because of the nature of airport noise and other

restrictions, there is no residential planning anywhere within our 10,000-acre confines which includes land acquisition for noise contours.

Q And none of Arvida's present or future operations are connected or planned to be be connected to your PBX at the Orlando Airport?

A No, sir, not at the present time.

MR. VANDIVER: Thank you. That is all I have, Mr. Chairman.

CHAIRMAN MARKS: Commissioners, any questions?

COMMISSIONER WILSON: Did I understand earlier that there was a 20-to-1 ratio of trunks to stations?

WITNESS MACBETH: Approximately.

COMMISSIONER WILSON: Okay, thank you.

CHAIRMAN MARKS: Any redirect?

MR. LIPMAN: One question.

CHAIRMAN MARKS: Sure.

REDIRECT EXAMINATION

BY MR. LIPMAN:

Q Mr. Macbeth, do you consider it an advantage from a safety and operational standpoint that all existing facilities within an airport terminal, including shoeshine shops, be tied together telephonically?

A We consider it a great advantage to tying together telephonically all those facilities that the public would see

and perceive as one building, even though they may be multiple buildings, in their traverse from getting out of a car at a curbside facility and travelling all throughout the associated facilities until they are safely seated on the plane.

Q Does that shoeshine shop have any other community of interest with the Airport Authority or other tenants in the airport?

A To the extent that it is serving the limited number of public that are there simply for airport transportation.

Q Isn't it true that that shoeshine shop pays an unusually high market rate to --

MR. ANTHONY: I am going to object to the question. It is going to be leading, I can tell from here. If I let him go ahead --

CHAIRMAN MARKS: He is trying to phrase it so it won't be, but I don't think he can do it.

MR. ANTHONY: If I let him go ahead and ask it, the answer is already there.

CHAIRMAN MARKS: Well, why don't we go ahead and let him ask it, I don't think it is going to be terribly out of line.

Go ahead.

Q (By Mr. Lipman) Can you tell us why shoeshine shops and other tenants in the Airport pay above market rates?

A Because they receive a benefit to serving the

travelling passenger travelling through the terminal, and our rates range between $58 and $54 per square foot where normal commercial real estate across the street from us is charging an average rate of $18 a square foot. And I submit that a normal shoeshine shop that does not feel that it has a community of interest will not be paying three times the normal rate it could pay in another facility.

CHAIRMAN MARKS: That leads to a whole bunch of questions about airports and shops and why they charge so much for the same thing.

COMMISSIONER NICHOLS: Or why they overcharge.

CHAIRMAN MARKS: For that croissant you had. We will leave it alone.

Any other questions?

MR. LIPMAN: No further questions.

CHAIRMAN MARKS: Thank you. We appreciate --

MR. LIPMAN: In terms of having the exhibits entered into the record?

CHAIRMAN MARKS: Any objections to the exhibits?

COMMISSIONER NICHOLS: Did he move them?

CHAIRMAN MARKS: He moved them. If there are no objections, the exhibits are admitted.

(Exhibit Nos. 7, 8, 9, 10, and 11 admitted into evidence.)

CHAIRMAN MARKS: Thank you very much, Mr. Harbeth,

for your testimony. You are excused.

MR. LIPMAN: Mr. Chairman, I just wanted to insure that the witness can be excused?

CHAIRMAN MARKS: I was just about to excuse him. He is excused.

(Witness Macbeth excused.)

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CHAIRMAN MARKS: We will take the other Mr. D. Smith tomorrow, is that right?

MR. RENARD: Yes, sir.

CHAIRMAN MARKS: And then we will move to Mr. Lord and Mr. Szabo, is that right? And then on down the witness list.

If there is anybody that we need to accommodate, let us know as early as possible tomorrow.

With that, we will be in recess until 9:30 tomorrow morning.

(Thereupon, the hearing adjourned at 5:20 p.m., to reconvene at the 9:30 a.m., Tuesday, October 28, 1986, at the same location.)

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Information Systems / Telecommunications
MIAMI-DADE AVIATION DEPARTMENT

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AEROMEXICO	ANMZ70	X				Gustavo Lopez	305/889-4443	glopez@aeromexico.com
AERONAUTICAL RADIO, INC	AERR70			X		Pat Brannon	410/266-4583	
AEROPOSTAL	AEOT70	X			X	Freddy Tirado	305-869-3812	freddytirado@hotmail.com
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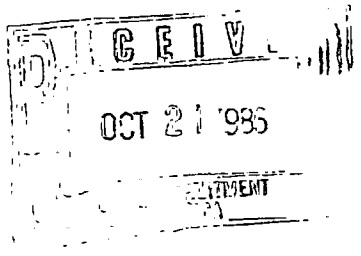
302-652-2007

WRITER S DIRECT DIAL NUMBER
(202) 842-8131

WBB
LEG
SJW

October 16, 1986



VIA FEDERAL EXPRESS

Mr. Steven C. Tribble
Director
Division of Records and
Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32301

Re: Docket No. 860455-TL

Dear Mr. Tribble:

Transmitted herewith, on behalf of the Greater Orlando Aviation Authority ("GOAA"), are an original and thirteen (13) copies of a supplement to Attachment B to the testimony of Hugh J. Macbeth, filed on July 15, 1986. This supplement, which will be introduced as GOAA Exhibit 60-F (Macbeth), consists of an article from The Orlando Sentinel, October 15, 1986, at Section D, pages D-1 and D-6. Copies of this supplemental exhibit are being served on all parties of record, as indicated by the attached Certificate of Service.

Should there be any questions concerning this filing, please do not hesitate to call me.

Very truly yours,

Jean L. Kiddoo

Jean L. Kiddoo

JLK:lyr

Enclosure

cc: All Parties of Record

BST 1518
PSC

Final Exhibit
No. 274

EXHIBIT 60-F

The Orlando Sentinel
Wednesday, October 15, 1986
D

Local & state

Cool front expected to bring wet weather, lower temperatures, D-3

Phones fail, knocking out 911 system

By Prakash Gandhi
and Selwyn Crawford

OF THE SENTINEL STAFF

A mysterious failure at a downtown switching office Tuesday afternoon crippled phone service to about 50,000 Southern Bell customers in Orlando and shut down the 911 emergency system.

Southern Bell officials said they are investigating the cause of the failure, which affected homes, businesses and emergency services for more than an hour. Authorities devised a backup system to intercept emergency calls made during the shutdown.

"It has been several years since anything like this happened," said Southern Bell spokesman Larry Strickler.

"It's an out-of-the-ordinary condition. I hope we can find the cause of the problem so it remains an out-of-the-ordinary condition. We don't want to go through anything like this again."

The failure occurred between 4:15 and 4:30 p.m. at the switching office on Magnolia Avenue. The office has a digital computerized switching system for connecting calls.

The failure meant that customers with the prefixes 42, 23 and 84 were unable to make calls. Incoming calls also were affected as frustrated customers clogged phones, Strickler said.

Technicians repaired the problem by replacing circuits and service was restored by 5:35 p.m., Strickler said.

Strickler said officials don't know what caused the problem, but said they will analyze data during the next few days.

"It's not something you can pinpoint immediately," he said. "It could be something as simple as a fuse. We don't know if the computer malfunctioned or if it was some peripheral equipment that caused the computer to malfunction."

The 911 emergency system went down at the Municipal Justice Building in Orlando about 4:40 p.m.

Police officials then dispatched officers to Southern Bell branches on Mercy Drive, State Road 436 and Oak Ridge Road to pick up calls in case people tried to get emergency services through an operator.

The officer then planned to relay the calls by radio to headquarters and a

Please see PHONES, D-6

PHONES

From D-1

dispatcher would inform the closest unit of the problem.

However, police said they had to use that system only once, on a disturbance call outside the city. They notified Orange County deputy sheriffs of the problem by radio.

Police also put all available patrol cars out on the street and instructed officers to stick to main roads and be as visible as possible during the shutdown.

"Fortunately, there were no emergencies we were aware about of people that could not get through. We were pretty lucky to make it through," said police Lt. Brian Tooley.

Orlando police communications supervisor Gill Lineberry said he was surprised at the extent of the communications blackout.

"We've had cut cables before and we might have part of our system out, but never the whole thing," Lineberry said. "It was a good dry run, though. We've never had this before."

Lineberry said that occasionally during the breakdown, the phone lines would work but then fail again.

He said police could communicate with other law enforcement agencies by radio during that time.

CERTIFICATE OF SERVICE

I, Latonya Y. Ruth, on behalf of the Greater Orlando Aviation Authority, hereby certify that on October 16, 1986, copies of the foregoing document have been sent by first-class, postage-prepaid mail to the following:

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General Telephone Company
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c/o Frank Meirers
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Counsel
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of Florida
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101 East Gaines Street
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Teleco Communications Company
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Panama City, Florida 32401

Advisors Realty
4104 West 23rd Street
Panama City, Florida 32405

Latonya Y. Ruth

BST 1521
PSC

WBB AML TL
LEG RDL
SJW

PEPPER, HAMILTON & SCHEETZ

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215-893-3000

10 SOUTH MARKET SQUARE
HARRISBURG, PA 17108
717 255-1155

100 RENAISSANCE CENTER
DETROIT MI 48243
313 259-7110

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MALVERN, PA 19355
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WILMINGTON, DE 19801
302-652-2007

WRITER'S DIRECT DIAL NUMBER

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RECEIVED
OCT 24 1986
LEGAL DEPARTMENT
FLORIDA

October 21, 1986

VIA FEDERAL EXPRESS

Mr. Stephen C. Tribble
Director
Division of Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, FL 32301-8153

Re: Docket No. 860455-TL

Dear Mr. Tribble:

Transmitted herewith, on behalf of the Greater Orlando Aviation Authority ("GOAA"), are an original and thirteen (13) copies of late-filed exhibits to the deposition of Hugh J. Macbeth. These late-filed exhibits were requested by parties to this proceeding during Mr. Macbeth's deposition on October 14, 1986. Copies have been served on all parties of record, as indicated by the attached Certificate of Service.

Should you have any questions concerning this filing, please do not hesitate to call me.

Very truly yours,

Jean L. Kiddoo

Jean L. Kiddoo
Counsel for Greater Orlando
Aviation Authority

JLK:lyr
Enclosures
cc: All Parties of Record

BST 1522
PSC

Final Exhibit
No. 275

Greater Orlando Aviation Authority
Docket No. 860455-TL
Macbeth Deposition Exhibit 1

Request: Provide a list of all tenants located at Orlando International Airport.

Response: See attached.

TERMINAL TENANTS

AERO ENTERPRISES (News/Gift)

AIR & SPACE CENTER SHOP

BAGGAGE CHECKROOM

BOOKSTORE

CAMERA SHOPPE

CHAMPS PLAZA (Restaurants/Snack Bars)

DR. FINE SHINE SHOESHINE

DUTY FREE LIQUOR SHOP

DUTY FREE MERCHANDISE SHOP

FLORIDA BOUTIQUE (GROMAR)

HAIRPORT

INSURANCE (TELETRIP) KIOSK

INTERNATIONAL VISITORS KIOSK

JEWELRY STORE

MCCOY FASHIONS

PHARMACY

SEA WORLD

SIRGANY INTERNATIONAL (News/Gift)

SUN BANK

TIME ESCAPE (Gameroom)

USO

WALT DISNEY WORLD

SIRGANY INTERNATIONAL

VARONA ENTERPRISES (News/Gift)

FEDERAL INSPECTION STATION

SELF SERVICE LOCKERS

ACKERLEY COMMUNICATIONS (Advertising)

APCOA (Parking)

AVIS RENT-A-CAR

BUDGET RENT-A-CAR

DOLLAR RENT-A-CAR

HERTZ RENT-A-CAR

NATIONAL RENT-A-CAR

SERVA-PORT-INTERNATIONAL (Rental Car Skycap)

AMERICAN BUS SERVICE (American Sightseeing Tours)

AIRPORT LIMOUSINE SERVICE OF ORLANDO

BEELINE TOURS

CITY (YELLOW) CAB CO. OF ORLANDO

TOWN & COUNTRY (Taxi Service)

ASHTIN LEASING COMPANY (Taxi Service)

AIR ATLANTA (Sublease of Pan Am)

AIR CANADA

AIR NEW ORLEANS

ALLEGHENY COMMUTER (Sublease of US Air)

AMERICAN AIRLINES

AMERICAN TRANS AIR

BAHAMASAIR (Sublease of United)

BRITISH AIR TOURS LIMITED

BRITISH AIRWAYS

CAL AIR INTERNATIONAL (British Caledonean)

CANADIAN PACIFIC

CONTINENTAL AIRLINES

DELTA AIR LINES, INC.

EASTERN AIRLINES

FLORIDA EXPRESS

FRONTIER AIRLINES

GULL AIR

ICELANDAIR

LACSA AIRLINES

MIDWAY EXPRESS

MIDWEST EXPRESS

NEW YORK AIR (Sublease of Continental)

NORDAIR

NORTHWEST ORIENT AIRLINES

OZARK AIRLINES

PACIFIC WESTERN

PAN AMERICAN WORLD AIRWAYS

PEOPLE EXPRESS

PIEDMONT AVIATION

PRESIDENTIAL AIRWAYS

REPUBLIC AIRLINES

SKYBUS (Sublease of Ozark)

SUN COUNTRY

TRANSAMERICA AIRLINES

TRANS BRAZIL

TRANSTAR (Muse Air) (Sublease of Eastern)

TRANS WORLD AIRLINES

UNITED AIRLINES

USAir

VASP (Page Charter)

WARDAIR

WORLD AIRWAYS (Sublease of United)

NON-TERMINAL TENANTS

AIRBORNE FREIGHT CORPORATION

AIRCRAFT SERVICES INTERNATIONAL, INC. (Office/Hangar, Maintenance Shop, Fuel Facility, Offices)

AMERICAN SIGHTSEEING TOURS, INC. (Maintenance, Offices, Paved Area, Shack/Shed)

AVIS RENT A CAR SYSTEM, INC. (Pickup & Return, Maintenance)

BECHTELL CIVIL & MINERALS (Offices/Construction Trailer)

BEELINE TOURS (Maintenance, Fenced Lot)

BUDGET RENT A CAR (Maintenance)

CENTRAL FLORIDA FIRE TRAINING ACADEMY (Training)

CESSNA COMPANY (Offices/Maintenance & Refurbishing)

DAWSON RESEARCH CORPORATION (Office)

DELTA AIR LINES, INC. (Cargo, Maintenance)

EASTERN AIRLINES (Cargo, Maintenance)

EMERY AIR FREIGHT, INC. (Ramp)

EVERGREEN INTERNATIONAL AIRLINES, INC. (Storage)

FAA

FAA AIRPORT DISTRICT'S OFFICE

FAA FLIGHT STANDARDS OFFICE

FEDERAL EXPRESS (Cargo, Equipment, Parking Ramp)

FLORIDA DEPARTMENT OF AGRICULTURE (Parking)

FLORIDA EXPRESS, INC. (Office, Storage, Maintenance)

FLORIDA SOUTHERN COLLEGE (Classrooms)

FUEL FARM (Storage of Fuel)

FOREIGN TRADE ZONE ADMINISTRATION (Office)

A. J. WALTER INTERNATIONAL, INC.

APPLE TENT CORPORATION

CHARLIE BROWN ASSOCIATES, INC.

FLORIDA TRADING CO.

G & G INTERNATIONAL, INC.

GENERAL BROKERAGE SERVICE

GERMAN-AMERICAN ENT., INC.

JOHN S. JAMES COMPANY, INC.

MCCOY RESTAURANTS, INC.

JNO G. MCGIFFIN CUSTOMHOUSE

MICROJET IRRIGATION SYSTEMS, INC.

DR. KURT OPPELT

PRIORITY ONE BROKERS, INC.

REPRESENTACIONES DEL CARIBE

SACK AND MENENDEZ, INC.

SUNBELT INTERNATIONAL SHOPPERS, LTD.

SWISS CONNECTION

TECHNOLOGY VENTURES, INTERNATIONAL, INC.

UNITED STATES CRANE, INC.

THOMAS L. WATKINS, INC.

WORLDWIDE SCIENTIFIC ANIMALS

GREATER ORLANDO AVIATION AUTHORITY

GREINER ENGINEERING SERVICES, INC. (Offices, Construction Trailer)

HERTZ CORPORATION (Maintenance, Parking Spaces)

KROGEL AIR FREIGHT (Cargo)

LANDAIR ASSOCIATES (Land)

Subtenants

Airborne Express
Watkins
Air Express International
W.T.C./VIAIR
British Air
Air General
TNT/Bekins
CF Air Freight
Flying Tigers
Emery
Continental Development

NATIONAL RENT-A-CAR, INC. (Maintenance, pick up & return)

CITY OF ORLANDO (Sewage Treatment Plant)

ORLANDO POLICE DEPARTMENT (Storage)

ORANGE COUNTY SCHOOL BOARD (Employee Parking)

PAGE AVJET (Fuel Storage, General Aviation, Charters)

PAGE AVJET OUTFITTING DIVISION (Aircraft Refurbishing)

ARNOLD PALMER AVIATION (Aircraft Refurbishing)

PAN AMERICAN AIRLINES (Cargo)

PIEDMONT AVIATION, INC. (Cargo, Equipment Parking)

REPUBLIC AIRLINES, INC. (Cargo)

RITCHIE BROTHERS, AUCTIONEERS (Trailer Storage)

SEABOARD COASTLINE RAILROAD (Rail)

TRADEPORT CENTER (Tradeport Sales)

TRANS INTERNATIONAL AIRWAYS (Offices, Ramp)

UNITED AIR LINES, INC. (Cargo)

UNITED PARCEL SERVICE (Cargo, Equipment Parking, Ramp)

USAIR, INC. (Cargo)

U.S. CUSTOMS SERVICE (Customs)

U.S. NATIONAL WEATHER SERVICE

U.S. NAVY RECRUITING

U.S. POSTAL SERVICE

WALT DISNEY WORLD (Storage, Offices)

AIRLINES UTILIZING TRADEPORT TERMINAL:

Aerostar
All Star
American Trans Air
Best Airlines
Gulf Air
Jet America
Key Airlines
Ports of Cal Travel
Rich International
Ryan Aviation
Trans Florida
Trans International
Emery Worldwide
Federal Express
Flying Tigers
United Parcel Service

NON-TERMINAL TENANT LIST - STORAGE CUBICLES

AEROBEAM CORPORATION

ALLSBROOK CONSTRUCTION COMPANY

APPLIED COMBUSTION TECHNOLOGY, INC.

ASHE, PHIL

BLAKENEY, GEORGE L.

DARLAND BAKERIES, INC.

DAVIDSON, ELIZABETH

DAVIS, DONALD L.

DAWSON RESEARCH

EASTERN AIRLINES

ELDREDGE, JAMES

FEDERAL AVIATION AUTHORITY

FLORIDA EXPRESS, INC.

GRAHAM, ARNOLD GENE

GREATER ORLANDO AVIATION AUTHORITY

HOLTZAPPLE, WALT

HOPCRAFT, ARTHUR

KIRKLAND, NETTIE

LAYTON, HUGH

LINK DEVELOPMENT CORPORATION

McCOY RESTAURANTS, INC.

MOREHOUSE, CECIL

REED, DAVID

ROBBINS, ART

SAILER, DAVE

SQUIRES, ED

VOLENTINE, MIKE

WALT DISNEY WORLD COMPANY

Greater Orlando Aviation Authority
Docket No. 860455-TL
Macbeth Deposition Exhibit 2

Request: Provide the number of buildings located on the Orlando International Airport campus.

Response: A count of the rooftops shown on the most recent aerial photograph of the Orlando International Airport indicates that, at that time, there were eighty-four (84) buildings on the campus. This count is necessarily somewhat inexact insofar as it includes, for example, the landside terminal and two airside terminals as three separate buildings. In addition, the number includes certain buildings scheduled for demolition and does not include storage cubicles. Finally, the number includes buildings as small as the cashier booths at parking lots, which are connected to the Authority's Dimension PBX system, and buildings which are not connected to the PBX system.

Greater Orlando Aviation Authority
Docket No. 860455-TL
Macbeth Deposition Exhibit 3

Request: Provide the materials relied upon by Mr. Macbeth at page 14, lines 21-25, of his rebuttal testimony, filed August 15, 1986.

Response: Mr. Macbeth relied in part upon the Texas Public Utility Commission decision in Docket 6076, dated January 8, 1986, at page 13. A copy of that decision was appended to Mr. Macbeth's direct testimony as Attachment C. In addition, Mr. Macbeth relied upon the attached materials, which include:

(1) General Telephone Company of the Southwest, General Exchange Tariff, Section 44.

(2) Transcript of the testimony of Kevin Payne, Tariff Administration Manager, General Telephone Company of California, California Public Utilities Commission Docket No. A-83-06-65, et al, March 13, 1986, at pp. 509-11

SHARED TENANT SERVICE

GENERAL

This tariff is furnished to define the requirements for providing Shared Tenant Service as it relates to services provided to unrelated business entities by a PABX Switch. Sharing of local exchange service is permitted only in accordance with the provisions of this tariff. Unless specifically provided in this section, Shared Tenant Service is subject to the rules and regulations contained in other sections of this tariff.

CONDITIONS FOR SHARED TENANT SERVICE

Shared Tenant Service local exchange arrangements are furnished for the exclusive use of the customer in providing service to tenants behind a PABX.

Shared Tenant Service is permitted where facilities are available and within the confines of an identified continuous property area under common ownership or property management. Areas designated for Shared Tenant Service may be intersected or transversed by public thoroughfares provided that the adjacent property segments created by intersecting or transversing thoroughfares would be continuous in the absence of the thoroughfare.

DEFINITION OF TERMS

Shared Tenant Service (STS) Customer

Person, corporation, or authorized representative responsible for placing application for service, requesting additions, rearrangements, maintenance, or discontinuances of service. The STS customer, as defined in this section of the tariff, is the one point of contact between the patron(s) and the Telephone Company. The provider/owner of the PABX/switch and the STS customer shall be the sole contact for the resolution of billing disputes, and for the payment of all charges due the Telephone Company for the provision of Network Access.

PUBLIC UTILITY COMMISSION OF TEXAS
APPROVED
MAR 24 '86 DOCKET 6076
T-29-6

SHARED TENANT SERVICE

DEFINITION OF TERMS (Continued)

Network Access

Network Access is the provision of lines or trunks to the designated premises of the customer. These lines/trunks provide access, over Telephone Company facilities, to the local exchange and toll network; and shall be provided under the terms and conditions outlined in other sections of this tariff.

Patron

Person, corporation, or authorized representative being served by the customer owning the PABX switch.

SERVICE REQUESTS

Requests for the installation, repair, moves, or change of service associated with Shared Tenant Services must be made by the customer or his duly authorized agent

DIRECTORY LISTINGS

Directory Listings shall be provided in accordance with the provisions contained in Section 12 of this tariff with the following modifications

- One Primary Listing will be provided to the customer where two or more main station lines or private branch exchange trunk lines are consecutively operated (rotary); the first number of the rotary group is considered the Primary Listing.
- A Directory Listing may be provided patrons of the customer at the applicable rates defined in this tariff for Extra Listing.
- Requests for additional Regular Extra Listings or Alternate Listings shall be available and accepted from the customer and not the patron of the customer.

The Telephone Company shall provide the customer one primary listing at no charge

DIRECTORIES

Copies of Directories will be furnished in accordance with the General Rules and Regulations in Section 5 of this tariff.

PUBLIC UTILITY COMMISSION OF TEXAS
APPROVED
T-29-6

MAR 1 4 1986

ISSUED EFFECTIVE

By W. Scott Hanle, Vice President--Revenue Requirements
2701 South Johnson Street, San Angelo, Texas 76901

SHARED TENANT SERVICE

DEPOSITS

The Telephone Company may, in order to safeguard its interest, require a customer to pay a deposit as provided in Section 8 of this tariff.

TOLL INVESTIGATION

Toll Investigation shall be performed at the request of the customer only after the customer has made reasonable efforts to resolve the toll disputes with the patron.

GOVERNMENT OPERATIONS

Shared Tenant Service offering does not apply to State Government Operations.

BILLING

Bills for Shared Tenant Services will be rendered monthly; shall show the period of time covered by the billing; and show a clear listing of all charges due and payable.

The customer shall be the responsible party for all charges associated with the provision of service, including basic monthly exchange charges, and toll charges, associated with the Exchange Access Arrangement

Billing Disputes and the provision of discontinuance of service for nonpayment shall be in accordance with the General Rules and Regulations in Section 5 of this tariff.

Billing disputes between the patron and the customer, in no way constitutes a dispute involving the Telephone Company.

Central Office DID Equipment - Rates and charges as specified in Section 14 of this tariff apply to the provision of this service, if applicable.

PUBLIC UTILITY COMMISSION OF TEXAS
APPROVED
MAR 24 '88 DOCKET 6076
I-29-6

Mar 1 5 '6

By W. Scott Hanle, Vice President--Revenue Requirements
2701 South Johnson Street, San Angelo, Texas 76901

SHARED TENANT SERVICE

OBLIGATIONS OF THE CUSTOMER

The customer shall be liable for the maintenance of all service provided by him to the patron as it relates to proper network interface.

The customer shall be liable for all charges arising from the ordering, installation, repair, moves, and changes associated with the Telephone Company provided facilities.

The customer shall be liable for all toll charges attributable to toll usage generated or billed to the customer's access lines.

The customer shall be liable for all charges related to repair calls as provided for in Section 30 of this tariff.

To the extent that the customer has authority, the customer shall furnish or arrange to have furnished to the Telephone Company, at no charge to the Telephone Company, equipment space, electrical power as requested by the Telephone Company, for termination of facilities at the point of demarcation. To the extent that the customer has authority, the customer shall also make the necessary arrangements to ensure the Telephone Company will have access to such equipment space at reasonable times for the installation or repair of service that may be requested by the occupants of the building, who may or may not be patrons of the customer.

To the extent that the Company elects to utilize the wire and cable offered by the customer in order to provide network access directly to a patron, the Company will negotiate the compensation to be paid to the customer for such wire and cable.

OBLIGATION OF THE TELEPHONE COMPANY

The Telephone Company shall terminate its Network Access Facilities at a mutually agreeable point of demarcation. The point of demarcation is the point of interconnection of the local exchange company with the facilities and terminal equipment of the STS provider, in a manner no different than that provided under Part 68 of the FCC Rules and Regulations.

The Telephone Company shall be indemnified and held harmless by the customer or patrons against claims and damages arising from the provision of Shared Tenant Services, except those directly associated with the provision of Network Access.

The Telephone Company shall be indemnified and held harmless from all claims and damages arising from the discontinuance of service for nonpayment to the Telephone Company by the customer. Such discontinuance of service for nonpayment shall render all patrons service discontinued. Notice of discontinuance shall be as specified in the Substantive Rules of the Public Utility Commission of Texas.

ISSUED MAR 1 2 1986

EFFECTIVE

APPROVED
PUBLIC UTILITY COMMISSION OF TEXAS
DOCKET 6076
T-29-6

By W. Scott Hanle, Vice President--Revenue Requirements
2701 South Johnson Street, San Angelo, Texas 76901

SHARED TENANT SERVICE

OBLIGATIONS OF THE CUSTOMER (Cont'd)

The Telephone Company shall be held harmless in billing disputes between the patron and the customer.

RATES

Nonrecurring charges as provided in Sections 11 and 13 of this tariff will also apply as applicable in addition to the rates and charges described below.

Shared Tenant Service rates are as follows:

Exchange Access	Non-recurring Charge	Monthly Rate(1)
Shared Tenant Service Per Line/Trunk ....SHRTENSVC	(2)	$ (3)

(1) Does not include telephone instrument.
(2) Service charges in Sections 11 and 13 of this tariff apply.
(3) Automatic Trunk rates in Section 6 of this tariff apply.

PUBLIC UTILITY COMMISSION OF TEXAS
APPROVED
MAR 24 '86 DOCKET 4074
I-29-6

MAR 1 - 1986

ISSUED

EFFECTIVE

BST 1540
PSC

By W. Scott Hanle, Vice President--Revenue Requirements
2701 South Johnson Street, San Angelo, Texas 76901

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE

STATE OF CALIFORNIA

ADMINISTRATIVE LAW JUDGE ROBERT T. BAER. presiding.

In the Matter of the Application of THE PACIFIC TELEPHONE AND TELEGRAPH COMPANY, a corporation, for authority to adopt intrastate access charge tariffs applicable to telephone services furnished within the State of California.	Application No. 83-06-65
And related matter.	OII 83-04-02

REPORTER'S TRANSCRIPT

San Francisco, California
March 13, 1986
Pages 495 - 661
Volume 4

Reported by: Timothy C. Falkowski
Deanna M. Zachlod

BST 1541
PSC

H.C. Kaufman, Jr., Official Reporter

PUBLIC UTILITIES COMMISSION, STATE OF CALIFORNIA
State Building, Civic Center, San Francisco, California

I N D E X

WITNESSES:	DIRECT	CROSS	RE-DIRECT	RE-CROSS	BY ALJ
PAYNE, KEVIN (rec)					
By Mr. Wilson		497			
By Ms. Kiddoo		498			
By Mr. Blumenfeld		511			
By Mr. Ard		518			
By ALJ Baer					529
By Mr. Blumenfeld		530			
By Ms. Kiddoo		532			
By Mr. Wilson		537			
By Mr. MacBride		539			
By Mr. Okel			541		
By Mr. Blumenfeld				543	
By Mr. Ard				543	
By Mr. Blumenfeld				544	
MONTGOMERY, WILLIAM P.					
By Ms. Kiddoo	545				
By Mr. Ard		557			
By Mr. Okel		591			
By Mr. Wilson		597			
By Mr. Blumenfeld		601			
POPENOE, PAUL					
By Mr. Wilson	606				
By Mr. Blumenfeld		609			
By Mr. Okel		610			
By Mr. Ard		613			

EXHIBITS:	IDEN.	EVID.
922	545	
923	546	
918		608

RECESSES:	PAGE
Morning	540
Noon	575
Afternoon	605

that the shared system service provider does have the opportunity to, in essence, reclaim their investment from the individual subscribers to their service.

Q Well, I guess my question is if a customer -- strike that question.

If a tenant in the building decides not to take service from the STS provider but instead decides that, for whatever reason, he wants to obtain service directly from General Telephone, he won't have any contractual relationship with the STS provider, right?

//

/ / /

tcf
1
dmk
2 A Yes.
3 Q He's not a customer of the STS provider, right
4 A No.
5 Q Now, in that situation, the STS provider
6 would have borne the cost of installing the wiring,
7 correct?
8 A Yes.
9 Q And wouldn't have a contractual relationship
10 with the directly served tenants, correct?
11 A Correct.
12 Q So is what you are suggesting that the STS
13 provider should recover the cost of that wiring from
14 the subscribers to its service?
15 A No. But in that event, we can elect to place
16 our own wire, place our facilities, and we won't be
17 using the shared systems provider's wiring.
18 Q Well, wait a minute. Your guideline, I
19 thought stated that the STS provider would be
20 required to provide wiring to General for its use in
21 directly serving tenants; isn't that your guideline?
22 A That is correct. But I would say that my
23 Guideline No. 9 did not contemplate the situation you
24 have just described.
25 Q Well, let's contemplate that situation, then.
26 Are you aware that General Telephone in
27 Texas, General Telephone Company of the Southwest,
28 has in its shared tenant service tariff which has been
approved in all but one respect by the Texas Public

Utilities Commission, and this is not the aspect that has not been approved, are you aware that General has inserted a provision in its STS tariff that it will negotiate in situations where wiring, General desires to use wiring provided and owned by an STS provider, it will negotiate with the STS provider to provide the STS provider with a reasonable compensation for wiring?

A No, I am not aware of that clause.

Q Would that in your opinion be a reasonable way of dealing with the situation that we have just been talking about?

A Yes.

MS. KIDDOO: I have no further questions, Mr. Payne.

ALJ BAER: Is Mr. Huber here? Do you have questions?

MR. HUBER: I have no questions at this time, your Honor.

ALJ BAER: Thank you.

Mr. Blumenfeld?

MR. BLUMENFELD: Thank you, your Honor.

CROSS-EXAMINATION

BY MR. BLUMENFELD:

Q Good morning, Mr. Payne.

A Good morning.

Q Can you tell me, sir, what General's reaction would be if Centex wanted to do business in

PUBLIC UTILITIES COMMISSION STATE OF CALIFORNIA SAN FRANCISCO CALIFORNIA

CERTIFICATE OF SERVICE

I, Latonya Y. Ruth, on behalf of the Greater Orlando Aviation Authority, hereby certify that on October 21, 1986, copies of the foregoing document have been sent by first-class, postage-prepaid mail to the following:

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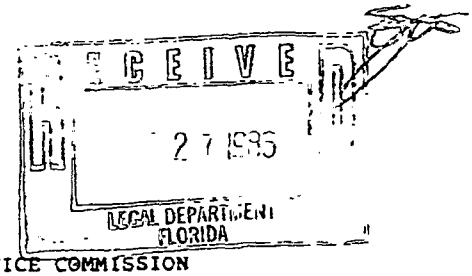
LaTonya Y. Ruth

LaTonya Y. Ruth

Final Exhibit
No. 276

BST 1548
PSC

(Prehearing Order)



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation into Appropriate Rates and Conditions of Service for Shared Local Exchange Telephone Service.	)	DOCKET NO. 860455-TL ORDER NO. 16763 ISSUED: 10-22-86

Pursuant to Notice, a Prehearing Conference was held on September 24, 1986, in Tallahassee, Florida, before Commissioner Michael McK. Wilson, as Prehearing Officer.

APPEARANCES:

BRUCE W. RENARD, Esquire, Messer, Vickers, Caparello, French & Madsen, Suite 701, First Florida Bank Building, Post Office Box 1876, Tallahassee, Florida 32302-1876, on behalf of Baptist Hospital, Inc., Carmelite Sisters for the Aged and Infirm, Florida Christian Center, Inc., Life Care Retirement Community, Inc., Penney Retirement Community, Inc., and Presbyterian Homes of the Synod of Florida.

LEE L. WILLIS, Esquire, Ausley, McMullen, McGehee, Carothers & Proctor, 227 South Calhoun Street, Post Office Box 391, Tallahassee, Florida 32302, on behalf of Central Telephone Company of Florida.

CHARLES J. BECK, Esquire, Office of Public Counsel, 624 Fuller Warren Building, 202 Blount Street, Tallahassee, Florida 32301, on behalf of the Citizens of Florida.

LESLIE R. STEIN, Esquire, One Tampa City Center, Post Office Box 110, Tampa, Florida 33601-4003, on behalf of General Telephone Company of Florida.

ANDREW D. LIPMAN, Esquire, Pepper, Hamilton & Scheetz, 1777 F Street, N.W., Washington, D.C. on behalf of the Greater Orlando Aviation Authority, AmeriSystems, Inc.

STEPHEN L. EVANS, Esquire, Allen, Dell, Frank & Trinkle, Suite 611, 315 Madison Street, Post Office Box 2111, Tampa, Florida 33601, on behalf of Hillsborough County Hospital Authority.

RICHARD D. MELSON, Esquire, Hopping, Boyd, Green & Sams, Suite 420, First Florida Bank Building, Post Office Box 6526, Tallahassee, Florida 32314, on behalf of Independent Colleges and Universities of Florida.

PATRICK K. WIGGINS, Esquire, Ranson & Wiggins, Post Office Drawer 1657, Tallahassee, Florida 32302, on behalf of Sandestin Beach Resort.

LAWERENCE E. GILL, Esquire, Room 630, 666 NW 79th Avenue, Miami, Florida 33126, on behalf of Southern Bell Telephone and Telegraph Company.

ALAN N. BERG, Esquire, Box 5000, Altamonte Springs, Florida 32715-5000, on behalf of United Telephone Company of Florida.

BEN E. GIRTMAN, Esquire, 1020 East Lafayette Street, Suite 210, Tallahassee, Florida 32301, on behalf of Advisors Realty and Teleco Communications Company.

10-24-86

AML cc: W. B. Barfield
L. E. Gill
Sid White
Jerry D. Guthrie

GREGG GLEASON, Esquire, Room 210-D Collins Building, 107 West Gaines Street, Tallahassee, Florida 32399, on behalf of the Board of Regents.

ROBERT VANDIVER, Esquire, and JAMES F. MCAULEY, Esquire, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, Florida 32301, on behalf of the Commission Staff.

PRENTICE P. PRUITT, Esquire, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, Florida 32301, on behalf of the Commissioners.

PREHEARING ORDER

I. BACKGROUND

On November 29, 1984, Southern Bell Telephone and Telegraph Company (Southern Bell) filed a Petition to Initiate Rulemaking, to amend Rule 25-4.04, Florida Administrative Code, Certificates of Public Convenience and Necessity. The proposed amendment provided that the provision of any exchange telecommunications service to another for hire or sharing through customer premises equipment (CPE) would be deemed the operation of a telephone line, except services rendered solely to transients or disabled persons. The focus of the proposed amendment was directed toward provision of Shared Tenant Services (STS). STS is commonly known in the industry as the marketing of communications services in conjunction with real estate, whether billed directly to customers or embedded as a package for tenants.

We denied Southern Bell's petition, but initiated rulemaking on our own motion in order to consider proposed rules regarding Shared Tenant Services. During the proceeding which ultimately culminated in the adoption of Rule 25-4.041, Florida Administrative Code, Shared Tenant Services, this Commission was made aware of numerous arrangements involving joint use or sharing of facilities that were, and continue to be viewed by this Commission with concern. We must determine in this proceeding whether the various shared tenant arrangements identified herein are in the public interest and, if so, to what extent and under what conditions these arrangements should be sanctioned.

Consequently, at the November 4, 1985 Agenda Conference, we directed that an investigation be opened into joint use and sharing of local exchange telephone service.

Subsequent to our initiation of an investigation into the joint use and sharing of local exchange telephone service, the Florida Legislature enacted Section 364.339, Florida Statutes (1986 Supp.). This new legislation vested this Commission with exclusive jurisdiction to determine the type, extent and conditions under which such service may be provided.

The terms of the statute require this Commission to make our findings on this matter no later than January 15, 1987 and to take expeditious administrative action to implement those findings.

We have also undertaken amendment of Rule 25-4.041, Florida Administrative Code, in response to the new legislation.

Based upon the legislative mandate to make findings on this matter, we have completed an investigation into the nature of shared service and a prehearing conference has been held on September 24, 1986. This following discussion identifies issues, positions, and exhibits of the participants.

II. TESTIMONY AND EXHIBITS

Upon insertion of a witness' testimony, exhibits appended thereto may be marked for identification. After opportunity for opposing parties to object and cross-examine, the document may be moved into the record. All other exhibits will be similarly identified and entered at the appropriate time during hearing.

Witnesses are reminded that on cross-examination, responses to questions calling for a yes or no answer shall be answered yes or no first, after which the witness may explain the answer.

III. ORDER OF WITNESSES

Witness	Appearing For	Date	Issues	Ex. No.
D. Smith	AmeriSystems, Inc.	10-27-86	1,3,6-7,9,11, 14,19,26	None
H. Macbeth	Greater Orlando Aviation Auth.	10-27-86	1,3,5-6,11,14, 19,20-22,25-26, 30	None
D. Smith	Baptist Hospital	10-27-86		None
P. Findling	Hillsborough County Hospital Authority	10-27-86	26	None
D. Steagall	"	10-27-86		None
D. Lord, F. Szabo, P. Murphy	ICUF	10-27-86	11,19,25,26	None
A. Hartley	Board of Regents	10-27-86		None
G. Bedell	"	10-27-86		None
Sister Hughes	Carmelite Sisters	10-27-86	26	None
P. Hagen	Penney Retirement	10-28-86	26	None
J. Emmerson	Presbyterian Homes	10-28-86	26	None
H. Hugg	Mease Manor	10-28-86		None
M. Early	Fla. Assn. of Homes for the Aging	10-28-86		None
J. Mickle	Southern Bell	10-28-86	1,3,5-6,11-17, 19-30	None
T. Knight	"	10-28-86		None
S. Wahlen	Centel	10-28-86	1,3,5,6,11,16-32	None

Witness	Appearing For	Date	Issues	Ex. No.
R. McCullers	United	10-28-86	1,3,5-6,11,16-17,18d,19,21-,26,30,32	None
P. Glassburn	General	10-28-86	1,3,5-6,11,16-17,19-26	None
J. Hurd	FPSC	10-28-86	1,3,11,14,16,17,30,32	None

IV. BASIC POSITIONS

POSITIONS:

Staff: The Staff of the Florida Public Service Commission believes that provision of Shared Tenant Services (STS) is in the public interest if several conditions are met. First, the provision of STS should not have an adverse effect on the general body of ratepayers. This can be achieved by correctly pricing STS. Second, tenants in STS buildings must have access to the LEC. Finally, STS must be limited by certain considerations including: geography, trunk parameters, and types of customers.

Centel: Each local exchange telephone company (LEC) is regulated and charged with the responsibility of providing service to all customers in its certificated area under approved rates and regulations. The interjection of shared services into the LECs market with no restrictions and no regulation will threaten the viability of the LECs and the availability of telephone service to the general body of ratepayers. Under rate base regulation, the volatility of investment, expenses and revenue where unbridled shared use exists is unacceptable. Telephone companies cannot hire and train employees or add facilities in a few days if the large shared tenant service ceases to provide service. By the same token, facilities, once placed, may not be readily reused in another location and yet must provide earnings when a group of customers switches to shared use.

Centel generally supports Jill Hurd's testimony in this docket with the caveat that the access charge rate elements she suggests be charged shared users may be underpriced as the costs of service are shifted from toll services to local services by changes in the cost separations procedures under which we operate.

From a philosophical standpoint, it should be recognized that the opening of the local telecommunications market to so-called shared use providers is really just a move back to the early days of telephone where there were many providers of local service - with one exception - no one provider was required to serve anyone who asked for service as the current LECs are. Customers are losing their ability to have any say, at least in the short term and at little cost, in which they will pay for service. Shared use customer's ability to take advantage of the rapidly evolving technology in telecommunications may well depend on the efficiency and progressiveness of their shared use provider and their willingness to pay the costs equipment replacements bring.

They will lose their ability to spread these costs over thousands of other customers as they are now spread.

In conclusion, Centel does not believe shared use is in the overall public interest or the long term interest of developers or tenants. It is in the interest of equipment manufacturers and equipment sales people both in the long and short run because they are the only parties who stand to continually profit from shared use over time.

GTFL: The provision of shared tenant services (STS) which is defined as the sharing and resale of local exchange services should not be allowed as it is not in the public interest. Unlike STS, a number of the shared or joint services which are permitted as exceptions to General's tariffs should be allowed. These services are necessary in order to provide telephone service for transient use and do not duplicate or compete with the local exchange service of the LEC.

If the Commission were to find that shared tenant service is in the public interest, it should impose appropriate regulatory constraints to adequately protect the general body of ratepayers. A usage sensitive rate structure should apply to STS providers whenever they are permitted to resell or share local exchange service.

Southern Bell: Southern Bell supports the recent legislation giving this Commission authority to allow the sharing and resale of local service and wishes to accommodate the burgeoning technology and the infusion of competition into the telephone industry to the extent such does not adversely affect the interests of Southern Bell's customer body and the financial health of Southern Bell. The sharing and resale of local exchange service as contemplated by Shared Tenant Service (STS) operators may be in the public interest if properly tariffed. However, significant public detriment could quickly result by authorizing the use of shared tenant services in a manner that will increase that portion of the company's revenue requirements to be recovered from rate payers not participating in the use of these privately beneficial facilities. Southern Bell's investigation of STS indicates that STS providers are distinguishable from other customers on a value of service basis and on a cost of service basis. The illustrative tariff proposed by Southern Bell accommodates the sharing and resale for STS installations while maintaining the traditional cost subsidy relationship between business and residential services.

United: The provision of shared tenant service which duplicates or competes with local service provided by the local exchange company is not in the public interest. The allowing of shared tenant service in this manner will have a negative impact on the general body of ratepayers as the number of access lines in service and associated revenues are reduced. In addition, the threat of bypass increases with the development of shared tenant service buildings creating the potential for another area where reduced revenues will be realized. United believes that with a few limited exceptions, the sharing of local exchange service is not in the public interest.

Advisors Realty, Teleco: Shared telecommunications service is in the public interest and should be authorized to continue by the Commission.

Many condominiums presently utilize shared telecommunication services which are necessary for their operation. Whether it is Innisbrook near Tarpon Springs, Sawgrass south of Jacksonville, or any of hundreds of other condominiums in Florida, the owners of the individual condominium units often rent out their units for short periods of time.

Each rental unit at Regency Towers and at The Summit may be rented at any time of the year for periods as short as a day or two and as long as up to 2 or 3 months. The longest rental has been approximately 5 months. Each rental unit may be vacant between rentals at any time during the year. If every unit always could be rented for several months at a time, the situation would be somewhat simplified, but that is not the nature of the condominium rental industry. Under these circumstances, it is impossible for the local exchange telephone company to provide the hookup and disconnect service demanded by the residents.

The Southern Bell Tariff, (Subsection 11 of Section A2.2.1 of the General Subscriber Services Tariff) specifies that telephone service may be extended to others where there is "a residential subscriber subleasing their residential premises and thereby permitting the sublessee to sublet to use the subscriber's service." The tariff does not distinguish whether the owner leases directly to the tenant or through a rental agency.

A significant portion of the business of Advisors Realty is to act as rental agent for owners of 144 of the 340 units in Regency Towers and 282 of the 449 units in The Summit. Many of these tenants are temporary, often only weekend residents, who lease the condominium unit for a short period of time Usually, unit owners try to keep a 3-day minimum rental. Other realtors act as rental agents for approximately 100 of the remaining units in Regency Towers and approximately 140 of the remaining units in The Summit.

To eliminate the shared telephone service being provided in this type of situation would cause a tremendous hardship on the tenants who want to rent these condominium units for short periods of time. It also would impose enormous costs on everyone concerned and would create an impossible burden for the local exchange company which could not provide the services needed for these short-time tenants.

Members of the homeowner associations at Regency Towers and at The Summit decided to implement shared telephone systems so that their tenants would have available to them the advantages of using a shared system. Although some residents are permanent residents and have a private line with Southern Bell, a large majority of the units in both Regency Towers and The Summit are equipped with the shared systems because it is necessary to be able to provide telephone services to the temporary tenants.

The PBX systems were installed at Regency Towers and at The Summit on the urging of the local telephone company (Southern Bell). The homeowner associations, Advisors Realty, and Teleco Communications Company all relied upon representations made by the local telephone company in their decision to install and subsequently upgrade the PBX systems.

The owners of many condominium units in Florida rely substantially upon the ability to rent their units during part or most of the year so as to be able to pay the mortgage and cover the costs of the units. The availability of telephone service is a necessity for the owners and for the tenants of those units. Tenants of condominium units are renting "convenience" in addition to just seeking a place to stay. Units are normally rented completely furnished, with full kitchen appliances, plates, silverware, toasters and everything else necessary to operate the household. Therefore, the condominiums operate in a manner similar to hotels and motels which serve transient residents. Many tenants of condominium units would choose some other place to stay if they are met with many inconveniences, such as the unavailability of an in-room telephone or and delays involved in trying to arrange local telephone service and the cost of deposits for that service.

Many condominiums could not operate without a rental program, and a condominium rental program cannot continue without the ability to use a shared telephone system.

The overall cost and inconvenience of trying to eliminate the shared telephone systems from condominiums weigh heavily in favor of containing their use.

The owners of the shared telephone systems have expended substantial sums of money to acquire, install and maintain these systems. Those purchases were made in good faith after initial consultation with, and encouragement by, the local telephone company (Southern Bell) to enter into the shared telephone arrangement. Representatives of both Southern Bell and AT&T have made proposals to sell shared systems for use at the two condominiums. To eliminate or severely restrict the ability of the users of these systems or the owners thereof to continue their present operation will significantly alter the financial liability of not only the condominiums but also the owners and operators of the systems. Shared telephone services are, without a doubt, in the public interest, and they must be allowed to continue operations under the same terms and conditions as they have done in the past. Neither the condominiums, nor the managers thereof, nor the owners of the shared systems, are "telephone companies" when they use or operate the shared telephone services.

Even if the Commission decides that shared telephone service is not in the public interest, existing shared systems in condominiums should be allowed to continue under their present form and terms of operation.

AmeriSystems: LinCom's position on the issues in this proceeding is set forth in detail in the prefiled direct and rebuttal testimony of Danny R. Smith, filed on July 15, 1986, and August 15, 1986, respectively. A brief statement follows of LinCom's position on the issues set forth in the revised issue list circulated to the parties on June 25, 1985, by the Division of Legal Services.

Baptist Hospital, Carmelite Sisters, Florida Christian Center, Life Care Retirement, Penney Retirement, Presbyterian Homes: STS is in the public interest and should be authorized to continue by the Commission.

Many existing hospitals, nursing homes, adult congregate living facilities, and retirement homes or communities presently utilize shared telecommunications services. The shared service systems are an important adjunct to these parties' primary business of providing health care and a place of residency for the aged, ill, and infirm. There are three basic considerations underlying the need for and use of shared telecommunications systems by these facilities.

First, many of the facilities choose to implement a shared telecommunications service system because of the basic and enhanced services available to the residents. Shared telecommunications service facilitates high quality care and helps to significantly improve the lifestyle of the patients and residents through specialized safety and monitoring functions that otherwise might not be technically or economically available.

Second, many facilities utilize shared telecommunications systems because of the overall cost benefits to the individual residents/patients and to the management. From a management standpoint, shared telecommunications services are, in the long run, less costly and provide greater management control. Similarly, for many residents and patients, shared telecommunication services are the only viable means of receiving affordable basic telephone service.

Finally, the homes and hospitals presently possessing non-partitionable shared telecommunications systems have expended large sums of money to acquire and maintain these systems. These expenditures were made in good faith, usually after consultation with the local exchange companies (which often were the sellers of the system). The shared system represents a significant investment for these medical and aged care facilities. The residents of these not-for-profit facilities have limited financial resources that would be further burdened if the termination or modification of the shared telecommunication systems were ordered. The ultimate result would be a financial blow to the facilities and their residents/patients, with a reduction in service quality and, in some instances, the complete loss of telephone service.

Shared telecommunications services must be found to be in the public interest and allowed to continue for medical and retirement facilities under the same terms and conditions as have applied in the past. Hospitals, nursing homes, and retirement communities are not "telephone companies" when they share telephone service within the facility. They should not be treated as such nor prevented from continuing to share service.

If, in the alternative, the Commission decides that these services are not in the public interest, then existing systems used by medical and aged care facilities must at least be allowed to continue with a requirement that the local exchange companies continue to serve these facilities in the same manner as they have historically.

Board of Regents: Sharing of local telephone service by residents of university dormitories is not prohibited by statute, and is in the public interest. The sharing of telephone service within the State University System does not subject the member institutions to regulation by the Public Service Commission. There are no valid reasons for LECs to

charge universities that allow sharing by their dormitory residents rates that are different than those charged to individual PBX customers.

Greater Orlando Aviation Authority: GOAA's position on the issues in this proceeding is set forth in detail in the prefiled direct and rebuttal testimony of Hugh J. Macbeth filed on July 15, 1986 and August 15, 1986, respectively Mr. Macbeth's testimony addresses the issues from the perspective of sharing arrangements undertaken in a government-owned airport context. A brief statement of GOAA's position on the issues set forth in the June 25, 1985 revised issue list follows. It is GOAA's position that the shared telecommunications arrangement currently in effect at Orlando International Airport is not duplicative or competitive with the service of Southern Bell, the local exchange carrier ("LEC") serving the airport. Accordingly, GOAA does not believe that its service violates Section 364.335, Florida Statutes, and that it, therefore, is not subject to the provisions of Section 364.339, Florida Statutes. Because this question has not yet been resolved by the Commission, GOAA's prehearing statement also addresses STS from the context of an airport sharing arrangement.

Hillsborough County Hospital Authority: The Hospital Authority is exempt under Section 364.339(2) from regulation by the Florida Public Service Commission except to the extent that the Hospital Authority's system duplicates or competes with services provided by the LEC. The system presently in operation does not compete with the services supplied by the LEC and therefore is not subject to regulation by the Commission.

ICUF: Sharing of local telephone service by residents of college dormitories is in the public interest. Such sharing in the university context is not prohibited by statute, and is not within the scope of the new statutory provisions relating to "shared tenant service," which apply only to commercial settings. The sharing of telephone service in the university context does not subject the universities to regulation by the Commission. Finally, there are no valid policy or economic reasons for the LECs to charge universities that allow sharing by their dormitory residents rates that are any different in level or structure than those charged to individual PBX customers.

North American Telephone: North American Telephone concurs with the position taken by LinCom Corporation's witness, Danny R. Smith, in his prefiled direct and rebuttal testimony, filed on July 15, 1986, and August 15, 1986, respectively. North American Telephone also concurs with the positions taken by LinCom on each of the issues contained in the revised issue list circulated to the parties on June 25, 1986, which positions are set forth in LinCom's Prehearing Statement dated August 29, 1986.

PC: No position at this time.

Sandestin Beach Resort: Sandestin Beach Resort, like adult congregate living facilities, colleges and universities, hospitals, and other destination resorts, used shared telecommunications services as that term is generally understood. Moreover, sharing of local telephone services by residents, transients, and others using the facilities of

destination resorts, however, is not within the scope of the new statutory provision relating to "shared tenant service," which applies only to commercial settings.

It is Sandestin's position that sharing of telephone service in the destination resort context does not subject the resort to Commission jurisdiction, nor is there any sound reason to charge destination resorts rates that are different in level or structure than those charged to individual PBX users.

Telshare International: Telshare International concurs with the position taken by LinCom Corporation's witness, Danny R. Smith, in his prefiled direct and rebuttal testimony, filed on July 15, 1986, and August 15, 1986, respectively. Telshare International also concurs with the positions taken by LinCom on each of the issues contained in the revised issue list circulated to the parties on June 25, 1986, which positions are set forth in LinCom's Prehearing Statement dated August 29, 1986.

V. ISSUES AND POSITIONS

1. ISSUE. Is it in the public interest to change the definition of shared tenant services as it is used in Section 364.339, F.S.? If so, how should it be changed?

POSITIONS:

Staff: It is beyond the authority of this Commission to change statutory language. However, should the Legislature decide to change the law, it should include the following changes:

> Change single building to continuous or contiguous property under control of common ownership or management.
>
> Retain commercial end users.
>
> Change building existing before a given date.
>
> Eliminate differentiation for government entities.

Note: Due to oversight, Staff's position on this issue was omitted from the prehearing statement.

Centel: Agree with GTFL.

GTFL: General is opposed to any change in Section 364.339, Florida Statutes, which could permit STS providers to expand the scope of their operation as such activity will increase the adverse impact upon the general body of ratepayers.

Southern Bell: No. It is not in the public interest to change the definition of shared tenant services as it is used in Section 364.339, Florida Statutes.

United: No. It is not in the public interest to change the definition used in Section 364.339, Florida Statutes.

Advisors Realty, Teleco: The definition is very broad and subject to interpretation. It should be clarified to ensure that shared services may be used by condominiums and similar

facilities, including the residential and supporting business units therein. Further, there is no justification for limiting shared services to commercial tenants.

The actual wording of Section 364.339(1) gives the Public Service Commission exclusive jurisdiction over only those shared systems which meet both tests of subsections 1(a) and 1(b). Therefore, any shared system which does not serve a commercial tenant or does not meet one of the other tests seem to be outside the jurisdiction of the Public Service Commission.

However, if it is determined that the definition of shared tenant services in Section 364.339, Florida Statutes, applies to condominiums, the shared tenant services provided at the two condominiums do not duplicate or compete with local service provided by the local exchange telephone company. Condominium units with long-term residents can subscribe directly to the local exchange service. However, many long-term residents choose to use the shared system due to the additional services available and because many "permanent" residents rent out their units for part of the year. Other units with more transient tenants secure telephone service through the shared PBX system serving the respective condominiums.

The condominium tenants are residential and supporting business offices rather than commercial tenants. It would be helpful to clarify that the statute does not apply to condominiums or similar residential entities, even though there are some business offices in the building.

If it is determined that condominiums are covered by Section 364.339(1), then the definition of "single building" should be clarified. See also Position on Issue 2.

AmeriSystems: The definition of STS contained in Section 364.339, Florida Statutes, should be changed in two ways. First, STS should not be limited to commercial tenants, but rather should be made available to residential users as well. While an exclusion of single family, detached residential homes may be appropriate, there is no basis for an exclusion of residential users occupying apartment complexes, condominiums, cooperative arrangements, or mixed use business and residential complexes.

Second, the Commission and, to the extent necessary, the Florida legislature, should adopt a limitation of STS arrangements to continuous property, without regard to rights-of-way, under the control of a common owner or management unit. Such a definition is similar to that adopted by Southern Bell in Georgia and South Carolina. To the extent that the Commission retains a single building limitation, however, the definition of "single building" should be similar to that contained in United Telephone's tariff, i.e., "a structure under separate roofs but connected by covered passageways not crossing public thoroughfares." In implementing a single building limitation, LECs should not be permitted to adopt a more narrow definition of "single building" or "premises" for STS than they apply to other customers.

Baptist Hospital, Carmelite Sisters, Florida Christian Center, Life Care Retirement, Penney Retirement, Presbyterian Homes: Section 364.339(1)(b) does not apply to nor restrict the utilization of shared telephone services by hospitals, nursing homes, adult congregate living facilities, or other homes for the aging. If deemed useful or necessary, the definition in Section 364.339 could be clarified such that hospitals, nursing homes, adult congregate living facilities, and any other facilities or communities that serve the aged, ill, or infirm will be specifically authorized to continue the sharing of telecommunications services, and that these facilities or communities will not be subject to restrictions or regulation by the Commission. It is especially critical that medical or aged care facilities presently sharing telecommunications services be authorized to continue this activity if shared service is otherwise found to not be in the public interest. Additionally, if the above facilities are encompassed by Section 364.339, then the definition of shared service may require alteration to remove the present "single building" limitation and the "commercial" classification so that the residents of these special care facilities will be able to utilize shared telecommunications services regardless of the physical composition of the community or other such artificial restriction.

Board of Regents: In the context of colleges and universities, either Section 364.339 or another provision of Chapter 364 should be amended to explicitly allow shared use.

Greater Orlando Aviation Authority: Governmental entities such as GOAA are specifically exempted from the definition of shared tenant services ("STS") contained in Subsection (b) of Section 364.339(1), Florida Statutes, and it, therefore, does not take a position on Issue 1 at this time.

Hillsborough County Hospital Authority: No position at this time.

ICUF: ICUF believes that shared use of local telephone service in the university context does not constitute "shared tenant service" as that term is used in Section 364.339, Florida Statutes, and that shared use by universities is and can be authorized by the Commission without regard to Section 364.339.

In the event that the Commission has any doubt about its statutory authority to allow shared use in the university context under the existing statutes, then Section 364.339, or some other appropriate provision of Chapter 364, should be amended to insure that shared use in the university context is lawful.

PC: No position at this time.

Sandestin Beach Resort: Sandestin believes that shared use of local telephone service in the destination resort context does not constitute "shared tenant service" as that term is used in Section 364.339, Florida Statutes, and that shared use by resorts is and can be authorized by the Commission without regard to Section 364.339.

If the Commission is uncertain that it may allow shared use by destination resorts on the same basis that it allows hotels and motels to do so, then the Chapter 364 should be

modified to insure that shared use in the destination resort context is lawful.

2. ISSUE. How should the PSC define and apply the term "single building" under Chapter 364.339(1)(b), F.S.?

Staff: A single structure.

Centel: Agree with GTFL.

GTFL: The term "single building" should be defined as a structure under one roof. The Florida Public Service Commission should exercise great care in not expanding this term to include two buildings connected by a walkway, underground concourse, etc., as such interpretation is contrary to legislative intent.

Southern Bell: The term "single building" should be given its plain and ordinary meaning which is: one, individual building and does not include two separate buildings connected by a covered walkway or other means of connecting two individual structures.

United: As defined by United's tariff, a "single building" is a structure under one roof, or two or more structures under separate roofs but connected by covered passageways not crossing public thoroughfares.

Advisors Realty, Teleco: A condominium "building" may consist of a high-rise building and lower, surrounding portions of the "building" or buildings, or a group of separate multi-unit buildings, under common overall management, and including support facilities. All buildings on contiguous property which together constitute the total condominium should be included, regardless of whether the buildings are "connected" by corridors, covered walkways, or the like. Therefore, "single building" should be construed to include the entire facility, regardless of how connected or co-located.

AmeriSystems: See position on Issue 1.

Baptist Hospital, Carmelite Sisters, Florida Christian Center, Life Care Retirement, Penney Retirement, Presbyterian Homes: The definition should not be applied to nor restrict shared service operations at medical and aged care facilities. If the definition were applied, it should be construed to include an entire campus or facility, however connected or co-located.

Board of Regents: Since the BOR is a governmental entity, it does not feel that the "single building" terms applies to its interests.

Greater Orlando Aviation Authority: Governmental entities such as GOAA are specifically exempted from the "single building" limitation contained in Section 364.339(1)(b). Airports, as governmental entities, should be permitted to share telephone service throughout their airport campuses.

Hillsborough County Hospital Authority: No position.

ICUF: The single building limitation in Section 364.339(1)(b) does not apply in the university context since such shared use does not fall within the statutory definition of "shared tenant service."

In the event that the Commission concludes that the single building limitation does apply in the university context, it should be defined and applied to allow sharing of service in multiple structures that are part of a single university campus.

Sandestin Beach Resort: The single building limitation in Section 364.339(1)(b) does not apply in the destination resort context since such shared use does not fall within the statutory definition of "shared tenant service."

In the event that the Commission concludes that the single building limitation does apply in the destination resort, it should be defined and applied to allow sharing of service in multiple structures that are part of a single destination resort.

3. ISSUE. Is the provision of STS in the public interest? In responding, discuss each of the following considerations:

Staff: STS may be in the public interest if it does not adversely affect telephone rates of the general body of ratepayers.

Centel: Agree with GTFL.

GTFL: No. The resale or sharing of local exchange service by STS providers is not in the public interest for the following reasons:

1. It will limit the availability of telephone service to residential users by allowing STS providers to "skim off" revenues from those LEC business and vertical services which are counted upon most to provide contribution in support of low residential rates.

2. Although STS installations will lease fewer lines in a pooling and resale environment, as the LEC's requirement to construct and maintain facilities will not be diminished, there will be a reduction in LEC revenues without a proportionate reduction in LEC expenses.

3. Local resale will accelerate the growth and spread of toll bypass.

If this Commission were to determine that the sharing and resale of local exchange service by STS provider was not detrimental to the public under all circumstances, it would be required to evaluate each application to determine if the proposed offering is in the public interest. In making its decision whether or not to grant a certificate, the Commission should limit its examination of the proposed offering to the effect on local exchange service as all of the other proposed STS services are not within this Commission's jurisdiction and can be provided whether or not a certificate is granted. The Commission should consider the following:

a. How many firms provide local exchange service within the LEC's operating area? Where are they located? What is the extent of their operation?

b. Is local exchange service available from the certified LEC?

c. Is the local exchange service available from firms other than the LEC within the proposed geographic area of the STS?

d. What is the quality of service from the alternative supplier?

e. What effect will provision of STS have on local telephone rates of the certificated LEC?

f. What is the proposed geographic extent of STS?

g. Who are the expected beneficiaries of STS? What benefit, if any, will be afforded to them from allowing the resale or sharing of local exchange service?

Southern Bell: See positions in Sections (a)-(g) of Issue 3..

United: United's basic position in this proceeding is that the provision of shared tenant service which duplicates or competes with local service provided by the local exchange company is not in the public interest. The allowing of shared tenant service in this manner will have a negative impact on the general body of ratepayers as the number of access lines in service and associated revenues are reduced. In addition, the threat of bypass increases with the development of shared tenant service buildings creating the potential for another area where reduced revenues will be realized. United believes that with a few limited exceptions, the sharing of local exchange service is not in the public interest.

United does not clearly understand all of the subparts of this issue.

Advisors Realty, Teleco: Yes. It is necessary for the owners and managers of condominium units to be able to provide telephone services without any delay or inconvenience to the tenants, regardless of whether they wish to stay a day, a week, a month, or longer, to require continual and frequent installations and removal of service, with accompanying inconvenience and cost to the tenants, is not possible, cost effective or in the public interest. Furthermore, it would not be in the public interest to "obsolete" the existing shared telephone systems, which would happen if STS is eliminated or unduly restricted. And additional telephone services are available through the shared system. For example each system has consoles manned 24 hours a day. In the event of a fire in a high-rise, the tenants can be contacted immediately from the consoles. This safety feature has been used during hurricanes. Also, the consoles frequently are used as a warning device for parents whose children are using the beach during periods of undertow when lifeguards have posted warnings.

AmeriSystems: Yes. STS is an arrangement whereby small and medium sized businesses located in discrete premises in

building complexes, campuses or high rise buildings, are able to share, rather than individually acquire, the features and functions of a state-of-the-art private branch exchange ("PBX") and associated data processing and information management equipment. A shared tenant service provider generally provides the PBX and related equipment and coordinates the wide range of telecommunications facilities and information management services which are available to STS tenants who choose to participate in the STS arrangement. As discussed under issues 3(d), 3(e), and 3(g), these services benefit both the individual users and the public at large.

Baptist Hospital, Carmelite Sisters, Florida Christian Center, Life Care Retirement, Penney Retirement, Presbyterian Homes: Yes. The record establishes that STS is in the public interest. This is especially true for health care and retirement facilities whose operations and quality of care are greatly enhanced by STS, to the betterment of patients and residents alike.

Examples of these basic and enhanced service benefits include:

a. Security of residents in times of illness and emergency and an overall means of unobtrusive monitoring of residents;

b. Telephone service for those who otherwise might not afford it;

c. Telephone service available when individual service is not feasible due to intra-facility transfers and overall high turnover of patients and residents;

d. Cost control reports, user accountability, and other detailed system and use reports that facilitate complying with governmental health reports and basic management requirements;

e. Waste of existing hardware and software will be avoided if existing systems are allowed to continue;

f. Residents do not have to worry about independently securing, maintaining, or paying for telephone service since the facility handles these matters for the resident, an especially important consideration given an average age of 80 for an aged care resident;

g. Generally easier to use a shared system, an especially important consideration for users who are ill or otherwise incapacitated;

h. Maintenance of the resident's privacy and a higher quality of life;

i. Special call services are made available, such as call forwarding, automatic call back, abbreviated calling, call pickup, message taking, help in placing calls, and conference calling;

j. A common and vital link to family and friends is facilitated, enhancing the psychological and physical well being of the resident;

k. Intra-facility communications are made easier; and

l. The daily relationships between the facility, resident/patient, and the facilities' doctors, nurses, and other staff members is enhanced.

Board of Regents: The BOR feels that STS does not apply to the university and college context. However, if the eventual determination is to the contrary, the BOR does believe that STS is in the public interest in the context of colleges and universities.

Greater Orlando Aviation Authority: Yes. GOAA is aware of two airports in Florida which currently utilize a shared telecommunications system. Such shared systems have important safety and operational benefits in an airport context. For example, with a shared system such as that used at Orlando International Airport, GOAA is able to implement an emergency calling system which does not rely upon Central Office lines for calls among tenants, airport authorities and emergency personnel. The system thereby eliminates the inherent vulnerability of Central Office lines to natural or manmade interruptions. In addition, GOAA's shared system achieves considerable economic and administrative advantages over non-shared systems. For example, GOAA's shared PBX arrangement can accommodate the constant moves and changes among airport tenants, particularly airlines, which are a fact of airport life, without the continual need for the LEC's presence. Moreover, the ability to share local access lines achieves important efficiencies and cost savings for GOAA and its tenants.

Further, as a result of sharing arrangements such as GOAA's, LECs achieve certain cost savings which serve to reduce LEC revenue requirements. LECs also realize certain additional revenues as a result of shared airport systems. Accordingly, shared airport systems do not result in significant loss in revenues for LECs, and consequently should have no impact upon the local rates of those carriers. We believe that fears of adverse revenue and cost impacts on the LEC are misplaced.

In the case of Orlando International Airport, the shared telecommunications system was installed in primarily new structurs where embedded plant did not previously exist. Southern Bell and GOAA were able to work closely together prior to construction to develop extensive planning models to formulate initial service configuration alternatives, costs and benefits, and to project future growth. At that time, it was predicted that the service owuld grow to 1,000 stations. Currently, the system is 20 percent ahead of that forecast, and has approximately 1,220 stations. It is therefore plain that there has been no stranding of Southern Bell's forecasted investment.

Moreover, even where a shared system is installed in existing airport facilities, stranded investment will not be significant. First, in such a situation the load on the local exchange carrier's Central Office would remain the same and, assuming the same traffic would be generated, there will be no stranded Central Office equipment; the only thing which might be stranded is plant. Even with respect to plant, it is more correct to say that such plant would be "idled," not "stranded," since such plant might be able to be used

immediately (or soon thereafter) for other purposes or would be in place for airport growth, which Orlando International and all other major Florida airports are currently experiencing and expect to continue in the future.

The establishment of the shared telecommunications system at Orlando International Airport and its continuing expansion entails continuous consultation and interaction between GOAA and Southern Bell. In GOAA's view, Southern Bell's planning forecasts with respect to the airport are greatly assisted by the presence of a telecommunications manager (GOAA) who serves as a central point of contact for the many diverse end users located in the airport facilities. Through GOAA, Southern Bell has more complete information with regard to airport development plans and the type and mix of users expected to participate in the system than it would if it had to forecast use and conducting planning with individual users.

The sharing of telecommunications equipment and facilities by an airport authority such as GOAA does not result in a negative impact on the general body of ratepayers. GOAA's sharing arrangement offers benefits, not detriments, to the general body of ratepayers:

First, shared telecommunications services at an airport engender more efficient use of existing LEC facilities, leading over time to reduce total facilities requirements and capital investment. Efficiencies resulting from the aggregating of trunk lines enable LECs to reduce future investment in outside plant, including recuctions in the number and size of trunks and cable pairs. These types of reductions in investment requirements lead to a reduction in the overall revenue requirements of the LEC, and therefore in the rates it must charge its customers to earn a reasonable rate of return;

Second, because of efficiencies engendered by shared services, the LECs require fewer Central Office terminating facilities;

Third, LECs have reduced administrative and maintenance expenses in situations where they deal with only the Customer-of-Record (the shared airport system manager) instead of many customers, and, in addition, the LEC's service and maintenance obligations stop at the PBX;

Fourth, LECs receive increased revenues in several ways as a result of shared airport telecommunications systems. Among the areas in which revenues increase are the following:

- LECs receive increased DID charges, including charges for assigning DID numbers, and also will receive additional revenues for publishing individual users in the telephone directory or, in the case of many airport tenants, for not listing individual numbers;

- LECs receive increased monthly charges when customers who might have otherwise used key systems with accompanying business line rates instead pay PBX trunk rates in a shared environment. In particular, LECs receive higher rates because PBX trunk rates will apply to a shared PBX as opposed to the individual business line rates which would apply in a non-shared environment; and

- LECs receive additional charges for touch-tone service;

Fifth, shared telecommunications services result in increased call completion probability where the system, such as that of GOAA, offers message center services, thereby increasing revenue potential to local carriers; and

Sixth, the information provided LECs by shared airport system managers enhance carrier planning capabilities. Because tenants have the option of obtaining service directly from the LEC, the quality of service provided by GOAA's shared airport telecommunications system must be better than, or at least equal to, that of Southern Bell.

Given the important safety, operational, and economic advantages benefits offered to airports and their tenants, and the resulting public benefit which occurs through a shared airport telecommunications system, the authorization of such systems is clearly in the public interest.

Hillsborough County Hospital Authority: No position at this time.

ICUF: STS (as defined by statute) applies only to sharing in a commercial context, and does not apply to shared use in the university context. ICUF therefore has not position on this issue.

PC: No position at this time.

Sandestin Beach Resort: STS (as defined by statute) applies only to sharing in a commercial context, and does not apply to shared use in the destination resort context. Sandestin therefore has no position on this issue.

3(a) How many firms provide the service?

Staff: No position pending discovery.

Centel: Unknown.

GTFL: See position on Issue 3

Southern Bell: STS includes a wide range of services. It is Southern Bell's understanding that "the service" referred to in Issue 3 is the sharing and resale of local service. Southern Bell does not have full, direct knowledge of how many firms currently offer this service as defined in Section 364 within the State of Florida. Since STS has not yet been authorized by the Florida PSC we fully anticipate that the number of these Florida operations is very small.

United: Unknown.

Advisors Realty, Teleco: It is presently unknown how many condominiums and similar residential facilities provide shared telephone systems; it reasonably could be expected to involve hundreds of condominiums and tends of thousands of residential units. An unknown number of shared systems are in use in hotels, motels, and in other types of facilities in Florida. However, it is known that shared systems are fundamental to the success of being able to have a

condominium rental program which is necessary and demanded by many condominium owners.

AmeriSystems: AmeriSystems has no information on how many STS locations currently exist in Florida or of the geographic extent of such operations.

Baptist Hospital, Carmelite Sisters, Florida Christian Center, Life Care Retirement, Penney Retirement, Presbyterian Homes: The underlying transmission services are provided by the certificated LECs and IXCs. Shared service systems may be installed or operated by a range of entities in any given location.

Board of Regents: See position on Issue 3.

Greater Orlando Aviation Authority: See position on Issue 3.

Hillsborough County Hospital Authority: No position at this time.

ICUF: No position.

PC: No position at this time.

Sandestin Beach Resort: See position on Issue 3.

3(b) Is the service available from other firms?

Staff: Yes.

Centel: Agree with Southern Bell.

GTFL: See position on Issue 3.

United: Issue not understood. No position at this time.

Advisor Realty, Teleco: PBX equipment is available from various firms, including local telephone companies. They do not generally provide the services needed by the condominium owners and tenants and have encouraged others to provide the shared services.

AmeriSystems: AmeriSystems has no information on how many STS locations currently exist in Florida or of the geographic extent of such operations.

Baptist Hospital, Carmelite Sisters, Florida Christian Center, Life Care Retirement, Penney Retirement, Presbyterian Homes: Yes.

Board of Regents: See position on Issue 3.

Greater Orlando Aviation Authority: See position on Issue 3.

Hillsborough County Hospital Authority: No position at this time.

ICUF: No position.

PC: No position at this time.

Sandestin Beach Resort: See position on Issue 3.

Southern Bell: Yes. By definition the service which STS offers is resold local exchange service. Clearly, local service is directly available from the regulated local exchange companies. In addition, the other services which are available from the shared PBX or the STS manager, are also available from other firms. These other services include long distance resale, PBX equipment, telecommunications consulting services, modems, and other data processing and data communications equipment.

3(c) Is the service available from the certificated LEC?

Staff: Local exchange service is available. Some of the functions offered by a PBX may not be available from the local exchange company.

Centel: Agree with Southern Bell.

GTFL: See position on Issue 3.

Southern Bell: Yes. The service in question here is local exchange service. The certified local exchange company ha the clear responsibility and the right to provide local exchange service at rates and conditions approved by this Commission to all customers within the LEC's franchised area.

United: Issue not understood. No position at this time.

Advisors Realty, Teleco: Local telephone service can be provided either directly or indirectly by local exchange carriers. The total services available through a shared system are not being provided by the LECs.

AmeriSystems: AmeriSystems has no information on how many STS locations currently exist in Florida or of the geographic extent of such operations.

Baptist Hospital, Carmelite Sisters, Florida Christian Center, Life Care Retirement, Penney Retirement, Presbyterian Homes: Local service is provided either directly or indirectly by the LECs. The entire package of shared services is not provided by the LECs.

Board of Regents: See position on Issue 3.

Greater Orlando Aviation Authority: See position on Issue 3.

Hillsborough County Hospital Authority: No.

ICUF: No position.

PC: No position at this time.

Sandestin Beach Resort: See position on Issue 3.

3(d) What is the quality of service from alternate suppliers?

Staff: Quality of service is unknown.

Centel: Unknown.

GTFL: See position on Issue 3.

Southern Bell: Again, the service in question here is local exchange service. The alternative supplier is the certified local exchange carrier. The quality of local exchange service provided by the LECs is of the highest standards, provided at reasonable rates and prompt service intervals. Additionally, our service standards are closely regulated by this Commission.

United: Unknown.

Advisors Realty, Teleco: See Positions on Issues 3(b) and 3(c).

AmeriSystems: AmeriSystems believes that tenants in an STS building or complex should be permitted to have direct access to LECs. That alternative guarantees that the quality of service and rates of STS providers will be subject to competitive forces. Therefore, STS rates will remain reasonable, and the quality of service in an STS arrangement will be better than, or at least equal to, the quality of service offered by the LEC.

Baptist Hospital, Carmelite Sisters, Florida Christian Center, Life Care Retirement, Penney Retirement, Presbyterian Homes: See position on Issue 3c.

Board of Regents: See position on Issue 3.

Greater Orlando Aviation Authority: See position on Issue 3.

Hillsborough County Hospital Authority: Not applicable; see 3(c) above.

ICUF: No position.

PC: No position at this time.

Sandestin Beach Resort: See position on Issue 3.

3(e) What effect will provision of STS have have on local telephone rates of the certificated LEC?

Staff: If the Commission finds STS to be in the public interest, it should do so with the understanding that STS will not increase existing telephone rates.

Centel: Agree with GTFL.

GTFL: See position on Issue 3.

Southern Bell: If properly tariffed and absent the impact of bypass of access services, the provision of STS should have limited impact on local telephone rates. However, allowing the sharing and resale of local service at current flat rate trunk charges would have the effect of removing large amounts of revenue subsidy. Loss of this subsidy would create pressure to increase current residential rates. STS operators utilizing partitioned PBXs and providing service over currently approved PBX trunk rates would have no effect upon the local telephone rates of the certificated local exchange carriers.

United: The exact effect is not known. Based on its experience in the telephone industry, United anticipates STS will result in pressure to increase local rates.

Advisors Realty, Teleco: STS should not have a negative impact on rates of the LEC, who has solicited the sales of shared system equipment and encouraged others to get into that business. If there had been a negative impact, they would not have encouraged others to get into the business. Furthermore, the benefits of STS service include reduced LEC investment with the resulting reduction in rates paid by the general body of ratepayers; savings on maintenance, billing and collection costs and other overhead; more efficient use of the local network; and expansion of the number of customers who can use the local and long distance systems, thereby contributing revenues to the telephone companies.

AmeriSystems: The provision of STS will not have any negative impact on the local telephone rates of the certificated LEC. The availability of STS will provide substantial benefits to the general body of ratepayers in Florida. These include:

- reduced LEC investment and corresponding revenue requirement reductions;
- billing and collection cost savings for LECs;
- more efficient utilization of the local network through voice messaging services, call forwarding, and other services which increase the number of calls that are successfully completed rather than going unanswered or reach a busy signal;
- reduced peak period demand; and
- economic advantages to small and medium sized companies and public institutions which enable them to compete with larger firms and organizations on a more fair and equitable basis.

AmeriSystems believes that fears of an adverse impact on LEC planning and outside plant expenses are misplaced. Most STS operations will occur in new buildings. Accordingly, the STS provider often will be able to provide the LEC with more complete information than it will otherwise have available regarding the type of mix of customers expected in the building, the type of service the tenants will require, and the number of lines and trunks needed for the planned building. In such new buildings, the issue of stranded facilities does not arise.

Even where STS occurs in existing buildings, the load on the Central Office will remain the same and there will be no stranded Central Office equipment, the only thing idled will be plant. Idled plant is not an issue unique to the sharing of local exchange facilities or to STS. For example, a non-STS multitenant building subsequently leased to a single tenant will cause the same idled plant a a conversion to STS. Installed plant is variously idled or utilized as anticipated demand materializes and businesses grow, relocate, or go out of business. And, in the high growth areas of Florida where STS is most likely to occur, network facilities freed by sharing arrangements can be used to meet

the growing demand for LEC services and thereby enable the LEC to defer additional (and more expensive) investment.

STS will assist, not impair, the ability of LECs to engage in network planning. STS providers, who have significant telecommunications expertise beyond what can be expected from the individual businesses they serve, are in a better position to work with the LEC in forecasting the type of mix of tenants, and their telecommunications needs, than are individual tenants. Moreover, in the STS situation, the LEC would only have to work with a single entity whereas, absent STS, it would need to consult with developers and numerous individual tenants.

Baptist Hospital, Carmelite Sisters, Florida Christian Center, Life Care Retirement, Penney Retirement, Presbyterian Homes: There should be little or no impact on local rates since shared services have been provided for a number of years with no measurable negative impact. The economies of scale and other efficiencies inherent in shared telecommunications services reduces the capital investment and operating expenses for the LECs compared with serving each customer independently. These savings include reduced investment in outside plant and switching, installation, maintenance, billing and collection costs, and overhead. Overall stimulation of toll usage with shared systems also contributes to the overall positive impact on LEC revenues and rates.

Board of Regents: See position on Issue 3.

Greater Orlando Aviation Authority: See position on Issue 3.

Hillsborough County Hospital Authority: The provision of STS should have no effect on local exchange telephone rates.

ICUF: No position.

PC: No position at this time.

Sandestin Beach Resort: See position on Issue 3.

3(f) What is the geographic extent of STS?

Staff: STS appears to exist mostly in urban areas.

Centel: Agree with GTFL.

GTFL: See position on Issue 3.

Southern Bell: The Legislature's single building limitation is appropriate and in the public interest.

United: Issue not understood. No position at this time.

Advisors Realty, Teleco: Shared telephone systems are used throughout the State of Florida by condominiums having rental programs. (Other types of entities such as hotels and motels also use shared systems.) Each system generally is limited to use by the units and support facilities making up one condominium.

AmeriSystems: AmeriSystems has no information on how many STS locations currently exist in Florida or of the geographic extent of such operations.

Baptist Hospital, Carmelite Sisters, Florida Christian Center, Life Care Retirement, Penney Retirement, Presbyterian Homes: STS is widespread under past uses. No geographic limitations justify discontinuing the prospective availability of STS.

Board of Regents: See position on Issue 3.

Greater Orlando Aviation Authority: See position on Issue 3.

Hillsborough County Hospital Authority: No position at this time.

ICUF: No position.

PC: No position at this time.

Sandestin Beach Resort: See position on Issue 3.

3(g) Who are the beneficiaries of STS?

Staff: The equipment vendors, the STS providers, and the distinct group of users in the STS resale area.

Centel: Agree with Staff.

GTFL: See position on Issue 3.

Southern Bell: The STS operators and their clients are the obvious beneficiaries of STS.

United: STS providers, and possibly some STS customers depending upon how the service is structured and priced.

Advisors Realty, Teleco: All telephone subscribers can benefit from the continued use of STS. Condominium tenants benefit from the availability and convenience of telephone services for relatively short periods of time. Local telephone companies benefit from a continued and uninterrupted flow of revenues for base telephone service and from toll charges which are generated by the availability of telephone service to the condominium tenants. Non-STS subscribers benefit from the continue availability of cash flow from STS systems and from not having to support the LECs additional capital investment which would be necessary if STS was not available. Tenants have telephone service available for emergency conditions such as law enforcement, emergency medical services, and the like. The owners of condominium units, the homeowners associations, and the managers of condominium units all benefit from reduced risk of liability from lawsuit by tenants who might otherwise be robbed or injured.

AmeriSystems: Small and medium sized businesses benefit from STS because they are able to enjoy sophisticated telecommunications services without having to support a large dedicated PBX system, which they would most likely not be able to afford for themselves. In addition, they benefit

from the cost savings which can be achieved through use of such a shared switching configuration.

Through the STS provider, small and medium sized businesses obtain specialized telecommunications management servies and expertise which they would not be able to justify economically themselves. Moreover, without the ability to share local access trunks, the small and medium sized STS tenants would be unable to achieve the economies and efficiencies available to larger business entities.

Also, as discussed under issue 3(e), the LECs and the general body of ratepayers in Florida will derive benefits from STS:

Baptist Hospital, Carmelite Sisters, Florida Christian Center, Life Care Retirement, Penney Retirement, Presbyterian Homes: All subscribers are potential beneficiaries of shared services. The patients, residents, and tenants of hospitals, nursing homes, adult congregate living facilities, and retirement communities are specific examples of present beneficiaries. Shared telecommunications services enable these citizens to have low cost telephone service and, more importantly, access to the emergency and security features of the facility's shared telecommunications system. The nonresident family members of the patients and residents also benefit from shared telecommunications services by being able to readily contact their family members by telephone; by having the peace of mind of knowing that their family members living in these facilities have easy access to emergency and security services provided by the facility; and, for those who financially support the resident, by having to spend less money for this aspect of care as a part of the overall "package of care." The management of the facility also benefits because they are better able to perform their health related legal, custodial, and managerial duties due to the enhanced functions and data supplied by the shared telecommunications system. Finally, the local exchange company and general body of ratepayers benefit since the capital and operating expenditures associated with serving the facility through a shared telecommunication system is reduced.

Board of Regents: See position on Issue 3.

Greater Orlando Aviation Authority: See position on Issue 3.

Hillsborough County Hospital Authority: All customers of the LEC should benefit from the efficient use and provision of STS services.

ICUF: No position.

PC: No position at this time.

Sandestin Beach Resort: See position on Issue 3.

4. ISSUE. What is the legal effect of Sections 364.339(2) and 364.339(4), F.S.?

Staff: We understand it the Commission's objective to implement the will of the legislature in this matter. However, Staff believes it is appropriate preface its position on the legal issues by noting that the legislation

recently enacted as Chapter 86-270, Laws of Florida, may, in our opinion, be fairly described as problematic. For example, Subsection Two [2] of Section 364.339, Florida Statutes, reads as follows:

> [2] Shared tenant services provided to governmental entities pursuant to this section are exempt from subsection (1)(b).

This provision of the law exempts governmental entities (undefined) from only one statutory definition, i.e., a common switching or billing arrangement in a single building. See Section 364.339(1)(b), Florida Statutes. By its terms the law does not exempt governmental entities from certification and other requirements.

The plain reading of this law, therefore, exempts any "governmental entity" from the single building requirement of Subsection (1)(b) and nothing else. Therefore, all undefined "governmental entities" must get a certificate. The regulatory assessment fee implications are also present.

Simply stated, Staff's interpretation requires governmental entities to be certificated pursuant to the applicable provisions of Chapter 364, Florida Statutes.

Subsection 364.339(4), Florida Statutes provides:

> (4) Shared tenant service as defined in Subsection (1) shall continue to be permitted in any building existing on or before November 4, 1985 and in which building shared tenant services were ordered or provided on or before November 4, 1985. No new building may utilize such service unless and until the Commission makes its determination pursuant to subsection (1) of this section.

Several problems exist with Subsection (4). First, only single building shared tenant service operations which ordered service on or before November 4, 1985 are allowed to continue operations. This is because the grandfather provision is defined as limited to those as in Subsection (1). The Legislature is presumed to know the state of the law when it enacts legislation. One must conclude that only shared tenant service existing on or before November 4, 1985 is allowed under current law.

Centel: Agree with GTFL.

GTFL: Section 364.339(2), Florida Statutes, permits governmental entities to resell or share local exchange service in a facility which consists of more than one single building. It does not exempt governmental entities from any of the other provisions of Section 364.339.

Section 364.339(4), Florida Statutes, permits STS providers to continue to offer shared or resold local exchange service within any single building provided that local exchange trunks devoted to providing such service were ordered from the LEC or were in place on or before November 4, 1985.

STS providers shall cease reselling or sharing local exchange service on or before July 1, 1987, unless this Commission finds such activity to be in the public interest.

The Commission is without authority to allow existing STS operations to expand to additional buildings. Shared tenant service cannot be provided prior to July 1, 1987, in any building in which it was not offered on or before November 4, 1985.

Southern Bell: Section 364.339(2) allows all government entities to receive shared tenant services notwithstanding the provisions of Part 1(b) which prohibit the provision of shared tenant services to any entities other than commercial tenants within a single building. Section 364.339(4) provides that unless the Commission, pursuant to Part 1 of the statute, authorizes the provision of shared tenant services which duplicate or compete with local service, shared tenant services may not be provided to any building after November 4, 1985. However, buildings constructed and receiving or ordering shared tenant services on or before November 4, 1985 may continue to do so until the Commission makes such a determination or July 1, 1987.

United: The legal affect of Section 364.339(2), Florida Statutes, is to exempt government entities, such as the state government complex in Tallahassee, and state operated colleges and universities, from Florida Public Service Commission (FPSC) jurisdiction with regard to the commercial and single building restrictions contained in Section 364.339(1)(b).

The legal effect of Section 364.339(4) is to allow shared tenant facilities, which fall within the definition of Section 364.339(1), and which existed, or for which service was ordered, prior to November 4, 1985, to continue to operate until the FPSC determines if such service is in the public interest and establishes terms and conditions. Section 364.339(4) also prohibits utilization of shared tenant services in any additional buildings during the period between November 4, 1985, and the determination by the FPSC of the public interest question.

Advisors Realty, Teleco: Section 364.339(2), the legislative exemption for governmental entities, indicates that the legislature recognizes that shared tenant services can be extremely beneficial to various classes of customers and, and a policy matter, should be continued. However, it may be unconstitutional to so limit the exemption.

By Section 364.339(4), all shared tenant services covered by Section 364.339 and in operation on November 4, 1985, are "grandfathered" and may continue under their present method of operation, until at least July 1, 1987. Shared systems at both Regency Towers and The Summit were in operation before November, 1985. See also the discussion in the Position on Issue 1.

AmeriSystems: LinCom takes no position on the legal effect of Section 364.339(2) at this time. The legal effect of Section 364.339(4) would be to preclude the establishment of new shared tenant service arrangements (as defined in Section 364.339(1)) until the Commission makes its determinations pursuant to Section 1 of H.B. 718. LECs are required to

continue to serve STS arrangements which were in operation, or for which services were ordered, prior to November 4, 1985.

Baptist Hospital, Carmelite Sisters, Florida Christian Center, Life Care Retirement, Penney Retirement, Presbyterian Homes: Section 364.339(2) - no position at this time. Section 364.339(4) grandfathers all existing shared service systems until at least July 1, 1987.

Board of Regents: Section 364.339(2) exempts governmental entities, including the BOR, from the operation of paragraph (1)(b).

Additionally, the BOR feels that STS does not apply to a college and university setting, so it has no position as to the effect of 364.339(4).

Greater Orlando Aviation Authority: If shared airport telecommunications systems, such as that undertaken by GOAA, are determined to be STS arrangements within the meaning of Section 364.339, Florida Statutes, the legal effect of Section 364.339(2) would be to exclude such airport sharing arrangements from the limitations on shared tenant services contained in Section 364.339(1)(b).

The legal effect of Section 364.339(4) would preclude the establishment of new shared tenant service arrangements (as defined in Section 364.339(1)) until the Commission makes its determination pursuant to Section 1. of H.B. 718.

Hillsborough County Hospital Authority: As to Section 364.339(2), the language clearly exempts government entities from compliance with the provisions of Section 364.339(1)(b), and therefore, maintains that the Florida Public Service Commission shall only have jurisdiction over the provision of shared tenant services by government authorities that duplicate or compete with local exchange service provided by an existing local exchange telephone company.

As to Section 364.339(4), the Hospital Authority takes no position on this issue at the present.

ICUF: STS (as defined by statute) applies only to sharing in a commercial context, and does not apply to shared use in the university context. ICUF therefore has no position on this issue.

PC: No position at this time.

Sandestin Beach Resort: Sandestin believes that shared use of local telephone service in the destination resort context does not constitute "shared tenant service" as that term is used in Section 364.339, Florida Statutes. Thus, Sandestin takes no position on this issue.

5. ISSUE. Is sharing and resale of local exchange service necessary to provide shared tenant services generally?

Staff: No.

Centel: Agree with United.

GTFL: No. Users can utilize most, if not all, of the functionality of a PBX where the PBX is partitioned and pooling of trunks is not permitted between unaffiliated entities. For example, the following services are available to users of partitioned PBX equipment:

1. Centralized management and integration of management information services (such as equipment and service configuration, procurement and operation, and financial and account services);

2. Advanced PBX telephone functions (such a call forwarding, call waiting, conference calling, and speed dialing);

3. Video conferencing;

4. Modem pooling;

5. Multiplexing;

6. Centralized attendant services;

7. Message center services;

8. Automated building management services (including energy management and building security);

9. Word processing;

10. Electronic mail.

Furthermore, the requirement to partition the PBX does not deny the STS operator the ability to pool the toll traffic of all STS users for the purpose of reselling long distance services. Other than shared local exchange service, all features available on an unpartitioned PBX should be available on a partitioned PBX. The PBXs on the market today generally have partitioning capabilities; where this is not the case, the capability can be created at modest cost. Thus, partitioning is not unreasonably burdensome for an STS provider. Customers can obtain virtually all of the features of a modern PBX by subscribing to ABCN Service from the telephone company.

Southern Bell: No. Most if not all of the benefits of STS can be achieved via a partitioned PBX without the sharing and resale of local service.

United: No. The sharing of PBX equipment is allowable today as long as the PBX is partitioned to prevent users from sharing trunks or intercommunicating without accessing a LEC provided central office trunk. In this arrangement, the other features and services provided by the Shared Tenant provider and his PBX are available to the tenants.

Advisors Realty, Teleco: Yes.

AmeriSystems: The sharing or resale of local exchange service is necessary to the provision of STS. A prohibition of such sharing would substantially increase the size of the switch and overall system required to furnish STS which, in turn, would add substantially to the overall cost of the shared PBX and therefore the cost to individual end users.

Moreover, a partitioned switch is inefficient in a shared situation, since the software is more complicated, added processing steps slow down call processing, and lower station capacity is generated by partitioning. In addition, substantial operating inefficiencies result from partitioning, which also serve to increase operating costs and maintenance and service problems.

Baptist Hospital, Carmelite Sisters, Florida Christian Center, Life Care Retirement, Penney Retirement, Presbyterian Homes: The sharing of local telephone service is an important and integral part of the overall economy and efficient service configuration of a shared telecommunications system. Certainly, for existing shared systems with non-partitionable (or costly to partition) switches, the sharing of local service is essential to being able to use the system at all.

Board of Regents: Sharing of local exchange service is necessary for colleges and universities to meet student and institutional needs.

Greater Orlando Aviation Authority: The sharing or resale of local exchange service is an essential aspect of GOAA's shared telecommunications arrangement at Orlando International Airport. Prohibition of "intercom" calling between end users of GOAA's system would require that it purchase a new switch, since its existing switch is incapable of being partitioned to prevent such calls. Moreover, an intercomming prohibition would have a seriously detrimental effect on the safe and efficient operation of the airport, since inter-tenant calls and calls to emergency airport facilities and airport authorities would have to be routed through the LEC Central Office. Such a requirement unnecessarily renders the airport's internal communications system vulnerable to man-made and natural service disruptions and is, therefore, an untenable degradation in GOAA's service. Without its shared switch, to avoid this problem the airport would have to establish an internal intercom system which is not routed through the Central Office.

Similarly, a requirement that each airport user's access lines be segregated would materially increase the processing and port requirements of GOAA's switch, thereby substantially increasing its cost and creating, during implementation, the likelihood of service disruption for users. Moreover, inefficiencies inherent in a partitioned switch create significant ongoing operational and maintenance problems in a shared situation, particularly in an airport context where airline tenants often move gate locations or gates are shared by more than one tenant. Accordingly, any prohibition on the sharing or resale of local trunks would effectively deny GOAA and its tenants the multiple benefits of the shared system.

Hillsborough County Hospital Authority: Yes.

ICUF: STS (as defined by statute) applies only to sharing in a commercial context, and does not apply to shared use in the university context. ICUF therefore has no position on this issue.

In any event, sharing of local exchange service is necessary in the university context to enable universities to meet the needs of their students and the overall university community.

PC: No position at this time.

Sandestin Beach Resort: Yes, if by "resale" one means allowing STS subscribers access to the LEC's network over shared trunks.

6. ISSUE. What certification procedures should apply to STS providers?

Staff: Certification should be on a location-by-location basis. Certification requirements should be the same as those required of resellers except that no rates charged to tenants be required to be on file with the Commission. Resellers are currently required to file the following information for certification.

a. Business name and address of applicant's principal office;

b. Business name and address of applicant's principal Florida office;

c. Business name and address of all Florida offices where applicant plans to have offices open for public contact;

d. Telephone number and name of individual at each location in items a, b, and c, who has authority to respond to Commission requests;

e. Affiliation status, if corporation - number of stockholders;

f. Name and residential address of each person in firm;

g. Officers, directors, and, if incorporated - ten largest stockholders;

h. State where organized as a partnership or corporation. Proof from Florida Department of State that applicant has authority to operate in Florida;

i. Mental competence, moral turpitude, pending action and explanation;

j. Services applicant will provide and, generally, the physical facilities it will use to provide service; and

k. Experience and technical ability of applicant.

Centel: Agree with GTFL.

GTFL: At a minimum, the STS provider should be required to demonstrate financial and technical viability. The certificate should clearly define the limits or boundaries of the STS provider's permissible service area. Before certificating an STS provider for a specific site, the Commission must make a finding that such service is in the public interest based upon the considerations stated in Florida Statutes Section 364.339(3).

Southern Bell: Certification requirements similar to those established for WATS and MTS resellers in 1982 as a part of Docket 810239-TP should be considered for STS providers.

United: If STS is found to be in the public interest, STS providers should be certificated similar to the providers of pay telephone service.

Advisors Realty, Teleco: It is unnecessary for the Commission to certificate STS providers. However, if there is a need to identify the number and location of STS operations, the appropriate LEC and the STS provider could file a form with the Commission setting forth whatever data the Commission believed was necessary.

AmeriSystems: There is no need for Commission public utility certification of STS arrangements. Developers and building owners will exercise diligence in selecting reputable STS providers who will provide to tenants cost effective and high quality service in order to enhance the rental value of their property. Moreover, developers and tenants will enter into contracts with STS providers which set forth technical standards, quality of service requirements, and price terms. Further, because tenants will have the option to obtain local telephone service directly from an LEC, STS providers will be subject to marketplace discipline.

If, however, the Commission should determine that certification is required, it should impose only minimal notification requirements rather than the full range of certification and ongoing rate regulation procedures imposed on monopoly telephone utilities.

Baptist Hospital, Carmelite Sisters, Florida Christian Center, Life Care Retirement, Penney Retirement, Presbyterian Homes: The Commission should exempt all shared systems utilized by medical or aged care facilities from any certification requirement, as has historically been done under the "transient" exemption created by the Commission in Docket No. 810239-TP.

Board of Regents: No certification procedures should apply to the sharing of local exchange service at colleges and universities.

Greater Orlando Aviation Authority: The Commission's public utility certification procedures would impose unnecessary and burdensome requirements on airport sharing arrangements and the Public Service Commission. Accordingly, it would be in the best interest of shared service users, and Florida ratepayers and taxpayers generally, if airport sharing arrangements are governed by competitive marketplace forces and appropriate tariff conditions permitting the LECs to have direct access to tenants, and are not subject to the Commission's public utility certification procedures. If, however, the Commission determines that the public interest requires that it have notice of the sharing arrangements operating in Florida, GOAA has no objection to imposition of a streamlined registration or notification process.

Hillsborough County Hospital Authority: Government entities should be exempt from all certification procedures.

ICUF: STS (as defined by statute) applies only to sharing in a commercial context, and does not apply to shared use in the university context. ICUF therefore has no position on this issue.

In any event, no certification procedures should apply to the sharing of local exchange services in the university context.

PC: No position at this time.

Sandestin Beach Resort: Sandestin believes that shared use of local telephone service in the destination resort context does not consitute "shared tenant service" as that term is used in Section 364.339, Florida Statutes. Thus, Sandestin takes no position on this issue.

With respect to shared tenant services generally, however, sharing of local exchange service is necessary in the destination resort context.

7. ISSUE. Should STS providers be regulated as to what they may charge tenants and should all charges for local exchange and long distance telephone service be required to be on file with the PSC?

Staff: No. An STS provider should not be required to file tariffs for local exchange and long distance telephone service with the PSC. STS operator's existing resale certificates, upon becoming certified as an STS provider, should be cancelled, unless they intend to offer service outside of their STS certificated area.

Centel: Agree with GTFL.

GTFL: Yes. The Commission should exercise regulatory authority over all aspects of STS service, including rates and quality of service, to the same extent that it exercises such authority over LECs. The Commission should establish rules that minimize the potential for adverse effects on other (non-STS) ratepayers, and ensure that tenants of STS buildings receive quality service at rates which are fair and nondiscriminatory. It is the Commission's responsibility to protect the rights of all telephone users in Florida whether or not they are located within an STS building.

In order to ensure the availability of fair and nondiscriminatory rate treatment to all users in an STS building, the Commission should require that STS providers maintain an up-to-date list of rates and charges on file with the Commission.

Southern Bell: No position.

United: If STS is found to be in the public interest, STS providers should be subject to the same rate regulation as other providers of resold service, i.e. PATS, Resellers.

Advisors Realty, Teleco: No. The need to rent condominium units mitigates against unreasonably high rates for telephone service.

AmeriSystems: No useful purpose would be served by Commission regulation of an STS provider's telecommunications charges or a requirement that such entities file tariffs of their charges for local exchange and long distance telephone service. In all cases, tenants will have the option of obtaining service directly from the local exchange carrier and this option will adequately protect such tenants against

unreasonable pricing policies by STS providers. Moreover, ongoing Commission regulation of STS providers would result in unnecessary costs and would place unnecessary burdens on Commission resources.

Board of Regents: Colleges and universities should not be regulated as to what they may charge users of university-operated telephone systems.

Baptist Hospital, Carmelite Sisters, Florida Christian Center, Life Care Retirement, Penney Retirement, Presbyterian Homes: The Commission need not regulate the rates or requirements for shared systems utilized by medical or aged care facilities, consistent with the historical treatment granted under Docket No. 810239.

Greater Orlando Aviation Authority: Where tenants are not required to obtain service from the shared service arrangement but instead may obtain service directly from the LEC (as in GOAA's airport sharing arrangement), rate and service oversight by the Commission is plainly unnecessary. A requirement in LEC tariffs that sharing arrangements permit such direct access would provide a marketplace control over the prices charged, and the service quality, of the shared service provider. Accordingly, the need for rate and service regulation would be obviated.

Hillsborough County Hospital Authority: Government entities should not be regulated because such entities are inherently responsible and responsive to the citizens of the state, and competition among shared tenant service providers is an economically and socially desirable policy and should not be regulated.

ICUF: STS (as defined by statute) applies only to sharing in a commercial context, and does not apply to shared use in the university context. ICUF therefore has no position on this issue.

In any event, universities should not be regulated as to what they may charge users of university operated telephone systems.

PC: No position at this time.

Sandestin Beach Resort: Sandestin believes that shared use of local telephone service in the destination resort context does not constitute "shared tenant service" as that term is used in Section 364.339, Florida Statutes. Thus, Sandestin takes no position on this issue.

With respect to shared tenant services generally, however, no rate or service regulation should apply to shared use of local exchange services in the destination resort context.

8. ISSUE. Should STS providers be required to comply with PSC required service standards on their side of the demarcation point? If so, what should the service standards be?

Staff: No.

Centel: Agree with GTFL.

GTFL: Yes. The same standards should apply to STS providers as apply to LECs. See response to Issue 7.

Southern Bell: Minimum service standards for STS operations would be in the public interest.

United: If STS is found to be in the public interest, STS providers should be subject to the same service standards as other providers of resold services, i.e. PATS, Resellers.

Advisors Realty, Teleco: No. Condominium owners and managers cannot afford to allow inadequate telephone service to exist for their tenants. Otherwise, the availability of competitive rental units would result in excessive vacancies.

AmeriSystems: The only technical service standards which the Commission should impose upon STS provider facilities beyond the demarcation point are those contained in FCC Part 68 technical specifications and local building codes. Such standards are adequate to protect the public switched network and to insure tenants technically adequate service. In addition, the fact that tenants have the option of obtaining service directly from the LEC means that the quality of service provided by STS arrangements will have to be bette than, or at least equal to, the LEC quality of service, o users will migrate off the shared system to obtain service directly from the LEC.

Baptist Hospital, Carmelite Sisters, Florida Christian Center, Life Care Retirement, Penney Retirement, Presbyterian Homes: This is unnecessary where the resident has an option to receive service from the LEC and can bring any complaints to the "landlord" who is responsible for the system. This "on-premise" accountability will encourage good service. (See also position on Issue 6.)

Board of Regents: Universities should not be required to comply with PSC service standards for service provided through university operated telephone systems.

Greater Orlando Aviation Authority: See position on Issue 7, supra.

Hillsborough County Hospital Authority: See position on Issue 7.

ICUF: STS (as defined by statute) applies only to sharing in a commercial context, and does not apply to shared use in the university context. ICUF therefore has no position on this issue.

In any event, universities should not be required to comply with PSC required service standards for service provided through university operated telephone systems.

PC: No position at this time.

Sandestin Beach Resort: Sandestin believes that shared use of local telephone service in the destination resort context does not constitute "shared tenant service" as that term i used in Section 364.339, Florida Statutes. Thus, Sandest takes no position on this issue.

With respect to shared tenant services generally, however, no service regulation should apply to shared use of local exchange services in the destination resort context.

11. ISSUE. What should the rate structure and level be for services provided to an STS provider by a LEC?

Staff: The rate structure should consist of a flat charge and a usage sensitive charge based on the access charge elements of local switching and local transport. The level should be such that direct costs are recovered and the existing contribution level above direct costs that PBX trunks currently should be included in the flat rate charge.

Centel: Agree with GTFL.

GTFL: Wherever LEC service is provided for purposes of resale, it is essential that rates charged to the reseller reflect the LEC's cost of providing the service. The most appropriate rate structure would include a flat monthly charge to cover the cost of providing access to the switched network, plus measured or message rate charges to cover the traffic sensitive costs for use of the switched network. At a minimum, the rates charged to STS providers should be designed to produce a level of contribution equivalent to that which would have been available in the absence of STS.

Southern Bell: The Commission should follow its established philosophy of: a) pricing business services above their cost and using this revenue to offset some of the cost of residential service and, b) applying uniform business rates throughout a geographic area with low cost locations helping to offset the cost of locations more costly to serve. Utilizing this pricing philosophy when establishing rates for STS providers will protect this revenue/subsidy relationship. Southern Bell proposes that the rates charged an STS provider be usage sensitive; revenue neutral; and statewide with appropriate variations for rate group.

If the above-referenced philosophy is followed, a tenant using a PBX and its ancillary services but receiving LEC provided local service directly from the LEC via a separate partition on the PBX should continue to be charged flat rates. However, a usage sensitive rate structure is the most appropriate for those STS operators desiring to resale local exchange service. Usage billing is the most precise way to bill for services actually resold and also helps maintain a proper revenue/cost relationship for STS installations. The concentration of usage produced by the STS PBX results in the same number of calls being carried over fewer trunks. Current flat rate trunk prices would be far below their cost in this situation because the majority of Southern Bell's costs are related to usage sensitive switching and network items as opposed to outside plant facilities. Under these circumstances STS would become a cost burden on the general rate payer. The tariff structure we propose avoids this problem by maintaining an appropriate/cost relationship. (It should be noted that access charges will apply between the STS PBX and the WATS or long distance carrier point of presence but not to the STS station lines).

United: If STS is found to be in the public interest, PBX trunk rates should be designed to recover the non-traffic

sensitive costs and the traffic sensitive costs associated with providing access to the local network. The rate structure should be applied statewide while specific rates should be territory specific to more accurately reflect the costs of providing service in a given area by a specific LEC. There should be two elements in the rate structure. The first rate element should be a flat monthly charge for each trunk to recover the cost of the loop. The second element should be a usage sensitive charge designed to recoer the costs associated with the customers originated local traffic. The following rates and rate structure are an example of the rates applied to STS providers:

Flat Monthly Charge Per PBX Trunk - $30.00

Measured Charge Per Minute of Local Usage - .03

or

Message Charge Per Local Message - .12

Rates for other services which STS providers may need, such as Direct In-Dial Service, additional listings, etc., should be provided at the LEC's approved tariff rate. Each LEC should be afforded the opportunity to ensure that its rates for these other services cover costs and provide a reasonable rate of return.

Advisors Realty, Teleco: See Position on Issues 9 and 12.

AmeriSystems: The Commission should require LECs to charge STS providers the same nondiscriminatory rates and set the same nondiscriminatory terms and conditions of service that are applied to all other PBX users. The rate level may vary from territory to territory just as present PBX rates vary. Likewise, access charges should apply to users in a shared system to the same extent that they would apply to users in a non-shared system.

Shared PBXs are technically and functionally no different from other PBXs. The cost of service to LECs, and the value of service to sharing customers and similarly-sized individual customers, is the same. In each case, the LEC delivers trunk lines to a network interface, behind which customer operated switching equipment is utilized to distribute local exchange access and related telecommunications services among end users, and the value of that service to those end users does not vary with their size.

Baptist Hospital, Carmelite Sisters, Florida Christian Center, Life Care Retirement, Penney Retirement, Presbyterian Homes: There should be no discrimination in the rate level or structure applied to individual versus shared use of service. All existing rate offerings should be made available for sharing under the same terms and conditions applied to all subscribers. Mandatory local measured service (LMS) as proposed by Staff and the LECs for application to shared users is neither factually justified nor legally permissible. The Commission should not adopt a rate structure based on mandatory measured service for shared systems, absent a full study that economically justifies LMS for both individual and shared service.

Board of Regents: The BOR does not believe that STS, as defined in Chapter 364, F.S., applies to shared use in the context of colleges and universities. However, if the Commission determines that it does so apply, the rate structure and level for services to the institutions of the State University System should be the same as the rate structure and level for same or similar service provided to individual PBX users. Usage sensitive rates should not be applied to service provided to universities unless they are applied to all PBX users.

Greater Orlando Aviation Authority: The fact that telecommunications facilities are shared, as opposed being used by a single entity, does not justify a discriminatory LEC rate structure for shared airport users. The cost of service to LECs and the value of service to both sharing and individual users is the same in either case. Moreover, to the extent that a carrier's flat rates do not adequately recover its costs or will result in reduced revenues or contribution when subscribed to by a large user (which has not been demonstrated), the problem exists equally for both individual and shared PBX users. Accordingly, any purported problem which a carrier may seek to remedy by imposing additional usage and client charges on shared PBX trunks is not unique to shared use situations.

LECs should not be permitted to single out shared PBX users for mandatory measured service; it is unfair and discriminatory to permit individual PBX customers and Centrex/ESSX customers to have access to flat rate service but to deny that opportunity to shared PBX users. Such a rate structure is highly arbitrary and discriminatory, and may cause ceertain airport tenants to migrate off the shared system, thus raising emergency response and security concerns for airport operations and compelling new LEC capital investment to the detriment of the general body of ratepayers.

Thus, rates charged to shared service providers should be the applicable rates to all similarly-sized PBX customers, and whether they should be statewide or territory specific should depend on the way those rates are structured for all such PBX users.

Hillsborough County Hospital Authority: An STS provider should be charged the same rate as business customers in order to prohibit discriminatory rates with regard to PBX charges.

ICUF: STS (as defined by statute) applies only to sharing in a commercial context, and does not apply to shared use in the university context. ICUF therefore has no position on this issue.

In any event, the rate structure and rate level for services provided to a university by a LEC should be the same as the LEC's rate structure and rate level for similar service provided to individual PBX users.

PC: No position at this time.

Sandestin Beach Resort: Sandestin believes that shared use of local telephone service in the destination resort context does not constitute "shared tenant service" as that term is

used in Section 364.339, Florida Statutes. Thus, Sandestin takes no position on this issue.

With respect to shared tenant services generally, however, the rate structure and rate levels for destination resorts should be the same as for similar service provided to individual PBX user.

13. ISSUE. Does sharing and resale of local exchange service by STS providers change the risk of bypass of the local exchange network?

Staff: Yes.

Centel: Agree with GTFL.

GTFL: Yes. The risk of bypass is increased in any situation where large volumes of traffic are concentrated at a specific site. Under such conditions it becomes cost effective to establish a dedicated point-to-point facility direct to an IXC or other alternative telecommunications vendor, and thereby totally bypass the local switched network. Therefore, anything that increases the potential for the growth and development of STS will also increase the risk of bypass. Permitting STS providers to resell local exchange service would maximize the potential for the growth and spread of STS, and thereby increase the risk of bypass.

Southern Bell: Yes. The sharing and resale of local exchange service by STS providers allows businesses to aggregate their toll traffic and thus stimulates bypass activity.

United: Yes. The consolidation of many small access line users into what, in effect, is one large access line user, increases the attractiveness of obtaining facilities direct to an interexchange carrier. Such an arrangement would bypass the LEC's network and reduce the amount of access charges the LEC would receive from the interexchange carrier.

Advisors Realty, Teleco: No. There is no plan to seek bypass, and the parties do not know of any bypass in any shared systems presently in existence.

AmeriSystems: STS does not change the risk of bypass of the local exchange network. The efficiencies to tenants in an STS arrangement which arise from accessing the local exchange network on a shared use basis obviate the need to explore other low cost telecommunications service options, including bypass. Accordingly, the presence of STS will likely mean that tenants do not have to look for such alternatives; a likelihood which is borne out by the fact that no witness to this proceeding is able to identify a single STS location where bypass is occurring.

Baptist Hospital, Carmelite Sisters, Florida Christian Center, Life Care Retirement, Penney Retirement, Presbyterian Homes: No. The risk of bypass will be the same with or without shared service systems. The parties to this consolidated statement do not now presently bypass the local exchange companies nor is there any intent to later engage in such bypass.

Board of Regents: Sharing on college and university campuses does not change the risk of bypass of the local exchange network.

Greater Orlando Aviation Authority: No party to this proceeding has presented a single example of any shared service arrangement, several of which have been in operation for over 3 to 5 years, which currently engages in bypass, let alone an example of an airport sharing arrangement where bypass exists. In fact, the availability of shared local trunks will likely tend to discourage bypass. Sharing local trunks represent a cost-efficient alternative to users, who are able to utilize more efficiently LEC trunks and other plant to access the LEC Central Office. In the absence of the economies and efficiencies provided by sharing arrangements such as that in use at Orlando International Airport, airport tenants may well seek alternative means of reducing their telecommunications costs, certain of which may involve abandoning the local network.

Hillsborough County Hospital Authority: Yes, the sharing and resale of local exchange service by STS providers should reduce the risk of bypass of the local exchange network because the more efficient use of the network through sharing arrangements would reduce the incentive for bypass.

ICUF: STS (as defined by statute) applies only to sharing in a commercial context, and does not apply to shared use in the university context. ICUF therefore has no position on this issue.

In any event, sharing on university campuses does not change the risk of bypass of the local exchange network.

PC: No position at this time.

Sandestin: Sandestin believes that shared use of local telephone service in the destination resort context does not constitute "shared tenant service" as that term is used in Section 364.339, Florida Statutes. Thus, Sandestin takes no position on this issue.

With respect to shared tenant services generally, however, sharing by destination resorts does not change the risk of bypass.

14. ISSUE. Under what terms and conditions should tenants in STS building be provided direct access to the LEC?

Staff: The tenants should be provided direct access to the LEC, however, service may not be immediately available unless facilities are already in place. Access to the customer should be viewed from the point of view of the LEC getting access to the end user.

Centel: Agree with GTFL.

GTFL: Any tenant in an STS building should have the right under Commission rules to obtain service from the local telephone company without penalty of any kind. The local exchange carrier should be guaranteed access to any tenant in an STS building without charge.

The building owner or the STS provider should be required to furnish intrabuilding wiring to the LEC at no charge. If STS operators were permitted to charge General for use of intrabuilding wire, the expense would have to be borne either by nonSTS users or be assessed on a customer-by-customer basis to the affected users located in STS buildings. This might lead to all subscribers charging the LEC for use of their inside wire and a general increase in rates to cover this expense.

Southern Bell: An STS operation must not interfere with the service obligation of the LEC or restrict access to the LEC by any tenant. Florida Statute Section 364.339 expressly provides that the offering of STS shall not interfere or prevent a tenant's right to obtain direct access to the lines and services of the LEC or the right of the LEC to serve the tenant directly under the terms and conditions of the Commission approved tariffs. The opportunity for direct access to a LEC should be a condition of certification of STS providers.

United: Tenants in an STS building should be allowed to obtain local exchange service from the LEC if they so desire. The STS provider should be required to provide cable facilities to the LEC at a reasonable rate or allow the LEC to provide their own facilities to the customer. Another option would be to provide facilities to the tenant so he could meet the LEC at a central location.

Advisors Realty, Teleco: All tenants should have the option of direct access to the LEC. However, all tenants should be fully informed of both the STS and the LEC options. Only by full disclosure and freedom of choice can the user decide what type of service will meet his needs.

AmeriSystems: Tenants should be permitted to have direct access to LECs. Such access will ensure that tenants can choose the telecommunication service option which best suits their needs. In addition, the availability of a telecommunications service option will allow the competitive marketplace to protect tenants against unreasonable pricing or service quality degradation by STS providers. Where the LEC elects to use an STS provider's facilities to meet direct tenant service requests, and such facilities are available, the STS provider should permit the carrier to use its facilities for this purpose. In these circumstances, the STS provider is entitled to reasonable compensation from the LEC for the use of its facilities.

Baptist Hospital, Carmelite Sisters, Florida Christian Center, Life Care Retirement, Penney Retirement, Presbyterian Homes: Full disclosure of the terms and conditions of shared telephone service should be given to prospective residents and patients, as is presently provided under the "transient" exemption. Direct service by the LEC is not feasible in any of these cases. Alternatively, the resident may be allowed to freely contract with the local exchange carrier for the separate provision of local exchange service. The facility operator may be required to permit such interconnection and be reimbursed appropriately by either the resident or the LEC for the rental of cable and equipment space utilized for the direct interconnection.

Board of Regents: Dorm residents should be able to get direct access to LECs under reasonable terms and conditions.

Greater Orlando Aviation Authority: Tenants in a shared system location, such as Orlando International Airport, should have the option of obtaining services directly from the LEC, and an LEC tariff requirement to that effect would be an appropriate means of guaranteeing that providers do not obstruct a tenant or the LEC from such direct access. Such a tariff provision should also provide that, where the LEC elects to use the shared service provider's wiring to serve a tenant directly, it will reasonably compensate the provider for the cost of those facilities. Of course, in such instances, the LEC could recover the cost of such compensation from the directly-served tenant in precisely the same manner as it would if it installed the wiring itself.

Hillsborough County Hospital Authority: No position at this time.

ICUF: STS (as defined by statute) applies only to sharing in a commercial context, and does not apply to shared use in the university context. ICUF therefore has no position on this issue.

In any event, the Commission should not place any terms and conditions on direct access to the LEC for residents of university controlled housing.

PC: No position at this time.

Sandestin: Sandestin believes that shared use of local telephone service in the destination resort context does not constitute "shared tenant service" as that term is used in Section 364.339, Florida Statutes. Thus, Sandestin takes no position on this issue.

15. ISSUE. Should LEC direct service to tenants of STS operations comply with all current PSC rules and orders? If not, which rules or orders should be waived or modified and in what fashion?

Staff: No rule change is needed.

Centel: Agree with United.

GTFL: No. In order to avoid the need for the Company to maintain uneconomic "extra" idle capacity, the Commission should establish a different and more extended due date interval which would apply to requests for direct service from within an STS building.

Southern Bell: LEC direct services to tenants of STS operations should be in conformity with current rules and orders of the Commission.

United: No. If the Commission determines STS is in the public interest, Rule 25-4.66, Paragraphs (2) and (3), should be modified to clearly exempt the inclusion of tenants in an STS building from the availability of service requirements of the rule and eliminate them from any calculation of results. This would apply to individual tenants desiring service direct from the LEC and to tenants in general should an STS

facility go out of business placing a number of tenants immediately in the market for facilities. To do otherwise would require the LEC to install additional facilities in areas where STS exists to ensure they can provide service within three days should the need arise. Also, Rule 25-4.70 should exempt from the calculation of out-of-service results any situation where a tenant in an STS building is receiving service direct from the LEC and trouble is found in cable facilities provided to the LEC by the STS provider.

Advisors Realty, Teleco: It seems that LEC direct service would be same to tenants in an STS building as it would be to non-STS tenants. Therefore, it seems that all rules and orders of the Commission should be complied with.

AmeriSystems: An LEC should be required to comply with all rules and regulations governing its provision of service applicable to any customer when providing service to a tenant in a building featuring an STS arrangement. An LEC should be required to demonstrate that it will be unable to meet all existing rules and requirements before its should be relieved of any of those obligations in a particular situation. If able to make such a showing, a relaxation of the requirement may be justified. In such circumstances, however, the Commissions should mandate the LEC must provide service as expeditiously as possible, and in no event should the LEC be permitted to delay service beyond 10 days absent Commission approval.

Baptist Hospital, Carmelite Sisters, Florida Christian Center, Life Care Retirement, Penney Retirement, Presbyterian Homes: It does not appear that LEC direct service should need to vary in either case. All rules should be equally applicable for LEC service provided to shared or individual systems.

Board of Regents: LEC direct service to members of a university community should be subject to all current PSC rules and orders.

Greater Orlando Aviation Authority: An LEC should be required to demonstrate that it will be unable to meet all existing rules and requirements in a particular situation before it should be relieved of any of those obligations in directly serving tenants. If an LEC is able to make such a showing, a relaxation of the requirements may be justified. In such circumstances, however, the Commission should mandate that the LEC must provide service as expeditiously as possible, and in no event should the LEC be permitted to delay service beyond ten days without Commission approval. Such minimal service requirements are necessary to prevent LECs from discriminating against airport locations where shared service is provided or abandoning their franchise obligation for these tenants.

Hillsborough County Hospital Authority: No position at this time.

ICUF: STS (as defined by statute) applies only to sharing in a commercial context, and does not apply to shared use in the university context. ICUF therefore has no position on this issue.

In any event, LEC direct service to members of a university community, including dormitory residents should be subject to all current PSC rules and orders.

PC: No position at this time.

Sandestin: Sandestin believes that shared use of local telephone service in the destination resort context does not constitute "shared tenant service" as that term is used in Section 364.339, Florida Statutes. Thus, Sandestin takes no position on this issue.

With respect to shared tenant services generally, however, LEC direct service to residents, transients, and other users of a destination resort's facilities should be subject to all current PSC rule and orders.

16. ISSUE. Is there any basis including, but not limited to, cost and value of service for distinguishing between shared services and other telecommunications arrangements for purposes of Commission regulation of LEC rates, charges and conditions of service? Regardless of any distinction, should the same rates, charges and conditions of service apply for shared tenant services and other shared telecommunications arrangements?

Staff: Yes.

Centel: Agree with GTFL.

GTFL: Yes. There is a clear basis for distinguishing between shared services and other telecommunications arrangements. Some of the shared service exceptions listed on Appendix A represent services for which there exist no practical alternatives. Unlike STS, they do not compete with or duplicate services or facilities of the telephone company.

In the case of STS, there are definite alternatives available to the service providers and to their end users which do not require the sharing or resale of local service. If the Commission chooses to allow STS providers to resell and, in effect, operate as "pocket telephone companies," they should be subject to regulatory constraints similar to those imposed on LECs.

Southern Bell: Yes. There is a cost and value of service basis for distinguishing between shared tenant services and other shared telecommunications arrangements for purposes of Commission regulation of LEC rates, charges, and conditions of service. The opportunity to resell local service carriers a higher value to STS providers than other shared telecommunications arrangements. In other shared telecommunications arrangements the provision of telephone service is incidental to the principle business purpose of the enterprise. Hotels, for example, resell telephone service but their primary business is the provision of lodging. In contrast the provision of telephone service is the primary business purpose of a STS provider. Further, the cost of providing service to a STS provider is fundamentally different from the cost to serve other shared telecommunications arrangements in several ways. The sharing and resale of trunks results in the aggregation of usage on the trunks involved. The network switching costs for trunks to small PBXs is much lower than

for large PBXs because trunks in larger groups carry proportionately more usage traffic per trunk. The major impact of trunk sharing is that the total number of access lines serving a building is drastically reduced without a corresponding reduction in call traffic. As a result, Southern Bell per trunk switching costs are much greater with STS than without STS.

Another cost difference involves the outside plant loops which Southern Bell has in place today which were planned on the assumption that Southern Bell would provide direct service to all tenants within a building complex. These are costs which have already been incurred and which must be recovered. Southern Bell is required by both Florida Statutes 364.339 and its certificate of public convenience and necessity to provide service to all persons or businesses requesting service. Thus, Southern Bell must continue to plan and construct its facilities a if there were no shared tenant service arrangements.

A third cost difference involves STS operators choice of service location. Southern Bell's average trunk rates apply throughout its operating area including those areas which are very costly to serve. However, STS operators will only choose to serve the most lucrative locations. As a result, Southern Bell's average trunk cost will increase.

Finally, application of current flat rate trunk prices to STS trunks would result in a loss of rate subsidy that had traditionally been used to offset other costs and to keep residential rates at their lowest possible levels. This loss of subsidy develops because of the reduction in trunk requirements accomplished through consolidation of usage by the STS operator. Southern Bell's current rate structure is built upon the assumption of individual business service and provides contribution used to offset the cost of residential service. Unless properly tariffed, STS arrangements would reduce that subsidy because the number of local lines is significantly reduced from the quantity required for individual service.

United: A basis for distinguishing between shared tenant services and other shared arrangements exists depending on whether the resale of access to the local exchange company's network exists. If it does exist, as in the case of STS operations, then rates should be structured in this docket in a manner to recover the non-traffic sensitive and traffic sensitive costs associated with providing access to the local network. Eventually, rates for all PBX customers should be structured in a similar manner.

Advisors Realty, Teleco: No position at this time.

AmeriSystems: There is no cost or value of service basis for distinguishing between STS and other shared service arrangements or between shared and individual PBX users. There is no difference in the cost to LECs of providing local access trunks for use with shared as opposed to non-shared PBXs, or among shared PBXs. Regardless of whether a PBX is employed in any of these three configurations, the LEC delivers trunk lines to a network interface, behind which customer-operated switching equipment is utilized to distribute local access and related telecommunications services among end users. Even if the LEC cost to provide

access trunk service is shown to vary with usage of individual trunks, usage is a factor unrelated to whether a PBX is shared, or how that PBX is shared.

STS cannot be distinguished on a value of service basis either. Clearly, advanced telecommunications and information management services and the efficiencies offered by PBX equipment have great value to all users, whether they shared PBX equipment or use it on an individual basis.

Baptist Hospital, Carmelite Sisters, Florida Christian Center, Life Care Retirement, Penney Retirement, Presbyterian Homes: There is no valid basis in fact, law, or policy to justify discriminatory treatment for users of shared telecommunication systems versus individual users as a class. Shared systems utilized by medical and aged care facilities possess "transient" and other such attributes that justify an exemption from regulatory restrictions.

Board of Regents: The BOR feels that there is no valid basis for discriminating between users of shared telecommunications services and individual users as a class.

Greater Orlando Aviation Authority: The LEC's cost of service, and the value of service to all types of sharing customers and to all similarly-sized individual customers, is the same. Accordingly, there is no basis for any discrimination in the rates, charges and conditions of service to any of these types of PBX customer.

Hillsborough County Hospital Authority: An STS provider should be charged the same rate as business customers in order to prohibit discriminatory rates with regard to PBX charges.

ICUF: There is not any basis, including cost or value of service for charging a university any different rate for LEC-provided services than is charged to an individual PBX user.

PC: No position at this time.

Sandestin Beach Resort: There is no valid basis for charging a destination resort any different rate for LEC provided services than is charged to an individual PBX user.

17. ISSUE. Is there any basis, including but not limited to, cost and value of service for distinguishing between individual PBX users, shared tenant operations and other shared PBX users for purposes of Commission regulation of LEC rates, charges and conditions of service? Regardless of any distinction, should the same rates, charges and conditions of service apply for individual PBX users, shared tenant operations and other shared PBX users?

Staff: No, because the services are different.

Centel: Agree with GTFL.

GTFL: As not all users resell or share local exchange service, it may be appropriate for a company to charge different rates to STS providers than it charges to individual PBX subscribers.

Although from a cost standpoint a large individual PBX subscriber looks very much like an STS provider, there are differences in their impact upon the general body of ratepayers. The very existence of STS results in negative impacts on other nonSTS users through stranding of investment and reductions in the level of contribution which would otherwise be available from rates charged to business customers. General believes that the structure and level of rates charged to STS providers should reflect these factors.

Southern Bell: See answers to Issues 16 and 20.

United: There is a basis for distinguishing between STS operations and individual PBX users because STS operations are reselling access to the local exchange company's network. This alone is justification for structuring STS rates to recover non-traffic sensitive as well as traffic sensitive costs. This docket is not the appropriate place to make the change, but eventually rates for all PBX users should be structured in a similar manner.

Advisors Realty, Teleco: No position at this time.

AmeriSystems: See position on Issue 16.

Baptist Hospital, Carmelite Sisters, Florida Christian Center, Life Care Retirement, Penney Retirement, Presbyterian Homes: LEC provided services should be available on an equal and nondiscriminatory basis for all subscribers. No cost or value of service consideration alters this basic principle.

Board of Regents: The BOR feels that there is no basis for charging a university a different rate than that charged an individual PBX user.

Greater Orlando Aviation Authority: See position on Issue 16.

Hillsborough County Hospital Authority: An STS provider should be charged the same rate as business customers in order to prohibit discriminatory rates with regard to PBX charges.

ICUF: There is not any basis, including cost or value of service, for charging a university any different rate for LEC-provided services than is charged to an individual PBX user. ICUF has no position as to whether or not there is a basis for distinguishing commercial shared tenant operations from other telecommunications arrangements.

PC: No position at this time.

Sandestin Beach Resort: There is no valid basis for charging a destination resort any different rate for LEC provided services than is charged to an individual PBX user. Sandestin takes no position as to whether there is any basis of distinguishing commercial shared tenant operation from other telecommunications arrangements.

18. ISSUE. How should the following terms be defined in the local exchange telephone company tariffs which may permit sharing or joint use by the following:

18(a) subscriber of record/customer of record or the equivalent thereof

Staff: Person responsible for paying the telephone bill.

Centel: See Section 1 of Centel's Customer Service Tariff.

GTFL: General's tariff adequate defines subscriber or customr as follows: "Any person, firm or partnership, corporation, municipality, cooperative organization or governmental agency which orders and is responsible for the payment of recurring and nonrecurring charges in compliance with the provisions and regulations of its tariff."

Southern Bell: The term "subscriber" is defined in Southern Bell's General Subscriber Tariff. According to the tariff a "subscriber is any person, firm, partnership, corporation, municipality, cooperative organization, or governmental agency furnished service by the Company." Southern Bell has interpreted "subscriber" to include entities affiliated with the primary subscriber. Southern Bell recommends that this definition be retained for STS purposes.

United: Any person, firm or corporation contracting with the Local Exchange Company for any form of exchange service furnished by the Local Exchange Company. A subscriber may also be the agent for multisubscribers when the exchange service is for residential individual line service and the service will be used by multiowners of the individual residential apartment, the individual residential condominium unit apartment, or the single-occupancy residential house.

Advisors Realty, Teleco: "Subscriber or customer of record" includes the person or entity that contracts with the local exchange company for an interconnection to the network.

AmeriSystems: Subscriber or customer-of-record should be defined as an individual, partnership, association, or corporation that arranges for service, and is responsible for compliance with the rules and regulations of the telephone company.

Baptist Hospital, Carmelite Sisters, Florida Christian Center, Life Care Retirement, Penney Retirement, Presbyterian Homes: The entity that contracts with the local exchange company to secure an interconnection to the public network.

Board of Regents: No position.

Greater Orlando Aviation Authority: Subscriber or customer of record should be defined as individual, partnership, association or corporation that arranges for service and is responsible for compliance with the rules and regulations of the telephone company.

Hillsborough County Hospital Authority: No position at this time.

ICUF: No position on Issues 18 (a), (b), or (c). To the extent sharing is allowed in "transient" situations, the term should be defined to include residents of college or university dormitories as "transients."

PC: No position at this time.

Sandestin Beach Resort: Adopt the position of Greater Orlando Aviation Authority.

18(b) affiliated entities or the equivalent thereof, including but not limited to a specification of whether each of the following is an affiliated entity:

i. greater than 50 percent owned subsidiary

Staff: Yes.

Centel: Agree with Southern Bell.

GTFL: In specifying who may use the subscriber's local exchange service, the tariff should permit use by affiliated entities where such affiliated entity is a corporation over which the subscriber exercises control through the ownership of more than 50 percent of the voting stock.

Southern Bell: Southern Bell recommends that "affiliated entity" be defined as a company effectively controlled by another company.

United: Whether or not entities are affiliated should be based on the degree of control exercised over the entity or group of entities by others in the group. The percentage of ownership may vary depending upon the size of the entities involved, and must be decided on a case by case basis. Artificial entities or groupings established solely to take advantage of services available to affiliated entities should not be considered affiliated entities.

Advisors Realty, Teleco: "Affiliated entities" include all residents, support facilities, business offices, and the like, located in or on a condominium's buildings or grounds.

AmeriSystems: In the context of STS, tenants participating in an STS arrangement can be said to be affiliated entities.

Baptist Hospital, Carmelite Sisters, Florida Christian Center, Life Care Retirement, Penney Retirement, Presbyterian Homes: The definition should, at a minimum, include all persons who reside, work, or care for persons on the campus of a health care, nursing home, adult congregate living facility, or other such medical or aged care facility regardless of ownership interest.

Board of Regents: No position.

Greater Orlando Aviation Authority: In addition to an ownership type of affiliation, the definition of affiliated entities should include the definition contained in Southern Bell's illustrative Common Location Communications Service tariff (GOAA Exhibit 60-A), i.e., entities that are "a member of a group of customers situated on the connecting premises and/or nearby properties of a common geographical location such as an airport complex, joint medical college/hospital institutions, complex of government agencies, etc.", where each entity is "engaged in the conduct of interacting business[,] industry [or] government which, by nature of their common interest [,] have a need for large amounts of communications service between stations and/or systems of the

interacting group and a service arrangement would be beneficial to the general business or industrial community."

Hillsborough County Hospital Authority: No position at this time.

ICUF: No position (See position on Issue 18(a)).

PC: No position at this time.

Sandestin Beach Resort: Adopt the position of Greater Orlando Aviation Authority.

ii. 50 percent owned subsidiary

Staff: No.

Centel: See 18(b)(i).

GTFL: See response to Issue 18(b)(i).

Southern Bell: See position on Issue 18(b)(i).

United: See position on Issue 18(b)(i).

Advisors Realty, Teleco: See Position on Issue 18(a)(i).

AmeriSystems: See position on Issue 18(b)(i).

Baptist Hospital, Carmelite Sisters, Florida Christian Center, Life Care Retirement, Penney Retirement, Presbyterian Homes: See position on Issue 18(b)(i).

Board of Regents: No position.

Greater Orlando Aviation Authority: See position on Issue 18(b)(i).

Hillsborough County Hospital Authority: No position at this time.

ICUF: No position (See position on Issue 18(a)).

PC: No position at this time.

Sandestin Beach Resort: Adopt the position of Greater Orlando Aviation Authority.

iii. less than 50 percent owned subsidiary

Staff: No.

Centel: See 18(b)(i).

GTFL: See response to Issue 18(b)(i).

Southern Bell: See position on Issue 18(b)(i).

United: See position on Issue 18(b)(i).

Advisors Realty, Teleco: See Position on Issue 18(a)(i).

AmeriSystems: See position on Issue 18(b)(i).

Baptist Hospital, Carmelite Sisters, Florida Christian Center, Life Care Retirement, Penney Retirement, Presbyterian Homes: See position on Issue 18(b)(i).

Board of Regents: No position.

Greater Orlando Aviation Authority: See position on Issue 18(b)(i).

Hillsborough County Hospital Authority: No position at this time.

ICUF: No position (See position on Issue 18(a)).

PC: No position at this time.

Sandestin Beach Resort: Adopt the position of Greater Orlando Aviation Authority.

18(c) agent or representative or the equivalent thereof

Staff: One authorized to act on behalf of another.

Centel: Agree with United.

GTFL: Under General's tariff, an "agent" is properly defined as a person authorized by another to act for him in the conduct of his business.

Southern Bell: Southern Bell recommends that these terms be defined to mean a relationship in which a person or firm is empowered to act for the subscriber, usually through a legal agreement.

United: A person or firm empowered to act on behalf of another.

Advisors Realty, Teleco: "Agent or representative" includes any person empowered by the owner of a condominium unit to arrange for service for themselves or for their tenants.

AmeriSystems: An agent or representative of an STS user should be defined as an entity who is directed and authorized to acquire and/or manage telecommunications services and facilities on behalf of an end user.

Baptist Hospital, Carmelite Sisters, Florida Christian Center, Life Care Retirement, Penney Retirement, Presbyterian Homes: Persons empowered to order service for other subscribers.

Board of Regents: No position.

Greater Orlando Aviation Authority: An agent or representative of a shared airport service user should be defined as an entity who is directed and authorized to acquire and/or manage telecommunications services and facilities on behalf of an end user.

Hillsborough County Hospital Authority: No position at this time.

ICUF: No position (See position on Issue 18(a)).

PC: No position at this time.

Sandestin Beach Resort: Adopt the position of LinCom.

18(d) transient or the equivalent thereof

Staff: One temporarily occupying the premises.

Centel: Agree with Southern Bell.

GTFL: Transient status should be defined in terms of the contemplated duration of occupancy of a premises for which service is to be provided to successive occupants. General feels that in the public interest, shared service should be permitted under the transient exception where the occupancy of a premises and the use of the service is not intended to exceed nine months.

Southern Bell: Southern Bell recommends that a transient user be defined as someone who is using the service on a temporary or short term basis. The test for transient used by Southern Bell is a period of time less than 30 days.

United: A person, firm, partnership, corporation, cooperative organization or government agency who does not establish a permanent location and uses the telephone service of another.

Advisors Realty, Teleco: "Transient" includes the tenants of any condominium unit which is rented by the owner or by an agent or manager and which is held out for rental for any period less than 30 days, regardless of whether any particular rental during the year is for more than or less than 30 days.

AmeriSystems: No position at this time.

Baptist Hospital, Carmelite Sisters, Florida Christian Center, Life Care Retirement, Penney Retirement, Presbyterian Homes: Should include health care, nursing home, adult congregate living facility, or any such aged care or retirement facilities, regardless of duration of stay for any particular patient or resident.

Board of Regents: If sharing is allowed in "transient" situations, the term should include college and university dormitory residents.

Greater Orlando Aviation Authority: GOAA takes no position on the appropriate definition of "transient" at this time.

Hillsborough County Hospital Authority: No position at this time.

ICUF: No position (See position on Issue 18(a)).

PC: No position at this time.

Sandestin Beach Resort: Adopt the position of GTFL.

19. ISSUE. Does the list in Appendix A correctly identify all tariff provisions and company practices which may allow joint or shared use of a subscriber's local exchange telephone service?

Staff: Yes, see matrix attached referenced as Appendix A.

Centel: Yes.

GTFL: Not entirely. In addition to the items as noted on Appendix A, General's tariffs also permit shared use of service provided to tenants of apartment houses, co-ops, and apartment hotels. Shared service is also available to guests at yacht basins. General does not permit unaffiliated businesses at airports or unaffiliated government entities to share local exchange service.

Southern Bell: Yes.

United: The listing does reflect provisions contained in United's General Exchange Tariff with the following exceptions:

1. United has filed tariff revisions to delete joint user service as required by the Commission. The filing was effective March 10, 1986, with existing customers grandfathered until the conclusion of this proceeding.

2. United does not have a separate tariff offering or exception for dormitory service.

3. United has no tariff provision or exception concerning airport sharing arrangements.

4. United has no tariff provision or exception concerning unaffiliated government entities.

5. United has no tariff provision or exception for time share condominiums, but the definition of subscriber in Section A1 of our General Exchange Tariff includes the following language: "A subscriber may also be the agent for multi-subscribers when the exchange service is for residential individual line service and the service will be used by mult-iowners of the individual residential apartment, the individual residential condominium unit apartment or the single-occupancy residential house."

Advisors Realty, Teleco: Unknown at the present time.

AmeriSystems: No position at this time.

Baptist Hospital, Carmelite Sisters, Florida Christian Center, Life Care Retirement, Penney Retirement, Presbyterian Homes: The list appears to be complete, however, this information resides with the LECs.

Board of Regents: Unknown.

Greater Orlando Aviation Authority: No. At Orlando International Airport, GOAA takes service from Southern Bell under its special Common Location Communications Service ("CLCS"), which was marketed to GOAA in connection with its Joint Airport Service ("JAS") offering. For the purposes of

Issues 20-32, infra, GOAA will respond with respect to this existing Southern Bell service.

Hillsborough County Hospital Authority: No position at this time.

ICUF: Unknown.

PC: No position at this time.

Sandestin Beach Resort: No position at this time.

20. ISSUE. What was the rationale for the development of the tariff provisions and company practices listed in Issue 19?

Staff: Staff does not take a position on this issue.

Centel: Agree with Southern Bell.

GTFL: All of the tariff provisions listed in Appendix A and in answer to Issue 19 appear to have been approved by this Commission as they addressed special needs and circumstances. Most of the shared use exceptions were created to accommodate special conditions which otherwise would have prevented an applicant from obtaining telephone service in his or her name at the particular time and place required. A number of General's shared service exceptions were adopted to address practical and economic problems associated with providing separate individual service to short-term or seasonal occupants of rental quarters such as apartment houses, apartment hotels, persons temporarily subleasing private residents and guests at yacht basins.

Dormitory service was instituted to serve special needs and circumstances of students temporarily living in quarters furnished by their school. Students might otherwise be unable to obtain service directly from the telephone company due to their age and/or lack of established credit. The tariff exception which permits students to obtain dormitory room service via lines furnished to the school or university enables the school to assume financial responsibility for the students' service. This arrangement also reduces the potential logistical problems which would be faced by the telephone company if it had to install thousands of individual access lines on the opening day of school each school year, and subsequently remove them nine months later.

Service to patients of licensed nursing homes presents unique problems. They may be either temporary or permanent occupants, depending on their physical or mental condition. The advanced age and physical condition of the occupants of nursing homes often requires that calls be screened through the switchboard attendant, thereby necessitating the sharing of service provided to nursing homes.

Reservation service was established in 1967 to enable the traveling public to quickly and conveniently contact providers of travel services such as hotels, limos, taxis, etc. This service, which is most commonly found in major airports, simply provides rapid-dial or one-touch access to designated providers of travelers' services. Calls are placed by members of the traveling public over noncoin

semipublic line which are leased from the telephone company by the reservation service provider.

The shared use exception for members of clubs was adopted to accommodate the reasonable communications needs of a club's members when they are on the premises of their club. It recognizes the unique relationship which exists between a club and its membership. In a sense, the relationship between a club and its members is closely analogous to a subscriber and members of his domestic establishment. The exception also recognizes the transient needs of club members when temporarily occupying quarters furnished by their club.

Southern Bell: The tariff provisions and Company practices listed in Issue 19 developed around the criteria of an end user being a transient user or being closely affiliated with another entity such that they function like a single entity. The overriding logic behind these exceptions is that there is no other practical way of meeting the service needs of the end user. Transient end users are limited in the amount of time available to acquire telephone service. Similarly, Southern Bell is limited in its ability to meet the communications needs of the transient public. It would be extremely difficult to accommodate transient users by establishing records, installing the service, and shortly thereafter disconnecting the service. The most practical way to provide service for these users is to institute service in the name of a permanent establishment and allow these services to be extended to a transient end user.

United: United has limited records which would accurately trace the development of its various tariff offerings and exceptions that were put into effect years ago. The rationales stated below were developed from recollections of long time personnel, assumptions based on the nature of the service, and from those records which are available. Rationales for the various services and exceptions listed are as follows:

1. Joint User Service -- This service developed as a result of a shortage of facilities during World War II and was in many instances the only way in which some customers could obtain service. It evolved over time into a service offering favored by certain customers sharing office space, or renting office space in an existing office which already had telephone service. United has filed tariff revisions terminating this service effective March 10, 1986, with existing customers grandfathered until the conclusion of this proceeding.

2. Members of Clubs Provisions -- The clubs referred to in the tariff are clubs that allow members to use the club's local service when on the premises and those which have guest rooms used by members on a temporary basis as hotel type rooms. The rationale for its development was the same as that for patrons of hotels and motels in that the end user is transient in nature.

3. Occupants of Licensed Nursing Homes -- This exception was originally perceived as being similar in nature to the offering for patients in hospital rooms.

4. Occupants of Adult Congregate Living Facilities -- Same rationale as for nursing homes.

5. Students Living in Quarters Furnished by Schools, Colleges or Universities -- This exception was an expansion of the transient rule to cover a non-permanent living situation. The arrival and departure of numerous students at one time requiring service installations and terminations, and the collection problems resulting from serving a large non-permanent population also contributed to the development of the exception.

6. Dormitory Service -- United does not have a dormitory service offering or exception.

7. Persons Temporarily Subleasing a Subscriber's Residential Premises -- This exception developed to handle non-permanent living situations to reduce administrative costs. Examples would be persons that lease beach houses for a week or month, or persons who lease residences in Sebring to racing teams during the annual endurance races.

8. Transient Public in Connection with Reservation Service at Airport Terminals or Other Public Places -- This exception was developed to service the transient public without requiring multiple connections to provide telephone service for reservation purposes. The service saves multiple installations and terminations of service and the associated time and costs. The exception is provided as a convenience to the transient public.

9. Airport Sharing Arrangements -- Not offered by United.

10. Unaffiliated Government Entities (e.g. City, Federal) -- Not offered by United.

11. Switched Data Communications Relating Directly to Business or Composite Data Service Vendor's Patrons -- Not offered by United.

12. Communications Common Carrier in Overseas Data Message Service -- Not offered by United.

13. Occupants of Living Units of Time Share (Interval Ownership) Condominiums -- As previously stated United does not have a specific tariff offering or exception for this service; however, its tariff definition of subscriber does allow the exception. The exception allows multiowners of time share condominiums to have local exchange telephone service without requiring multiple installations and terminations, and without incurring the administration and collection problems associated with changing telephone service on a weekly basis. The exception greatly reduces costs to the telephone company and to the customers to the general benefit of the ratepayers.

14. Exhibitors in Exhibition Hall -- Not offered by United.

Advisors Realty, Teleco: Section A2.2.1 of the General Subscribers Tariff of Southern Bell appears to be based upon the philosophy that it is feasible, desirable and necessary to provide shared telephone services to certain types of customers if those customers can be grouped into a shared system and not have to arrange for installation or discontinuance of service on an individual basis For

example, subsection (11) of the Tariff allows shared service for a "residential subscriber subleasing their residential premises and thereby permitting the sublessee to use the subscriber's service". There is a continued need for shared telecommunications service. The parties take no position at this time on other matters raised by this issue.

AmeriSystems: No position at this time.

Baptist Hospital, Carmelite Sisters, Florida Christian Center, Life Care Retirement, Penney Retirement, Presbyterian Homes: Shared service by hospitals, nursing homes, adult congregate living facilities, and the like has been permitted for the numerous reasons set forth in response to Issue 3 above. The same factual and public policy bases for these exemptions continue to exist.

Board of Regents: Unknown.

Greater Orlando Aviation Authority: GOAA has no direct knowledge of Southern Bell's internal rationale for developing JAS/CLCS, but it agrees with the marketing representations made by Southern Bell to GOAA regarding the advantages and attributes of the service. Southern Bell stated "[t]he economies of JAS are significant. The quality of service to each user is a market improvement over Centrex or individual PBX systems. . . . JAS is an important breakthrough in the services offered to the Airline Industry." (GOAA Exhibit 60-A.)

Hillsborough County Hospital Authority: No position at this time.

ICUF: Unknown.

PC: No position at this time.

Sandestin Beach Resort: No position at this time.

21. ISSUE. In the absence of each of the tariff offering or practices listed in Issue 19, would it be technically possible to provide equivalent or nearly equivalent services to the affected end user?

Staff: See matrix attached referenced as Appendix A.

Centel: Agree with GTFL.

GTFL: Yes. Unless the user requires service for a period shorter than the Company's normal provisioning interval and does not make arrangements in advance. When such users contemplate longer periods of occupancy, however, it would become technically possible to furnish the equivalent type of service provided that the owner of the premises allows the LEC to install service.

Southern Bell: Yes.

United: Yes. It would be technically possible to provide equivalent or nearly equivalent service to the end user in the absence of these offerings.

Advisors Realty, Teleco: No.

AmeriSystems: No position at this time.

Baptist Hospital, Carmelite Sisters, Florida Christian Center, Life Care Retirement, Penney Retirement, Presbyterian Homes: With the transient and mobile intra-facility nature of hospitals, nursing homes, retirement communities, and adult congregate living facilities, direct service would not be feasible. In addition, the messaging, paging, and emergency services would not be available absent the shared system.

Board of Regents: Unknown.

Greater Orlando Aviation Authority: In the absence of tariff provisions or LEC practices allowing an airport authority to share telecommunications facilities with its tenants throughout the airport campus and allowing such tenants and the airport authority to "intercom" behind the switch, it would be technically impossible to provide equivalent or nearly equivalent service to the affected end users. (See position on Issue 5.) GOAA takes no position on other types of sharing arrangements listed in Appendix A at this time.

Hillsborough County Hospital Authority: No position at this time.

ICUF: No position except in the university context. In that context, it would be technically possible, although not practical, for the LEC to provide nearly equivalent services to residents of college dormitories.

PC: No position at this time.

Sandestin Beach Resort: No position at this time.

22. ISSUE. In the absence of each of those tariff offerings or practices in Issue 19, would it be economically feasible from the standpoint of:

a. the local exchange company

b. the end user

to provide equivalent or nearly equivalent services to the affected end users?

22(a) the local exchange company

Staff: See matrix attached referenced as Appendix A.

Centel: Agree with GTFL.

GTFL: It would be economically feasible for the LEC to provide equivalent or nearly equivalent service as the services in question represent an insignificant portion of the company's overall operations. It would, however, be more expensive for end users to obtain a comparable alternative service, due to the relatively high cost of installation which they would incur to satisfy their short term need.

Southern Bell: Generally, no, since the vast majority of these services are provided to transient users. For tariff offerings providing service to permanent customers it would

be economical from the perspective of both the local exchange company and the end user.

United: It is virtually impossible to categorically state whether it is economically feasible to provide equivalent or nearly equivalent service to each type of arrangement in question should the current tariff exemptions be discontinued. It is likely that some locations in each exemption category would fall into the economically feasible category while others certainly would not be economically feasible.

Advisors Realty, Teleco: No.

AmeriSystems: No position at this time.

Baptist Hospital, Carmelite Sisters, Florida Christian Center, Life Care Retirement, Penney Retirement, Presbyterian Homes: Individual service would be more costly and less economically efficient to provide.

Board of Regents: It might not be economically feasible for the local exchange company to provide direct service to dormitory residents, due to the fact that many students enter, leave, and change rooms each academic term, and due to the possible collection problems that the LECs might have in dealing directly with university students.

It would also be economically prohibitive for many students residing in dormitories to obtain local service directly from the local exchange company.

Greater Orlando Aviation Authority: For the LEC to provide equivalent or nearly equivalent service to Orlando International Airport would entail construction of new (and unnecessary) Central Office lines and facilities and/or the installation of new (and unnecessary) Central Office equipment on the airport campus and the lease of space to accommodate that equipment. The cost of such a transition is clearly contrary to the interest of the general rate base, as well as the users of the existing shared system.

Hillsborough County Hospital Authority: No position at this time.

ICUF: No position except in the university context. In that context, it would not be economically feasible for the local exchange company to provide service to dormitory residents in view of the frequency with which such residents enter, leave, and change rooms in dormitories, and in view of the collection problems that the LECs would likely experience in dealing with large number of university students.

It also is not economically feasible for the dormitory residents to obtain local service from the LECs, in light of the deposit requirements and monthly charges that many students are not able to afford.

PC: No position at this time.

Sandestin Beach Resort: No position at this time.

22(b) the end user

Staff: See matrix attached referenced as Appendix A.

Centel: See 22(a).

GTFL: See position in Issue 22(a).

Southern Bell: See position on Issue 22(a).

United: See position on Issue 22(a).

Advisors Realty, Teleco: No.

AmeriSystems: No position at this time.

Baptist Hospital, Carmelite Sisters, Florida Christian Center, Life Care Retirement, Penney Retirement, Presbyterian Homes: To individually contract and pay for such service could technically be provided, but such a requirement would make it prohibitively expensive for many residents and patients.

Board of Regents: See position on Issue 22(a).

Greater Orlando Aviation Authority: Elimination of Orlando International Airport's shared communications system would be economically infeasible for the users of the system. The users of the shared telecommunications system at Orlando International Airport were directly responsible for the capital costs of the system. Replacement of existing facilities would mean that either those users would have to pay twice in less than five years for a similar system or the cost would be borne by the general body of ratepayers. In either case, the public interest is not served. Moreover, the end users at the airport (both GOAA and its tenants) would lose the economic efficiencies generated by the shared system.

Elimination of tariff provisions pertaining to reservation service at airports would also have an adverse impact on airport users. If hotels, motels and other businesses who generally subscribe to such service were required to subscribe to their own dedicated reservation lines, the service would likely become prohibitively expensive. Accordingly, the travelling passengers who are served by such facilities would no longer have access to the service and would thereby be inconvenienced.

Hillsborough County Hospital Authority: No position at this time.

ICUF: See position on Issue 22(b).

PC: No position at this time.

Sandestin Beach Resort: No position at this time.

24. ISSUE. For each of the tariff provisions or practices listed in Issue 19, does the end user have the ability to obtain local exchange telephone service directly from the LEC?

Staff: See matrix attached referenced as Appendix A.

Centel: Yes.

GTFL: Yes, except for joint user service as such users do not qualify for regular individual telephone service under General's tariffs. However, if the contemplated use is for only two or three days, the Company's normal installation intervals would preclude the provision of service unless arrangements were made in advance of the period of its expected use.

Southern Bell: Yes. Although it would be unlikely that customers would request direct service in the majority of the situations, Southern Bell would be willing to provide direct service to any individual customer under the provisions of Southern Bell's General Subscriber Service Tariffs.

United: Yes.

Advisors Realty, Teleco: Under existing practice, many condominium residents who own their own units or have long term leases subscribe directly with the local exchange company for telephone services. Direct services to rental tenants is not feasible, which is one reason for tariff exception being created in the first place. However, all residents of the condominiums, including permanent residents, should have the option of using the shared system.

AmeriSystems: No position at this time.

Baptist Hospital, Carmelite Sisters, Florida Christian Center, Life Care Retirement, Penney Retirement, Presbyterian Homes: The provision of direct service to transients is not feasible and has lead to the creation of the tariff exceptions. Where feasible, direct LEC service has been available as an alternative at the customers option.

Board of Regents: Varies from university to university.

Greater Orlando Aviation Authority: All end users located on the airport campus have the ability to obtain service directly from Southern Bell at all times, and GOAA believes that tenants should continue to have the option of obtaining service directly from the LEC.

Hillsborough County Hospital Authority: No position at this time.

ICUF: No position except in the university context. Although the college's policy may vary somewhat from institution to institution, depending in part on the extent of on-campus networks and the availability of inside wire, a dormitory resident will usually have the ability to obtain local telephone service directly from the LEC.

PC: No position at this time.

Sandestin Beach Resort: No position at this time.

25. ISSUE. Which of the current tariff offerings or practices listed in Issue 19 allow for service which is duplicative or competitive with the local exchange service provided by the certificated local exchange telephone company?

Staff: See matrix attached referenced as Appendix A.

Centel: Agree with Southern Bell.

GTFL: General believes the following shared services may be duplicative of or be competitive with its local exchange service: apartments, co-ops, apartment hotels (where the residents are not transients), persons subleasing a subscriber's residence and students in dormitories. In addition, Reservation Service may also be considered competitive. In the absence of Reservation Service, travelers would most likely use regular coin phone service.

Southern Bell: The proper perspective for addressing this issue is whether the extension of subscriber service is duplicative or competitive to the service the end user would normally request from Southern Bell. In the majority of cases under review, the end user is transient and under transient conditions, the end user would find it totally impractical and economically prohibitive to order direct individual Southern Bell provided local service. As a result, the permitted exception is not duplicative or competitive to the individual service options the end user would realistically have available to him. However, several situations do exist in which the extension in subscriber local service does appear to be duplicative or competitive. These subscribers include nursing homes, dormitory rooms, adult congregate living facilities (ACLFs) and common location communications service arrangements (CLCS).

Although nursing homes and dormitories appear to be duplicative or competitive, realistically these situations have unique circumstances which make the tariff provision the most logical and economical way of providing telephone service. Further, these tariff provisions provide the best means of protecting the interest of the public.

United: The services listed in Issue 19, which United provides, may be capable of duplicating to a small degree United's local exchange service. These tariff exceptions listed, which United provides, were requested by United and approved by the FPSC, based on the factors listed in the rationales provided in response to Issue 20. They, unlike STS, have been found to be in the public interest.

Advisors Realty, Teleco: Shared systems which serve condominium rental facilities do not duplicate or compete with existing local telephone companies.

AmeriSystems: No position at this time.

Baptist Hospital, Carmelite Sisters, Florida Christian Center, Life Care Retirement, Penney Retirement, Presbyterian Homes: Shared telecommunications services systems utilized by hospitals, nursing homes, adult congregate living facilities, and any other facilities or communities that offer service to the aged, ill, or infirm are not in competition with or duplicative of local exchange services provided by existing local telephone companies. These facilities utilize shared telephone service solely as an adjunct to their primary businesses and do not offer service "for hire" or "to the public" as do the LECs. Such sharing of services initially provided by local and long distance

companies is not in competition with or duplicative of those underlying LEC and IXC provided services.

Board of Regents: The practice of the nine state universities of providing telephone service to dormitory residents is not duplicative or competitive with the local exchange service provided by the LECs.

Greater Orlando Aviation Authority: As stated above, GOAA's shared telecommunications service offers important safety and operational advantages that would not be available without a shared system. Therefore, it is not duplicative or competitive with the LEC. To the extent, however, that all or part of GOAA's system is found to be duplicative or competitive with the LEC, all sharing arrangements must be placed in the same category and would be required to conform to the requirements of Section 364.339, Florida Statutes.

Hillsborough County Hospital Authority: No position at this time.

ICUF: No position except in the university context. The provision of service to residents of university dormitories is not duplicative of or competitive with the local exchange service provided by the LECs.

PC: No position at this time.

Sandestin Beach Resort: No position except in the destination resort context. The provision of service to residents, transients, and others using the facilities of a destination resort does not duplicate or compete with the provision of service by the LEC.

26. ISSUE. In the absence of the tariff offerings or practices listed in response to Issue 25, are the existing facilities adequate to meet the reasonable needs of the public?

Staff: See matrix attached referenced as Appendix A.

Centel: Yes.

GTFL: Not completely. Tariff offerings recognizing the needs of the transient public are required.

Southern Bell: Generally no, however if necessary, the increased facilities needed to provide direct services to ACLF residents and to CLCS airports could be provided without extraordinary expense.

United: Yes.

Advisors Realty, Teleco: The existing facilities of the LECs are not adequate to meet the reasonable needs of the public. By developing shared systems, the ultimate users have available to them services which otherwise would be unavailable, and are available at relatively low cost and with high quality of service.

AmeriSystems: No position at this time

Baptist Hospital, Carmelite Sisters, Florida Christian Center, Life Care Retirement, Penney Retirement, Presbyterian Homes: The improved service cost and quality afforded by a shared system makes better use of existing services to meet the reasonable needs of the public.

Board of Regents: Unknown.

Greater Orlando Aviation Authority: Because GOAA's system was efficiently designed by Southern Bell, if GOAA were prohibited from continuing its shared telecommunications system the LEC would be required to either construct numerous additional Central Office lines and facilities or establish a new Central Office on GOAA's airport campus. Accordingly, existing Southern Bell facilities are clearly not adequate to meet the reasonable needs of GOAA and its tenants.

Hillsborough County Hospital Authority: The existing LEC facilities are not adequate to meet the needs of the Hospital Authority.

ICUF: No position except in the university context. In some situations, existing LEC facilities might be adequate to meet the reasonable needs of dormitory residents, although in some situations they are not -- for example, on some campuses, not all students desiring local service have historically been able to get that service from the LEC in a timely manner. In many situations, the needs of the university student can be better served by participation in a university provided system.

PC: No position at this time.

Sandestin Beach Resort: The existing LEC facilities are not adequate to meet the needs of the residents, transients and others using the facilities of a destination resort.

27. ISSUE. Which of the tariff offerings or practices listed in Issue 19 are in violation of Section 364.335, F.S.?

Staff: See matrix attached.

Centel: Agree with United.

GTFL: See response to Issue 25.

Southern Bell: No position.

United: None of the tariff offerings, tariff exceptions or practices listed in Issue 19, and provided by United, are in violation of Section 364.335, Florida Statutes. Each of United's tariff offerings has been approved by the FPSC. The law is well settled that Commission orders are presumed to be correct and within the authority of the Commission to issue.

Advisors Realty, Teleco: Condominiums and other residential facilities with units for rent have long been encouraged to use shared telephone systems. There is no reason to change that method of operation now. The tariff offerings or practices do not violate Section 364.335, Florida Statutes, or any other law.

AmeriSystems: No position at this time.

Baptist Hospital, Carmelite Sisters, Florida Christian Center, Life Care Retirement, Penney Retirement, Presbyterian Homes: Shared telecommunications services systems utilized by hospitals, nursing homes, adult congregate living facilities, and any other facilities or communities that serve the aged, ill, or infirm have long been permitted and encouraged. They do not violate Florida Statutes Section 364.335, or any other provision of law.

Board of Regents: The sharing of local service on the campuses of the state universities is not violative of Section 364.355.

Greater Orlando Aviation Authority: GOAA's shared airport telecommunications system does not violate Section 364.335, Florida Statutes. To the extent, however, that the Commission finds otherwise, all shared telecommunications systems must be placed in the same category and would therefore be required to conform to Section 364.339, Florida Statutes.

Hillsborough County Hospital Authority: No position at this time.

ICUF: No position except in the university context. The sharing of local service on university campuses is not in violation of Section 364.335, Florida Statutes.

PC: No position at this time.

Sandestin Beach Resort: No position except in the destination resort context. Sandestin Beach Resort, like adult congregate living facilities, colleges and universities, hospitals, and other destination resorts, use shared telecommunications sevices as that term is generally understood. Moreover, sharing of local telephone services by residents, transients, and others using the facilities of destination resorts is widespread, in the public interest, and not prohibited by statute any more than is resale of local service by others, such as hotels and motels.

28. ISSUE. For each of the tariff provisions or practices listed in Issue 19 that do not violate Section 364.335, F.S., are those tariff provisions or practices in the public interest?

Staff: See matrix attached referenced as Appendix A.

Centel: Yes.

GTFL: Yes.

Southern Bell: All of the tariff provisions or practices listed in Issue 19 are in the public interest except CLCS arrangements and the ACLF exception. In both of these situations the end user could maintain its existing quality of service through the use of direct individual local exchange service. Additionally, the alternative serving arrangement available to these customers would be quite economical.

United: Yes.

Advisors Realty, Teleco: Shared telephone service in condominiums with units being made available for rent to the public are in the public interest. See also Position on Issue 3.

AmeriSystems: No position at this time.

Baptist Hospital, Carmelite Sisters, Florida Christian Center, Life Care Retirement, Penney Retirement, Presbyterian Homes: Shared service within a hospital, adult congregate living facility, nursing home, or other medical or aged care facility is in the public interest. (See discussion under Issue 3.)

Board of Regents: The BOR feels that shared local telephone service on the campuses of the State University System is in the public interest due to the ease and flexibility of the service which can be provided to dormitory students.

Greater Orlando Aviation Authority: GOAA's shared airport communications system is clearly in the public interest. (See, e.g., GOAA position on Issues 3, 5, 13, 22, 23.)

Hillsborough County Hospital Authority: No position at this time.

ICUF: No position except in the university context. The sharing of local service on university campuses is in the public interest.

PC: No position at this time.

Sandestin Beach Resort: No position except in the destination resort context. The sharing of local service at destination resorts is in the public interest.

30. ISSUE. If the Commission determines that the tariff provisions or practices considered in Issue 28 should be continued, what clarification in the application of the existing company tariff would you recommend and why? (e.g., number of users permitted per line or trunk, geographical limits, off premises extensions)?

Staff: See matrix attached referenced a Appendix A.

Centel: Agree with GTFL.

GTFL: General believes that usage sensitive rates should be a basic tariff requirement for services that are approved for sharing. This can be accomplished by requiring the use of measured PBX trunks and/or measured business individual lines for providing service to "transient" occupants of multi-unit dwellings such as apartments, co-ops, condominiums, apartment hotels, retirement homes, and nursing homes. Measured business service should also be required for access lines in clubs where such lines are provided for use by members as well as for the shared use of a residential subscriber and his or her sublessor tenant.

Any shared use exceptions which may ultimately be sanctioned would be intended for the accommodation of public needs which, otherwise, would not be met, and would not be intended to provide a basis for resale of the LEC's service. Language

that specifically reinforces this intent should be included in tariff provisions for each such exception.

Specific tariff language should be included which limits shared service for transient use not to exceed nine months for residential service and 30 days for exhibitors in exhibition halls.

Southern Bell: Except as explained in answer to Issue 28, the tariff provisions considered in Issue 28 do not require any clarification in their application. However, Southern Bell does recommend minor wording changes in the tariff itself.

United: Service should be restricted to contiguous property under common ownership or control.

Advisors Realty, Teleco: Each tariff should specifically state that condominiums or similar residental units which are held out for rent for any period less than 30 days, but not excluding those units which in fact may be rented for periods of more than 30 days, should be included in the exemption and should be allowed to continue to use shared telephone systems. The entire facility should be included so that all offices, common-use areas, and support facilities could use the shared system. It does not appear to be feasible, or permissible, to base the service on the number of users permitted per line or trunk, geographical limits, or off-premises extensions.

AmeriSystems: No position at this time.

Baptist Hospital, Carmelite Sisters, Florida Christian Center, Life Care Retirement, Penney Retirement, Presbyterian Homes: Each LEC tariff should incorporate a definition for hospitals and retirement or aged care communities that would include all such communities under a permissible exemption. A definition for retirement or aged care facilities would be as follows:

> All homes, communities, or facilities for the aged or retired which have: (1) at least one component that is licensed as a nursing homes or adult congregate living facility with at least 75% of the occupants over the age of 62 years, or totally and permanently disabled; and/or (2) at least 75% of the occupants over age 62, or totally and permanently disabled, along with evidence of a section 501(3)(c) non-profit status for federal tax purposes.

Hospitals may be defined as follows:

> Any facility licensed pursuant to Florida Statutes chapter 395, and including any buildings on the hospital's property offering support or professional services.

Under either of these definitions, the entire campus or facility would be included and all of the on-premise residents, patients, administrative and support personnel and related health care professionals would be able to utilize the shared telecommunications system. For these medical and aged care facilities, any definition based on the

number of users, trunk lines, geography, or off premises extensions would be arbitrary and not in the public interest.

Board of Regents: The BOR does not feel that additional clarification or limitations are needed in the area of service to universities.

Greater Orlando Aviation Authority: With respect to shared airport arrangements, the Commission should retain Southern Bell's geographic limitations (stated in GOAA's response to Issue 18(b); see also Issue 2). Trunk limitations, limits on number of users or stations, and limits on off-premises extensions are inappropriate for such airport arrangements.

Hillsborough County Hospital Authority: No position at this time.

ICUF: No position except in the university context. No additional clarification or limitations are needed in the university context.

PC: No position at this time.

Sandestin Beach Resort: No position at this time.

31. ISSUE. Under what circumstances is the provision of service via an additional listing (e.g., versus joint user) appropriate?

Staff: Only when it further identifies the subscriber.

Centel: Agree with United.

GTFL: Additional listings are appropriate where they are used to identify other persons or entities who are legitimately entitled to share in the use of the subscriber's service. This would include employees, agents, or representatives of the subscriber, or members of the subscriber's domestic establishment. Additional listings could also be appropriate when used in connection with certain of the shared use exceptions such as occupants of nursing homes, students in dormitories, persons temporarily subleasing a subscriber's premises, tenants or apartment houses, co-ops, and apartment hotels and guests at yacht basins.

Southern Bell: An additional listing is permitted when the listing further defines the primary subscriber. Southern Bell's illustrative tariff also provides for an additional listing when a reseller client requires a listing in addition to the one provided by the tariff for each client. Joint user service has not been offered since March 3, 1986 when it was obsoleted in Florida. The alternative is to recommend individual line service.

United: Requests for additional listing are handled in accordance with our General Exchange Tariff, Section A6. It states for business listings "additional listings may be furnished in the names of partners or members of the firm, if the subscriber is a partnership or firm, the names of officers of the corporation, if the subscriber is a corporation; and for any business establishment, the names of associates or employees of the subscriber. Business

additional listings may also be the bona fide names of individuals, firms, or corporations which the subscriber owns or controls or is duly authorized to and actually does represent."

For residential listings it states "additional listings may be furnished in the names of relatives, including those by marriage, domestic employees of the subscriber, or other persons residing in the subscriber's house who are recognized as a part of the subscriber's domestic establishment. Dual name additional listings are permitted at the specified rate for additional listings." If the criteria for business or residence additional listings is not met, joint user rates would apply.

Advisors Realty, Teleco: STS end users should be able, at their option, to obtain separate directory listings in the name of the owner of the unit, name of the tenant, or using some other identifying characteristic (such as condominium name and residential unit number), or a combination of listings, so long as the standard rates for single or multiple listings is charged, as appropriate.

AmeriSystems: Additional listing are appropriate for all directory listings in a sharing arrangement other than the listing for the customer-of-record.

Baptist Hospital, Carmelite Sisters, Florida Christian Center, Life Care Retirement, Penney Retirement, Presbyterian Homes: Subscribers in a shared use setting should be permitted to obtain a separate directory/information listing at a standard tariff rate provided to all other subscribers.

Board of Regents: In many instances, additional listings would not meet the needs of the universities. Any additional listing should be made available to students on the same terms as they would to other users.

Greater Orlando Aviation Authority: An additional listing is appropriate for listings obtained by the customer-of-record for end users.

Hillsborough County Hospital Authority: No position at this time.

ICUF: No position except in the university context. In that context, additional listings would not meet the needs of the university community.

PC: No position at this time.

Sandestin Beach Resort: No position at this time.

32. ISSUE. What end date and implementation plan would most smoothly transition the end users currently end users currently using tariff provisions or practices listed in Issue 19 to an alternative service?

Staff: See matrix attached referenced as Appendix A.

Centel: Agree with GTFL.

GTFL: In those instances where it is possible to provide end users with equivalent services, it would be appropriate to "grandfather" service on a location by location basis in order to effect the change-over coincident with local directory publication dates. Allowing for a reasonable customer notification interval, the end date for all such affected services would probably extend out to eighteen months following a Commission Order.

Southern Bell: Florida Statute Section 364.339 requires the Commission to rule upon the issue of shared tenant services no later than January 15, 1987 and provides that if the Commission finds shared tenant services to be in the public interest, it may authorize such service beginning July 1, 1987. However, as of July 1, 1987, STS activity must cease unless the Commission finds such activity to be in the public interest. Therefore, Southern Bell recommends that all customers be given notice of Socket 860455-TP and of the new cut off date of July 1, 1987 on or before the end of 1986. All customers should be given notice of the Commission's decision on or before February 15, 1987.

United: The appropriate end date would be July 1, 1987. The implementation plan should be similar to the following:

Customer Notification - Initial written notification should be sent to customers at least 90 days prior to the required change date outlining what changes are required and encouraging them to contact their Customer Service Center if they have any questions.

Follow-Up Letter - A second letter should be initiated by the LEC approximately 60 days prior to the change to ensure the customer understands what he must do and to obtain necessary service order information required to make the change. This letter will also include a certification form for the primary customer to complete indicating that a sharing arrangement no longer exists.

Telephone Contact - Approximately 30 days prior to the change date, the LEC should verbally contact those customers who have not provided the necessary certification form and billing/access line data required to initiate service orders. Discussions should continue during this last month between the telephone company contact and the customer to ensure a smooth transition.

Effecting The Change - Service Orders should be worked by the change data to ensure that no shared services remain in effect after the deadline. Customers who have not made appropriate arrangements to receive separate service by the deadline will have service orders issued to remove all charges and associated directory listings. The primary customer will then be sent a final notification that his service will be interrupted within 15 days unless he certifies that a sharing arrangement does not exist on his premises.

Advisors Realty, Teleco: If the Commission finds that STS is not in the public interest or otherwise adversely alters the present terms and conditions of operation, "stranded investment" will occur for the STS systems unless they are allowed to continue under present operations until the systems are fully depreciated.

AmeriSystems: Whatever implementation plan is adopted for STS is equally appropriate for all other sharing arrangements.

Baptist Hospital, Carmelite Sisters, Florida Christian Center, Life Care Retirement, Penney Retirement, Presbyterian Homes: Assuming the Commission finds shared telecommunications services not to be in the public interest, then the tariff should at a minimum provide for the "grandfathering" of existing shared service systems until their natural obsolescence. Anything else would result in useless waste of existing capital investment for these system uses, possible service disruption to subscribers, and potential litigation for those involved.

Board of Regents: The BOR feels there is no need to transition end users now using university-provided telephone service to another plan.

Greater Orlando Aviation Authority: GOAA has no proposal in this regard, but reserves the right to comment on proposals raised by other parties.

Hillsborough County Hospital Authority: No position at this time.

ICUF: No position except in the university context. Since the sharing of telephone service in the university context is not prohibited by statute, and is in the public interest, there is no need to transition end users currently using university provided service to any other plan.

PC: No position at this time.

Sandestin Beach Resort: No position except in the destination resort context. Since the sharing of telephone service in the destination resort context is not prohibited by statute, and is in the public interest, there is no need to transition end users currently using destination resort provided service to any other plan.

VI. EXHIBIT LIST

Witness/Company	Composite* Exhibit No.	Title
H. Macbeth/G.O.A.A.		Marketing document prepared for GOAA by So. Bell
		Orlando Sentinel Articles dated 4/26/86 & 5/9/86
		Docket 6076, Public Utility Comm. of Texas, Examiner's Report dated 1/8/86 & Comm. Order dated 1/24/86
		Washington Post Article dated 7/23/85
		Orlando Sentinel Article dated 4/25/86

Witness/Company	Composite* Exhibit No.	Title
J. Mickle/Southern Bell		JAM-1-Illustrative Sharing & Resale of Basic Local Exchange Service General Subscriber Service Tariff
		JAM-1-Shared Tenant Services-Potential Impact Study dated October, 1984
P. Glassburn/General		PDG-1-List of Joint or Shared Use exceptions by Tariff or Company practice
		PDG-2-Subscribers & Access Lines
		GTFL/Paragon Group correspondence
		Potential Reduction in Local Exchange Revenues Sharing vs. Non-sharing
Staff/FPSC		
D. Smith/ AmeriSystems		Response of AmeriSystems to Staff's 1st Set of Interrogs. Nos. 1-17,20-22,28-30,33-34, 36-37,50-52,54-56
		Deposition 9/19/86 - pgs. 5-6, 9-11,13-14,16-19,21,26-32,37-39,42-43,46-48,54-56,58-59, 64,71-72,79-82,85,87,90,91, 100-101,104-123,130-131,135, 145-146,153,155,157-160,164-167,170-173,180-182,185
H. Macbeth/ GOAA		Response of G.O.A.A. to Staff's 1st Set of Interrogs. 10-11, 26,29-30,33-34,36-37,47-48
		Deposition, 10/14/86 - pgs. 20, 22-26,31,34,37-38,44-45,47,56, 58,62-63,66,71,75,77,78,80,82-83,89,95,97-103,106-116,119-120,132-134
D. Smith/ Baptist Hospital		Deposition, 10/13/86 - pgs. All**
P. Findling/ Hillsborough County Hospital Auth.		Response of HCHA to Staff's 1st Set of Interrogs. Nos. 29-30, 33-34,36-37
		Deposition 10/2/86 - pgs. 17-18,21,39,41,44,50
None/Sandestin		Response of Sandestin to Staff's 1st Set of Interrogs. Nos. 1-14,29-30,33-34,36-37

Witness/Company	Composite* Exhibit No.	Title
D. Lord, F. Szabo, P. Murphy/ICUF		Response of ICUF to Staff's 1st Set of Interrogs. Nos. 8,12-14,16,20,22,28-30,33-34,36-37
Sister Hughes/ Carmelite Sisters		Response of Carmelite Sisters to Staff's 1st Set of Interrogs. Nos. 29-30,33-34,36-37
P. Hagen/ Penney Retirement		Response of Penney Ret. to Staff's 1st Set of Interrogs. Nos. 29-30,33-34,36-37
		Deposition, 10/13/86 - pgs. All**
J. Emmerson/ Presbyterian Homes		Response of Presbyt. Homes to Staff's 1st Set of Interrogs. Nos. 29-30,33-34,36-37
J. Mickle/ So. Bell		Response of So. Bell to Staff's 1st Set of Interrogs. Nos. 1-3,5-6,11-20,22,25-27,29,31,41-42,52-55
		Response of So. Bell to Staff's 3rd Set of Interrogs. Nos. 58 (a-d),59,61-68,79-80,84-104, 109(a&b),112-113,115-116,118-120,125-126,130-131,139-140, 146,160-162,164
		Deposition, 8/26/86 - pgs. 5-8, 11,18-19,22,28-30,34-44, 46-48,51-52,56-58,61-67,75-77, 81-86,93-95,100-102,104
		Late Filed Deposition Exhibits:
		#1-First Minute Costs (Revised).
		#3-Price Out of Anticipated Revenues From the Proposed Usage & Charges (Attachment only - 38 pgs.)
		#4-Price Out of SBT Proposed DID & Loop Charge of $39.93 Plus $3.37 (2 pgs. - not the attachment)
		#7-Trunk Group Size Study
		#8-Number of Customers Who Have More Than 500 Trunks in Florida
		#10-1984 ECS Analysis Summary

Witness/Company	Composite* Exhibit No.	Title
		#16-Back Up for $300 Non-recurring Charge
		Deposition 10/16/86-pgs.-All** Late-filed Deposition Exhs. 1 & 2
D. Wright/ So. Bell		Deposition 10/16/86-pgs.-All**
W. Tubaugh/ So. Bell		Deposition 10/16/86-pgs.-All**
T. Knight/ So. Bell		Deposition 10/16/86-pgs.-All**
S. Wahlen/ Centel		Response of Centel to Staff's 1st Set of Interrogs. Nos. 1-2,5-6,11-20,22,25-27,29,31,41-42,52-55
		Response of Centel to Staff's 3rd Set of Interrogs. Nos. 58(a-d),59,61-68.79-96,98, 102,110,113,118,120,125-126, 130-132,134,137,139-142,146, 149
R. McCullers/ United		Response of United to Staff's 1st Set of Interrogs. Nos. 1-3,5-6,11-22,25-26,29,31,41-42, 52-55
		Response of United to Staff's 3rd Set of Interrogs. Nos. 58 (a-d), 61-68,79-93,95,99(a), 112,118,120,125-126,130-131, 139-140,146,148
P. Glassburn/ General (includes responses from: E. Rado, D. Murphy, W. Shaw		Response of General to Staff's 1st Set of Interrogs. Nos. 1-6,11-22,25-27,29,31,41-42,52-55
		Response of General to Staff's 3rd Set of Interrogs. Nos. 58-59,61,63-68,79-83,85-93,95,97, 109-110,118,120,125-126,130-131,139-140,146,148
J. Hurd/ FPSC		Deposition, 9/24/86 - pgs. 9-11,13-15,17-33,37-42,49,54-55, 62-70,73-76,86-87
		Survey of Adult Congregate Living Facilities' Telephone Services (2 pgs.)
		Survey of Nursing Homes' Telephone Service (1 pg.)

Witness/Company	Composite* Exhibit No.	Title
		Survey of Fla. Assoc. of Homes for the Aging Facilities' Telephone Service (2 pgs.)
		So. Bell's Confidential Response to Interrog. No. 5 of Staff's 1st Set of Interrogs.

* By order of the Prehearing Officer each exhibit will be numbered at the time it is offered into evidence.

** Particular deposition pages will be identified prior to or at time of hearing.

VII. STIPULATIONS

The parties to this proceeding have stipulated that, for the purposes of this proceeding the definition of shared tenant services is as it appears in Florida Statutes Section 364.339.

VIII. PENDING MATTERS

1. Request for Specified Confidential Classification regarding deposition Exhibit of Jacklyn Mickle (Bypass Impact Study).

2. Request for Specified Confidential Classification regarding Staff's 1st Set of Interrogatories, Interrogatory No. 12 (AmeriSystems, Inc.).

IX. RULINGS

Ruling by the Prehearing Officer to strike certain issues identified at the Prehearing Conference.

It is, therefore,

ORDERED by Commissioner Michael McK. Wilson, as Prehearing Officer, that this Prehearing Order shall govern the conduct of these proceedings as set forth above unless modified by the Commission.

By ORDER of Commissioner Michael McK. Wilson, as Prehearing Officer, this 22nd day of OCTOBER, 1986.

Michael McK. Wilson
MICHAEL MCK. WILSON, Commissioner
and Prehearing Officer

(S E A L)

RV,JFM

ISSUE 19: DOES THIS LIST CORRECTLY IDENTIFY PROVISIONS AND PRACTICES ALLOWING JOINT OR SHARED USE?

ISSUE NUMBER	POSITION	(a) JOINT USERS	(b) MEMBERS OF CLUB	(c) NURSING HOMES	(d) ACLF CONTINUING CARE FACILITIES OTHER RETIREMENT COMMUNITIES	(e) SCHOOLS COLLEGES AND UNIVERSITIES	(f) SUBLEASE RESIDENCE	(g) RESERVATION SERVICE	(h) AIRPORT SHARING	(i) UNAFFILIATED COVS.	(j) TIME SHARES	(k) EXHIBITIONS	(l) SHARED TENANT SERVICE	(m) HOSPITAL SHARING ARRANGMTS
20	Rationale for tariff	No position	No position	No position	No position	No position	No position	No position	No position	No position	No position	No position	No position	No position
21	Technically possible	Yes	Yes via Payphone	No	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
22a	Economically feasible by LEC.	Yes	No	No	No	No, high turnover @ semester	No	No except Payphones	Yes	Yes	No	No	Yes	Yes
22b	By end user.	Generally more expensive	No	No	(b)	(b)	(b)	No	No position	No	No	No	Yes	No position
23a	Stranded network investment.	Struck												
23b	Impare network planning	Struck												
23c	Negative impact local ratepayers	Struck												
24	Direct access.	Yes	No	No position	No position	(c)	Yes	No	No position	Yes	Yes	Yes	Yes	No position
25	Duplicative or competitive.	Yes	No	No position	No position	No	No	No	No position	Yes	No	No	Yes	Yes
26	Existing facilities adequate.	Yes	N/A	No position	No position	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No position	No position
27	Violation 364.335 F.S.	Yes	No	No	No position	No	No	No	No position	Yes	No	No	Yes	Yes

BST 1625
PSC

ISSUE 19: DOES THIS LIST CORRECTLY IDENTIFY PROVISIONS AND PRACTICES ALLOWING JOINT OR SHARED USE?

ISSUE NUMBER	POSITION	(n) COMPOSITE DATA SERVICE	(o) OVERSEAS DATA SERVICE	(p) YACHT BASIN GUESTS	(q) APARTMENT HOUSE-CO-OP HOTEL TENANTS
28	In public interest.	No Position	No Position	Yes	No Position
29	Existence Third Party	Struck			
30	Tariff clarification.	No Position	No Position	(a)	Access Charges
32	End date and implementation plan	No Position	No Position	7/1/87	7/1/87

N/A - Not Applicable
(a) No additional listing intended for incidental use; Reside 30 days or less.
(b) Up front costs may be higher to LEC but recurring costs may be lower or higher.
(c) Varies. Depend on Colleges and Universities.

)757C

BST 1626
PSC

ISSUE 19: DOES THIS LIST CORRECTLY IDENTIFY PROVISIONS AND PRACTICES ALLOWING JOINT OR SHARED USE?

(1) Composite Data Service Vendor's patrons. A Composite Data Service Vendor denotes a customer that has been certified by the Federal Communications Commission pursuant to the Communications Act of 1934 as amended, to acquire and operate facilities to perform data switching for others. A patron is a subscriber to the data switching service of the vendor.

(2) Communications Common Carrier in an overseas data message service transmit data for their clients, and their telephone service is extended for use by their clients to generate the messages to be transmitted.

(3) Patrons of hotels subscribing to message rate service are guests of the hotel who rent hotel rooms. Telephone stations off the message rate PBX are generally provided in such rooms.

(4) Members of clubs are permitted to use the service of the club on the same basis that employees, agents and family members of a subscriber may use the subscriber's services.

(5) Occupants of licensed Adult Congregate Living Facilities are tenants or patients of the facility. (ACLF is the type license issued to such facilities by the State of Florida). Three levels of medical supervision are provided and patients may utilize the ACLF's service.

(6) Transient public in connection with reservation service at airport terminals and other public places refers to the general public who may utilize the reservation lines. These lines connect with only one telephone number at a designated hotel, motel, car rental agency, etc., to facilitate making reservations by arriving passengers.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Dispute between Dade County Aviation Department and BellSouth Telecommunications, Inc., d/b/a Southern Bell Telephone and and Telegraph Company related to telephone serving arrangements at airports in Dade County.	)	Docket No. 931033-TL
	)	Filed: January 4, 1995

SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY'S FIRST SET OF INTERROGATORIES TO WILTEL COMMUNICATIONS SYSTEMS, INC.

BellSouth Telecommunications, Inc., d/b/a Southern Bell Telephone and Telegraph Company ("Southern Bell" or "Company"), hereby propounds the following interrogatories to WilTel Communications Systems, Inc. (hereinafter "WilTel") to be answered under oath in full accordance with Rules 25-22.034 and 25-22.035 of the Florida Rules of Civil Procedure.

All answers should be served upon the attorneys for Southern Bell on or before February 3, 1995. Each interrogatory should be answered based upon actual knowledge or information or belief and should state that it is given on such basis. If the complete answer to an interrogatory is not known, so state and answer as fully as possible the part of the interrogatory to which the answer is known. For each answer, or part thereof, please identify the individual or individuals who provided the information or assisted in providing the information contained in the responses. If the individual or individuals so identified

BST 5876
PSC

Final Exhibit
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will not be a witness during hearings in this docket, please also identify a witness or witnesses sponsored by WilTel who will be responsible for each answer or part thereof.

If the response to any interrogatory is that the information requested is not currently available, state when the information requested will be available.

Should any information sought be considered to be confidential, proprietary, business information, attach to your responses a proposed Protective Agreement and the terms under which such information may be reviewed.

DEFINITIONS

1. As used herein, "you" and "your" shall mean WilTel together with its employees, agents, consultants, experts, affiliates, subsidiaries and, unless privileged, its attorneys. It also includes all other persons acting on WilTel's behalf not covered by the foregoing description.

2. Please construe "and" as well as "or" either disjunctively or conjuctively as necessary to bring in the scope of these interrogatories any information which might otherwise be construed outside their scope.

INTERROGATORIES

1. On page 6 of your direct testimony, you allege that "Southern Bell illegally uses Airtele's inside wiring cables for network cables". For every instance in which you contend this has occurred, list the following information:

   a. A complete description of the incident.

   b. The location at the airport at which this occurred, (i.e., the specific cable that you contend was used).

   c. The date(s) upon which this occurred.

   d. All persons having knowledge of this alleged use of Airtele cable by Southern Bell. Include each person's full name, business address and telephone number, and indicate whether he is an employee of WilTel and/or of DCAD.

2. On page 7 of your direct testimony, you contend that "Southern Bell has refused in most but not all cases to share conduits ... with WilTel or others at the airport". As to this alleged refusal, please provide the following information:

   a. A complete description of each occurrence.

   b. The location at the airport of the conduit that you contend Southern Bell refused to share conduit.

   c. The dates upon which this allegedly occurred.

   d. All persons having knowledge of this alleged refusal. Include each person's full name, business address and telephone number, and indicate whether he is an employee of WilTel and/or of DCAD.

3. On page 9 of your testimony, you contend that "Southern Bell routinely violates the rules of this Commission by using demarcs of convenience". As to this alleged violation, please provide the following information:

a. A complete description of each instance in which you contend Southern Bell has used "demarcs of convenience".

b. The location at the airport of these demarcs.

c. The dates upon which these demarcs were established.

d. Each person having knowledge of these alleged improper demarcs. Include the person's full name, business address and telephone number, and indicate whether he is an employee of WilTel and/or of DCAD.

4. On page 13 and 14 of your testimony, you contend that "a WilTel technician observed a Southern Bell cable crew pumping out a manhole and violating the airport's environmental regulations by dumping the water from the manhole unto the ground". As to this alleged incident, please provide the following information:

a. A complete description of the incident.

b. The location at the airport at which the incident occurred.

c. The dates upon which this incident occurred.

d. Each person having knowledge of this alleged incident. Include the person's full name, business address and telephone number, and indicate whether he is an employee of WilTel and/or of DCAD. Specifically identify the WilTel employee referred to in your testimony who has knowledge of this alleged incident.

5. On page 14 of your testimony, you contend that "Southern Bell is committing theft of WilTel's Airtele wiring in a number of ways". As to this alleged theft, please provide the following information:

a. A complete description of every instance in which it has occurred.

b. The location at the airport of the wiring/cable in question.

c. The dates upon which this "theft" occurred.

d. All persons having knowledge of this alleged theft. Include each person's full name, business address

and telephone number, and indicate whether he is an employee of WilTel and/or of DCAD.

6. On page 6 of your testimony, you contend that Southern Bell "has attempted to persuade DCAD to unlawfully breach its contract with WilTel ...", and that you "are advised that this amounts to tortious interference with a business relationship". As to this allegation:

   a. Please describe the incident in which you contend this attempt occurred. List the names of all present, and the date of this incident.

   b. Was a representative of WilTel present at this meeting? If so, who? If not, who provided to you the information that is the basis of your testimony?

7. Regarding the incident referred to in Interrogatory No. 6, who "advised" you that this constitutes tortious interference? Please list this person's full name, business address and telephone number?

8. Identify all end users of telecommunications services at Miami International Airport who receive/purchase local service (dial tone) from WilTel, as an STS provider or otherwise.

9. Are the end users identified in response to Interrogatory No. 8 above charged for these services?

   a. If some are charged and others are not, please identify the end users that fall into each category.

10. For each end user of telecommunications services identified in response to Interrogatory No. 8 above, indicate whether charges to them for the services are combined or bundled with charges for other services.

11. Are there standard prices for the provision of dial tone or other telecommunications services from WilTel to tenants or other end users at the airport? If so, what are these prices?

12. As an STS provider, what steps, if any, have you taken to ensure compliance with Rule 25-24.575(12), Florida Administrative Code?

Respectfully submitted this 4th day of January, 1995.

SOUTHERN BELL TELEPHONE AND
TELEGRAPH COMPANY

Robert G. Beatty (GJ)
ROBERT G. BEATTY
General Counsel-Florida
c/o Marshall M. Criser, III
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Tallahassee, FL 32301
(305) 347-5555

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J. PHILLIP CARVER
General Attorney
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150 So. Monroe Street, Suite 400
Tallahassee, FL 32301
(305) 347-5558

BST 5881
PSC

Fed
x 2/22/88

6375 Congress Avenue
Suite 105
Boca Raton, FL 33431
Telephone 305-997-6525
FAX Free 800-842-6560

Byron M. Moore
Regional Accounts Manager

CENTEL

February 22,1988

Mr. John van Wezel
Chief, Contracts Division
Concourse E., FIS Building, 5th Floor
Miami International Airport
Miami, Florida 33159

Dear Mr. van Wezel:

Enclosed please find the executed copy of the letter describing the objectives of the Aviation Department and Centel concerning amendments to the Master Lease Agreement.

Sincerely,

CENTEL COMMUNICATION SYSTEMS

Byron Moore

Byron M. Moore
Regional Accounts Manager

BMM:ck

Enc.

NXT 8911

Final Exhibit
No. 278

METROPOLITAN DADE COUNTY, FLORIDA

METRO-DADE

AVIATION DEPARTMENT
P.O. BOX 592075
MIAMI, FLORIDA 33159
(305) 871-7000

February 3, 1988

Mr. Byron Moore
South Florida Marketing Manager
Centel Communications Systems
6421 Congress Avenue
Suite 105
Boca Raton, FL 33431

Dear Mr. Moore:

Inasmuch as the Initial Term of the Master Equipment Lease Agreement between Centel Communications Company and Dade County is scheduled to end as of February 7, 1988 (the four year anniversary of cutover of the Airport System), it is necessary for the parties to agree to arrangements for either the extension or termination of said Master Equipment Lease Agreement.

Therefore, notwithstanding any provisions of either the Master Equipment Lease or the separate Service Agreement to the contrary, this letter constitutes the understanding of both the Aviation Department, subject to approval by the County, and Centel regarding amendments to both agreements generally as outlined herein. During the pendency of our negotiations, as long as both parties are satisfied that an agreement can be reached, the parties agree that the Master Equipment Lease Agreement shall be administratively extended on a month to month basis, subject to retroactive adjustment based on the terms of the negotiated amendments.

The following generally describes the objectives of the Department and Centel as to the terms of the desired amendments:

1. The Renewal Term of both Agreements, effective as of February 7, 1988, will need to be addressed. The Department feels that a reasonable termination clause, of say 6 months, would be in both our best interests.

2. The amendments would acknowledge the County's previous purchase of the Hotel System and would indicate that prior claims and disputes relative to such system and Service for the Hotel will be considered as settled and that neither party would have any further claim against the other regarding this matter.

3. Service and lease agreements between Airport tenants and Centel shall be automatically assigned to the County, or to

such other party as the Department shall designate, upon termination of the Master Equipment Lease and Service Agreement by either party.

4. The de-installation and subsequent reinstallation or relocation of equipment, pursuant to the Master Equipment Lease, shall not change its original installation date for purposes of calculating rentals payable to Centel or for any other purpose under the agreements. This part of this provision shall be effective retroactively to February 7, 1984. In this regard, the Department will be open to looking at other accountability alternatives such as semi-annual calculations or agreeing upon number of installed items.

5. The amendment to the Service Agreement would provide for an increase in percentage fees payable to the County, probably in the range of 35-50% on service; would establish service and performance standards for Service to others, giving consideration to the Florida PSC's standard; would require Department approval of pricing; and would provide for enhanced reporting requirements to the Department.

6. Negotiations for the Master Equipment Lease amendment will need to address title to the equipment in the Airport System after such equipment has been installed for extended periods, say eight years. Alternatives open for discussion would include reduced rentals or other pricing concessions.

7. Arrangements need to be made relative to both distribution system and station cable and conduit such that title to all in place plant, present and future, reverts to or is acquired by the County upon termination of either of the Agreements.

8. The amendment shall expand the coverage of the Agreements so as to enable their use in connection with other County airport system facilities.

9. Airport System Equipment installed after Cutover of the Airport System shall be treated for rental purposes in the same manner as Original Equipment.

10. Per your request, we agree that monthly rentals, labor rates and other charges shall also be open to discussion.

For so long as the parties are negotiating the amendments to the agreements, Centel acknowledges and agrees that the County has complied with the notice terms of the Master Equipment Lease and specifically Section 6(d) thereof, and that at the conclusion of such negotiations, if the parties have not come to an agreement as

to terms, the option of the County to purchase the equipment under Section 7 or to continue leasing such equipment under Section 6 shall continue and be effective as to the County, and the County shall have thirty days from such conclusion of negotiations to exercise such option in accordance with the terms of said agreement.

Please have an appropriate officer of Centel countersign a copy of this indicating Centel's general acceptance of this understanding and acknowledgement of the terms of this agreement and the described negotiation goals.

Sincerely,

Richard H. Judy
Aviation Director

rhj/vea

cc: Bruce J. Boudreau
Ivan H. Carr
John van Wezel
Jim Nabors
Thomas P. Abbott

Note: Unless a different meaning is clear from the context, all capitalized terms contained in this letter are as defined in the Master Equipment Lease and Service Agreement respectively.

Accepted and acknowledged by Centel:

By W. D. Davenport
Signature

W. D. DAVENPORT
Print Name

Regional Vice President
Title

2-15-88
Date

Marshall M. Criser, III
Operations Manager
Regulatory Relations

FILE COPY

Southern Bell

Suite 400
150 South Monroe Street
Tallahassee, Florida 32301
(904) 222-1201

May 1, 1992

Walter D'Haeseleer
Division of Communications
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32399-0866

Re: Dade County Aviation Department

Dear Mr. D'Haeseleer:

This letter is in response to your request that BellSouth Telecommunications, Inc., d/b/a Southern Bell Telephone and Telegraph Company ("Southern Bell" or "Company"), respond to the correspondence from Dade County Aviation Department ("DCAD") to you dated April 28, 1992.

Initially, I believe it would be helpful to summarize the current legal status of Southern Bell's right to serve its customers. Section A23.1.2 C and D, General Subscriber Services Tariff, provide that:

> C. The provision of STS shall in no way interfere with a Reseller Client's right to direct service or the right of the Company to directly serve the tenant under the terms and conditions of this Tariff.
>
> D. In order to fulfill the Company's obligation to provide local exchange service to all customers within its franchised area, including those located within an STS building, the Company must be guaranteed access to the premises of all individual tenants. Resale of local service will only be permitted once such direct access including support facilities (e.g., conduit, equipment

BST 6291
PSC

Final Exhibit
No. 279

space, etc.) to any and all individual subscribers has been secured. To fulfill its obligation, the Company generally installs and maintains its own transmission facilities. However, at the Company's option, in lieu of Company owned facilities, the Company may choose to negotiate for the use of privately owned trasmission facilities within a single building. Should the Company elect this option, such negotiation would provide reasonable compensation for the use of privately owned facilities.

Other sections of Southern Bell's General Subscriber Services Tariff require that the Company be provided with access to its customers and that if special construction is required, the Company will be reimbursed for such. These sections include A2.3.1, A2.7.1, and A5.2.5 B. In light of these legally enforceable obligations and the factual background set forth below, Southern Bell believes that the DCAD's position is incorrect.

Around the end of October of 1991, Southern Bell became aware, although not directly informed by DCAD, that planned renovations to Concourse C of the airport would likely require that we relocate our facilities. Over the next five months, we made repeated attempts to ascertain from DCAD the scope of the anticipated renovation so that we could determine the extent to which our facilities would need to be relocated. Finally, on March 27, 1992, we obtained a final set of the construction drawings. On April 1, 1992, pursuant to Section A5.2.2 F e, General Subscriber Services Tariff, Southern Bell sent to DCAD a letter detailing the costs related to the necessary relocation of our facilities (letter attached). This cost totaled $6,457.00, and was calculated using the standard pricing and procedures that would apply to any building owner. On April 16, 1992, DCAD responded by proposing as the only alternative that existing cable owned by DCAD be spliced into existing Southern Bell facilities to replace the portions of the Southern Bell cable in conflict with the planned construction.

Southern Bell has have rejected this proposal because splicing in cable owned by DCAD would impede and perhaps prevent us from keeping our commitment to the customers that we serve on Concourse C. That commitment is to provide continuous, high-quality service. Specifically, if we were to interject into our facilities cable owned by DCAD, we anticipate that there would be

a continuing negative impact on both the quality of service and on our ability to properly and timely make necessary repairs. This is for a number of reasons.

First, we have had a number of discussions with DCAD concerning the fact that, in providing STS-type service to customers at the airport, DCAD sometimes utilizes a grade of cable that does not meet Southern Bell's technical specifications. Splicing into our facilities any inferior cable presents rather obvious prospects for transmission problems. While it is true that we do not know that the 400 cable pair installed by DCAD is inferior, we are on notice of their past use of non-conforming cable, and we have been provided no indication from DCAD that would allow us to determine if the cable in question meets our specifications.

Further, DCAD's proposal that their cable be used does not address the crucial question of responsibility for repair to this cable. We, of course, have a duty to provide both timely and effective repair, especially in the event of service outages. If DCAD were to undertake the responsibility to repair its portion of the cable, then we could neither warrant to our customers that the repairs would be accomplished in the time required by the Commission rules, nor could we warrant the quality of repair by DCAD. If we were to undertake repair on DCAD cable, then we would still face the potential for delays in obtaining access to the cable and concomitant delays in making necessary repairs. Finally, we anticipate that the unresolved question of who would be responsible to repair problems that occur at the splices between the DCAD's cables and ours would also present a continuing problem.

Finally, DCAD's proposal leaves open two additional, important issues:

(1) Price. DCAD has stated repeatedly, and in a variety of contexts, that they expect us to pay for any use of their cable at the airport. A statement of the price that they plan to charge to use cable in this instance, however, is notable by its absence. Therefore, we must assume that DCAD proposes to cut over to their 400 cable pair first, then inform us of the lease price later. This would, of course, leave Southern Bell subject to potential price gouging.

(2) DCAD's proposal does not address the issue of long-range provision of service to our customers. Although Mr. Abbot's letter to you, like DCAD's previous correspondence to Southern Bell, does not state directly that they propose a temporary situation, that is clearly the implication. On the information

available to Southern Bell, however, we believe that DCAD has no plans to construct on Concourse C support structures adequate to accommodate uninterrupted Southern Bell facilities in the future. Therefore, DCAD appears to propose a situation in which the problems noted above in providing quality service would exist indefinitely.

In its letter to Southern Bell of April 28, 1992, DCAD also states that the interjection into Southern Bell facilities of DCAD cable has occurred in the past at the Opa Locka Airport. It is true that DCAD cable was spliced into Southern Bell facilities in that case under circumstances that are disturbingly similar to this situation. Specifically, DCAD did not inform Southern Bell of construction at the Opa Locka airport in time to enable us to coordinate the relocation of our facilities with that construction. As a result, Southern Bell was faced with a situation in which both providing service to customers without interruption and avoiding delay to DCAD's construction could only be accomplished by capitulating to DCAD's demand that we use their cable. Further, that "temporary" solution to the conflict with construction at the Opa Locka Airport has now been in effect for more than two years, despite Southern Bell's repeated requests that a more workable permanent solution be developed. Therefore, Southern Bell does not view our accommodation to DCAD at the Airport as a "precedent" that should be followed in this instance. To the contrary, it demonstrates the problems inherent in DCAD's proposal.

As to a way in which this situation could be resolved, Southern Bell suggests the following: If DCAD will provide conduit along a route that will avoid conflict with the reconstruction, then Southern Bell will relocate its facilities without billing DCAD in advance of this relocation. This would, of course, not be a waiver of the right of Southern Bell to pursue payment from DCAD, but instead would provide the best and quickest means to allow continuous service without delaying construction.

Please feel free to contact me if you would like to discuss any aspect of the above, or if I may be of help otherwise.

Sincerely,

for Marshall M. Criser, III

attachments

BST 6294
PSC

METROPOLITAN DADE COUNTY, FLORIDA

METRO-DADE

AVIATION DEPARTMENT
P.O. BOX [illegible]
MIAMI, FLORIDA [illegible]
(305) 876-7000

RECEIVED
April 15, 1992
APR 23

Mr. Roy Llano
Building Industry Consultant
Southern Bell
7757 W. Flagler Street, Room 225
Miami, Florida 33144

Dear Mr. Llano:

This letter is in response to Southern Bell's letter of April 1, 1992 (copy attached), relating to certain work to occur in the near future in and about Concourse C at Miami International Airport.

As we have informed Southern Bell, DCAD must move forward promptly with vitally needed re-construction of Concourse C. The Aviation Department must provide usable gates as quickly as possible to the aviation community in order to accommodate the increase in passenger usage of the Airport. To this end, DCAD will re-construct Concourse C in a phased basis, the first phase consisting of (a) removal of the first portion of Concourse C in its entirety, and (b) constructing of a temporary tunnel for passengers to get to the functioning gates on Concourse C. This tunnel has been constructed, and DCAD has provided a 400-pair telephone cable to take the place of existing telephone cable when the removal stage takes place, that stage will commence in a number of days, which will necessarily involve the interruption of the existing telephone cable now running out the Concourse.

DCAD has no intent to interfere with Southern Bell's right to access its customers on concourse C. Therefore, DCAD will make appropriate portions of the 400-pair cable available to Southern Bell in order for Southern Bell to continue uninterrupted service to its Concourse C customers. Coordination of the cut-over from the existing cable to the replacement cable should be handled with the undersigned.

Sincerely,

John Mahill, A.A.E.
Acting Assistant Director,
Engineering Support Services

JM/mmr
cc: F. A. Elder, A.A.E.
B. O'Rourke, A.A.E.
T. P. Abbott, Esq.
J. Marks, Esq.
J. Nabors
W. DeHasseler, FPSC
S. Spence, EDS
T. Gomez, Southern Bell
L. Isenhour, Southern Bell
J. Wade, Southern Bell

BST 6295
PSC

Southern Bell

7757 W. Flagler St.
Room 225
Miami, Florida 33144
(305) 263-7770

April 1, 1992

Dade County Aviation Department
P. O. Box 59-2075
Miami, Florida 33159
Attn: James Nabors

SUBJECT: REARRANGEMENT OF SOUTHERN BELL TELEPHONE FACILITIES AT MIAMI INTERNATIONAL AIRPORT CONCOURSE "C" DUE TO AIRPORT REMODELING
CASE NUMBER: 87-92-0401
JOB NUMBER: 2M200098

Dear Sir:

Attached is an agreement to be approved by you (or your client) in order for Southern Bell to proceed with the work at the above location.

Please note that we must be in receipt of the Special Construction payment of $6,457.00 before proceeding with the required work. Service will be scheduled for completion within 60 days after receipt of the payment.

Please forward the payment for the indicated Special Construction cost and the signed agreement letter to my office at as soon as possible. If you require additional information, please do not hesitate to contact me at 263-7735.

Yours truly,

Roy Llano
Building Industry Consultant

RLL/de
Attachment

038

BST 6296
PSC

Breakdown for Special Construction Agreement #87-92-0401

Labor	$ 2,777.00
Engineering	$ 1,081.00
Material	$ 2,739.00
Sub Total	$ 6,597.00
Salvage	$ 140.00
Total	$ 6,457.00

BST 6297
PSC

J. Phillip Carver
General Attorney

BellSouth Telecommunications, Inc.
Museum Tower Building
Suite 1910
150 West Flagler Street
Miami, Florida 33130
Phone (305) 530-5558

March 30, 1993

Alan Taylor
Chief, Bureau of Service Evaluations
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32399-0866

In re: Dispute Between Southern Bell and Dade County Aviation Department Regarding Provision of Service to Airport Tenants

Dear Mr. Taylor:

On May 7, 1992, there was a workshop in Docket No. 910869-TL Petition for Amendment of Rule 25-4.580, FAC, Customer Premises Equipment and Inside Wire, by Southern Bell Telephone and Telegraph Company, which was attended by both representatives of Southern Bell and of the Dade County Aviation Department ("DCAD"). As you probably recall, you asked both parties to stay afterwards to discuss the possible resolution of a dispute that was ongoing at that time as to who would bear the cost of relocating Southern Bell facilities that were in conflict with certain construction at the Miami Airport. That issue was resolved, but DCAD raised in this meeting the larger issue of whether or not they have a responsibility under the applicable Commission Rules and Commission-approved tariffs to provide to Southern Bell support structures necessary to Southern Bell to provide service to its subscribers at the airport. At the conference, it was decided that DCAD would send to you a letter stating their position on this issue and that Southern Bell would then provide a response. On May 12, 1992, I sent you a letter regarding the resolution of the first dispute, which also included a brief statement of Southern Bell's position relating to the second, ongoing dispute (copy attached as Attachment "A").

BST 5537
PSC

Final Exhibit
No. 280

I did not, however, go into great detail because I wanted to respect the procedure to which we had agreed, i.e., that DCAD would first send you a letter stating their position.

Although DCAD did not send to you this letter, the dispute between Southern Bell and DCAD is very much alive and ongoing. Since last May this issue has arisen in a number of different contexts. Although the specifics of these various conflicts are somewhat beyond the scope of this letter, suffice it to say that Southern Bell and DCAD continue to disagree as to how this issue should be resolved. Therefore, Southern Bell and DCAD have agreed to present to you our respective positions and to ask for your help in resolving our dispute. In the meantime, Southern Bell and DCAD have entered into a provisional agreement, which I will explain in more detail later. First, however, I would like to set forth the general nature of the dispute and the authority that Southern Bell believes resolves this dispute in its favor.

As set forth in my earlier letter there are three basic issues:

(1) Can Southern Bell properly be placed in a situation in which its sole means of obtaining access to its customers at the Airport is to lease cable from DCAD?

(2) Is DCAD obligated to provide supporting facilities (i.e., conduit, etc.) to allow Southern Bell to reach the end users who have elected to obtain service directly from Southern Bell rather than through DCAD's STS-type operation?

(3) If the answer to number 2 is "yes," is Southern Bell obligated to pay DCAD for the use of these support structures?

Southern Bell believes that the answers to these questions are (1) that Southern Bell is not obligated to use cable provided by DCAD, but instead may insist upon using its own cable. (2 & 3) DCAD is obligated to provide support structures, and Southern Bell is not obligated to pay for them.

Before reviewing the specific authority for Southern Bell's position, it is necessary first to determine whether the rules relating to providers of shared tenant services ("STS") apply to DCAD. Section 364.339, Florida Statutes, provides the following

as to the relationship between a local exchange company and an STS provider:

> (4) The offering of shared tenant service shall not interfere with or preclude a commercial tenant's right to obtain direct access to the lines and services of the serving local exchange telecommunications company or the right of the serving local exchange telecommunications company to serve the commercial tenant directly upon the terms and conditions of the commission-approved tariffs.

Without question, DCAD is offering shared tenant services to tenants of the Miami Airport. DCAD, however, has contended in the past that it is not bound by the Commission Rules that govern the actions of STS providers because of the Airport Exemption, Rule 25-24.580, Florida Administrative Code. Southern Bell's response to this is two-fold.

First, even if DCAD were exempt from the STS rules, Section 25-24.580 does not provide an exemption from the applicable statute. Thus, DCAD would not be exempt from above-quoted statutory provision that the offering of STS service must not interfere with the right of the end user to buy competing services from the local exchange company ("LEC"). Southern Bell believes that DCAD's position in this matter (i.e., that Southern Bell may, in some instances, be forced to reach its customers only by the use of leased cable and that DCAD has no obligation to provide conduit) would constitute an impermissible violation of the statute.

Second, Rule 25-24.580 exempts airports from the STS rules "due to the necessity to insure the safe and efficient transportation of passengers and freight through the airport facility." It goes on, however, to state that an airport shall obtain a certificate as an STS provider if "it provides shared local services to facilities such as hotels, shopping malls and industrial parks." DCAD has stated to Southern Bell that they interpret this provision to mean that they are not required to obtain a certificate unless, for example, they provide STS service to an entity that is totally separate and apart from the airport campus, such as a nearby office park or shopping mall.

Southern Bell believes that this an incorrect interpretation of the exemption.

There is no controversy about the fact that at the Miami Airport there is a hotel as well as a number of shops that are not necessary to or related in a direct sense to the "transportation of passengers and freight." Given this, there is an issue that should be resolved as to how Rule 25-24.580 should be applied. In other words, should DCAD be required to have a certificate because it provides STS to tenants who are physically located within the airport complex, but whose businesses are not essential to the "transportation of passengers and freight"?

As set forth above, Southern Bell believes that DCAD's provision of STS service is such that the limited exemption of Airports from certain STS rules should not apply. Even if the exemption does apply, however, there is nothing in 25-24.580 to suggest that the Commission intended for this rule to allow airports to violate the statute (F.S. §364.339) that applies to STS providers. More to the point, the Commission simply lacks the authority to abrogate any requirement that arises from the provisions of a statute, including §364.339. Therefore, the statute controls, and DCAD is bound (with or without the airport exemption) by the statutory requirement that it refrain from interfering with its tenants ability to obtain service directly from Southern Bell.

Therefore, assuming that the pertinent STS rules apply to DCAD, it is fairly clear as to how the crucial questions should be answered. The controlling authority is set forth in Rule 25-24.575 (10) & (11) and in the Commission-approved General Subscriber Services Tariff of Southern Bell at A23.1.2 C & D. These various provisions state the following:

> [25-24.575] (10) The LEC must to able to gain access to all facilities up to the demarcation point of the tenant's premises, and retain responsibility for provision and maintenance of the network up to that point.
>
> (11) If the LEC uses the STS provider's or the STS building owner's <u>cable</u> to gain access to the tenant, the LEC shall be required to provide reasonable compensation....(emphasis added)
>
> * * * * * *

[A23.1.2] C. The provision of STS shall in no way interfere with a Reseller Client's right to direct service or the right of the Company to directly serve the tenant under the terms and conditions of this Tariff.

D. In Order to fulfill the Company's obligation to provide local exchange service to all customers within its franchised area, including those located within an STS building, the Company must be guaranteed access to the premises of all individual tenants. Resale of local service will only be permitted once such direct access including support facilities (e.g. conduit, equipment space, etc.) to any and all individual subscribers has been secured. To fulfill its obligation, the Company generally installs and maintains its own transmission facilities. However, at the Company's option, in lieu of Company owned facilities, the Company may choose to negotiate for the use of privately owned transmission facilities within a single building. Should the Company elect this option, such negotiation would provide reasonable compensation for the use of privately owned facilities. (emphasis added)

Thus, the above-quoted authority makes it clear that Southern Bell is not obligated to lease cable from DCAD, nor can it be forced to do so by DCAD. This result follows generally from the pronouncement of Rule 25-24.575, Florida Administrative Code, that the LEC shall "retain responsibility for provision and maintenance of the network up to the demarcation point."[1] It is dictated more directly in the tariff, which provides specifically that the Company has the option, at its choice, of either using its own cable or leasing cable from the STS provider.

Although the tariff allows Southern Bell virtually unfettered discretion to make this decision as it sees fit,

---

[1] Under the current Commission Rules, the demarcation point is at the premise, (i.e., physical location) of the end user.

Southern Bell does have well-founded reasons for declining to use DCAD's cable. First, it is Southern Bell's responsibility to maintain the network. In a situation in which the cable is leased from DCAD, there are inevitable conflicts as to who is responsible for making repairs to this cable when necessary. In the event that there is an agreement worked out whereby DCAD makes repairs, Southern Bell loses control of the cable to such a degree that it may not be able to provide an appropriate quality of service to its end user. Conversely, if a lease agreement provides that Southern Bell shall make necessary repairs, then there is the potential for problems of obtaining access to the cable owned by DCAD. Under either arrangement, the leasing of cable necessarily entails the potential for a situation in which Southern Bell is not able to provide an adequate quality of service to its customers who are served by way of the leased facilities.

Further, there is an additional factor that comes into play: the fact that leasing facilities effectively deprives Southern Bell of the ability to be ensured of a suitable quality of cable. Southern Bell has certain standards for the quality of cable it utilizes. If Southern Bell is required by DCAD to lease the facilities in place, then it will lose the ability to ensure that this standard of quality for facilities is met in all instances. This creates the obvious potential for additional repair and service problems that would only exacerbate the ones mentioned above.

The authority quoted above makes it equally clear that DCAD must provide support facilities to Southern Bell in order for Southern Bell to reach the individual subscribers. In point of fact, the local tariff provides that the STS service "will only be permitted" once such access is arranged. Therefore, to the extent DCAD fails or refuses to provide access to Southern Bell to a subscriber, then it should be prohibited from providing STS service to that end user.

Finally, the issue arises as to whether DCAD can require compensation for structures that it must provide. Again, the rule makes it clear that they cannot. Reading the above-quoted rule and tariff, it is obvious that a clear distinction is made between support facilities and cable. In fact, when these rules were most recently amended, the original proposed rule referred to an obligation of Southern Bell to reimburse STS providers who made "facilities" available at the request of Southern Bell. After a hearing was held, however, the word "facilities" was

changed to "cable." Specifically, the Notice of Adoption of Rules, Order No. 23979 (p. 6) in Docket No. 891297-TS sets forth the following:

> Another public hearing was held December 4. At that Agenda conference, Commissioners addressed their concern with the word "facilities" in section (11) of Rule 25-24.575 on Shared Tenant Service Operations. They asked staff to prepare a narrower phrase and come back to agenda.
>
> On December 18, the Commission again addressed the issue of the phrase "facilities" in Rule 25-24.575(11). They voted to use the narrower word "cable"....

Thus, it is clear that the rules as currently written do not require Southern Bell to compensate DCAD for the support structures that it must provide. Instead, the Commission expressly modified the language of the Rule to clarify that LECs were obligated to provide compensation to the STS providers only for cable. Since DCAD was a party to the above-referenced rulemaking docket, it is obvious that they are aware of the clear meaning of the current rules.

As stated above, the current dispute has been ongoing for quite some time. For this reason, Southern Bell and DCAD reached an agreement whereby we would each submit to you our positions and request your help in interpreting the applicable portions of the statute, rules and tariff. This agreement was memorialized in a letter from Frederick Elder of DCAD to Tito Gomez of Southern Bell, dated January 25, 1993, and a copy signed by Mr. Gomez was returned [copy attached as Attachment "B"]. As you can see from the letter, DCAD has promised to provide adequate conduit in all areas of the airport to allow Southern Bell to place cable to provide service to its subscribers. Under this agreement, the issue of whether Southern Bell is obligated to provide compensation for this conduit would be subject to future resolution.

As the letter expresses, both parties hope that we will be able, with your help, to reach an amicable resolution of these issues. Any help that you can give us to resolve this dispute without the necessity of pursuing an adversarial proceeding before the Commission would be greatly appreciated. If we are not able to reach on agreement in this manner, it will, of

course, be necessary to pursue this formally before the Commission. As the letter also sets forth, the interim agreement would remain in effect until any necessary ruling by the Commission is made.

Copies of this letter are being provided to DCAD through their attorney. I assume that they will send to you shortly a letter setting forth their position. If you believe after reviewing both parties' positions that it would be helpful to meet in person with Southern Bell and DCAD to discuss these issues, we would be glad to do so.

Thank you for your help with this matter.

Sincerely,

J. Phillip Carver

cc: John Marks

J. PHILLIP CARVER
General Attorney

BellSouth Telecommunications, Inc.
Suite 1910
150 W. Flagler Street
Miami, Florida 33130
Phone (305) 530-5558

May 12, 1992

Mr. Alan Taylor
Chief, Bureau of Service Evaluations
Florida Public Service Commission
101 E. Gaines Street
Tallahassee, Florida 32301

RE: Demarcation of Network Service and Disposition of Inside Wire

Dear Mr. Taylor:

I have attached a copy of a letter to John Marks, which sets forth my understanding of the agreement that was reached between Southern Bell and DCAD in our conference on May 7, 1992. Assuming that Mr. Marks agrees with my exposition of the settlement, he will execute the letter and return a copy to me. At that time, I will forward a copy to you. As we discussed on May 7, there are a number of additional issues between DCAD and Southern Bell that will need to be resolved.

Specifically, as I stated at the conference, I believe that the problems really come down to three, fairly straightforward, issues:

1) Whether Southern Bell can be compelled to allow DCAD (or any other property owner) to interject its cable into ours, even though Southern Bell reasonably believes that this interjection will result in a variety of service and transmission problems that will act to the detriment of end-users.

2) Whether DCAD is obligated to provide appropriate conduit and other support facilities to Southern Bell in order to allow Southern Bell to reach its customers (i.e., those end-users who have elected to obtain service directly from Southern Bell rather than through DCAD's STS-type operation).

BST 5545
PSC

ATTACHMENT "A"

3) If the answer to #2 above is in the affirmative, then is Southern Bell obligated to pay DCAD for the use of conduit and support structures?

I will send you in a separate letter Southern Bell's position on each of these issues, along with the appropriate citations to the FPSC rules, tariffs, etc.

Thank you for your help both in resolving the dispute with DCAD as to construction on Concourse C, as well as your ongoing help in attempting to resolve the additional issues described above.

Sincerely,

J. Phillip Carver

J. Phillip Carver

JPC:am

cc: John R. Marks, III, Esq.

bcc: Mr. H.R. Anthony
Ms. Linda Isenhour
Mr. Wayne Tubaugh

METROPOLITAN DADE COUNTY FLORIDA

METRO-DADE

AVIATION DEPARTMENT
P.O. BOX 592075
MIAMI, FLORIDA 33159
(305) 876-7000

January 25, 1993

Mr. Tito R. Gomez
Regional Director
Corporate and Community Affairs
Southern Bell
150 West Flagler Street, Suite 1820
Miami, Florida 33130-1506

Dear Mr. Gomez:

This letter is to set forth the specifics of our interim agreement regarding the provision by DCAD of support structures at the airport for Southern Bell facilities. Specifically, DCAD will provide to Southern Bell conduit and other support structures sufficient to accommodate Southern Bell's facilities, which are necessary to provide service to our subscribers on the airport campus. (This includes both current subscribers as well as those who may become our customers in the future.)

Southern Bell and DCAD, of course, have several disagreements as to how these issues will be handled long term. Specifically, there are three disputes:

(1) Whether Southern Bell can insist on using its own cable; or, alternatively whether DCAD can insist that Southern Bell lease its cable;

(2) Whether DCAD is required to construct necessary conduit and other support structures to accommodate Southern Bell cable;

(3) Whether, when DCAD does build conduit and other support structures for Southern Bell, it is entitled to be compensated for this.

We have agreed to submit these disputes to the Florida Public Service Commission for resolution. Until this matter is resolved by the PSC, however, DCAD will consent to allow Southern Bell to use its own cable, and DCAD will provide conduit and support structures for Southern Bell cable. Southern Bell will either pay for this conduit or not, depending on the ruling by the PSC.

Since Mr. Alan Taylor, Bureau Chief of Service Evaluations, offered at the time of the workshop last May to try to help us resolve this matter, I believe that it would be appropriate for each of us to give Mr. Taylor a written statement of our positions. He can then determine whether he thinks it would be productive for us to meet with him in Tallahassee to try to

negotiate some sort of a settlement of this issue. If that effort is unsuccessful, then one of us will, of course, have to file the appropriate pleadings before the Commission to request that they review this in the context of a formal proceeding.

This agreement will become effective upon our receipt of your executed copy. It will remain in force until (1) we reach a mediated settlement with the assistance of Mr. Taylor or, failing that, (2) we receive a subsequent formal ruling from the PSC. At the time these issues are resolved in one way or the other we will, of course, have to modify any further agreement to comply with the settlement or PSC ruling.

These is also the possibility that the PSC will enter an order in Docket No. 910869-TL (which concerns generally the rule governing demarcation points) before this matter is resolved, and that the terms of that order would preempt this dispute in whole or in part (i.e., if the Commission ordered a remote demarcation point). If that happens, this agreement will be either modified to conform to the requirements of that Order, or if the Order preempts completely this issue, then this interim agreement will terminate at that time.

For work to be performed under the terms of this agreement, DCAD requires engineering drawings to be submitted and schedules approved before work commences. The date of entry into this agreement is to be used as the effective date for future calculation of any compensation that may be due under the terms set forth above.

I have enclosed two copies of this letter. Please confirm that the foregoing is an accurate statement of our agreement by signing and dating one of the two copies in the spaces provided below and returning it to me at your earliest convenience.

Sincerely,

DADE COUNTY AVIATION DEPARTMENT

Frederick A. Eder, A.A.E.
Aviation Director

Tito R. Gomez, Regional Director
Southern Bell

BST 5549
PSC

Date: August 12, 1999
To: Patti Schmigle, President, Williams Communications Solutions
From: Harry Dandelles, Director, Audit Services
Subject: Dade County Aviation Department (DCAD) Outsourcing Site

---

INTRODUCTION

Williams Communications Solutions (WCS) provides telecommunications services pursuant to a Master Equipment Lease and a Service Agreement (both dated September 9, 1982) with Metropolitan Dade County. The original contract was awarded to Williams' predecessor, Centel Communications Company, following a competitive bidding procedure. The acceptance date was February 7, 1984 and the initial term of four years expired in 1988. The contract was then renewed by the County for another four-year term with five two-year renewal options of which four have been exercised. Assuming the County renews the remaining option (effective February 2000), the Agreement will expire in 2002. The agreement and the relationship that has evolved between the parties is one where WCS serves as the internal telecommunications department for the Dade County Aviation Department (DCAD) and the six airports under its jurisdiction - Miami International Airport, Kendall-Tamiami Executive Airport, Opa-Locka Airport, Homestead Airport, Dade-Collier Training and Transition Airport, and Opa-Locka West Airport. Essentially, WCS operates as a local telco within the airport environment.

Additionally, WCS provides services to tenants of the airports pursuant to a Shared Airport Tenant Service Agreement with Metropolitan Dade County. The initial four-year term expired in 1992, however, the agreement is being extended by utilizing two-year renewal terms. This contract will also expire in February 2002 providing that the final two-year renewal option is renewed. This contract obligates WCS to use its best efforts to establish, market, and sell equipment and services to tenants and users at the airport and at the hotel (in the airport). In exchange for paying the County a fee, WCS is given the right to use the telecommunications equipment provided under the Lease Agreement to service shared tenants. Airport Rental Agreements are executed between the shared tenants and WCS when applicable.

Byron Moore, Sr. Manager, National Accounts, oversees the WCS relationship from a sales perspective and Pedro de Camillo is the Sr. Project Manager responsible for operations. Their offices are located on the grounds of the airport in space provided by DCAD.

SCOPE

This review was performed to appraise compliance with WCS processes and the DCAD contract and to follow up implementation of management plans of action from an audit performed in early 1998.

Our specific objectives were to:

- Describe the nature of the Williams' relationship with DCAD from both an Operations and Sales perspective.
- Determine that services Williams provides to DCAD are in accordance with contracts, as amended.
- Determine whether WCS' policies and procedures were/are followed in the provision of services to DCAD.
- Determine whether controls are in place which are designed to monitor compliance with existing contracts and with WCS policies and procedures for contracting new services.

NEX -011366

Final Exhibit No. 281

Audit procedures included:

- Obtaining and reviewing all currently effective contracts and amendments.
- Identifying billing cycles and reviewing them to identify all services being billed are covered by contracts/amendments.
- Interviewing key sales and operations management.
- Follow-up of management actions from the prior audit report issued April 16, 1998 (see Appendix B)
- Obtain and review information requests from County auditors and WCS responses to those requests.

CONCLUSION

Except for the potential exposures noted below, WCS' relationship with DCAD as described in the above Introduction complies with the intent of the contracts. Audit Services did not identify any instances of non-compliance with the DCAD contracts or with WCS policies and procedures as modified by the requirements of the DCAD contracts. Except for the inconsistent functioning of segregation of management authority and oversight, as more fully described in Appendix A, controls are designed and functioning which monitor compliance with the contracts and with WCS policies and procedures.

POTENTIAL EXPOSURES

As a result of the limited audit procedures, the following exposure areas were identified for consideration by WCS management. More detailed information can be found in Appendices A and B.

1. Although within the guidelines of the DCAD contract, WCS has occasionally assumed undue risk (to their reputation as well as financial risks) by agreeing to DCAD requests to purchase equipment and/or services without bids and outside the WCS area of expertise.

2. While the WCS organizational structure provides that sales and operations report to different Vice Presidents, which should provide adequate segregation of authority, it appears this may not always occur due to the work longevity and considerable amount of influence Byron Moore has within this office and with DCAD.

3. The negative newspaper articles about WCS and DCAD have caused morale problems with the employees because they are concerned that they will lose their jobs.

   Additionally, the newspaper articles and memos that contain inaccuracies about WCS, DCAD, and their relationship have not been addressed publicly; therefore, the reputation of WCS is being sullied with government officials and the private sector.

4. A complete inventory system has not been in place to support the monthly billings of leased equipment. Additionally, the billing systems used are "forced" to provide monthly invoicing and manual record keeping is the actual support for the billings. WCS does not know whether or not monthly billings of leased equipment are accurate based on the equipment actually in use.

   Additionally, older records are not on file to document all transactions with DCAD. Therefore, most, but not all, documentation requests by the County auditors have been provided.

5. CUTE terminals purchased for DCAD are being rented by WCS to other customers without DCAD's written authority. DCAD has only given verbal authorization to rent the CUTE terminals which reduces rental charged to DCAD for equipment not being used by them, but there is no supporting documentation that this is an authorized procedure

*****

Audit Services appreciates the time and cooperation of those who assisted in completing this review. If we can be of further help on this project or other control issues, please feel free to call Harry Dandelles at 918 573-5694 or Linda Ellis at 918 573-8982.

Distribution List
- Howard Janzen (w/o detail)
- Dan Miller
- Don Hellwege
- Ernst & Young
- Paul Aiello
- Byron Moore
- Scott Benson
- Niles Pierson
- Pedro de Camillo
- Gil Broyles
- Jim Greenway
- Michelle Herring
- Linda Ellis

NEX -011368

APPENDIX A

Detail Results of Audit Procedures

- There have been allegations about misappropriation of monies in remodeling the Miami International Airport, therefore, the County is conducting an audit which includes the telecommunications area. County auditors independent of the Aviation Department began the telecommunications audit during March 1999 (the first meeting with WCS employees was on March 9) and it is expected to conclude late summer 1999. The county auditors have primarily been requesting documentation from WCS related to newspaper allegations ("The contract has raised so many troubling questions about possible wasteful spending and purchasing... .") including, specifically, talking elevators and C.U.T.E along with some service related items. The County's right to audit is included in the Equipment Lease and Maintenance Agreement. Management has been providing information upon request to the county auditors. While on-site, Audit Services reviewed the County auditors' requests for information and the documentation that WCS had already provided to them. WCS continues to advise Audit Services periodically of additional requests and the dates the information has been provided to the County auditors. Sales management did note, however, that not all the documentation from the earlier years is on hand. WCS does not appear to have record retention guidelines for customer paperwork.

- Procedures followed by WCS personnel are governed by the contract and no instances of non-compliance were noted by Audit Services. DCAD's procedures are to review and approve all invoices and to require signatures (currently two are required) on all purchase orders which presumably provides them their desired level of control.

  Audit Services determined that the contract enables DCAD to request the purchase of items or services without WCS obtaining bids and for WCS to purchase items outside its area of expertise as an accommodation to the telecom department (e.g., talking elevator equipment purchased from Baker Audio--see additional information below). In the past, the acceptance of such orders has not been approved by WCS management other than at the local level and monitoring has not been utilized extensively.

- Byron Moore, who has worked with DCAD since the inception of the contract, has considerable influence over the entire WCS entity and with DCAD. WCS's organizational structure, which provides that sales and operations report to different Vice Presidents, should provide adequate segregation of authority; however, this may not always be the case. It is important that both groups work together, however, decisions should be made at the proper management level to ensure controls are adequate. A level of WCS management above the local level should conduct periodic oversight of services provided under the contracts.

- Based on discussions with management, WCS employees have been trying to ascertain the source of some of the negative allegations in the newspaper articles. To date, they have found very minimal information because when they talk to the people "quoted" in the articles, they are advised that the comments were never made by them. Per local management, employee morale is low due to these articles for fear WCS will lose the contract and the employees will lose their jobs. Further, local management feels that since WCS employees are highly skilled in telecommunications, they have other employment opportunities and the staff may be impacted by the unrefuted allegations towards WCS.

The first newspaper article published was March 5, 1999 and since then several other articles in various media have been published. Additionally, there is a May 10, 1999 memo from G. T Arnold, Assistant Director Standards & Compliance (aviation), to Gary Dellapa, Aviation Director, Miami-Dade Aviation Department that contain inaccuracies about WCS, DCAD, and their contractual relationship. Local WCS employees have been told that no response is to be made to correct these inaccuracies unless a document is provided that requires an "official" WCS response which would be provided by the Corporate office in Houston. While this is understandable to a certain extent, allowing the county officials and the public to believe inaccurate and mis-information is very damaging to WCS' continuing relationship with DCAD.

- A review of documents related to invoicing was made. The DCAD A/R and schedules are maintained on an Excel spreadsheet. Invoicing schedules include.

  Schedule A - DCAD Rental Equipment
  Schedule B - Voice Customers, Installs
  Schedule C - Subcontractors, Installs
  Schedule E - Shared Tenants Rental Equipment
  Schedule N - Network; Installs
  Schedule S - MACS for Shared Tenants

  Schedule A, which is an inventory of assets owned by WCS and leased by DCAD, is the basis for the monthly DCAD invoicing. There has been no recent verification that what appears on Schedule A is what is actually being used by DCAD. For the past year, procedures have been in place whereby no adjustments (adding equipment or deleting equipment) to Schedule A are made without adequate documentation, however, management stated that the Schedule might not be accurate. Individual assets are not identified in Corporate fixed asset records which necessitates the on-site location maintaining adequate records of assets in service.

  Infoflo has been used to create invoices, however, only the total amount of the manually prepared invoice is keyed into Infoflo. Monthly DCAD invoices average $700,000 and the total is tallied manually (Schedule A is too large for Excel to calculate the totals accurately)

  During May 1999, DCAD was converted to SIMS without employees being trained on SIMS and apparently without sufficient preparation for them to use SIMS. (Management was told they would receive adequate in-house training prior to conversion, however, training focused primarily on MACS and dispatch only.) DCAD requires special invoicing procedures and SIMS does not adequately meet those needs. For the month of May, Infoflo was used instead of SIMS.

  It appears this operation needs its own billing system (an MS Access database is a possibility) for more efficient and accurate invoicing.

- Equipment inventory is maintained on site. All of the items are considered assets of WCS because they are purchased and then leased to customers (DCAD and shared tenants). WCS items have been kept in an Infoflo inventory, non-WCS items are not tracked which could result in the disappearance of assets without management's knowledge. The lack of adequate inventory records was a concern in the 1998 audit report and the target date to correct those problems was July 1, 1998, which was not met.

  An inventory program (IntelliTrack software from Percon) has been purchased and implementation began during July 1999. This program includes a bar code system utilizing serial numbers and part numbers. The plan is to bar code all leased equipment and to then trace it to Schedule A to help ensure billing is only for items being used. Also, the inventory system will be used to track equipment in the warehouse. Implementation of this program is critical, however it

could take up to 18 months before it is fully functional and all equipment being utilized has been identified and bar coded. (Note Per the operations manager, the County has also asked that all equipment being used be verified to Schedule A which is the basis for DCAD's monthly invoice.) Ideally, the operation needs an inventory and billing system that would work together for tracking leased assets and monthly invoicing. This should be considered immediately.

- Allegations of improprieties in local newspapers highlighted the "talking" elevators. "Talking" elevator concerns (billing for items not installed, recorded information not working, equipment not secured properly) was reviewed and it was determined by Audit Services that WCS had been told by DCAD to purchase the desired equipment and installation services from Baker Audio. Two proposals had been submitted; one with sensors to activate the speakers when someone approaches an elevator and one without the sensors. The proposal accepted did not include the sensors and it was a WCS error that these items were billed to DCAD. A credit in the amount of $48,376 was issued on the March 29, 1999 invoice covering lease billings from inception in 1996 through the current date

  With reference to the equipment not working properly, after installation (1996) it became the responsibility of airport employees to contact WCS whenever maintenance is needed on leased equipment No one had contacted WCS to report that the recorded information by the elevators (announces periodically) had quit working Management stated that repairs were made as soon as the problems were reported. Audit Services noted that the recorded announcements by the elevators were working during a tour of the airport.

  In reference to the allegation that equipment was not working due to it being exposed improperly, Audit Services' reviewed all of the equipment locations in the airport and all WCS equipment was clearly marked and secured in metal boxes WCS employees feel that the exposed equipment noted in the newspaper articles is that belonging to Bell South which shares space in the locations with WCS, however, since no WCS employees were present when the reporter viewed the areas he stated were problems, this cannot be verified All equipment is located in areas specified by the airport and some of WCS' metal boxes are exposed to outside factors such as dirt, bugs, etc , but not the equipment inside of the boxes

- Another allegation referenced C.U.T.E. (Common Use Terminal Equipment) DCAD had WCS purchase equipment which WCS would lease back to DCAD and DCAD would lease to shared tenants at the Miami Airport After the equipment was purchased, DCAD decided they did not want to get involved in leasing equipment to tenants and they asked WCS to do the leasing with DCAD receiving credits based on equipment leased. WCS is charging DCAD monthly leasing fees for equipment that was purchased at their request and which is not being leased by a tenant at this time. (WCS has also purchased C.U.T.E. equipment for direct lease to tenants.) Currently, British Airways (BA) is using C.U.T.E. equipment (very favorable response from them according to management) and DCAD is not being charged for any equipment used by BA that was part of DCAD's original purchase There are also four pending installs (ACES, Martin Air Holland, Air France, LanChile) and any DCAD leased equipment installed for these customers will be removed from DCAD's monthly lease Byron Moore has requested DCAD to give him a formal written statement acknowledging that DCAD wants the leased, but unused equipment, to be leased to other customers (thereby reducing or eliminating their monthly lease amount), however, nothing has been received as of this date WCS is following their procedures based only on a verbal agreement that DCAD asked them to do the leasing with the other customers This needs to be formalized in writing if possible.

- Audits limited to specific, agreed upon procedures are conducted annually by an independent CPA of credits due to the county for services purchased by the shared tenants. Local sales management recently decided to have these compliance checks performed on a quarterly basis,

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instead of annually, to ensure credits, if applicable, are issued more timely. The report for the period ending 2/6/99 reflects that $2,657 more is due to the County in addition to monthly credits already issued, however, the report still needs to be reviewed by WCS personnel. For the period ending 2/6/98, an additional $3,635 was due to the County while for the period ending 2/6/97, $2,951 in credits had been issued erroneously. Local accounting personnel are attempting to be more accurate in determining credits due monthly, however, this is a manual process (see billing concerns) which can result in errors. The annual audits cost an average of $9,000.

APPENDIX B

An audit report was issued April 16, 1998 that included six areas where action was required to achieve effectiveness The status of these areas was found to be as follows

Action plans fully implemented to strengthen controls:

- Accounts Receivable Aging/Collections

  DCAD Summary Aging as of 4/1/99 has only $3,700 past due greater than 90 days; as of 7/1/99, >90 days is $28,093. Monthly billings to DCAD average $700,000 (shared tenant billings are much smaller) including credits and adjustments and are usually paid between 60 and 90 days. Currently, the County is experiencing some financial difficulties and has started to fall behind slightly in keeping the payments as current as they should (per local employees).

  The current staff has worked hard to ensure that bills are accurate when they are submitted to DCAD and that payments are received timely The local employees perform all collection efforts.

- Billing and Invoice Processing

  Concerns noted in the prior audit have been addressed, however, as noted above, billing and invoicing is primarily manual which is a weakness The strengths in this area are due to personnel who work very hard to ensure the manual records are accurate and kept up to date with adequate supporting documentation

- Subcontractor Invoices

  Subcontractor invoices are logged by vendor and by date which helps the A/P person identify any problems with duplicate invoicing.

- Achievement of Contractual Objectives/Reporting Requirements

  The strength in this area also comes from personnel manually tracking equipment that is removed prior to the 24-month expiration period. (DCAD is required to lease and make rental payments on equipment for a minimum of 24 months). This is a procedure that will benefit from an automated inventory system Additionally, System Availability reports are provided as required per the contract

- AFE/Depreciation of Fixed Assets

  Houston is responsible for booking equipment expenditures against a single AFE; separate AFEs are no longer used. Also, Houston Accounting records depreciation of fixed assets Adequate information is being provided by the office to Accounting to record expenditures timely against the AFE

Actions still required

- Material Control

  While this is still a major weakness, a software program (IntelliTrack from Percon) has been purchased that management began implementing July 1999.

Miami-Dade County

Audit and Management Services Department

AUDIT REPORT

Miami-Dade Aviation Department

Review of Telecommunication Services Agreement with Williams Communications Solutions, LLC

May 7, 2001

Final Exhibit
No. 282

MEMORANDUM

TO: Steve Shiver
County Manager

DATE: May 7, 2001

SUBJECT: Review of Miami-Dade Aviation Department Telecommunication Services Agreement with Williams Communications Solutions, LLC

FROM: Cathy Jackson, Director
Audit and Management Services Department

For your information and review, attached is a copy of the captioned Audit Report dated March 28, 2001, together with responses from the Aviation Department and Williams Communications Solutions, LLC. Our review disclosed loopholes in the Telecommunication Services Agreement which afforded the Department unique opportunities to procure a wide range of products, including items having little to do with telecommunications, as well as those which should have been competitively bid to obtain more favorable pricing.

Under the Agreement, annual billings soared from $327,000 in fiscal 1986 to $10 5 million in fiscal 1998, and have aggregated $65 million since inception (September 1982) through September 30, 2000. In addition, monthly lease rates were excessive and equipment cost basis, maintenance and interest rates were not disclosed or solicited by the Department to determine cost effectiveness. This lack of oversight by the Department provided Williams the opportunity to earn excessive revenues with little accountability.

The Department's response to the Audit Report indicated overall concurrence with our findings and recommendations. Once the Department was made aware of our preliminary findings in 1999, the former Director initiated corrective action to control expenditures, which included personnel and organizational changes, as well as increased monitoring. With the Agreement scheduled to expire in February 2002, the Department will retain the services of outside consultants with requisite expertise to assist in developing a long-term, cost-effective strategy to enable better management and control of its telecommunication infrastructure. After recently meeting with the new Director, we sincerely appreciate the constructive manner in which our Report has been received, and are satisfied with the priority and effort being made to resolve the audit findings.

To the contrary, Williams response, prepared by legal counsel, infers a strategy of denial of responsibility, distortion of facts, and placing blame on auditors' "misperceptions and misunderstandings." For example, Williams contends our analysis of BRNC costs and markups was "fanciful, ill-informed, inapplicable." However, based on our discussions with external consultants, similar equipment and software could have been acquired "off the shelf" for approximately $35,000 to $53,000, as opposed to the $877,000 paid during the three-year lease period. Williams also insists that its equipment leasing terms were fair and competitive, and that our lease cost analysis was flawed since we failed to consider the 45% "maintenance" charge. Nonetheless, our research has shown that its maintenance rate is approximately six times the industry norm of 7%-8% for telecommunications equipment and 2%-3% for cabling.

On numerous occasions Williams was asked to provide documentation supporting its pricing methodology for those projects in question, but consistently refused citing the "proprietary" nature of the information. This contradicts representations made at the exit conference, where a Williams representative indicated it was standard policy to provide subcontractor price proposals and agreed to furnish such information To date, those documents have not been provided If Williams is sincerely interested in resolving the questions raised regarding its equipment pricing policies, they should furnish the documentation requested In fact, of the 200 documents legal counsel claims were provided, only one referenced Williams actual purchase price, which represented a 73% markup on the equipment cost basis used to determine the Department's monthly lease rate, plus labor and maintenance fees already charged by the subcontractor.

In addition, Williams contends it had express Department approval to increase markups on subcontracted labor from 7.5% to 30%. After review of those documents referenced in the Williams response, the Office of the County Attorney has concluded that the Department employee who signed the Williams documents in which the changes were outlined had neither the express, implied, nor apparent authority. Therefore, we do not believe the changes are legally binding. Further, the Office of the County Attorney concurs with our conclusion that Williams erred in applying annual Consumer Price Index increases to existing lease rentals, which could result in substantial monetary recoveries. Williams presumption that the Department endorsed the practice because they failed to dispute the erroneous charges is another example of denying its responsibility to adhere to contract terms.

In summary, we reaffirm the findings contained in our Audit Report and challenge Williams to provide documentary evidence to the contrary. As mentioned previously, the Agreement with Williams is due to expire in February 2002 Williams owns most of the telecommunication infrastructure at Miami International Airport and, because of the large quantity of leased equipment, the Department is working with telecommunication experts to determine the best strategy to minimize inconveniencing its tenants and the traveling public. Williams has expressed a willingness to work cooperatively with the Department and due to the complexities involved we agree that negotiations should be handled judiciously and with great care, despite the severity of the audit findings. Under the circumstances any action to prematurely terminate the contract is ill-advised.

CJ:rmb
Attachments
c: Harvey Ruvin, Clerk of the Courts
Robert Ginsburg, County Attorney
Steve Spratt, Senior Assistant to County Manager
Paul R. Philip, Senior Advisor to County Manager
Mayra Bustamante, Assistant Aviation Director for Business Management
Bobbie Phillips, Assistant Aviation Director for Administration
Sean P Shaughnessy, Vice President, Williams Communications Solutions, LLC

Miami-Dade County

Audit and Management Services Department

AUDIT REPORT

MDC1(7) 00827

MEMORANDUM

TO: Angela Gittens, Director
Miami-Dade Aviation Department

DATE: March 28, 2001

SUBJECT: Audit Report – Review of Telecommunication Services Agreement with Williams Communications Solutions, LLC

FROM: Cathy Jackson, Director
Audit and Management Services Department

PURPOSE AND SCOPE

We completed our audit of the Agreement between Miami-Dade County Aviation Department (Aviation or the Department) and Williams Communications Solutions, LLC (Williams) for the period October 1, 1995 through September 30, 2000. The purpose of this audit was to assess compliance with contractual agreements governing the business relationship. Our audit activities encompassed examining evidence supporting billings and performing other tests we considered necessary.

BACKGROUND

Contract Award and Extensions

Following a competitive selection process, in March 1982 the County awarded a contract to Centel Communications Company (now known as Williams) to install a telecommunications system at Miami International Airport (MIA). Contrary to the recommendation of the selection committee, Aviation elected to rent rather than purchase the system. As authorized, Aviation negotiated and entered into two agreements with Centel on September 9, 1982: the Master Equipment Lease (the Agreement) governs Aviation's leased telecommunications equipment, while the Shared Airport Tenant Service (SATS) Agreement defines the terms under which Centel can provide telephone equipment and services to MIA tenants. Both agreements were effective February 7, 1984 (the date system use began) and continued for an initial period of 48 months through February 6, 1988.

On July 24, 1990, the Board of County Commissioners (BCC) formally approved replacement agreements that were substantially the same as the predecessor documents. Both agreements were effective retroactively to February 7, 1988, and would remain in effect for 48 months, with five separate two-year renewal terms through February 6, 2002. In 1991, Centel was acquired by WilTel Communications Systems. In 1997, Williams Communications Solutions, LLC was formed as a result of Wiltel's merger with Nortel Communications Systems.

Contract Administration, Authorization and Funding

During the audit period, Aviation's Telecommunications Section (responsible for administering all aspects of the Agreement and SATS) reported to the Facilities Maintenance Division. (In May 1995, a departmental reorganization shifted Telecommunications from the Information Systems Division to Facilities Maintenance.) However, in 1999, Telecommunications oversight responsibility was

returned to the Information Systems Division. Funding requests for operating and capital expenditures are approved by senior management during the annual budget cycle.

Equipment Pricing

Under the terms of the original and successor agreements, monthly rental rates for telecommunications equipment were calculated at 3.01% of Williams cost basis (list price plus markup). After the initial five-year period, the monthly rental fee is discounted by 40%. The Agreement contains a purchase option to acquire equipment based on residual values as detailed in Exhibit B (Purchase Multiplier).

Williams also applies installation and administrative charges to each service request. Installation charges include time and materials fees, with labor rates based on employee job classifications ranging from $64.83 (CADD Operator) to $108.08 (Engineer, LAN Engineer and Novell Certified Engineer). Administrative service charges at the current rate of $64.25 per hour are assessed for every request to add, change, move or remove equipment. The next CPI adjustment is expected in April 2001.

Additional Services

In addition to providing voice communications services and equipment rental, the Agreement permits Aviation to rent other equipment on either time-and-materials or fixed-cost-quote basis. Based on a broad interpretation of the Agreement, the Department procured a variety of goods and services through Williams, bypassing the competitive bidding process. Monthly rental fees for items leased under this provision are computed at 3.01% of their cost basis, which may be either the lower of 130% of Williams list price or a fixed cost quote. Service and installation (labor) rates cited in the previous section may also be applied.

SATS Agreement Tenant Service Credits

The SATS Agreement allows Williams to provide telecommunications services to Airport tenants, and Aviation is paid 10% of gross revenues derived from equipment charges, plus a graduated percentage of all gross profits from resale of calling services (35% of the first $10,000; 45% of the second $10,000; and 50% above $20,000). These fees are reflected as credits on Williams monthly invoices and amounted to $43,106, $58,782, $58,210, $90,679, and $151,815 for the years ended February 6, 1996, 1997, 1998, 1999 and 2000, respectively.

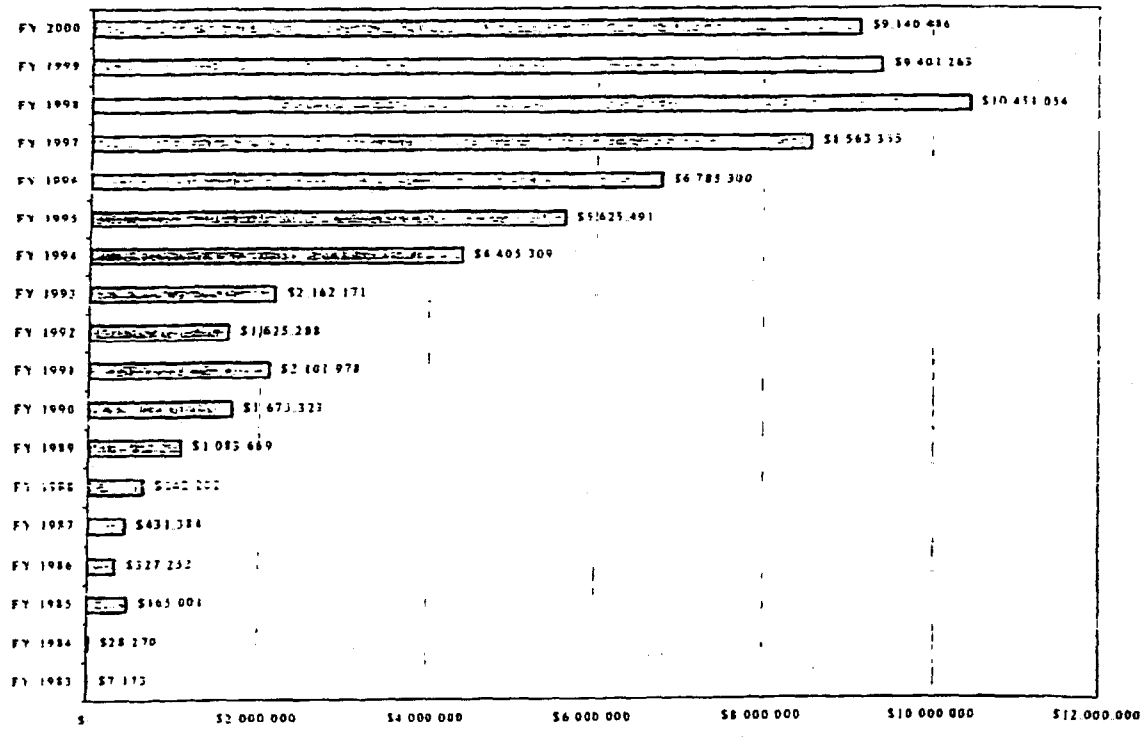
SUMMARY RESULTS

Aviation incurred $65 million in charges under the Agreement from inception through September 30, 2000 (Table I). Although the Agreement was renewed, it was not updated to adequately address changes in the telecommunications landscape or rapid growth of the Department. Aviation's

apparent lack of effective oversight provided Williams the opportunity to apply excessive markups to many leases, with no accountability.

Loopholes in the Agreement provided Aviation unique opportunities to procure a wide range of products, including items having little to do with telecommunications and those which should have been competitively purchased. As a result, annual billings increased from $327,000 in fiscal year 1986 to $10.5 million in fiscal year 1998 (Table I). Further, the majority of items leased should have been either purchased outright or acquisition costs financed in a more effective manner For example, the Baker Router and Network Controller (BRNC) project should have cost between $35,000 and $53,000, yet Aviation leased the product over a three-year period at a cost of $877,000. representing a 1555% markup.

Table I
Williams Annual Billings to Aviation



Williams also routinely constructed Aviation's equipment leases utilizing finance terms well above prevailing market rates. We found no evidence to indicate Williams ever disclosed lease terms other than monthly payments, nor was there any indication that Aviation analyzed this information to determine cost effectiveness. Equipment leases carried implicit interest rates ranging between 30% and 50% (four times the market rate). Equipment lease rates were also improperly subject to annual CPI increases. when they should have remained constant throughout the lease term. Additionally,

the 40% monthly rental discount given after five years produces no real savings, since Aviation would have already paid approximately 269% of an item's original cost.

Further, there was a noticeable absence of continuous active dialogue and exchange of information relative to project planning, feasibility and status, which is typical of vendor/customer relationships in the telecommunications industry. Williams apparently felt no obligation to help Aviation steer clear of technical decisions which were not in the Department's best interests. For example, Williams should have informed Aviation that the BRNC project was technically incompatible with changes made to MIA's telecommunications network protocol before the Department invested more than $877,000.

Authorizing signatures indicating acceptance of quoted prices were often absent from service orders and Williams responding proposals, and lower level supervisors were the sole signatories for monthly lease invoices averaging $750,000. Multiple components or dissimilar equipment are often aggregated for billing purposes, making it difficult to verify propriety of billings. Moreover, Aviation does not have an accurate and complete inventory of leased equipment. Clearly, Aviation officials should have exercised greater due diligence. Overall, projects were often poorly planned, costs rarely questioned and delivered items not examined to ensure operability or conformance with specifications. Other deficiencies noted include the following:

- Lack of comprehensive system justification documents, including cost/benefit analyses and detailed system specifications to support lease decisions.
- No evidence of pre-planning to ensure compatibility with existing systems and technology.
- Lack of proper systems acceptance and testing procedures.
- Leasing telecommunications equipment when purchasing would have been more cost effective.
- Continuing payment of lease charges for inoperable and unnecessary equipment.

In 1999, management initiated a review of all leased items for utility and cost, with the goal of immediately discontinuing those that were unnecessary. The Department also announced its intention to solicit proposals. In February 2002, the Agreement is due to expire and, in the interim, significant decisions must be made to ensure a smooth and seamless transition. Williams owns most of the telecommunications infrastructure at MIA, and because of the large quantity of leased equipment, terminating the Agreement will likely be cost prohibitive. Aviation officials are faced with three possible scenarios: renew the Agreement; proceed with a negotiated buy-out of telecommunications assets; or, if no agreement is reached, Williams could conceivably walk away, significantly enhancing the potential for disruptions in telecommunications service at MIA. Certainly the third option is least desirable, since it has the greatest potential for adversely impacting airport operations. Despite this threat, the transition strategy must be deliberate and associated financial and operational complexities carefully considered so MIA will be extricated from its dependency on

Williams. Further, a long-range strategic plan must be developed to align modernization needs of both the Department and its tenant air carriers commensurate with budgetary constraints and available technologies. These initiatives must be adopted without further delay and we urge the Department to seek assistance from a qualified, experienced consultant. More specifically, the following recommendations are presented for consideration:

- **Aviation must assume control of MIA telecommunications infrastructure.**
  The telecommunications infrastructure (cabling, routers, controllers, etc.) is the likely foundation for every current and future technological innovation at MIA and true control can only be gained through ownership. Accordingly, Aviation's acquisition of its telecommunications infrastructure through an orderly and seamless transition process is an immediate priority.

- **Contracts with both the primary telecommunications provider and prospective subcontractors should be properly structured to clearly articulate actual costs, commissions/markups, and vendor responsibilities.**
  State and/or Federal contract pricing should be utilized whenever possible. In the absence of published list prices, vendors should define actual costs and markups. Aviation should avoid entering into any agreement that permits bundling of charges, which tends to obscure a true representation of pricing methodologies.

- **In general, telecommunications components and related software should be purchased rather than leased.**
  It is not financially prudent to lease durable items with a relatively long, useful life, such as cabling and network infrastructure. Financial terms/implications of each lease transaction must be fully analyzed before granting authorization to proceed. Every attempt must be made to negotiate the best possible lease terms.

- **The approval and acquisition of telecommunications equipment/services must be strictly and consistently controlled, and established procurement procedures should be followed.**

- **Aviation must develop a justification document for every system or plan being considered for implementation.**
  The level of detail presented in the justification document should be commensurate with project cost and scope. Each major Airport telecommunications project should be accompanied by a comprehensive justification document that clearly articulates financial and operational impact outlining purpose, anticipated cost and proposed benefits. Component costs should be individually itemized and benchmarked to promote informed decision-making.

- **Airport telecommunications procurement activities and charges must be continuously monitored.**
  There must be no recurrence of procurement lapses and financial abuses that have troubled the Department. Prospectively, all Airport telecommunications charges must be continuously and diligently monitored for accuracy and compliance with contract terms. Formal work acceptance

procedures should be implemented to ensure invoiced charges properly reflect work satisfactorily performed. Completed work should be accompanied by documentation supporting verification and authorized acceptance.

- **Aviation project consultants must be neutral, independent and objective, and avoid any appearance of impropriety or conflict of interest.**
  Consultants must not be affiliated with any Department official who could personally profit from his/her recommendation(s). This situation must be closely monitored and violators should be disciplined accordingly

The remainder of this report details our findings and recommendations. Thank you for the courtesies and cooperation extended to our staff during the audit process. Please provide a written response to this report within 60 days, in accordance with Administrative Order 3-7. Should you have any questions, please contact me at 305-349-6100.

FINDINGS AND RECOMMENDATIONS

CONTRACT ADMINISTRATION

Contract Expenditures

Since 1992, contract expenditures aggregated $58.2 million, including recurring lease and maintenance costs of $43.9 million; installation and administrative service charges of $13.3 million, and miscellaneous construction costs of $1 million (Schedule I) However, a disproportionate $44.3 million, or 76% of aggregate expenditures, were incurred during the five-year period ended September 30, 2000, as annual lease costs soared from $3.7 million in fiscal 1996 to $8.8 million in 1999. This escalation can be attributed in part to costly telecommunications expansion projects and ancillary systems that were not part of the core telecommunications equipment network and contract mismanagement. Although the Department launched efforts in 1999 to reduce billings, annual lease costs in fiscal 2000 declined only $145,000 (Schedule II).

Our analysis of 12 projects revealed Aviation paid excessive lease rates because equipment cost bases and interest rates (key factors in determining the monthly lease payments) were never disclosed and far exceeded industry norms. Had this information been requested and cost analyses performed, it would have been obvious that purchasing the products or perhaps leasing directly from manufacturers or suppliers was more economical.

The Telecommunications Section initiated most leasing transactions without any oversight or independent analysis on the part of the Assistant Directors for Facilities Development or Business Management. In fact, only one of the initiating service requests and price proposals with financial impacts exceeding $100,000 included signatures of the Division Manager and Assistant Director for Facilities Development. Moreover, the Telecommunications supervisor was the only person routinely approving Williams monthly invoices averaging $750,000 (Schedule III) Finance

customarily paid invoices if the signatory was included on the authorized signature listing and cumulative expenditures fell within budget. Mechanisms were not in place to permit continuous monitoring and control of expenditures.

Funding requests for operations and capital projects were approved and reviewed by management, including the Department Director, during the annual budget cycle The Capital Project Fact Sheet (CPFS) and an accompanying justification memo describing proposed needs and related benefits supported expansion projects expenditures. However, justification documents were superficial and did not contain pertinent data needed for informed management decision-making. Once the request was approved, the Telecommunications Section was permitted to initiate lease transactions at its discretion, as long as expenditures were within budget. With no other oversight, expenditures grew at alarming rates, as projects were poorly planned and haphazardly conceived.

Recommendation

Aviation must analyze all price proposals before granting authorization to proceed, thereby assuring terms are reasonable and represent the best acquisition strategy. A comprehensive continuous review is also needed to control expenditures and assure leased equipment is strategically necessary. Requests for service must also be properly authorized at the appropriate level of responsibility within the Department. No work order should be processed without proper authorizations. Invoices should only be approved for payment at the appropriate level of authority, with specific dollar limits established for each signatory level (Supervisor, Chief, Manager, Assistant Director, etc.).

Telecommunications Cabling Strategy and Charges

Throughout all areas of MIA's expansive campus of buildings, telecommunication services are supported by a complex infrastructure, including a fiber optic backbone, other cabling, switches, routers and peripheral devices which effectively comprise the voice and data network. Since Agreement inception, Aviation has neither monitored nor verified the vast inventory of network infrastructure components. There exists no historical benchmark with which to reconcile installed cabling or subsequent additions to the network, and we are unsure if billings associated with cabling are accurate. Aviation's perpetual leasing of cable has been prohibitively expensive, and the Department has paid for its network infrastructure many times over, without gaining ownership of these critical assets.

Recommendation

Aviation should perform a physical inventory of cable and related infrastructure components, instituting a plan for acquisition.

Lease Payment Adjustments

Williams annually increased monthly lease payments to conform with changes in the Consumer Price Index (CPI). Based on our review of Article 5 of the Agreement, together with a concurring opinion from the Office of the County Attorney, the CPI adjustment should not have been applied to monthly lease payments; thus, costs should have remained fixed throughout the lease term. For example, at lease inception, the monthly payment for the BRNC was $19,197 (Table VIII). However, as a result of annual CPI increases, monthly payments escalated to $20,672 during the 37-month lease period. The monthly payment should have remained $19,197, reducing aggregate lease payments to $710,289 instead of $741,531, yielding a savings of $31,242. Further, effective February 1990, new equipment lease rental rates should have equaled the lower of 94% of Williams South Florida published list prices, or 130% of Nortel's published list prices, eliminating the need for CPI adjustments. Although requested, Williams declined to provide these price lists, claiming the information was proprietary.

Recommendation

Using appropriate price lists, Aviation must determine the financial impact of this misapplication and seek recovery of amounts overbilled.

Billing and Inventory

Williams bills Aviation monthly, itemizing equipment rentals and other services performed. Schedule A (approximately 120 pages) lists all rented equipment and associated costs, but does not detail location and lease inception dates. In addition, project billings are not aggregated, making it difficult to monitor and track total costs. Identification of items is further complicated because varying descriptions are used for identical equipment. Annual CPI increases and post-fifth-year rental discounts are manually applied to leased items, allowing opportunity for calculation errors. Installation dates are also missing for many line items, making it difficult to accurately identify items eligible for post-fifth-year discounts. In essence, billing and inventory schedules are a series of manually-updated, non-integrated personal computer spreadsheets, and Telecommunications failed to maintain independent records of leased equipment, relying solely on Williams monthly invoices.

Recommendation

An independent consultant should be engaged to conduct a detailed inventory of all items listed on Schedule A. Where appropriate, equipment should be tagged with bar codes. For the duration of the Agreement, Williams must be required to provide single line item billings, minimally adding to the Schedule acquisition date, initial cost and physical location. Cabling charges must be supported with appropriate detail. Larger items and those which are aggregations of multiple pieces of equipment must be itemized, with documentary support provided for cost and rental

Williams reliance on manually-maintained spreadsheets for billing and inventory purposes is error-prone and should be replaced with a more highly-automated system. Prior to expiration of the Agreement, Aviation must know exactly what is rented, rental cost and item location.

SATS Agreement

SATS Agreements are commonly used by airports to provide comprehensive telecommunications services to airlines, concessionaires and other airport tenants, without requiring each tenant to separately procure and maintain its own system. Under a typical SATS Agreement, a telecommunications vendor (such as Williams) bears complete financial responsibility for system-related software, hardware and infrastructure (switching equipment, cabling, etc.) throughout the airport site. The vendor charges participating tenants user fees for each telephone and/or other telecommunications station (fax, computer modem, etc.), and the airport owner/operator (in this case, the County/Aviation Department) receives a defined percentage of revenues derived from SATS tenants.

Aviation receives 10% of gross revenues from equipment charges, plus varying percentages of gross profits resulting from calling services; Williams must submit annual reports certified by an independent accountant itemizing monthly gross revenues and profits. During the five-year period ended February 6, 2000, SATS credits aggregated $402,592 and averaged $80,518 annually. Although we did not audit the propriety of the credits, our overall analysis suggests these amounts may be understated. Assuming a SATS tenant base of 3,000 telecommunications stations, it appears each station is yielding annual credits of only $27 and eligible gross revenues of $268. Independent accountant reports offer no insight into propriety of the credits, as monthly gross revenue and profits were not reported or attested to as required by the SATS Agreement. Audit procedures performed encompassed determining the clerical accuracy of billing credits listed on monthly invoices, and were not adequate to validate the propriety of credits paid the Department.

Since SATS inception, there is no evidence suggesting Aviation reviewed the commission rate structure to assure percentage fees remain competitive with those of other major airports. For example, it is unusual that commissions on calling services (the most lucrative revenue category in SATS) are based on gross profits rather than gross revenues. This provision is not advantageous for Aviation, since profits can be manipulated and minimized to reduce commissions. This arrangement is atypical and does not allow the County to maximize opportunity fees.

Recommendation

Prospectively, successor Agreements should include commissions for calling services based on gross revenues, rather than gross profits, and should entitle Aviation to SATS credits for goods and/or services provided by Williams (or other telecommunications carrier) to airport tenants. Williams should immediately comply with financial reporting provisions and resubmit reports for the last five years to

include pertinent data necessary to determine propriety of credits. An audit of SATS credits for the past five years should be conducted to ensure Aviation has been compensated according to Agreement terms. Aviation management should exercise greater due diligence to ensure MIA maximizes SATS revenues

SPECIFIC PROJECT COST ANALYSIS

Of the $44.3 million paid Williams over the five-year period ended September 30, 2000, we reviewed 12 projects with cumulative billings approximating $10 million. We desired greater coverage, however, invoicing and internal project cost tracking systems did not facilitate ready identification of relevant costs without extensive staff effort. Nonetheless, we believe projects sampled are fairly representative of the broader population. To determine the financial impact of leasing transactions and assess cost-effectiveness, we examined available information contained in Department files and interviewed key decision-making staff. Using this information, which was limited to monthly payments and installation fees, we computed the equipment cost basis used to derive monthly lease payments to assess reasonableness of leasing transactions. A reputable technology expert was consulted to assure our conclusions were sound.

Our review disclosed that Aviation paid premium lease rates far exceeding industry norms, often yielding little or no long-term benefits. Mark-ups ranged from 30% to more than 1500%, and implicit interest rates averaged 30% to 50%, even though prevailing interest rates averaged only 8.25% during the audit period. Most projects were poorly planned and not appropriately screened or analyzed for cost effectiveness by Airport staff before leases were executed. Typical lease terms, such as equipment cost basis and annual percentage rates, were not disclosed in price proposals or requested by the Department. Further, we noted lease payments over a 33-month period exceeded 100% of the equipment cost basis, suggesting it may have been more prudent to purchase rather than lease most items. Specific projects reviewed and aggregate payments during the audit period are summarized in Table II below:

Table II

Projects Reviewed	Aggregate Payments
Common Use Terminal Equipment	$3,380,953
Network Maintenance	1,269,846
Terminal Fiber for Live Media Feeds	922,477
Baker Integrated Technologies Equipment:	
Garage Crisis Alert System	963,861
Baker Router and Network Controller (BRNC)	877,433
Baker Consoles	399,438
Elevator Messaging System	368,719
Flight Information Display System (FIDS) Monitors	520,012
Network Engineering Services	446,683
Dato Electric (Computer Room)	298,815
Baker Custom Furniture	72,045
Disaster Emergency Vehicle	68,997
	$9,589,279

Common Use Terminal Equipment (CUTE)

In 1994, Aviation staff began discussions regarding implementation of a CUTE computer system that would allow airlines to gain access to host systems at any specially-equipped ticket counter or gate. This also included the Local Departure Control System (LDCS), a feature that would simulate a host computer for smaller airlines lacking such a facility. CUTE was intended to increase operating efficiency by allowing multiple airlines to use the same check-in counters and boarding gates, while gaining access to their own computer applications and proprietary telecommunications networks. Conceptually, CUTE would save significant relocation costs during the planned massive multi-year MIA Terminal renovations (involving repeated moves as construction progressed). At airports such as MIA where a large number of small airlines compete for scarce terminal resources, the CUTE system can provide substantial operational benefits.

Following a competitive process, Williams selected Société Internationale de Télécommunications Aéronautiques (SITA), one of two vendors having a 90% combined market share for CUTE installation. SITA's proprietary software and site licenses, as well as necessary hardware, would be leased from Williams. In August 1997, the Department agreed to lease software licenses and 100 workstations from Williams.

In March 1998 monthly leasing fees began and, as of September 2000, approximately $3.4 million had been spent on the project (Table III). However, exact costs cannot be determined because many charges (including cabling and installation) have been bundled with other items on the billing schedule.

Table III

CUTE System	
Rental Costs	$2,648,856
Installation Costs	483,951
Construction Costs	140,704
Engineering	96,323
Consulting Services	63,639
	3,433,473
Rental Credits *(for equipment not installed)*	(52,520)
Financial Impact as of September 2000	**$3,380,953**

The Department originally envisioned voluntary airline enrollment, with billings on a per-passenger basis. However, most airlines opposed the program because they were not consulted. Further, Aviation was unable to justify the proposed rates because Williams refused to provide cost information, claiming it was proprietary. Consequently, CUTE was halted and Aviation remained contractually obligated to pay rent for 24 months. Williams refusal to share CUTE cost/pricing information with Aviation is particularly disturbing given the Department's significant financial contribution toward its development. In November 1998, Williams agreed to contract directly with airlines for CUTE service, promising to remove equipment from Aviation's rental invoice and remit to the Department 10% of revenues derived. Although Aviation ceded full control of CUTE in

November 1998, the Department paid an additional $2 million through September 2000. Aviation should seek full recovery of lease payments remitted since November 1998 and audit credits issued to date.

Network Maintenance

In 1994, the Department upgraded the original IBM data network by purchasing Token Ring network equipment from Racal-Datacom and Williams for approximately $558,000. Network maintenance/ management services arranged or performed by Williams increased the cost to nearly $1.3 million, as shown in Table IV. In April 1995, one year following the original purchase, Williams and Racal executed a network equipment maintenance contract, providing for repair and/or replacement of equipment on a 24-hour/7-day coverage basis. Additional provisions included: remote testing and diagnosis of hardware and software problems; preferred hourly rates for on-site technical calls after normal business hours; maintenance of existing equipment not manufactured by Racal (including personal computers and workstations), and technical telephone consultation. Racal's quoted monthly billing to Williams averaged $7,611, but varied with changes to network hardware. Williams initially marked up Racal's invoices by 7.5%, but increased its fee to 30% after February 1997. Payments under this maintenance agreement from April 1995 through November 1997 totaled $213,106, as detailed in Table IV.

Table IV

Racal Network Maintenance

	Cost	*Markup*	*Total Payments*
Equipment Purchase from Racal-Datacom*			$ 223,776
Additional Equipment Purchases through Williams	$ 305,466	$ 28,689	334,155
Total Equipment Purchases			557,931
Apr 95 – Sept 95	18,813	1,411	20,224
Oct 95 – Sept 96	67,116	5,034	72,150
Oct 96 – Sept 97	77,983	17,536	95,519
Oct 97 – Nov 97	12,986	3,896	16,882
Other Maintenance Costs	7,750	581	8,331
Total Racal Network Maintenance**			213,106
(Labor performed by Racal and billed through Williams)			
Oct 94 – Sept 95 (Monthly invoices include charges for			24,527
Oct 95 – Sept 96 minimum billable hours plus administrative			291,559
Oct 96 – Sept 97 processing fees of $58 to $62.)			175,394
Total LAN Maintenance Costs			491,480
(Labor performed by Williams on Racal Network)			
Additional Network Maintenance Labor			7,329
(Paid to Williams for other work on Racal Network)			
Financial Impact of Racal Network as of November 1997			$1,269,846

*Includes Equipment, Annual Maintenance and Installation
**Only 28 monthly payments were made during the 32-month period (Apr 95 – Nov 97)

In addition to the maintenance contract with Racal, in July 1995 Aviation's Telecommunications Chief approved Williams proposal to provide Token Ring local area network (LAN) management services, although there may have been some overlap in service. This agreement included the LAN physical layer, troubleshooting network problems, analyzing network traffic, maintaining network drawings, verifying connectivity from the workstation to and between concentrators and either the host or server, and maintaining the Novell Network Software. The proposal guaranteed Williams a monthly minimum of 318 billable hours at hourly rates ranging from $78.87 to $101.85 (a monthly average of $28.734). Aviation did not require an accounting of services performed provided hours billed did not exceed the guaranteed minimum. Between September 1995 and May 1997, Williams billed the Department $491,480. In March 1997, the monthly minimum billable hours were reduced to 150 since more than half of the users had migrated to the new Bay Networks equipment. In late 1997, migration was complete, rendering the Racal Token Ring network obsolete. Although never recorded in Aviation's fixed assets system, all Racal hardware was removed from service November 1997 (three years following acquisition) and stored. Aviation incurred charges of approximately $558,000 for this equipment, which should be removed from storage and sold for scrap if it is no longer useful.

Terminal Fiber for Live Media Feed

In January 1996, Aviation asked Williams to install high-capacity fiber-optic cable in the MIA terminal to facilitate live media reporting, with the belief that costs would be recovered in part from media networks, but the equipment is not being fully utilized. Aviation is accessing a small portion of the cable capacity for internal purposes only and aggregate costs are more than $922,000 through September 2000. Table V details project costs This lease should be terminated immediately unless Aviation management can justify its expense.

Table V

Terminal Fiber For Live Media Feed

	Base Cost	Monthly* Payment	Total Payments
Equipment Original Cost Basis	$ 534,877		
(includes Williams markup - amount unknown)			
Aug 96 - Feb 97 Lease Payments		$ 16,100	$ 112,699
Mar 97 - Mar 98 Payments w/3.7% CPI increase		16,701	217,117
Apr 98 - Jan 99 Payments w/1.7% CPI increase		16,983	169,834
Feb 99 - Feb 00 Payments w/1.6% CPI increase		17,255	224,317
Mar 00 - Sep 00 Payments w/2.7% CPI increase		17,721	124,047
Total Equipment Rental Payments			848,014
Equipment Installation Charges			74,463
Total Rental and Installation Charges (through September 2000)			$ 922,477

*Monthly payment is 3.01% of Cost Basis

Garage Crisis Alert System

In 1995, Aviation commenced leasing the Garage Crisis Alert System through Williams from Baker to replace the existing 84 emergency telephone handsets in elevator cabs at the MIA parking garages with a system of hands-free speakerphones. Leasing and installation charges as of September 2000 totaled $963,861 (Table VI). The initial monthly lease payment of $17,079 was based on the original cost of $567,400. On the February 1996 Schedule A billing report, for unknown reasons Williams reduced the monthly lease payment to $14,827 and issued a $16,033 credit for six months' overpayment. Had Aviation elected to purchase this system, it would have cost no more than $200,000 including installation. After paying nearly twice as much, Aviation should reconsider the cost effectiveness of this lease.

Table VI

Garage Crisis Alert System

	Base Cost	*Monthly* Payment*	*Total Payments*
Equipment Original Cost Basis (includes Williams 30% markup)	$ 567,400		
Jun 95 - Jan 96 Lease Payments		$ 17,079	$ 136,630
Credit for Monthly Payment Adjustment[1]			(16,033)
Feb 96 - Feb 97 Lease Payments		14,827	192,750
Mar 97 - Mar 98 Payments w/3.3% CPI increase		15,316	199,110
Apr 98 - Feb 99 Payments w/1.7% CPI increase		15,577	171,343
Mar 99 - Feb 00 Payments w/1.6% CPI increase		15,826	189,910
Mar 00 - Sep 00 Payments w/2.7% CPI increase less 40%		9,752	68,263
Total Equipment Rental Payments			941,973
Equipment Installation Charges			21,888
Total Rental and Installation Charges (through September 2000)			$ 963,861

* Monthly payment is 3.01% of Cost Basis

Note: [1]Records indicate a credit of $16,033 was authorized by Williams to compensate for 6 months of lease overpayment. Aviation Telecommunications has not responded to AMS request for evidence of credit receipt

Baker Router and Network Communications Controller (BRNC)

In May 1995, Aviation's former Telecommunications Section Chief requested Williams provide a router and network controller. Conceptually, the device would enable independent, proprietary applications to communicate interactively in a common language. These applications would include the Flight Information Display System (FIDS); Interactive Voice Response (IVR); information display signs; gate assignment displays; Common Use Terminal Equipment (CUTE); and MIA's Private Branch Exchange (PBX) telephone switch. Williams selected Baker Integrated Technologies (Baker) of Norcross, Georgia to provide this customized telecommunications device. Williams quoted a monthly rental of $19,197 for the BRNC, plus $123,722 for installation. In September

1995, the BRNC server was installed and in October 1995, rental charges were added to Schedule A with the description "FDDI network controller." It is unclear why Baker was selected for this work, since our discussions with Baker's former lead technical consultant revealed the firm had never been involved in a telecommunications project of this complexity. This represented a custom design and installation job, a task better suited to a vendor possessing prior comparable experience.

From a design perspective, the BRNC has two primary components: the Message Router (a Windows NT-based personal computer functioning as a server) and the Client Controller (software used by the stand-alone client applications to communicate with each other). In reality, the BRNC is little more than a generic personal computer, enhanced with an FDDI (Fiber Distributed Data Interface) network controller device and related software. The hardware and software configuration of the BRNC is detailed in Table VII.

Table VII

Hardware	***Software***
100 mhz Pentium processor	Windows NT version 3.5
1 gigabyte SCSI drive	Microsoft SQL Server
17" color monitor	Microsoft Access
Video adapter	Microsoft Word
FDDI controller	Microsoft Excel
CD rom	Microsoft Remote Access Server
DAT tape backup system	Baker Message Router
101 key keyboard	Baker Client Controller
14.4 kb baud internal modem	FDDI network software
Microsoft mouse	

Apparently, the BRNC acquisition was not properly planned, since in early 1996, Aviation decided to adopt Asynchronous Transfer Mode (ATM) as MIA's network backbone, rendering the BRNC incompatible. ATM was implemented in late 1996, yet Aviation continued to rent the BRNC through October 1998—13 months longer than the contractually required 24-month minimum, which cost an additional $266,660, these charges were only discontinued after audit inquiries. Moreover, installation of user applications, such as Microsoft Word and Excel, on a network controller is unusual and arguably unnecessary, as the BRNC was to be utilized solely to network the previously listed client devices and applications.

Further, even though the BRNC was not functional, in August 1997 a software upgrade was installed for $5,916 plus a monthly rental fee of $163. In March 2000, the rental fee increased to $170 and payments continue, although the lease was terminated in November 1998. It should be noted that installation charges exceeded software costs and lease payments were bundled with the Garage Messaging and 7750 Audio Console systems on the monthly billing statement. Williams acknowledged the error in billing the software upgrade charges, but as of September 2000 they had not been deleted.

Table VIII

Baker Router and Network Communications Controller	Base Cost	Monthly* Payment	Total** Payments
Equipment Base Cost	$ 490,599		
Williams markup (30%)	147,180		
Cost Basis for Equipment Rental	**637,779**		
Oct 95 - Jan 96 Payments		$ 19,197	$ 76,788
Feb 96 - Feb 97 Payments w/2.5% CPI increase		19,677	255,801
Mar 97 - Mar 98 Payments w/3.3% CPI increase		20,326	264,238
Apr 98 - Oct 98 Payments w/1.7% CPI increase***		20,672	144,704
Total Equipment Rental Payments			**741,531**
Equipment Installation Charges			123,722
Software Upgrade Installation Charges			5,916
Total Rental and Installation Charges			**871,169**
Software Upgrade Base Cost	4,166		
Williams markup (30%)	1,250		
Cost Basis for Software Upgrade Rental	**5,416**		
Software Upgrade Aug 97 - Feb 99		163	3,097
Software Upgrade Mar 99 - Feb 00		165	1,980
Software Upgrade Mar 00 - Sep 00		170	1,187
Total Software Upgrade Rental Charges			**6,264**
Financial Impact of BRNC Project			**$ 877,433**

* Monthly payment is 3.01% of Cost Basis
**Aggregate monthly payments may differ from total payments due to rounding
***The BRNC hardware was removed from Schedule A in November 1998

In the final analysis, more than $877,000 was expended on this modestly-enhanced personal computer that was never placed in service. Although the BRNC was delivered and set up, there is no indication it was ever tested and installed. Moreover, Baker's former lead technical analyst indicated that, although the firm had intended to market the BRNC to other customers, its pricing to Aviation (its first customer) was meant to recover all product research and development costs.

We estimate the BRNC should have cost no more than $35,000 to $53,000. Our research indicates that similar multi-protocol network routers were commercially available at that time for $8,000 to $15,000, including software. Prospectively, the commercial market should be thoroughly researched for the availability of desired products prior to commissioning custom development of hardware or software, a practice that is inevitably more costly. Aviation should seek full recovery of the BRNC hardware and software installation costs ($129,638), as well as all monthly lease payments beyond the 24-month contractual minimum ($266,660)--a total of $396,298.

Baker Consoles

Over a two-year period through October 1999, two Baker 7750 consoles, two main servers and two telephony servers were leased from Williams at a cost of $399,438 (Table IX). Initially, monthly 7750 rental charges were $16,588 ($11,529 rent and $5,059 maintenance).

Table IX

Baker 7750 Consoles

	Base Cost	*Monthly* Payment*	*Total Payments*
Equipment Base Cost	$ 294,631		
Williams markup (30%)	88,389		
Cost Basis for Equipment Rental	**383,020**		
Aug 97 - Feb 99 Payments **		$ 16,588	$ 315,174
Mar 99 - Oct 99 Payments w/1.6% CPI increase		16,853	134,824
Credit for Aug, Sep, Oct 99			(50,560)
Financial Impact as of October 1999			**$ 399,438**

*Monthly payment is 3.01% of Cost Basis plus maintenance fee
**No CPI increase applied during time period

The consoles are personal computer-based workstations that integrate radio and telephone communications (used by dispatchers, 911 operators, etc.), and each server is paired with a second server of the same type to provide fail-safe redundancy. Although the former Chief of Telecommunications contends the 7750 systems were to be evaluated for potential use in the planned new Landside Operations Control Room, the project stagnated and the equipment was installed in Williams Training Room, where it has remained unused since August 1997. According to Baker engineers, the new 7750 consoles could not be utilized because they were incompatible with the existing 6750s (an older model). Williams failed to advise Aviation that replacement of the older 6750 models could not be phased in by replacing individual units with the newer 7750s. After audit inquiries in September 1999, Aviation requested the deletion of the 7750 system charges from Schedule A; charges were removed in November 1999. In addition, a credit of $50,560 was issued covering the months of August, September and October.

Elevator Messaging System

In August 1996, at the request of both the then Deputy Director and former Manager of Facilities Maintenance, Aviation's Telecommunications Section began planning the expedited acquisition of a talking elevator system for installation in MIA Terminal garages 2 through 5. This system broadcasts pre-recorded English and Spanish messages at regular intervals, stating garage name and floor number. Informal bids to purchase and install the system were solicited, and responses ranged from $87,943 (Baker) to $278,375. Although there was no formal evaluation or ranking of bid

responses, the former Chief of Telecommunications elected to lease the system from Baker through Williams.

In March 1997, Williams proposal was amended to include 90 presence sensors and broadcast messages to detect a person at the elevator landing. The initial monthly rent of $3,441 was based on 3.01% of Baker's bid price, plus Williams standard 30% markup totaling $114,326. Baker charged an additional $138,654 for installation, almost twice the initial amount quoted, and though never installed, the sensors were included on Schedule A. Monthly rent of $2,687 was billed over an 18-month period through January 1999. Following audit inquiries, a credit of $48,376 was applied to the February 1999 invoice. In September 1997, the Department requested an additional 21 elevator landings in Garage 7.

Table X

Elevator Messaging System	*Base Cost*	*Monthly* Payment*	*Total Payments*
Garages 2 thru 5:			
Equipment Base Cost as quoted by Baker	$ 87,943		
Williams markup (30%)	26,383		
Cost Basis for Equipment Rental	**114,326**		
Aug 97 - Feb 99 Payments		$ 3,441	$ 65,383
Mar 99 - Feb 00 Payments w/1.6% CPI increase		3,496	41,955
Mar 00 - Sep 00 Payments w/2.7% CPI increase		3,591	25,135
Total Equipment Rental - Garages 2 thru 5			**132,473**
90 Elevator Landing Presence Sensors:			
Aug 97 - Jan 99 Payments		2,687	48,376
Garage 7:			
Equipment Base Cost	56,835		
Williams markup (73%)	41,604		
Cost Basis for Equipment Rental	**98,439**		
Feb 98 - Feb 99 Payments		2,963	38,516
Mar 99 - Feb 00 Payments w/1.6% CPI increase		3,010	36,122
Total Equipment Rental - Garage 7			**74,638**
Installation for Garages 2 thru 5			138,654
Installation for Garage 7			
Base Cost	17,563		
Williams markup (30%)	5,269		22,832
Total Installation Costs			**161,486**
Williams Processing Fees			122
Refund of Elevator Sensor Payments			(48,376)
Financial Impact as of September 2000			**$368,719**

*Monthly payment is 3.01% of Cost Basis

According to the Baker proposal provided by Williams, the equipment base price was $56,835, plus a 73% equipment markup of $41,604, which aggregated $98,439. An additional $22,832 was charged for installation, including Williams 30% markup of $5,269. It should be noted that the Agreement prohibits applying markups to labor charges. The aggregate $368,719 financial impact of the elevator messaging system is detailed in Table X.

Flight Information Display System (FIDS) Monitors

In 1995, American Airlines and the Federal Inspection Station (FIS) agreed to utilize Aviation's Flight Information Display System (FIDS), a computer-based network providing flight information for travelers. It was determined that 278 21-inch Sony monitors would be necessary to implement FIDS in new areas at MIA, with an additional eight ordered as spares. To expedite equipment acquisition, 150 monitors were purchased through Williams; the remaining 136 were procured through Midtown Video, an authorized County vendor. Aviation paid an additional $76,500 ($510 per monitor) procuring through Williams (Table XI). Aviation should have used an Emergency Purchase Order to purchase the 286 monitors through Midtown Video, achieving expeditious delivery without incurring additional costs by procuring through Williams

Table XI

FIDS Sony Monitor Purchase Summary

Month Ordered	*Supplier of 21" Sony PVM-2950Q Monitors*	*Quantity Ordered*	*Average Cost Per Monitor*	*Total*
7-8/95	Williams	25	$2,061	$ 51,513
8/95	Williams	48	2,061	98,904
8/95	Williams	77	2,061	158,659
9/95	Midtown Video	136	1,551	210,936
Totals		286		$520,012

Network Engineer

From October 1995 through May 15, 1998, Williams was paid $446,683 for network engineer consulting services performed by Julio Gonzalez, which included $402,916 for labor and $40,446 for computer hardware and software. Both Williams and Aviation personnel indicated the former Manager of Facilities Maintenance requested Mr. Gonzalez' services.

Mr. Gonzalez was originally employed from November 8, 1993 through November 4, 1994 by Dade Aviation Consultants (DAC), the Department's capital construction consultant, as a Management Information Systems Specialist at a peak billing rate of $22 per hour. Mr. Gonzalez was a Novell networking technician and, while employed by DAC, he often worked with Aviation's Information Systems personnel. When he terminated employment with DAC in November 1994, he became an employee of National Systems Integrators, Inc. (NSI), a Williams subcontractor based in Atlanta. We believe NSI may be related to Baker, as its Chief Financial Officer is also Baker's corporate Registered Agent. NSI invoiced Williams $56 per hour for services rendered by Mr. Gonzalez.

Williams then applied its customary 37.5% markup and handling fees, increasing the labor rate invoiced to $78 per hour. The latter rate represents a 254% increase over the rate DAC charged for Gonzalez' services (Table XII).

Table XII

Network Engineer	
Project Description	*Total Payments*
Novell Network	$ 191,766
CUTE	96,323
Unidentified Services	81,470
Miscellaneous Installations, Modifications, or Inspections	23,987
Bay Network Engineering & Coordination	7,333
Other Engineering Services	2,037
Total Data Technician & Consulting Services (Labor)	**402,916**
Hardware and Software	16,536
Novell GroupWise Equipment	16,114
Toshiba Tecra Laptop Computer	7,796
Total Equipment	**40,446**
Professional Development	3,210
Miscellaneous	111
Financial Impact as of May 1998	**$ 446,683**

For unknown reasons, in July 1996, Mr Gonzalez was transferred to Williams payroll as a Field Engineer (billed at $76.95 per hour), later promoted to Sales Engineer and ultimately Data Supervisor ($103.58 per hour) until May 1998. In many instances, invoices did not itemize specific tasks performed, and more than half of the invoices examined were not authorized by Aviation technical personnel. Further, hourly rates paid for his services were excessive, and Aviation should take appropriate steps to ensure it pays no more than the prevailing market rate for contracted services. All contracted employees should regularly submit complete, approved timesheets detailing work performed.

Dato Electric

Williams used Dato Electric, Inc., (Dato), with whom it shares office space, to supervise miscellaneous construction projects as directed by Telecommunications officials. Williams initially increased Dato's billings by applying a 7.5% markup; however, in 1997, this markup increased to 30%. In those instances when Dato supplied detailed records, it was evident Dato had also marked-up its subcontractor billings, adding another layer of cost. For comparative purposes, Dade Aviation Consultants (DAC), the Department's General Consultant, does not mark up goods or services procured at the Department's request. In late 1997 and early 1998, Dato constructed a computer room for Williams offices in Building 3030 for $298,815 (Table XIII).

Table XIII

Computer Room Construction	
Subcontractors	$147,232
Air-conditioning	44,030
Fire suppression system	30,958
Miscellaneous materials	5,627
Compugrilles	1,314
Air-conditioning condensation detection	649
Total Dato and Subcontractors	229,810
Williams markup (30%)	68,943
Williams administrative processing fee	62
Total Paid by Aviation	$298,815

Although Dato submitted voluminous material price lists, required subcontractor invoices were not supplied. Further, there is no indication that work performed by Dato was inspected or approved by Facilities personnel. We also noted that in October 1997 Dato pumped out a manhole at Aviation's Fuel Tank Farm. In March 1998, Dato subcontracted with Magnum Environmental Services, Inc. to pump out a second manhole. In both instances, the County's existing Environmental Services Contract DERM-04, specifically intended for situations such as these, should have been utilized.

Dato does not pay rent and Aviation should survey the office space occupied, seeking full recovery of back rent. Moreover, subcontractors should not be assigned jobs outside their specific areas of expertise. The Department should utilize existing contracts for small construction projects. Further, all subcontracted construction work must be inspected and approved by Aviation Facilities staff prior to payment.

Custom-made Furniture

In May 1996, the former Chief of Telecommunications authorized the purchase of custom-made Formica and plywood workstations and high-backed office chairs through Williams from Baker at a cost of $72,045 (Table XIV).

Table XIV

Custom-made Furniture	
Workstations	$44,344
15 Chairs	8,575
Immediate delivery charge	2,500
Sub-Total	55,419
Williams markup (30%)	16,626
Total Cost	$72,045

According to Williams and Aviation Telecommunications staff, this furniture was designed for the proposed Building Automation Control Center (BACC) in Building 3030, which would house various systems, such as HVAC (heating, ventilation and air-conditioning) and fire suppression, used

throughout MIA. For unknown reasons, the furniture was prematurely ordered and delivered prior to project authorization by the Department Director. When the BACC project was not approved, a portion of the furniture was installed in the Facilities Division and the remainder placed in storage. This surplus equipment should be transferred to the General Services Administration for disposition.

Disaster Emergency Vehicle

In 1998, at the request of the former Manager of Facilities Maintenance, Telecommunications retrofitted a 14-year old Aviation Fire Rescue vehicle with specialized communications equipment to remotely transmit and receive information under emergency conditions. The vehicle was equipped with cellular and satellite telephones, fax, voice, data and video equipment, retractable mast and generator, with the capability of being linked to existing phone lines. Monthly rental fees for the telecommunications equipment totaled $31,444 and aggregate cumulative charges, including labor, processing fees and equipment rental, totaled $68,997 as of September 2000. However, this vehicle was never placed in service because County Fire Rescue has a similarly-equipped emergency mobile command vehicle. This lease should be terminated and the vehicle sold for scrap. Table XV details the financial impact of the Disaster Emergency Vehicle project.

Table XV

Disaster Emergency Vehicle

	Base Cost	*Monthly Payment*	*Total Payments*
Satellite communication equipment installation			$21,365
Labor (subcontracted to Dato Electric)	$6,679		
Williams markup (30%)	2,004		8,683
Drawings			683
Total cost of vehicle improvements from Williams			30,731
Video equipment purchased through County vendor			6,822
Total cost of vehicle improvements			37,553
Satellite communication equipment rental			
Dec. 98 – Feb. 99 payments		$1,398	4,194
Mar. 99 – Feb. 00 payments, with 1.6% CPI increase		1,420	17,041
Mar. 00 – Sep. 00 payments, with 2.7% CPI increase		1,458	10,209
Total communication equipment rental			31,444
Financial impact as of September 2000			$68,997

(Totals rounded to nearest dollar)

Internet Access

Since September 1996, the Department's Internet access has been purchased through Williams and subject to 30% mark-up and processing fees. Procuring Internet access through Williams is not cost-effective. We understand the Department intends to establish its own Internet connection and we concur with this action.

OTHER MATTERS

Duplicate Payments

During our review, we found two instances of duplicate payments totaling $25,134. In one case, Finance made the initial payment from an unapproved original invoice, while the duplicate payment was issued based on a photocopy approved by Telecommunications personnel. In the other instance, the initial payment was made from a photocopy approved by Telecommunications, while the duplicate payment was issued from the approved original invoice. Unapproved or photocopied invoices should not be paid, and the $25,134 should be recovered.

Williams Rent Free Space

Williams occupies 14,332 square feet in Building 3030 for offices, however, no rent is received by the Department. This includes 2,013 square feet of air-conditioned space occupied by Dato Electric and 226 square feet used by Baker. During the past few years, Williams has been expanding to accommodate increased staff, and we estimate past rent and utility payments aggregate approximately $150,000. Aviation recently conducted a survey of the space being occupied by Williams and discussions are is in progress to recover prior rent and utilities fees. As of May 2000, Baker entered into its own lease agreement for space at MIA.

Insurance Coverage

Agreements with Williams do not specify limits for insurance and, in several instances, coverage is less than minimum County requirements. For example, automobile liability for tenants requiring Airside Operations Area (AOA) access should be $5 million combined single limit per occurrence. However, Williams is allowed to carry only $1 million in coverage, based on a permit granted by the Airside Operations Division. This deficient liability coverage should be rectified immediately, due to the frequent need for AOA access. Aviation's Airside Operations Division should also review other permits issued to ensure insurance requirements are consistent.

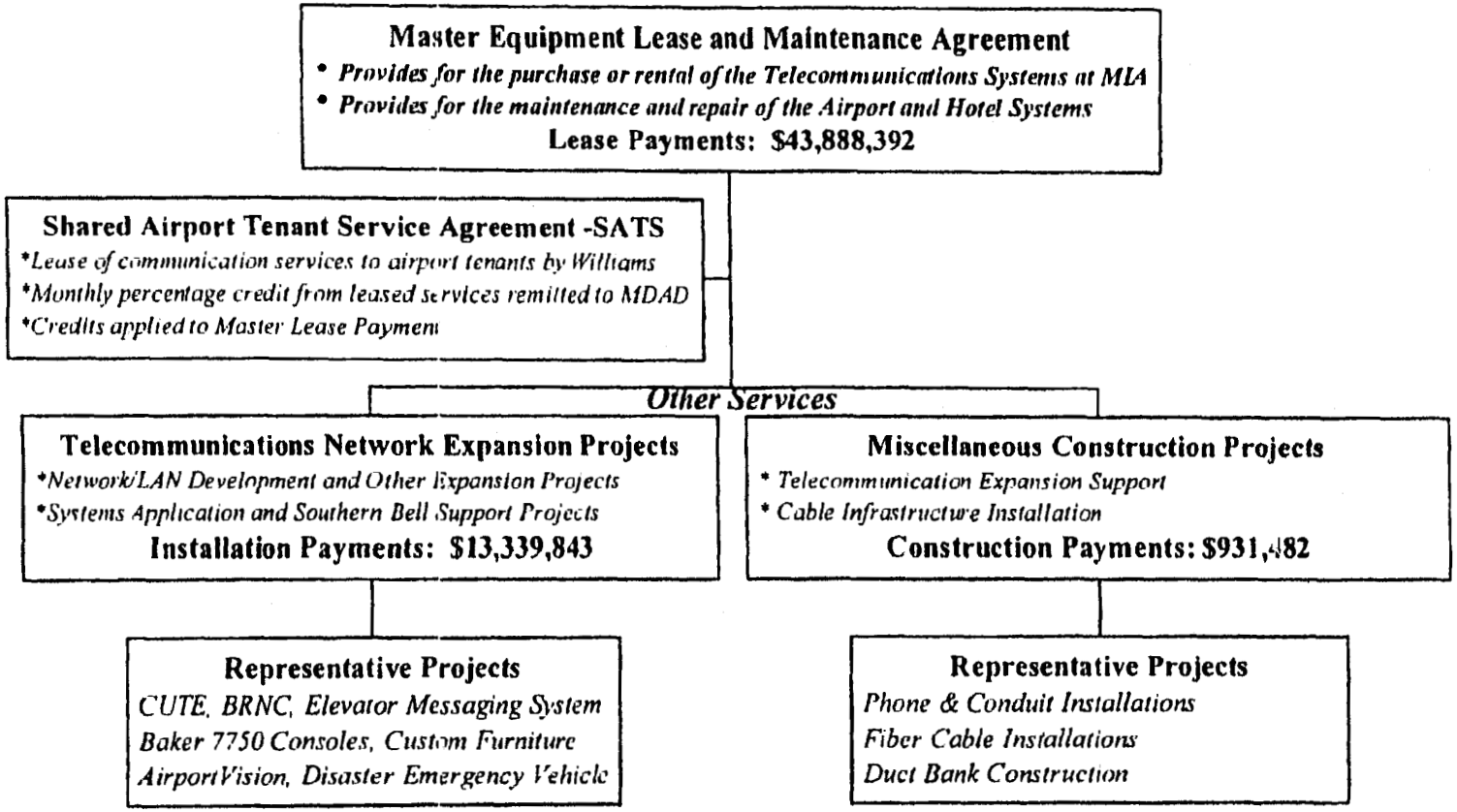
CJ:rmb

Attachments

c: Steve Shiver, County Manager
Harvey Ruvin, Clerk of the Courts
Robert Ginsburg, County Attorney
Steve Spratt, Senior Assistant to County Manager
Paul R. Philip, Senior Advisor to County Manager
Mayra Bustamante, Assistant Aviation Director for Business Management
Bobbie Phillips, Assistant Aviation Director for Administration
Sean P. Shaughnessy, Vice President, Williams Communications Solutions, LLC

Schedule 1

Williams Telecommunications Contract Overview



Total Payments for Fiscal Years 1992 through 2000 - $58,159,717

Schedule II

Williams Communications Solutions
Schedule of Disbursements to Williams from Miami-Dade Aviation Department
For the Period October 1, 1991 through September 30, 2000

	FY 1992	*FY 1993*	*FY 1994*	*FY 1995*	*FY 1996*	*FY 1997*	*FY 1998*	*FY 1999*	*FY 2000*	*All Years Total*	*Total Disbursed*
Operating Budget											
Equipment Lease Payments	$ 1,625,288	$ 1,804,561	$ 3,210,101	$ 3,102,298	$ 3,707,987	$ 5,697,702	$ 7,271,701	$ 8,806,875	$ 8,661,879	$ 43,888,392	
Total Operating Budget											$ 43,888,392
Bond Funding-Capital Projects											
Network Expansion Projects											
Capital Project #61600-2	-	357,610	1,148,936	489,374	-	-	-	-	-	1,995,920	
Capital Project #61600-3	-	-	-	1,299,181	1,513,490	-	-	-	-	2,812,671	
Capital Project #6T600-4	-	-	-	-	696,329	2,556,325	170,322	-	-	3,422,976	
Capital Project #6T600ADF	-	-	-	734,638	859,912	309,104	1,015	-	-	1,904,669	
Capital Project #B191A	-	-	-	-	-	-	1,812,477	268,827	36,909	2,118,213	
Capital Project #B191ADF	-	-	-	-	-	-	272,774	19,811	2,440	295,025	
Capital Project #B191C	-	-	-	-	-	-	628,110	151,791	10,468	790,369	
Misc. Construction Projects	-	-	46,272	-	7,582	224	294,655	153,959	428,790	931,482	
Total Bond Funding											14,271,325
	$ 1,625,288	$ 2,162,171	$ 4,405,309	$ 5,625,491	$ 6,785,300	$ 8,563,355	$ 10,451,054	$ 9,401,263	$ 9,140,486	$ 58,159,717	$ 58,159,717

Source: Miami-Dade Aviation Department Vendor History by Contract/Project No., provided by the Department's Information Systems Division

Miami-Dade Aviation Department (MDAD)
Williams Communications Solutions
Project Authorization Analysis

Schedule III

IPON	Date	Description	Project Cost To Date[1]	MDAD Project Contact	Approval Signatures from MDAD: IPON	Williams Proposal	Lease Invoice[4]	Installation Invoice(s)
95-179 and	5/23/95	[illegible]	$ 837,111	James Nabors	None Noted	None Noted	Maria Perez	Maria Perez
96-755[3]	10/29/96	[illegible]		James Nabors	None Noted	None Noted	Maria Perez	None Noted
95-601	8/11/95	Purchase 18 PVM 2950Q Sony Monitors and 12 4 channel DVCs for the Flight Information Display System (FIDS)	129,792	Stephen Podley	None Noted	None Noted	N/A[2]	Stephen Podley
95-483	7-8/1995	Purchase 25 PVM 2950Q Sony Monitors and 7 Infax DS 4 channel	69,531	Stephen Podley	Not Located	None Noted	N/A[2]	Maria Perez
95-646	8/30/95	Purchase 77 Sony PVM 2951IQ monitors and 27 DVCs for the Flight Information Display System (FIDS)	228,157	Stephen Podley	None Noted	None Noted	N/A[2]	Stephen Podley
96-322	5/22/96	Provide Design Services for communications systems and furnishings to establish an interim Building Automation Control Center (BACC) Also, purchase FAA-approved chairs	72,015	James Nabors	James Nabors	None Noted	N/A[2]	Maria Perez
96-754	10/29/96	Provide CTI terminals for training/evaluation for future installation in MIA Terminal Operations Control Room (Baker 7750 Consoles)	399,418 Oct-99	James Nabors	None Noted	None Noted	Maria Perez	Not Applicable
96-755[3]	10/29/96	Audio Communication System for MIA Parking Facilities (Elevator Messaging System for Garages 2 - 5)	271,188 Sep-00	James Nabors	None Noted	None Noted	Maria Perez	None Noted
97-407[4] and	7/2/97	Install hardware and software to support 100 Common Use Terminal Stations (CUTE)	3,380,953 Sep-00	James Nabors	Richard Mendez John Hamill James Nabors	None Noted	Maria Perez	Maria Perez
97-118D[4]	10/24/97	Airport Vision Terminals		James Nabors	James Nabors	None Noted	Maria Perez	Maria Perez
97-495	9/25/97	Provide and install equipment for Garage 7 Elevator Messaging System.	97,531 Feb-00	James Nabors	None Noted	James Nabors	Maria Perez	Maria Perez
98-192[3]	12/9/98	Miscellaneous work by Data on Disaster Emergency Vehicle	68,997 Sep-00	Maria Perez	None Noted	James Nabors	Maria Perez	Maria Perez
			$ 5,595,063					

Legend

[1] The corresponding proposal for this IPON from Williams included the Elevator Messaging System and BRNC software upgrade It should be noted that the IPON did not include the software upgrade as part of the requested service

[2] In these instances, since there was a purchase of equipment, a monthly lease fee is not incurred Thus, the individual authorizing the purchase is the same as indicated under installation

[3] Multiple IPONs were issued for this project, however, Telecommunications could only locate and provide the IPON noted

[4] Project costs for CUTE and Airport Vision include multiple IPONs other than those listed However the total project cost is reflective of all CUTE costs

[5] This schedule does not include all projects discussed in the audit report

[6] The majority of rental invoices were authorized for payment by Maria Perez

Titles Richard Mendez/former Assistant Director for Facilities Development, John Hamill/former Facilities Manager, James Nabors/former Telecommunications Chief, Stephen Podley/Telecommunications Superintendent Maria Perez/Telecommunications Supervisor

Miami-Dade County

Audit and Management Services Department

MIAMI-DADE AVIATION DEPARTMENT

RESPONSE

MEMORANDUM

TO:	Cathy Jackson, Director Audit & Management Services Department	DATE:	April 4, 2001
FROM:	Angela Gittens Aviation Director	SUBJECT:	Response to Audit Report-- Williams Telecommunications Solutions, LLC

The Aviation Department thanks the Audit and Management Services Department for its comprehensive and thorough audit of the Williams contracts. Many of the findings discussed in the Audit Report have been addressed by the Aviation Department, beginning in March 1999 and continuing to the present, as shown in the following reports and directives:

- CUTE Issues (Assistant Aviation Director for Standards and Compliance to Aviation Director, March 19, 1999)
- CUTE Accounting Issues (Assistant Aviation Director for Standards and Compliance to Assistant Aviation Director for Business Management, April 14, 1999)
- Wiltel Contract Management Review (Assistant Aviation Director for Standards and Compliance to Aviation Director, May 10, 1999)
- Telecommunications Contracts (Aviation Director to Senior Staff, May 27, 1999)
- Telecommunications Contracts (Assistant Aviation Director for Standards and Compliance to Aviation Director, June 15, 1999)
- Utilization of the Wiltel Communications Contract (Aviation Director to Senior Staff, June 18, 1999)
- Utilization of the Wiltel Contract (Assistant Aviation Director for Standards and Compliance to Project Manager, Facilities, July 1, 1999)
- Status Report (excerpt), (Assistant Aviation Director for Standards and Compliance to Aviation Director, October 18, 1999)
- Relationship of Williams Communications to Baker Audio, Inc. (Assistant Aviation Director for Standards and Compliance to Aviation Director, December 15, 1999)

Copies of these documents are appended to this memorandum.

In early 1999, upon learning of contract concerns from Standards and Compliance Division management reviews, the Aviation Director moved to curtail utilization of the Williams contract to procure goods and services (see June 14, 1999 memorandum, above), and subsequently informed Williams that its existing contracts would not be renewed. Instead, all acquisitions of new or additional equipment were to be accomplished using established County procurement procedures, including competitive bidding, where appropriate. This policy remains in effect.

Other actions (some of which are detailed in the above memoranda) have been taken in the period from March 1999 to the present to ameliorate the weaknesses in the Williams contracts and facilitate the transition to an Aviation-owned and –managed infrastructure. To assist in the transition, the

Department has obtained the services of consultants with in-depth experience in major airport telecommunications and network systems, including situations similar to the Department's. To achieve high-level consensus on technology strategy, the Airport Systems Task Force, a multi-disciplinary group of Aviation and business partner representatives meets regularly to advise the Aviation Director on technology policy and serve as a vehicle for formulating that policy (including a strategic plan). However, specific details of actions taken and planned cannot be discussed because of Airport security constraints.

Organizational changes have also been made to prevent recurrences of similar situations. The Telecommunications Section has been placed under the management and supervision of the Information Systems Manager and the Assistant Aviation Director for Administration. This makes the most organizational sense, and also provides the appropriate level of technical supervision for the Section. A Procurement Division, headed by an Assistant Director, has been created and is charged with ensuring that all procurements are consistent with County policy.

Finally, most of the abuses detailed in the Audit Report and in Aviation documents are directly traceable to the activities of the former Chief of Telecommunications, the former Facilities Manager, and the former Assistant Director for Facilities Management. Of these, one has been convicted of criminal charges, and another is under criminal investigation. All three have left the Department. Had an internal watchdog agency existed when the events described in the Audit Report were happening, these activities would have come to management's attention earlier. The Standards and Compliance Division, established January 1, 1999, will continue to review internal practices and operations. To further heighten staff awareness of the responsibilities and potential abuses of contract management, the Standards and Compliance Division conducted mandatory training for all Aviation staff functioning in this capacity (see attached memorandum, Aviation Director to Staff, November 1, 1999).

SUMMARY RESULTS

The Department notes the following regarding the Summary Results, with which it otherwise concurs:

- As detailed below, Aviation has conducted a comprehensive inventory of leased equipment.
- The broad interpretation of the Williams Agreement (page 2) was set forth in a written document issued by the County Attorney's Office.
- The Department acknowledges that the Williams contracts, well-crafted and appropriate when written in 1982, are inadequate today due to changes in technology and the Department's needs. It also acknowledges that these documents should have been revised to reflect these changes, rather than renewed in substantially their original form. It is this deficiency, rather than

"loopholes," which has permitted distortion of leasing provisions to acquire equipment not directly related to the Department's telecommunication needs, ostensibly to expedite the procurement process.

As to specific recommendations in Summary Results:

Aviation must assume control of MIA telecommunications infrastructure. The Department concurs.

Contracts with both the primary telecommunications provider and prospective subcontractors should be properly structured to clearly articulate actual costs, commission/markups, and vendor responsibilities. The Department concurs.

In general, telecommunications components and related software should be purchased rather than leased. The Department concurs.

The approval and acquisition of telecommunications equipment/services must be strictly and consistently controlled, and established procurement procedures should be followed. The Department concurs.

Aviation must develop a justification document for every system or plan being considered for implementation. The Department concurs

Airport telecommunications procurement activities and charges must be continuously monitored. The Department concurs.

Aviation project consultants must be neutral, independent and objective, and avoid any appearance of impropriety or conflict of interest.
The Department concurs, emphasizing that all consultants utilized for telecommunications-related work from March 1999 to date have been highly qualified and have given no indication or appearance of impropriety or conflict of interest.

FINDINGS AND RECOMMENDATIONS

Contract Expenditures

The Department concurs that it paid excessive lease rates, noting that the Department has repeatedly requested equipment cost bases and interest rates, among other leased equipment information, from Williams. To date these requests have been denied. The Department also concurs with the remainder of the finding.

The Department concurs with the recommendation, noting that authorized signature listings (which have varying levels of signatory authority) are approved by Assistant Aviation Directors and updated annually. When this responsibility is properly assigned, the signature listings are an effective internal control device.

Telecommunications Cabling Strategy and Charges

The Department concurs with the finding. Physically inventorying cable is not an option due to physical plant complexities and estimated prohibitive cost. The Department does, however, have an acquisition plan which is being given the highest priority.

Lease Payment Adjustments

The Department concurs. Cost items noted in the finding will be included in negotiations with Williams.

Billing and Inventory

The Department concurs. An inventory of Schedule A items, performed by an independent consultant, began November 16, 1999 and concluded in March 2000. To date, however, Williams has not agreed to modify Schedule A as recommended by AMS and requested by the Department. Accurate, properly documented support for all leased equipment, especially cabling, remains a top priority for the Department.

SATS Agreement

The Department concurs that the report of the independent accountant does not present sufficient information for management decision-making or for determining the propriety of credits paid the Department. The Department wishes to emphasize, however, that the Finance Division has repeatedly questioned the format of the independent accountant's report over the last several years and its choice of independent accountant (rather than the Department's), but has been rebuffed by Williams.

The Department also concurs with the recommendation that future agreements be more comprehensive, and will formally request that the last five years of SATS Agreement operations be audited by a certified public accounting firm selected by the Department (as required by the contract).

Specific Project Cost Analysis

As noted above, the Department concurs and has been attempting to correct the situation since March 1999.

Common Use Terminal Equipment (CUTE)

The Department concurs. Cost items noted in the finding will be included in negotiations with Williams. The Department is in the process of reviewing a number of options for implementing CUTE using its own license.

See March 19, 1999 memorandum (CUTE Issues) for further articulation of the Department's position.

Network Maintenance

The Department concurs with the finding, but considers implementation of the recommendation not cost effective, as the obsolete equipment has little or no value. It will be scrapped.

Terminal Fiber for Live Media Feed

The Department does not concur that the lease on this cabling should be terminated, because it is being used for a number of Aviation applications and will be used for many more in the future, as fiber optic cabling is now the Departmental standard.

Garage Crisis Alert System

The Department concurs that analysis indicates that this system should have been purchased, rather than leased. It replaced an obsolete SL-1MS system that did not comply with the Americans with Disabilities Act, and has extensive reporting capabilities lacking in its predecessor.

Baker Router and Network Communications Controller (BRNC)

The Department concurs, and has again demanded that the software upgrade be removed from Williams' monthly billing and a credit issued for amounts charged since December 1998.

Baker Consoles

The Department concurs, noting that the initiator of this acquisition has been convicted of receiving gifts from this vendor. It should also be emphasized that the Department removed the consoles in 1999 and promptly discontinued payment at the conclusion of the 24-month minimum lease period.

Elevator Messaging System

The Department concurs. Cost items noted in the finding will be included in negotiations with Williams. It should be noted that the Department requested that the Messaging System be removed in December 1999.

Flight Information Display System (FIDS) Monitors

The Department concurs.

Network Engineer

The Department concurs that Mr. Julio Gonzalez' services should not have been procured through Williams, that the 30% markup and handling fees applied to his hourly rate were unnecessarily expensive, and that specific work performed was inadequately documented and authorized. The practice of acquiring contract labor through a vendor is now specifically prohibited and all hourly work must be properly documented and approved prior to payment by the Finance Division. It should be noted, however, that the hourly rates paid for Mr. Gonzalez' work as a Williams employee were those specified by the Williams' contract for the positions he occupied.

Dato Electric

The Department concurs. The Department presently has included the space occupied by Dato in the unsigned Williams lease, but is formulating a separate lease for Dato to take effect after the conclusion of Williams' contracts.

It is the Department's policy to use existing contracts (including Miscellaneous Construction Contracts and DERM contracts) to perform needed occasional services. As noted above, Aviation employees have been specifically prohibited from using contracts such as Williams' to provide goods or services outside the scope of the contract.

The Department no longer pays invoices which include subcontractor work unless accompanied by subcontractor invoices. In this specific instance, Williams has been notified that its invoices must include those of all subcontractors billed.

Custom-made Furniture

Although the Department concurs that the rationale for acquiring this equipment, as well as the procurement method and cost, is unacceptable, it cannot agree with AMS' recommendation. As items auctioned by the General Services Administration generally recoup a very small portion of the

original cost, the Department intends to utilize the stored equipment as soon as is practicable, and keep it in service for its entire useful life for maximum cost recovery.

Disaster Emergency Vehicle

The Department does not concur. Following the Fine Air crash, and the attendant communications difficulties (including overloaded cellular circuits), the former Aviation Director requested that the former Manager of Facilities Maintenance establish an Aviation mobile command post. The vehicle discussed in this finding is currently in use by the Airside Operations and Security Division, and has been utilized for its intended purpose since late 1999. Although management agrees that the method of procuring this equipment should have been properly analyzed (as set forth in the Audit Report) and the most cost-effective alternative selected, the need was legitimate. Most major airports have considerably larger and more complex mobile command vehicles. To this end, the Department has acquired and refurbished a bus, and intends to retire the smaller emergency vehicle when the bus is fully operational.

Internet Access

The Department concurs. In July 2000, the Department took back control of the hardware portion of Internet contact and the firewall. The Department is currently in the process of assuming responsibility for directly paying its service provider, rather than doing so through the existing Williams contract. It should be noted that the process of transferring these responsibilities to the Department has been prolonged by Williams' resistance.

Duplicate Payments

The Department concurs. The $25,134 overpayment will be included in the Department's negotiations with Williams.

Williams Rent-Free Space

The Department concurs. In conjunction with its comprehensive re-evaluation of space supplied to vendors, on March 10, 2000, Williams was asked to sign a lease for the space it currently occupies. Williams has formally indicated that it intends to litigate this matter.

Insurance Coverage

The Department concurs that Williams' contracts with the County do not contain required insurance coverage limits. However, it does not agree that Williams should be immediately required to raise its automobile liability to $5 million. Over the last several years, insurance coverage required by Airside Operations Area (AOA) access permits has fluctuated from $5 million to $1 million, and back again to $5 million, based on periodic reassessments. Current policy requires AOA permit holders to maintain the coverage mandated at the time of issuance. Up- or down-grades are required when a permit is renewed

AG:al
Attachments
c: Steve Shiver, County Manager
Abigail Price-Williams, Assistant County Attorney
Steve Spratt, Senior Assistant to the County Manager

Memorandum

MIAMI-DADE COUNTY

Date: June 19, 2006

To: Richard Anyamele, Finance

From: Lorraine Jones, ISD/Telecommunications

Subject: Miami International Airport Hotel Telephone Charges

Following is a summary of telephone expenses for MIA Hotel operations for the period **4/1/06 – 4/30/06:**

Bell South	281.89
Equipment Rental	6,670.92
Long Distance Calling Service	96.82
NextiraOne Work Order Charges	0.00
TOTAL	**$ 7,049.63**

Attachments

Final Exhibit No. 283

Management Firm Summary Totals

MIAMI INTERNATIONAL AIRPORT HOTEL 2HTL/370/374

			TOTALS			$	6,146.78		$	309.34	$	6,836.46
IPON	Entry Date	Sales Order/Invoice	Description	Part #	Qty	Unit Rental	Extended Rental	Qty	Discount		Total	
	Mar-98		M2616 DISPLAY PHONE w/ Station Ca	NT9K16ACXX	3	$ 22.38	$ 67.13	1	$ 8.95	$	58.18	
	Mar-98		PRINTER (OKIDATA)		1	$ 38.76	$ 38.76	1	$ 14.70	$	22.06	
95-264	Mar-98		HOTEL ADVANCED HOSPITALITY		1	$ 182.41	$ 182.41	1	$ 72.96	$	109.45	
95-264	Mar-98		M2250 CONSOLE FOR SWITCH BOA	M2250	2	$ 113.70	$ 227.39	2	$ 90.96	$	136.43	
	Mar-97		M2008 BASIC PHONE	NT9K08AAXX	4	$ 5.08	$ 20.31	0	$ -	$	20.31	
	Mar-97		M2616 BASIC PHONE	NT9K16AAXX	4	$ 15.32	$ 61.28	4	$ 24.51	$	36.77	
	Mar-97	SALES OFFICE	M2616 BASIC PHONE	NT9K16AAXX	2	$ 15.32	$ 30.64	2	$ 12.26	$	18.38	
		P O 11310/DROPSHIPMENT REQUESTED BY GUS DELEON-REF										
	Oct-99	S O 239136	M2008 DISPLAY	NT9K08ACXX	1	$ 10.45	$ 10.45	0	$ -	$	10.45	
		ATT T-1 FOR MIAMI INTERNATIONAL										
97-024	Feb-97	HOTEL	UNIVERSAL TRUNK CARD (8PORT)	NT8D14BB	1	$ 90.24	$ 90.24	0	$ -	$	90.24	
	Mar-98	L175703	QPC720 PRIMARY INTERFACE CARD	QPC720	2	$ 111.41	$ 222.82	0	$ -	$	222.82	
	Mar-98		NETWORK TO PE CABLE (8')		1	$ 1.83	$ 1.83	0	$ -	$	1.83	
	Mar-98		KENTROX T-SMART CSU W/CABLE	KENCSU	2	$ 74.44	$ 148.89	0	$ -	$	148.89	
98-327	Aug-98	HOTEL MERIDIAN ONE UPGRADE	AS1054D IPE Module Package 16 Slot	AS1054D	2	$ 190.79	$ 381.59	0	$ -	$	381.59	
		L2e4409 PER QUOTE										
98-327	Aug-98	#DCAD971117B	NT6D42CC Ringing Generator DC	NT6D42CC	2	$ 41.90	$ 83.81	0	$ -	$	83.81	
98-327	Aug-98		Superloop Network Card (NT8D04BA)	NT4D04BA	1	$ 183.17	$ 183.17	0	$ -	$	183.17	
98-327	Aug-98		Superloop to I/O Cable (NT8D88AD)	NT8D88AD	1	$ 1.93	$ 1.93	0	$ -	$	1.93	
98-327	Aug-98		Superloop to Cont Cable (NT8D91AD)	NT8D91AD	1	$ 2.70	$ 2.70	0	$ -	$	2.70	
98-327	Aug-98		Controller to I/O Cable (NT8D92AB)	NT8D92AB	1	$ 2.05	$ 2.05	0	$ -	$	2.05	
98-327	Aug-98		Intercabinet Network Cable (NT8D98AD)	NT8D98AD	1	$ 4.76	$ 4.76	0	$ -	$	4.76	
98-327	Aug-98		Universal Trunk Card (NT8D14BB)	NT8D14BB	3	$ 90.24	$ 270.72	0	$ -	$	270.72	
98-327	Aug-98		Analog Line card	NT8D09AL	20	$ 92.96	$ 1,859.18	0	$ -	$	1,859.18	
98-327	Aug-98		Digital Line Card	NT8D02GA	4	$ 92.96	$ 371.84	0	$ -	$	371.84	
98-327	Aug-98		M2008 Digital Phone w/ Cable	NT9K08AAXX	14	$ 5.30	$ 74.18	0	$ -	$	74.18	
98-327	Aug-98		M2008 HF Digital Phone w/ HW cable	NT9K08ABXX	3	$ 7.33	$ 21.98	0	$ -	$	21.98	
98-327	Aug-98		Digitone Receiver Card (NT8D16AB)	NT8D16AB	2	$ 111.49	$ 222.98	0	$ -	$	222.98	
98-327	Aug-98		Voice Mail Ports		269	$ 2.16	$ 580.45	0	$ -	$	580.45	
98-327	Aug-98		PRI Package Assembly (AS1061)	AS1061	2	$ 93.75	$ 187.49	0	$ -	$	187.49	
98-327	Aug-98		Dual Network Card (QPC414)	QPC414	1	$ 53.73	$ 53.73	0	$ -	$	53.73	
98-327	Aug-98		Slabon Cable Maint. For Room Phones		302	$ 0.23	$ 68.42	0	$ -	$	68.42	
00-201	Jul-00	675202/1121900	JACK 630AC 6 CONDUCTOR WALL A	N4802370	2	$ 0.13	$ 0.27	0	$ -	$	0.27	
00-201	Jul-00		LINE CORD 7' PLUG/PLUG 4 CONDU	N4660070	2	$ 0.03	$ 0.06	0	$ -	$	0.06	
00-253	Oct-00	731895/1389130	M2554 WALL PHONE	2554-MBA-20MH	1	$ 1.23	$ 1.23	0	$ -	$	1.23	
00-253	Oct-00	731895/1389130	LEVEL 3 CABLE	2012200C	80	$ 0.00	$ 0.25	0	$ -	$	0.25	
00-253	Oct-00	731895/1389130	AT&T INSERT CAT 3 (RJ11)	M18H-H 262	1	$ 0.14	$ 0.14	0	$ -	$	0.14	
00-253	Oct-00	731895/1389130	AT&T QUADPLEX FACE PLATE	M14A-262	1	$ 0.07	$ 0.07	0	$ -	$	0.07	
00-253	Oct-00	731895/1389130	AT&T OUTLET DUST COVER	M20AP-262	1	$ 0.01	$ 0.01	0	$ -	$	0.01	
00-253	Oct-00	731895/1389130	GAI-TRONICS WEATHER PROOF EN	483445	1	$ 7.41	$ 7.41	0	$ -	$	7.41	
01-163	Jul-01	1097609/2130126	AT&T QUADPLEX FACEPLATE	M14A 262	1	$ 0.07	$ 0.07	0	$ -	$	0.07	
01-163	Jul-01	1097609/2130126	AT&T INSERT CAT 3 (RJ11)	M18H-H 262	1	$ 0.14	$ 0.14	0	$ -	$	0.14	
01-163	Jul-01	1097609/2130126	AT&T OUTLET DUST COVER	M20AP 262	3	$ 0.01	$ 0.03	0	$ -	$	0.03	
01-163	Jul-01	1097609/2130126	LINE CORD 25' PLUG/PLUG 4 COND	N4660090	1	$ 0.07	$ 0.07	0	$ -	$	0.07	
01-166	Aug-01	1100488/2183607	JACK CMT3007 8 WIRE SURFACE CR	N8605251	1	$ 0.10	$ 0.10	0	$ -	$	0.10	

Management Firm Summary Totals

MIAMI INTERNATIONAL AIRPORT HOTEL 2HTL/370/374

			TOTALS				**$ 6,146 78**		**$ 309 34**		**$ 5,836 46**	
IPON	Entry Date	Sales Order/Invoice	Description	Part #	Qty	Unit Rental	Extended Rental	Qty	Discount		Total	
01-166	Aug-01	1100469/2193607	LINE CORD 25' PLUG/PLUG 4 COND	N4860090	1	$ 0 07	$ 0.07	0	$ -		$ 0.07	
02-164	Oct-02	1491869/2987096	CBL 004 PAIR 24 GAGE LEVEL 3 PLENUM GRAY IW		2000	$ 0 06	$ 120.00	0	$ -		$ 120.00	
02-164	Oct-02	1491869/2987096	Siemon Quadplex Face Place White		12	$ 1 63	$ 19 56	0	$ -		$ 19 56	
02-164	Oct 02	1491869/2987096	Siemon 6-Port Face Place White		12	$ 1 49	$ 17 88	0	$ -		$ 17 88	
02-164	Oct 02	1491869/2987096	Siemon Insert Blanks (bags of 10)		4	$ 2 23	$ 8 92	0	$ -		$ 8.92	
02-164	Oct 02	1491869/2987096	Jack STL Universal Wall 6 Conductor Assembly		6	$ 2 96	$ 17 76	0	$ -		$ 17 76	
02-164	Oct-02	1491869/2987096	M2008B BASIC DIGITAL PHONE		4	$ 3 46	$ 13.84	0	$ -		$ 13 84	
04-378	Oct 04	1953006	TYE WRAP PLT3S-C702 11 5 INCHES	N8837955	100	$ 0 05	$ 4 69	0	$ -		$ 4 69	
04-378	Oct-04	1953006	COMMSCOPE - CAT 5E CABLE UL	550+MBLUEULTRA	4	$ 5 62	$ 22 50	0	$ -		$ 22 50	
04-378	Oct 04	1953006	SIEMON - C1 PORT MOD JACK	MX5-F06	14	$ 0 12	$ 1 69	0	$ -		$ 1 68	
04-378	Oct 04	1953006	TYE WRAP 0 18 INCH x 12 INCHES	N8767102	100	$ 0 13	$ 13 00	0	$ -		$ 13 00	
05-030	Mar 05	1992044/4184195	HP COMPAQ DCF5000SFF	PJ353UA#ABA	1	$ 23 48	$ 23 48	0	$ -		$ 23 48	
05-053D	May 05	2037807/4225599	BLANKS WHITE	MX BL 02	3	$ 0 06	$ 0 18	0	$ -		$ 0 18	
05-053D	May 05	2037807/4225599	TYTON CABLE TIE 8" PLENUM	T50R2C2UL	1	$ 0 21	$ 0 21	0	$ -		$ 0 21	
05-053D	May 05	2037807/4225599	PULL STRING 6500'	PL-230-CSC	1	$ 0 66	$ 0 66	0	$ -		$ 0 66	
05-053D	May-05	2037807/4225599	SIEMON - FACEPLATE SINGLE CAN	MX FP-S-04-02	13	$ 0 05	$ 0 65	0	$ -		$ 0 65	
05-053D	May 05	2037807/4225599	CAT 5E INSERT BLUE	MX5-F06	14	$ 0 10	$ 1 40	0	$ -		$ 1 40	
05-053D	May 05	2037807/4225599	ORTRONICS - SINGLE SURFACE MC	OR-40300061	14	$ 0 10	$ 1 40	0	$ -		$ 1 40	
05-053D	May 05	2037807/4225599	CAT 5E CABLE CMP BLUE	5504M BLUE	2	$ 5 42	$ 10 84	0	$ -		$ 10 84	
05-225	Jun-05	2054747/4276298	UPGRADED x2219 TO A M3903 PHO	N8837240	1	$ 5 09	$ 5 09	0	$ -		$ 5 09	
99-513	Aug-94	revision 2/00	OS PLUS SOFTWARE W/O PC		1	$ 212 48	$ 212 48	1	$ 84 99		$ 127 49	
99-513	Feb-00	374298 / 677005	NEC WORKSTATION		1	$ 117 73	$ 117.73	0	$ -		$ 117.73	
99-513	Feb 00	AIRPORT HOTEL OS UPGRADE PER QUOTE QUO121598504	FEP BOARD		1	$ 29 67	$ 29 67	0	$ -		$ 29 67	
99-513	Feb-00		OS PLUS UPGRADE TO VER 5 01		1	$ 21 11	$ 21 11	0	$ -		$ 21 11	

CHARGES FOR DEPARTMENT IDENTIFIER - HOTEL (CONT)

CHARGES FOR EARNING NUMBER 786 265-7367

MONTHLY LOCAL SERVICE

25. MONTHLY LOCAL SERVICE - APR 20 THROUGH MAY 19		65.00
BREAKDOWN BY STATION NUMBER		
786 265-7367		32.50
786 265-8296		32.50
COMMON EQUIPMENT/SERVICE WITH NO STATION NUMBER ASSIGNED		0.00
26. FEDERAL UNIVERSAL SERVICE CHARGE		1.84
BREAKDOWN BY STATION NUMBER		
786 265-7367		0.92
786 265-8296		0.92
27. FCC AUTHORIZED CHARGE FOR NETWORK ACCESS		13.52
BREAKDOWN BY STATION NUMBER		
786 265-7367		6.76
786 265-8296		6.76
TOTAL MONTHLY LOCAL SERVICE	80.36	

OTHER CHARGES AND CREDITS

APR 20, 2006 SO-MIA MANHOLE

EARNING NUMBER 265-7367
LINE 265-7367

28. COST OF DADE COUNTY MANHOLE ORDINANCE #83-3 (C)		0.09
LINE 265-8296		
29. COST OF DADE COUNTY MANHOLE ORDINANCE #83-3 (C)		0.09
TOTAL RECURRING OC&C FOR SO-MIA MANHOLE	.00	
TOTAL NONRECURRING OC&C FOR SO-MIA MANHOLE	.18	
TOTAL OC&C DEBITS	.18	
TOTAL OC&C CREDITS	.00	
TOTAL OTHER CHARGES AND CREDITS	.18	
TOTAL FOR EARNING NUMBER 786 265-7367		80.54
OTAL FOR DEPARTMENT IDENTIFIER - HOTEL		281.89

CHARGES FOR DEPARTMENT IDENTIFIER - HOTEL (CONT)

CHARGES FOR EARNING NUMBER 305 871-6645

MONTHLY LOCAL SERVICE

21.MONTHLY LOCAL SERVICE - APR 20 THROUGH MAY 19		32.50
BREAKDOWN BY STATION NUMBER		
305 871-6645		32.50
COMMON EQUIPMENT/SERVICE WITH NO STATION NUMBER ASSIGNED		0.00
22.FEDERAL UNIVERSAL SERVICE CHARGE		0.92
BREAKDOWN BY STATION NUMBER		
305 871-6645		0.92
23.FCC AUTHORIZED CHARGE FOR NETWORK ACCESS		6.76
BREAKDOWN BY STATION NUMBER		
305 871-6645		6.76
TOTAL MONTHLY LOCAL SERVICE	40.18	

OTHER CHARGES AND CREDITS

APR 20, 2006 SO-MIA MANHOLE

EARNING NUMBER 871-6645
LINE 871-6645

..COST OF DADE COUNTY MANHOLE ORDINANCE #83-3	(C)		0.09
TOTAL RECURRING OC&C FOR SO-MIA MANHOLE		.00	
TOTAL NONRECURRING OC&C FOR SO-MIA MANHOLE		.09	
TOTAL OC&C DEBITS		.09	
TOTAL OC&C CREDITS		.00	
TOTAL OTHER CHARGES AND CREDITS		.09	

TOTAL FOR EARNING NUMBER 305 871-6645 40.27

CHARGES FOR DEPARTMENT IDENTIFIER - HOTEL (CONT)

CHARGES FOR EARNING NUMBER 305 871-6164

MONTHLY LOCAL SERVICE

16. MONTHLY LOCAL SERVICE - APR 20 THROUGH MAY 19		65.00
BREAKDOWN BY STATION NUMBER		
305 871-6164		32.50
305 871-6264		32.50
COMMON EQUIPMENT/SERVICE WITH NO STATION NUMBER ASSIGNED		0.00
17. FEDERAL UNIVERSAL SERVICE CHARGE		1.84
BREAKDOWN BY STATION NUMBER		
305 871-6164		0.92
305 871-6264		0.92
18. FCC AUTHORIZED CHARGE FOR NETWORK ACCESS		13.52
BREAKDOWN BY STATION NUMBER		
305 871-6164		6.76
305 871-6264		6.76
TOTAL MONTHLY LOCAL SERVICE	80.36	

OTHER CHARGES AND CREDITS

APR 20, 2006 SO-MIA MANHOLE

EARNING NUMBER 871-6164
LINE 871-6164

19. COST OF DADE COUNTY MANHOLE ORDINANCE #83-3		(C)	0.09
LINE 871-6264			
20. COST OF DADE COUNTY MANHOLE ORDINANCE #83-3		(C)	0.09
TOTAL RECURRING OC&C FOR SO-MIA MANHOLE	.00		
TOTAL NONRECURRING OC&C FOR SO-MIA MANHOLE	.18		
TOTAL OC&C DEBITS	.18		
TOTAL OC&C CREDITS	.00		
TOTAL OTHER CHARGES AND CREDITS	.18		

TOTAL FOR EARNING NUMBER 305 871-6164 . . . . . 80.54

CHARGES FOR DEPARTMENT IDENTIFIER - HOTEL (CONT)

CHARGES FOR EARNING NUMBER 305 871-4987

MONTHLY LOCAL SERVICE

12.MONTHLY LOCAL SERVICE - APR 20 THROUGH MAY 19		32.50
BREAKDOWN BY STATION NUMBER		
305 871-4987		32.50
COMMON EQUIPMENT/SERVICE WITH NO STATION NUMBER ASSIGNED		0.00
13.FEDERAL UNIVERSAL SERVICE CHARGE		0.92
BREAKDOWN BY STATION NUMBER		
305 871-4987		0.92
14.FCC AUTHORIZED CHARGE FOR NETWORK ACCESS		6.76
BREAKDOWN BY STATION NUMBER		
305 871-4987		6.76
TOTAL MONTHLY LOCAL SERVICE	40.18	

OTHER CHARGES AND CREDITS

APR 20, 2006 SO-MIA MANHOLE

EARNING NUMBER 871-4987
LINE 871-4987

.COST OF DADE COUNTY MANHOLE ORDINANCE #83-3 (C)		0.09
TOTAL RECURRING OC&C FOR SO-MIA MANHOLE	.00	
TOTAL NONRECURRING OC&C FOR SO-MIA MANHOLE	.09	
TOTAL OC&C DEBITS	.09	
TOTAL OC&C CREDITS	.00	
TOTAL OTHER CHARGES AND CREDITS	.09	
TOTAL FOR EARNING NUMBER 305 871-4987		40.27

CHARGES FOR DEPARTMENT IDENTIFIER - HOTEL

CHARGES FOR EARNING NUMBER 305 870-0663

MONTHLY LOCAL SERVICE

8.MONTHLY LOCAL SERVICE - APR 20 THROUGH MAY 19		32.50
BREAKDOWN BY STATION NUMBER		
305 870-0663		32.50
COMMON EQUIPMENT/SERVICE WITH NO STATION NUMBER ASSIGNED		0.00
9.FEDERAL UNIVERSAL SERVICE CHARGE		0.92
BREAKDOWN BY STATION NUMBER		
305 870-0663		0.92
10.FCC AUTHORIZED CHARGE FOR NETWORK ACCESS		6.76
BREAKDOWN BY STATION NUMBER		
305 870-0663		6.76
TOTAL MONTHLY LOCAL SERVICE	40.18	

OTHER CHARGES AND CREDITS

APR 20, 2006 SO-MIA MANHOLE

EARNING NUMBER 870-0663
LINE 870-0663

11.COST OF DADE COUNTY MANHOLE ORDINANCE #83-3	(C)		0.09
TOTAL RECURRING OC&C FOR SO-MIA MANHOLE		.00	
TOTAL NONRECURRING OC&C FOR SO-MIA MANHOLE		.09	
TOTAL OC&C DEBITS		.09	
TOTAL OC&C CREDITS		.00	
TOTAL OTHER CHARGES AND CREDITS		.09	
TOTAL FOR EARNING NUMBER 305 870-0663			40.27

Miami International Airport
Management Firms Detail
SMDR-Date/Time is within the last 1 Month(s)-Abs

Division: 2HTL-MIAMI INTL AIRP HTL
Department: HOTEL ADMIN. - 370
Billed Station: 305-869-1233
Last Name: MIA HOTEL - SALES FAX

Date/Time	Duration	Charge	Digits Dialed	City	State	Call Type	AuthCd
2006/04/05 12:24:00	00:00:30	$0.08	661-753-0131	SANCLARNEW	CA	LD	
2006/04/05 15:47:00	00:00:56	$0.16	781-890-9010	WALTHAM	MA	LD	
2006/04/06 09:12:00	00:01:10	$0.19	781-890-9010	WALTHAM	MA	LD	
2006/04/06 14:41:00	00:00:20	$0.06	212-317-2372	NEW YORK	NY	LD	
2006/04/06 14:43:00	00:00:18	$0.05	212-317-2372	NEW YORK	NY	LD	
2006/04/06 14:47:00	00:01:02	$0.17	212-317-2374	NEW YORK	NY	LD	
2006/04/11 14:26:00	00:00:40	$0.11	201-934-3827	RAMSEY	NJ	LD	
2006/04/12 13:28:00	00:01:10	$0.19	337-839-3277	BROUSSARD	LA	LD	
2006/04/12 13:31:00	00:01:10	$0.19	337-839-3277	BROUSSARD	LA	LD	
2006/04/12 13:33:00	00:01:24	$0.22	337-839-3277	BROUSSARD	LA	LD	
2006/04/12 13:35:00	00:01:16	$0.21	337-839-3277	BROUSSARD	LA	LD	
2006/04/18 10:49:00	00:00:22	$0.32	850-681-7802	TALLAHASSE	FL	LD	
2006/04/18 11:52:00	00:00:28	$0.32	850-681-7802	TALLAHASSE	FL	LD	
2006/04/19 12:12:00	00:00:58	$0.16	646-674-5252	NEW YORK	NY	LD	
2006/04/19 12:39:00	00:00:28	$0.08	212-624-3773	NEW YORK	NY	LD	
2006/04/20 11:53:00	00:01:02	$0.17	802-254-6123	BRATTLEBO	VT	LD	
2006/04/21 11:57:00	00:00:20	$0.41	011-442085045902	UN KINGDOM	--	INTL	
2006/04/24 11:31:00	00:00:22	$0.06	201-330-9560	UNION CITY	NJ	LD	
2006/04/24 11:31:00	00:00:56	$0.16	201-330-9560	UNION CITY	NJ	LD	
2006/04/25 11:09:00	00:00:40	$0.11	801-720-4009	OGDEN MAIN	UT	LD	
2006/04/25 11:35:00	00:00:46	$0.13	212-399-7149	NEW YORK	NY	LD	
2006/04/26 14:56:00	00:00:46	$0.13	337-839-3362	BROUSSARD	LA	LD	
2006/04/27 10:26:00	00:00:28	$0.45	787-734-8646	JUNCOS	PR	INTL	
2006/04/27 11:57:00	00:00:24	$0.06	225-296-8332	BATONROUGE	LA	LD	
2006/04/27 12:36:00	00:00:54	$0.05	011-81337802421	JAPAN	--	INTL	
Totals	00:18:50	$4.24					

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Miami International Airport
Management Firms Detail
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Division: 2HTL-MIAMI INTL AIRP HTL
Department: HOTEL ADMIN. - 370
Billed Station: 305-876-0800
Last Name: MIA HOTEL - HOTEL FAX

Date/Time	Duration	Charge	Digits Dialed	City	State	Call Type	AuthCd
2006/04/01 14:48:00	00:00:50	$0.14	248-549-7005	ROYAL OAK	MI	LD	
2006/04/02 08:17:00	00:00:44	$0.50	011-34915143637	SPAIN	--	INTL	
2006/04/02 15:20:00	00:00:22	$0.06	212-313-981i	NEW YORK	NY	LD	
2006/04/02 15:22.00	00:00:32	$0.10	212-779-6126	NEW YORK	NY	LD	
2006/04/02 15 24:00	00:00:42	$0 11	210-764-4741	SANANTONIO	TX	LD	
2006/04/02 15.25:00	00:00:20	$0.23	407-363-7508	ORLANDO	FL	LD	
2006/04/02 15:27:00	00:00:30	$0 41	011-441293722100	UN KINGDOM	--	INTL	
2006/04/03 09.45:00	00:00:30	$0 25	868-665-7275	CHAGUANAS	TR	INTL	
2006/04/03 09:48:00	00:00:30	$0 25	868-665-7275	CHAGUANAS	TR	INTL	
2006/04/03 13:57:00	00:00:30	$0.08	734-243-2335	MONROE	MI	LD	
2006/04/03 17.02:00	00:00:18	$0 05	580-363-1938	BLACKWELL	OK	LD	
2006/04/03 17:06:00	00:00:16	$0.28	407-294-9966	ORLANDO	FL	LD	
2006/04/03 17:11:00	00:00:58	$0.28	407-352-6946	ORLANDO	FL	LD	
2006/04/03 17:12:00	00:01:08	$0.19	702-939-2697	LAS VEGAS	NV	LD	
2006/04/03 17.17.00	00:00:30	$0 41	011-441293722100	UN KINGDOM	--	INTL	
2006/04/03 17.18:00	00:01:00	$0 05	011-81339807190	JAPAN	--	INTL	
2006/04/03 17:19:00	00:00:28	$0 41	011-441293558344	UN KINGDOM	--	INTL	
2006/04/03 17.20:00	00:01:44	$0 29	210-764-4741	SANANTONIO	TX	LD	
2006/04/03 17:22:00	00:00.20	$0.06	212-246-5607	NEW YORK	NY	LD	
2006/04/03 17.23.00	00:00.44	$0.06	011-551132889822	BRAZIL	--	INTL	
2006/04/03 17 27.00	00:00:44	$0.06	011-551132889822	BRAZIL	--	INTL	
2006/04/04 10 01:00	00:00:16	$0 45	011-5072651954	PANAMA	--	INTL	
2006/04/04 10.05.00	00:00:10	$0.45	011-5072651954	PANAMA	--	INTL	
2006/04/04 10 26 00	00:00:16	$0.05	580-363-1938	BLACKWELL	OK	LD	
2006/04/04 10 31:00	00:00:50	$0.06	011-5532889822	BRAZIL	--	INTL	
2006/04/04 10 39 00	00:00.30	$0 45	011-5072651954	PANAMA	--	INTL	
2006/04/04 11 00 00	00:00:10	$0 06	011-551132832114	BRAZIL	--	INTL	
2006/04/04 11.03.00	00:00:10	$0.06	011-551132832114	BRAZIL	--	INTL	
2006/04/04 11:05:00	00:00 30	$0.08	608-264-6913	MADISON	WI	LD	
2006/04/04 11:06 00	00:00:36	$0 06	011-551132832114	BRAZIL	--	INTL	
2006/04/04 12 35:00	00.00.20	$0 06	415-454-6150	SAN RAFAEL	CA	LD	
2006/04/04 14 36:00	00.00.30	$0.93	011-33146374356	FRANCE	--	INTL	
2006/04/04 14 37 00	00 00:18	$0.28	011-35858512575	FINLAND	--	INTL	
2006/04/04 15 42:00	00 00 16	$0.05	608-264-6913	MADISON	WI	LD	
2006/04/04 16 19 00	00 00 40	$0.11	317-253-7170	INDIANAPLS	IN	LD	
2006/04/04 16 55 00	00 02:54	$0.46	617-904-1673	BOSTON	MA	LD	
2006/04/04 16 58 00	00 00 34	$0 10	212-313-9811	NEW YORK	NY	LD	
2006/04/04 17 00 00	00 00 18	$0 05	212-246-2842	NEW YORK	NY	LD	
2006/04/04 17 02 00	00 00 18	$0 28	407-294-9966	ORLANDO	FL	LD	
2006/04/04 17 03 00	00 00 30	$0 08	201-760-9232	RAMSEY	NJ	LD	

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Miami International Airport
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Division: 2HTL-MIAMI INTL AIRP HTL
Department: HOTEL ADMIN - 370
Billed Station: 305-876-0800
Last Name: MIA HOTEL - HOTEL FAX

Date/Time	Duration	Charge	Digits Dialed	City	State	Call Type	AuthCd
2006/04/04 17:05:00	00:00:30	$0.41	011-441293722100	UN KINGDOM	–	INTL	
2006/04/04 17:06:00	00:00:22	$0.28	407-827-8103	LK BUN VST	FL	LD	
2006/04/04 17:07:00	00:00:26	$0.28	407-363-7508	ORLANDO	FL	LD	
2006/04/04 17:09:00	00:00:54	$0.28	407-827-8103	LK BUN VST	FL	LD	
2006/04/04 18:05:00	00:03:14	$0.52	210-764-4741	SANANTONIO	TX	LD	
2006/04/04 18:08:00	00:00:28	$0.08	718-247-1706	QUEENS NYC	NY	LD	
2006/04/06 15:01:00	00:00:34	$0.06	011-551130342259	BRAZIL	–	INTL	
2006/04/06 16:37:00	00:00:36	$0.10	956-546-0251	BROWNSVL	TX	LD	
2006/04/06 18:18:00	00:01:20	$0.22	702-939-2697	LAS VEGAS	NV	LD	
2006/04/06 18:21:00	00:01:08	$0.19	210-764-4741	SANANTONIO	TX	LD	
2006/04/06 18:23:00	00:00:36	$0.28	407-363-7508	ORLANDO	FL	LD	
2006/04/06 18:24:00	00:01:54	$0.55	407-938-0223	LK BUN VST	FL	LD	
2006/04/06 18:29:00	00:00:26	$0.08	617-904-1673	BOSTON	MA	LD	
2006/04/06 18:30:00	00:00:42	$0.28	407-827-8103	LK BUN VST	FL	LD	
2006/04/06 18:31:00	00:00:26	$0.41	011-441293722100	UN KINGDOM	–	INTL	
2006/04/08 14:05:00	00:00:30	$0.23	407-363-7508	ORLANDO	FL	LD	
2006/04/08 14:07:00	00:00:30	$0.08	201-760-9232	RAMSEY	NJ	LD	
2006/04/08 14:08:00	00:01:20	$0.47	407-352-6946	ORLANDO	FL	LD	
2006/04/08 14:10:00	00:02:46	$0.44	702-939-2697	LAS VEGAS	NV	LD	
2006/04/08 14:14:00	00:01:26	$0.24	210-764-4741	SANANTONIO	TX	LD	
2006/04/08 14:18:00	00:00:22	$0.06	212-313-9811	NEW YORK	NY	LD	
2006/04/08 14:19:00	00:00:20	$0.06	661-753-0120	SANCLARNEW	CA	LD	
2006/04/08 14:54:00	00:00:28	$0.05	011-81337802421	JAPAN	–	INTL	
2006/04/08 15:46:00	00:00:20	$0.06	702-939-2697	LAS VEGAS	NV	LD	
2006/04/08 15:55:00	00:00:18	$0.23	407-363-7508	ORLANDO	FL	LD	
2006/04/09 10:30:00	00:00:28	$0.16	242-338-2052	FARMERS HL	BA	INTL	
2006/04/09 13:54:00	00:01:02	$0.83	011-441293722100	UN KINGDOM	–	INTL	
2006/04/09 13:55:00	00:01:34	$0.25	210-764-4741	SANANTONIO	TX	LD	
2006/04/09 14:01:00	00:00:18	$0.05	212-265-3770	NEW YORK	NY	LD	
2006/04/09 14:01:00	00:00:18	$0.23	407-294-9966	ORLANDO	FL	LD	
2006/04/09 14:02:00	00:00:34	$0.10	212-313-9811	NEW YORK	NY	LD	
2006/04/09 14:03:00	00:00:38	$0.41	011-441293558344	UN KINGDOM	–	INTL	
2006/04/09 14:05:00	00:00:56	$0.16	702-939-2697	LAS VEGAS	NV	LD	
2006/04/09 14:08:00	00:00:24	$0.06	212-313-9811	NEW YORK	NY	LD	
2006/04/09 14:09:00	00:00:38	$0.41	011-441293558344	UN KINGDOM	–	INTL	
2006/04/09 14:15:00	00:00:38	$0.41	011-441293558344	UN KINGDOM	–	INTL	
2006/04/09 14:20:00	00:00:38	$0.41	011-441293558344	UN KINGDOM	–	INTL	
2006/04/09 14:26:00	00:00:38	$0.41	011-441293558344	UN KINGDOM	–	INTL	
2006/04/09 15:10:00	00:00:38	$0.41	011-441293558344	UN KINGDOM	–	INTL	
2006/04/09 15:15:00	00:00:40	$0.41	011-441293558344	UN KINGDOM	–	INTL	

Miami International Airport
Management Firms Detail
SMDR-Date/Time is within the last 1 Month(s)-Abs

Division: 2HTL-MIAMI INTL AIRP HTL
Department: HOTEL ADMIN. - 370
Billed Station: 305-876-0800
Last Name: MIA HOTEL - HOTEL FAX

Date/Time	Duration	Charge	Digits Dialed	City	State	Call Type	AuthCd
2006/04/09 15:21:00	00:00:40	$0.41	011-441293558344	UN KINGDOM	--	INTL	
2006/04/09 15:27:00	00:00:38	$0.41	011-441293558344	UN KINGDOM	--	INTL	
2006/04/10 10:17:00	00:00:30	$0.41	011-441293558344	UN KINGDOM	--	INTL	
2006/04/10 10:33:00	00:00:18	$0.05	608-264-6913	MADISON	WI	LD	
2006/04/10 10:57:00	00:00:24	$0.15	441-293-7221	HAMILTON	BE	INTL	
2006/04/10 11:01:00	00:00:20	$0.15	441-293-7221	HAMILTON	BE	INTL	
2006/04/10 12:05:00	00:00:42	$0.41	011-441293722100	UN KINGDOM	--	INTL	
2006/04/10 12:18:00	00:00:28	$0.08	973-321-1238	PATERSON	NJ	LD	
2006/04/10 14:02:00	00:00:24	$0.06	206-463-5484	VASHON	WA	LD	
2006/04/10 19:46:00	00:00:18	$0.50	011-34917811641	SPAIN	--	INTL	
2006/04/11 10:07:00	00:01:02	$0.19	011-85226145228	HONG KONG	--	INTL	
2006/04/11 15:53:00	00:01:50	$0.30	702-939-2697	LAS VEGAS	NV	LD	
2006/04/11 15:56:00	00:02:10	$1.24	011-441293722100	UN KINGDOM	--	INTL	
2006/04/11 15:58:00	00:01:06	$0.17	212-246-2842	NEW YORK	NY	LD	
2006/04/11 16:00:00	00:00:38	$0.32	407-363-7508	ORLANDO	FL	LD	
2006/04/11 16:01:00	00:00:30	$0.41	011-441293558344	UN KINGDOM	--	INTL	
2006/04/11 16:02:00	00:00:16	$0.05	212-338-0028	NEW YORK	NY	LD	
2006/04/11 16:03:00	00:00:46	$0.13	212-313-9811	NEW YORK	NY	LD	
2006/04/11 16:05:00	00:00:36	$0.10	802-254-6123	BRATTLEBO	VT	LD	
2006/04/11 16:06:00	00:00:32	$0.16	242-338-2052	FARMERS HL	BA	INTL	
2006/04/11 16:07:00	00:00:22	$0.05	011-81337802421	JAPAN	--	INTL	
2006/04/11 16:08:00	00:01:00	$0.30	246-228-2712	BRIDGETOWN	BD	INTL	
2006/04/11 16:11:00	00:00:32	$0.10	718-247-1706	QUEENS NYC	NY	LD	
2006/04/11 16:13:00	00:00:40	$0.32	407-352-6946	ORLANDO	FL	LD	
2006/04/11 16:14:00	00:00:30	$0.05	011-81339807190	JAPAN	--	INTL	
2006/04/11 16:15:00	00:02:16	$0.36	210-764-4741	SANANTONIO	TX	LD	
2006/04/11 16:19:00	00:01:00	$0.16	617-904-1673	BOSTON	MA	LD	
2006/04/11 16:20:00	00:01:22	$0.64	407-352-6946	ORLANDO	FL	LD	
2006/04/11 16:52:00	00:01:12	$0.64	407-352-6946	ORLANDO	FL	LD	
2006/04/12 12:17:00	00:00:44	$0.06	011-551138562965	BRAZIL	--	INTL	
2006/04/12 12:20:00	00:00:44	$0.06	011-551138562965	BRAZIL	--	INTL	
2006/04/12 14:19:00	00:00:26	$0.38	011-596596639955	FRENCH ANT	--	INTL	
2006/04/12 15:18:00	00:00:48	$0.06	011-551138562965	BRAZIL	--	INTL	
2006/04/12 18:15:00	00:01:20	$0.22	702-939-2697	LAS VEGAS	NV	LD	
2006/04/12 18:17:00	00:00:28	$0.28	407-363-7508	ORLANDO	FL	LD	
2006/04/12 18:18:00	00:00:26	$0.28	407-294-9966	ORLANDO	FL	LD	
2006/04/12 18:20:00	00:00:34	$0.10	212-313-9811	NEW YORK	NY	LD	
2006/04/12 18:21:00	00:00:48	$0.28	407-352-6946	ORLANDO	FL	LD	
2006/04/12 18:22:00	00:00:26	$0.08	212-246-2842	NEW YORK	NY	LD	
2006/04/12 18:23:00	00:00:42	$0.11	210-764-4741	SANANTONIO	TX	LD	

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Miami International Airport
Management Firms Detail
SMDR-Date/Time is within the last 1 Month(s)-Abs

Division: 2HTL-MIAMI INTL AIRP HTL
Department: HOTEL ADMIN. - 370
Billed Station: 305-876-0800
Last Name: MIA HOTEL - HOTEL FAX

Date/Time	Duration	Charge	Digits Dialed	City	State	Call Type	AuthCd
2006/04/12 18:26:00	00:00:28	$0.41	011-441293558344	UN KINGDOM	--	INTL	
2006/04/12 18:27:00	00:00:28	$0.08	201-760-9232	RAMSEY	NJ	LD	
2006/04/12 18:28:00	00:00:30	$0.41	011-441293722100	UN KINGDOM	--	INTL	
2006/04/12 18:30:00	00:00:22	$0.06	201-433-2226	JERSEYCITY	NJ	LD	
2006/04/12 18:31:00	00:01:06	$0.59	246-228-2712	BRIDGETOWN	BD	INTL	
2006/04/12 18:34:00	00:00:30	$0.08	310-606-5305	EL SEGUNDO	CA	LD	
2006/04/13 08:35:00	00:00:56	$0.16	312-944-3759	CHICAGO	IL	LD	
2006/04/13 09:18:00	00:00:48	$0.10	011-85226145228	HONG KONG	--	INTL	
2006/04/13 10:11:00	00:00:18	$0.32	239-591-2967	NO NAPLES	FL	LD	
2006/04/13 14:19:00	00:00:20	$0.27	561-691-8879	W PALM BCH	FL	LD	
2006/04/13 15:23:00	00:01:04	$0.19	011-85226145228	HONG KONG	--	INTL	
2006/04/13 16:00:00	00:00:44	$0.06	011-551138564555	BRAZIL	--	INTL	
2006/04/13 16:04:00	00:00:44	$0.06	011-551138564555	BRAZIL	--	INTL	
2006/04/13 16:05:00	00:00:36	$0.10	011-85226145228	HONG KONG	--	INTL	
2006/04/13 16:59:00	00:01:24	$0.22	702-939-2697	LAS VEGAS	NV	LD	
2006/04/13 17:00:00	00:00:16	$0.05	212-246-2842	NEW YORK	NY	LD	
2006/04/13 17:01:00	00:00:30	$0.08	617-904-1673	BOSTON	MA	LD	
2006/04/13 17:02:00	00:00:32	$0.10	310-216-5807	INGLEWOOD	CA	LD	
2006/04/13 17:04:00	00:00:42	$0.11	212-313-9811	NEW YORK	NY	LD	
2006/04/13 17:07:00	00:00:20	$0.28	407-363-7508	ORLANDO	FL	LD	
2006/04/13 17:08:00	00:00:34	$0.10	212-313-9811	NEW YORK	NY	LD	
2006/04/13 19:02:00	00:01:12	$0.19	210-764-4741	SANANTONIO	TX	LD	
2006/04/13 19:05:00	00:00:30	$0.08	702-939-2697	LAS VEGAS	NV	LD	
2006/04/13 19:06:00	00:00:30	$0.08	212-779-6126	NEW YORK	NY	LD	
2006/04/13 19:07:00	00:00:16	$0.05	212-246-2842	NEW YORK	NY	LD	
2006/04/13 19:07:00	00:00:28	$0.41	011-441293722100	UN KINGDOM	--	INTL	
2006/04/13 19:09:00	00:00:22	$0.28	407-363-7508	ORLANDO	FL	LD	
2006/04/14 14:45:00	00:00:24	$0.06	212-313-9811	NEW YORK	NY	LD	
2006/04/14 14:46:00	00:00:16	$0.05	212-246-2842	NEW YORK	NY	LD	
2006/04/14 14:46:00	00:00:26	$0.08	201-760-9232	RAMSEY	NJ	LD	
2006/04/14 14:48:00	00:00:22	$0.06	212-338-0028	NEW YORK	NY	LD	
2006/04/14 15:27:00	00:00:18	$0.32	407-294-9966	ORLANDO	FL	LD	
2006/04/14 19:24:00	00:04:30	$2.07	011-441293558344	UN KINGDOM	--	INTL	
2006/04/14 19:29:00	00:00:54	$0.14	702-939-2697	LAS VEGAS	NV	LD	
2006/04/14 19:30:00	00:01:04	$0.55	407-938-0223	LK BUN VST	FL	LD	
2006/04/15 11:33:00	00:00:50	$0.10	011-41219611051	SWITZERLND	--	INTL	
2006/04/15 13:46:00	00:00:34	$0.10	702-939-2697	LAS VEGAS	NV	LD	
2006/04/16 15:55:00	00:01:48	$0.29	210-764-4741	SANANTONIO	TX	LD	
2006/04/16 15:57:00	00:00:30	$0.08	702-939-2697	LAS VEGAS	NV	LD	
2006/04/16 15:59:00	00:00:28	$0.41	011-441293558344	UN KINGDOM	--	INTL	

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Miami International Airport
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Division: 2HTL-MIAMI INTL AIRP HTL
Department: HOTEL ADMIN. - 370
Billed Station: 305-876-0800
Last Name: MIA HOTEL - HOTEL FAX

Date/Time	Duration	Charge	Digits Dialed	City	State	Call Type	AuthCd
2006/04/16 16:00:00	00:00:22	$0.93	011-33142842229	FRANCE	--	INTL	
2006/04/17 23:52:00	00:00:40	$0.06	011-551145893001	BRAZIL	--	INTL	
2006/04/17 23:56:00	00:00:38	$0.06	011-551145893001	BRAZIL	--	INTL	
2006/04/18 14:13:00	00:00:32	$0.10	310-782-3135	TORRANCE	CA	LD	
2006/04/18 14:16:00	00:00:36	$0.32	407-363-7508	ORLANDO	FL	LD	
2006/04/18 14:18:00	00:01:54	$0.30	702-939-2697	LAS VEGAS	NV	LD	
2006/04/18 14:24:00	00:00:26	$0.08	212-313-9811	NEW YORK	NY	LD	
2006/04/18 14:25:00	00:02:42	$0.43	210-764-4741	SANANTONIO	TX	LD	
2006/04/18 14:28:00	00:00:16	$0.05	212-338-0028	NEW YORK	NY	LD	
2006/04/18 14:29:00	00:00:30	$0.08	201-760-9232	RAMSEY	NJ	LD	
2006/04/18 14:30:00	00:00:32	$0.10	310-216-5807	INGLEWOOD	CA	LD	
2006/04/18 14:30:00	00:00:28	$0.05	011-81339807190	JAPAN	--	INTL	
2006/04/18 14:33:00	00:00:52	$0.32	407-264-0286	ORLANDO	FL	LD	
2006/04/18 14:34:00	00:00:18	$0.05	213-996-3501	LOSANGELES	CA	LD	
2006/04/18 16:56:00	00:00:36	$0.10	310-782-3135	TORRANCE	CA	LD	
2006/04/18 17:04:00	00:00:32	$0.28	407-264-0286	ORLANDO	FL	LD	
2006/04/18 18:41:00	00:00:20	$0.06	970-923-3871	ASPEN	CO	LD	
2006/04/18 19:31:00	00:00:48	$0.13	702-939-2697	LAS VEGAS	NV	LD	
2006/04/18 19:33:00	00:00:28	$0.28	407-847-8763	KISSIMMEE	FL	LD	
2006/04/18 19:34:00	00:00:18	$0.05	212-246-2842	NEW YORK	NY	LD	
2006/04/19 16:48:00	00:01:02	$0.17	210-764-4741	SANANTONIO	TX	LD	
2006/04/19 16:49:00	00:00:40	$0.11	702-939-2697	LAS VEGAS	NV	LD	
2006/04/19 16:50:00	00:00:16	$0.05	212-246-2842	NEW YORK	NY	LD	
2006/04/19 16:51:00	00:00:22	$0.06	212-313-9811	NEW YORK	NY	LD	
2006/04/19 16:54:00	00:00:18	$0.32	407-363-7508	ORLANDO	FL	LD	
2006/04/19 16:54:00	00:00:30	$0.41	011-441293722100	UN KINGDOM	--	INTL	
2006/04/19 16:55:00	00:00:50	$0.14	202-362-7411	WASHINGTON	DC	LD	
2006/04/19 16:57:00	00:00:24	$0.08	450-635-5881	ST CONST	QC	LD	
2006/04/19 18:09:00	00:00:18	$0.05	206-297-5775	SEATTLE	WA	LD	
2006/04/19 18:20:00	00:00:20	$0.06	206-297-5775	SEATTLE	WA	LD	
2006/04/19 20:21:00	00:00:58	$0.16	702-939-2697	LAS VEGAS	NV	LD	
2006/04/19 20:26:00	00:00:36	$0.10	802-254-6123	BRATTLEBO	VT	LD	
2006/04/20 10:04:00	00:00:32	$0.10	312-602-3775	CHICAGO	IL	LD	
2006/04/20 10:50:00	00:00:18	$0.05	770-752-4770	ATLANTA NE	GA	LD	
2006/04/20 11:43:00	00:00:20	$0.06	425-945-0214	BELLEVUE	WA	LD	
2006/04/20 11:50:00	00:00:18	$0.05	608-264-6913	MADISON	WI	LD	
2006/04/20 13:03:00	00:00:22	$0.06	775-882-6114	CARSONCITY	NV	LD	
2006/04/20 13:25:00	00:00:20	$0.06	202-483-2106	WASHINGTON	DC	LD	
2006/04/20 14:06:00	00:00:36	$0.32	904-824-3262	STAUGUSTIN	FL	LD	
2006/04/20 16:29:00	00:00:52	$0.14	212-779-6126	NEW YORK	NY	LD	

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Miami International Airport
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Division: 2HTL-MIAMI INTL AIRP HTL
Department: HOTEL ADMIN - 370
Billed Station: 305-876-0800
Last Name: MIA HOTEL - HOTEL FAX

Date/Time	Duration	Charge	Digits Dialed	City	State	Call Type	AuthCd
2006/04/20 16:30:00	00:00.48	$0.32	407-352-6946	ORLANDO	FL	LD	
2006/04/20 16:31:00	00.02.12	$0.35	210-764-4741	SANANTONIO	TX	LD	
2006/04/20 16:35.00	00:00.30	$0.08	702-939-2697	LAS VEGAS	NV	LD	
2006/04/20 16:37:00	00.00 36	$0.32	407-857-3876	ORLANDO	FL	LD	
2006/04/20 16:38 00	00:00 30	$0.08	310-606-5305	EL SEGUNDO	CA	LD	
2006/04/20 16:39 00	00 00 40	$0.11	310-216-5807	INGLEWOOD	CA	LD	
2006/04/20 16:41.00	00 00 18	$0 32	407-363-7508	ORLANDO	FL	LD	
2006/04/20 19:58 00	00 00 32	$0.10	702-939-2697	LAS VEGAS	NV	LD	
2006/04/20 19 59 00	00 00 28	$0.08	212-779-6126	NEW YORK	NY	LD	
2006/04/21 07 58 00	00 00 42	$0.36	011-902123396467	TURKEY	–	INTL	
2006/04/21 08.00 00	00 00 52	$0.36	011-902123396467	TURKEY	–	INTL	
2006/04/21 08 02 00	00 00 40	$0.36	011-902123396467	TURKEY	–	INTL	
2006/04/21 08.09 00	00 00 42	$0.36	011-902123396467	TURKEY	–	INTL	
2006/04/21 08 13 00	00 01 32	$0.72	011-902123396467	TURKEY	–	INTL	
2006/04/21 08 22 00	00 00 40	$0.36	011-902123396467	TURKEY	–	INTL	
2006/04/21 08 33 00	00 00 10	$0 36	011-902123396467	TURKEY	–	INTL	
2006/04/21 08 36 00	00 01 10	$0.72	011-902123396467	TURKEY	–	INTL	
2006/04/21 08 37 00	00 00:26	$0.36	011-902123396467	TURKEY	–	INTL	
2006/04/21 10 24 00	00 00:20	$0.06	404-949-9388	ATLANTA	GA	LD	
2006/04/21 14 06.00	00 00:26	$0.93	011-33561392646	FRANCE	–	INTL	
2006/04/21 15 56:00	00 00 54	$0 14	412-928-9350	PITTSBURGH	PA	LD	
2006/04/21 15 58 00	00.01 56	$0 32	702-939-2697	LAS VEGAS	NV	LD	
2006/04/21 16.00.00	00.02 08	$0.35	210-764-4741	SANANTONIO	TX	LD	
2006/04/21 16:02:00	00:00:20	$0.06	212-313-9811	NEW YORK	NY	LD	
2006/04/21 16:03:00	00:00:32	$0 10	201-760-9232	RAMSEY	NJ	LD	
2006/04/21 16.04:00	00 00:30	$0 41	011-441293722100	UN KINGDOM	–	INTL	
2006/04/21 16:06:00	00:00:22	$0 32	407-363-7508	ORLANDO	FL	LD	
2006/04/21 16.07.00	00:00 18	$0 05	661-753-0120	SANCLARNEW	CA	LD	
2006/04/21 16 07:00	00:00:32	$0 32	407-352-6946	ORLANDO	FL	LD	
2006/04/22 15 19:00	00:00:36	$0 10	615-832-9826	NASHVILLE	TN	LD	
2006/04/22 15:21:00	00.00.14	$0 05	212-338-0028	NEW YORK	NY	LD	
2006/04/22 15:22:00	00:02:12	$0 35	210-764-4741	SANANTONIO	TX	LD	
2006/04/22 15:26:00	00 00:28	$0 41	011-441293558344	UN KINGDOM	–	INTL	
2006/04/22 15:27:00	00:00:34	$0.23	407-352-6946	ORLANDO	FL	LD	
2006/04/22 15:41:00	00:00.30	$0.08	702-939-2697	LAS VEGAS	NV	LD	
2006/04/23 15:27:00	00.00:32	$0.10	817-224-0821	ROANOKE	TX	LD	
2006/04/23 15:34:00	00:00:30	$0.41	011-441293722100	UN KINGDOM	–	INTL	
2006/04/23 15:37:00	00:00:30	$0.41	011-441293722100	UN KINGDOM	–	INTL	
2006/04/23 15:39:00	00:00:28	$0.41	011-441293558344	UN KINGDOM	–	INTL	
2006/04/23 15:40:00	00.00.30	$0.08	702-939-2697	LAS VEGAS	NV	LD	

Miami International Airport
Management Firms Detail
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Division: 2HTL-MIAMI INTL AIRP HTL
Department: HOTEL ADMIN. - 370
Billed Station: 305-876-0800
Last Name: MIA HOTEL - HOTEL FAX

Date/Time	Duration	Charge	Digits Dialed	City	State	Call Type	AuthCd
2006/04/24 10:33:00	00:00:28	$0.08	919-782-8492	RALEIGH	NC	LD	
2006/04/24 14:03:00	00:00:24	$0.21	345-945-6131	CAYMAN IS	CI	INTL	
2006/04/24 14:14:00	00:00:28	$0.11	204-275-5510	WINNIPEG	MB	LD	
2006/04/24 14:59:00	00:00:54	$0.14	937-456-4266	EATON	OH	LD	
2006/04/24 19:23:00	00:00:34	$0.10	718-247-1706	QUEENS NYC	NY	LD	
2006/04/24 19:24:00	00:00:20	$0.05	011-81339807190	JAPAN	--	INTL	
2006/04/24 19:25:00	00:00:42	$0.11	212-779-6126	NEW YORK	NY	LD	
2006/04/24 19:27:00	00:00:16	$0.05	310-782-3135	TORRANCE	CA	LD	
2006/04/24 19:28:00	00:00:20	$0.06	661-753-0113	SANCLARNEW	CA	LD	
2006/04/24 19:28:00	00:00:32	$0.10	310-606-5305	EL SEGUNDO	CA	LD	
2006/04/24 19:30:00	00:00:38	$0.11	310-216-5807	INGLEWOOD	CA	LD	
2006/04/24 19:31:00	00:00:40	$0.11	702-939-2667	LAS VEGAS	NV	LD	
2006/04/24 19:31:00	00:00:18	$0.28	407-363-7508	ORLANDO	FL	LD	
2006/04/24 19:32:00	00:01:44	$0.29	210-764-4741	SANANTONIO	TX	LD	
2006/04/24 19:36:00	00:00:18	$0.05	703-351-0809	ARLINGTON	VA	LD	
2006/04/24 19:38:00	00:00:50	$0.14	702-939-2667	LAS VEGAS	NV	LD	
2006/04/24 19:46:00	00:00:58	$0.16	702-939-2697	LAS VEGAS	NV	LD	
2006/04/24 19:48:00	00:00:44	$0.41	011-441293722100	UN KINGDOM	--	INTL	
2006/04/24 19:49:00	00:00:18	$0.28	407-673-0028	WINTERPARK	FL	LD	
2006/04/24 19:50:00	00:00:24	$0.48	011-597479744	SURINAME	--	INTL	
2006/04/25 14:20:00	00:00:32	$0.10	773-384-2711	CHICAGO	IL	LD	
2006/04/25 16:22:00	00:00:18	$0.93	011-33561392646	FRANCE	--	INTL	
2006/04/25 16:25:00	00:00:22	$0.05	011-81339807190	JAPAN	--	INTL	
2006/04/25 16:26:00	00:01:18	$0.21	702-939-2697	LAS VEGAS	NV	LD	
2006/04/25 16:28:00	00:00:28	$0.41	011-441293558344	UN KINGDOM	--	INTL	
2006/04/25 16:30:00	00:00:26	$0.08	212-313-9811	NEW YORK	NY	LD	
2006/04/25 16:31:00	00:00:18	$0.05	212-246-2842	NEW YORK	NY	LD	
2006/04/25 16:33:00	00:00:16	$0.05	212-338-0028	NEW YORK	NY	LD	
2006/04/25 16:35:00	00:00:22	$0.06	703-351-0809	ARLINGTON	VA	LD	
2006/04/25 16:36:00	00:00:32	$0.32	407-847-8763	KISSIMMEE	FL	LD	
2006/04/25 16:37:00	00:00:34	$0.10	213-996-1951	LOSANGELES	CA	LD	
2006/04/25 16:37:00	00:00:18	$0.32	407-363-7508	ORLANDO	FL	LD	
2006/04/25 18:36:00	00:00:10	$0.06	604-871-2379	VANCOUVER	BC	LD	
2006/04/25 18:40:00	00:01:04	$0.23	604-871-2301	VANCOUVER	BC	LD	
2006/04/25 18:42:00	00:01:06	$0.23	604-871-2301	VANCOUVER	BC	LD	
2006/04/25 19:12:00	00:00:20	$0.39	011-390272011223	ITALY	--	INTL	
2006/04/25 20:11:00	00:01:08	$0.55	407-857-3876	ORLANDO	FL	LD	
2006/04/25 20:15:00	00:00:16	$0.05	212-338-0028	NEW YORK	NY	LD	
2006/04/25 20:24:00	00:00:18	$0.28	407-673-0028	WINTERPARK	FL	LD	
2006/04/26 12:17:00	00:00:40	$0.41	011-4928319763941	GERMANY	--	INTL	

Division: 2HTL-MIAMI INTL AIRP HTL
Department: HOTEL ADMIN. - 370
Billed Station: 305-876-0800
Last Name: MIA HOTEL - HOTEL FAX

Date/Time	Duration	Charge	Digits Dialed	City	State	Call Type	AuthCd
2006/04/26 15:14:00	00:00:34	$0.10	314-654-6563	LADUE	MO	LD	
2006/04/26 16:32:00	00:00:20	$0.06	214-740-0182	DALLAS	TX	LD	
2006/04/26 16:33:00	00:00:54	$0.32	407-352-6946	ORLANDO	FL	LD	
2006/04/26 16:37:00	00:00:30	$0.08	212-779-6126	NEW YORK	NY	LD	
2006/04/26 16:38:00	00:00:24	$0.32	407-294-9966	ORLANDO	FL	LD	
2006/04/26 16:41:00	00:00:30	$0.08	201-760-9232	RAMSEY	NJ	LD	
2006/04/26 16:44:00	00:00:24	$0.05	011-81337802421	JAPAN	--	INTL	
2006/04/26 16:45:00	00:01:02	$0.17	210-764-4741	SANANTONIO	TX	LD	
2006/04/26 16:47:00	00:01:38	$0.27	617-904-1673	BOSTON	MA	LD	
2006/04/26 16:49:00	00:00:24	$0.32	407-363-7508	ORLANDO	FL	LD	
2006/04/26 17:30:00	00:01:02	$0.08	011-6563360067	SINGAPORE	--	INTL	
2006/04/26 19:37:00	00:00:24	$0.06	775-784-5713	RENO	NV	LD	
2006/04/26 20:06:00	00:00:20	$0.21	011-529988845728	MEXICO	MX	INTL	
2006/04/26 20:08:00	00:00:22	$0.06	702-939-2697	LAS VEGAS	NV	LD	
2006/04/26 20:08:00	00:00:54	$0.14	206-403-1531	SEATTLE	WA	LD	
2006/04/26 20:10:00	00:00:24	$0.06	703-351-0809	ARLINGTON	VA	LD	
2006/04/26 20:11:00	00:00:40	$0.21	011-529988845728	MEXICO	MX	INTL	
2006/04/26 20:12:00	00:00:22	$0.06	212-313-9811	NEW YORK	NY	LD	
2006/04/26 20:13:00	00:00:54	$0.14	206-403-1531	SEATTLE	WA	LD	
2006/04/26 20:13:00	00:00:18	$0.28	407-363-7508	ORLANDO	FL	LD	
2006/04/27 09:40:00	00:00:34	$0.05	011-81352104434	JAPAN	--	INTL	
2006/04/27 10:02:00	00:00:28	$0.11	514-843-5340	MONTREAL	QC	LD	
2006/04/27 12:08:00	00:00:40	$0.21	011-529988845728	MEXICO	MX	INTL	
2006/04/27 14:06:00	00:00:40	$0.21	011-529988845728	MEXICO	MX	INTL	
2006/04/27 14:09:00	00:00:40	$0.21	011-529988845728	MEXICO	MX	INTL	
2006/04/27 14:13:00	00:00:18	$0.06	514-286-0156	MONTREAL	QC	LD	
2006/04/27 16:33:00	00:00:48	$0.13	702-939-2697	LAS VEGAS	NV	LD	
2006/04/27 16:34:00	00:00:32	$0.10	718-247-1706	QUEENS NYC	NY	LD	
2006/04/27 16:35:00	00:00:44	$0.13	210-764-4741	SANANTONIO	TX	LD	
2006/04/27 16:36:00	00:00:24	$0.06	212-313-9811	NEW YORK	NY	LD	
2006/04/27 16:40:00	00:00:34	$0.32	407-354-5204	ORLANDO	FL	LD	
2006/04/27 16:46:00	00:00:18	$0.32	407-294-9966	ORLANDO	FL	LD	
2006/04/27 20:37:00	00:00:28	$0.41	011-441293558344	UN KINGDOM	--	INTL	
2006/04/28 15:38:00	00:00:52	$0.14	337-839-7346	BROUSSARD	LA	LD	
2006/04/28 16:18:00	00:01:14	$0.21	210-764-4741	SANANTONIO	TX	LD	
2006/04/28 16:20:00	00:00:30	$0.41	011-441293722100	UN KINGDOM	--	INTL	
2006/04/28 16:22:00	00:00:22	$0.06	212-313-9811	NEW YORK	NY	LD	
2006/04/28 16:23:00	00:00:34	$0.32	407-354-5204	ORLANDO	FL	LD	
2006/04/28 16:24:00	00:00:22	$0.05	011-81339807190	JAPAN	--	INTL	
2006/04/28 21:38:00	00:00:42	$0.11	210-764-4741	SANANTONIO	TX	LD	

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Miami International Airport
Management Firms Detail
SMDR-Date/Time is within the last 1 Month(s)-Abs

Division: 2HTL-MIAMI INTL AIRP HTL
Department: HOTEL ADMIN. - 370
Billed Station: 305-876-0800
Last Name: MIA HOTEL - HOTEL FAX

Date/Time	Duration	Charge	Digits Dialed	City	State	Call Type	AuthCd
2006/04/28 21:42:00	00:00:28	$0.08	201-760-9232	RAMSEY	NJ	LD	
2006/04/28 21:47:00	00:00:28	$0.05	011-81337802421	JAPAN	–	INTL	
2006/04/28 21:48:00	00:00:42	$0.41	011-441293722100	UN KINGDOM	–	INTL	
2006/04/28 21:50:00	00:00:22	$0.28	407-363-7508	ORLANDO	FL	LD	
2006/04/28 21:52:00	00:00:40	$0.11	702-939-2697	LAS VEGAS	NV	LD	
2006/04/28 21:55:00	00:00:28	$0.08	702-939-2697	LAS VEGAS	NV	LD	
2006/04/28 21:56:00	00:00:20	$0.05	011-81337802421	JAPAN	–	INTL	
2006/04/28 21:57:00	00:00:42	$0.41	011-441293722100	UN KINGDOM	–	INTL	
2006/04/28 22:00:00	00:00:20	$0.28	407-363-7508	ORLANDO	FL	LD	
2006/04/28 22:01:00	00:00:50	$0.14	212-698-4999	NEW YORK	NY	LD	
2006/04/28 22:02:00	00:00:38	$0.11	702-939-2697	LAS VEGAS	NV	LD	
2006/04/28 22:06:00	00:00:34	$0.10	212-698-4999	NEW YORK	NY	LD	
2006/04/29 16:20:00	00:00:18	$0.23	407-673-0028	WINTERPARK	FL	LD	
2006/04/29 16:35:00	00:00:34	$0.23	407-354-5204	ORLANDO	FL	LD	
2006/04/29 16:38:00	00:00:20	$0.23	407-363-7508	ORLANDO	FL	LD	
2006/04/29 16:40:00	00:00:30	$0.08	212-313-9811	NEW YORK	NY	LD	
2006/04/29 16:40:00	00:02:24	$0.38	210-764-4741	SANANTONIO	TX	LD	
2006/04/29 16:43:00	00:00:40	$0.11	702-939-2697	LAS VEGAS	NV	LD	
Totals	03:45:54	$74.54					

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Miami International Airport
Management Firms Detail
SMDR-Date/Time is within the last 1 Month(s)-Abs

Division: 2HTL-MIAMI INTL AIRP HTL
Department HOTEL ADMIN. - 370
Billed Station 305-876-0801
Last Name: HOTEL FAX LI - MIA

Date/Time	Duration	Charge	Digits Dialed	City	State	Call Type	AuthCd
2006/04/19 14:05:00	00:00:54	$0.14	801-567-5498	MIDVALE	UT	LD	
2006/04/20 11:02:00	00:00:32	$0.41	011-49228309244	GERMANY	--	INTL	
2006/04/20 12:18:00	00:01:42	$0.36	604-858-4366	SARDIS	BC	LD	
2006/04/20 15:30:00	00:00:42	$0.11	781-826-8856	HANOVER	MA	LD	
2006/04/20 15:34:00	00:01:34	$0.25	781-826-8856	HANOVER	MA	LD	
2006/04/24 15:10:00	00:00:20	$0.06	212-261-9012	NEW YORK	NY	LD	
2006/04/26 10:13:00	00:00:46	$0.13	573-893-8581	JEFFRSN CY	MO	LD	
2006/04/26 13:40:00	00:01:38	$0.91	787-888-7000	RIO GRANDE	PR	INTL	
2006/04/26 15:45:00	00:05:54	$1.09	212-313-9816	NEW YORK	NY	LD	
2006/04/26 15:52:00	00:06:58	$1.11	212-313-9816	NEW YORK	NY	LD	
2006/04/27 13:16:00	00:00:36	$0.32	407-901-4971	OVIEDO	FL	LD	
Totals	01:05:58	$18.04					

BELLSOUTH

Vendor=BellSouth - Client=LUX - PN=NA - ED=2504945 - E

Master Acct No	Billing Acct No	Invoice Date	Start Date	End Date	Due Date	Invoice Type	Transaction Type
305W055452833	305W055452833	05/05/2006	05/05/2006	06/04/2006	06/04/2006	Embedded Summary	Debit Invoice

Addressee	Name	Address 1	Address 2	City	State	Zip Code
Remittance	BELLSOUTH TELECOMMUNICATIONS	PO BOX 33009		CHARLOTTE	NC	28243000
Bill To	SUNGLASS HUT CF					

Current Total Charges

2537.88

Amount	Qualifier	Charge Type	Date	Service Provider
-2602.79	Total payment amount	Current Month	05/05/2006	
2602.79	Billed Amount	Previous Month		
2537.88	Total Amount Due	Current Month		

Amount	Account	Name	Vendor Code
2329.88	305W055452	BELLSOUTH TELECOMMUNICATIONS	GA11

Contact Type	Contact Info
Billing Contact	TE 18009456500
Order Contact	TE 18007537289

Adj	Amount	Tax/Surcharge	Description	Relationship
*	25.66	911-County Tax	DADE	Add
*	1.38	911-County Tax	MONROE	Add
*	7.95	Telecommunications Device for the Deaf (TDD) Servic		Add
*	0.24	Federal Tax		Add

Total Tax

34.57

Amount	Account No	Embedded Summary
50.80	305W055452	Lead Account

Final Exhibit
No. 284

Amount	Calls	Rate	DA Type
1.03	3	1.03	Local

Total	Calls	Rate
3.09	3	1.03

Amount	Account No	Embedded Summary
89.47	3057409760	Sub-Account

Add	Amount	Tax/Surcharge	Description	Relationship
*	2.09	Federal Tax		Add
*	3.37	Telecommunications Tax	FL - STATE COMMUNICA	Add
*	3.97	Telecommunications Tax	FL - LOCAL COMM TAX	Add

Total Tax
12.43

Add	Amount	Service Category	Charge Type
*	55.98	Monthly Service Charge	Recurring Charge

Amount	Circuit/WTN
32.99	3057409375
32.99	3057409760

Add	Amount	Service Category	Charge Type
*	0.18	Other Charges and Credits/Additions and Changes	Other Charges

Amount	Circuit/WTN	Effective Date
0.18	N/A MIAMI,CLE	05/05/2005

OCC Code

Addition, change or deletion related to monthly recurring events

Amount	Circuit/WTN	Start Date	End Date	Service Description
0.09	3057409375			
0.09	3057409760			

Add	Amount	Service Category	Charge Type
*	0.00	Itemized Calls	Usage

Amount	Circuit/WTN
0.00	3057409760

Calls	DA Type
2	Local
1	411

Add Amount Service Category Charge Type

3.31 Directory Assistance Usage

Amount Circuit/WTN

3.31 3058711782

Amount Calls Rate DA Type

1.00 2 1.00 Local

2.31 1 2.31 411

Total Calls Rate

Addition, change or deletion re ated to monthly recurring events

2.31 1 2.31

Amount Account No Embedded Summary

79.02 3058711782 Sub-Account

Add Amount Tax/Surcharge Description Relationship

2.37 Federal Tax Add

7.38 Telecommunications Tax FL - STATE COMMUNICA Add

2.31 Telecommunications Tax FL - LOCAL COMM TAX Add

Total Tax

14.06

Add Amount Service Category Charge Type

65.96 Monthly Service Charge Recurring Charge

Amount Circuit/WTN

32.99 3058711782

32.99 3058714494

Add Amount Service Category Charge Type

0.18 Other Charges and Credits/Additions and Changes Other Charges

Amount Circuit/WTN Effective Date

0.18 MID MANHOLE 06/06/2006

CCC Code

Addition, change or deletion re ated to monthly recurring events

Amount Circuit/WTN Start Date End Date Service Description

0.09 3058711782

0.09 3058714494

Add Amount	Service Category	Charge Type
* 10.80	Itemized Calls	Usage

Amount Circuit/WTN

8.10 3058711782

Add Amount	Tax/Surcharge	Relationship
0.24	Federal Tax	Information Only
0.72	Telecommunications Tax	Information Only
0.45	Telecommunications Tax	Information Only

Calls DA Type

1 Local

Amount Message Type Description Service Category

8.10 Sent Paid DDD N/A

Amount	Call Date	To City	ST	Duration	To No	Rate Period	Call Type
0.90	Apr 6 2006	6:22PM		CALL RETRN		0 0000000000	Day
0.90	Apr 8 2006	9:18PM		CALL RETRN		0 0000000000	Day
0.90	Apr 10 2006	10:42PM		CALL RETRN		0 0000000000	Day
0.90	Apr 13 2006	2:18PM		CALL RETRN		0 0000000000	Day
0.90	Apr 21 2006	9:35AM		CALL RETRN		0 0000000000	Day
0.90	Apr 25 2006	9:02AM		CALL RETRN		0 0000000000	Day
0.90	Apr 26 2006	11:40AM		CALL RETRN		0 0000000000	Day
0.90	May 1 2006	4:26PM		CALL RETRN		0 0000000000	Day
0.90	May 3 2006	7:19AM		CALL RETRN		0 0000000000	Day

Amount	Calls	Minutes
8.10	9	0

Amount Circuit/WTN

2.70 3058714464

Add Amount	Tax/Surcharge	Relationship
0.08	Federal Tax	Information Only
0.24	Telecommunications Tax	Information Only
0.15	Telecommunications Tax	Information Only

Calls DA Type

1 Local

Amount Message Type Description Service Category

2.70 Sent Paid DDD N/A

Amount	Call Date	To City	ST	Duration	To No	Rate Period	Call Type
0.90	Apr 9 2006	4:15PM		CALL RETRN		0 0000000000	Day
0.90	Apr 21 2006	8:42PM		CALL RETRN		0 0000000000	Day
0.90	May 1 2006	2:28PM		CALL RETRN		0 0000000000	Day

Amount	Calls	Minutes
2.70	3	0

Add Amount	Service Category	Charge Type
* 2.05	Directory Assistance	Usage

Amount Circuit/WTN

1.03 3058711782

Amount	Calls	Rate	DA Type
1.03	1	1.03	Local

Tota	Calls	Rate
1.03	1	1.03

Amount Circuit/WTN

1.03 3058714494

Amount	Calls	Rate	DA Type
1.03	1	1.03	Local

Total	Calls	Rate
1.03	1	1.03

Amount Account No Embedded Summary

68.16 3059312676 Sub-Account

Add	Amount	Tax/Surcharge	Description	Relationship
*	1.99	Federal Tax		Add
*	5.06	Telecommunications Tax	FL - STATE COMMUNICA	Add
*	3.77	Telecommunications Tax	FL - LOCAL COMM TAX	Add

Total Tax

11.82

Add	Amount	Service Category	Charge Type
*	65.98	Monthly Service Charge	Recurring Charge

Amount Circuit/WTN

32.99 3059312676
32.99 3059316384

Add	Amount	Service Category	Charge Type
*	0.18	Other Charges and Credits/Additions and Changes	Other Charges

Amount	Circuit/WTN	Effective Date
0.18	MULTIPLE	05/05/2006

OCC Code

Addition change or deletion related to monthly recurring events

Amount	Circuit/WTN	Start Date	End Date	Service Descriptor
0.09	3059312676			
0.09	3059316384			

Amount	Account No	Embedded Summary
33.08	3059353222	Sub-Account

Add	Amount	Tax/Surcharge	Description	Relationship
*	0.95	Federal Tax		Add
*	3.03	Telecommunications Tax	FL - STATE COMMUNICA	Add
*	1.88	Telecommunications Tax	FL - LOCAL COMM TAX	Add

Total Tax

5.91

Add	Amount	Service Category	Charge Type
*	32.99	Monthly Service Charge	Recurring Charge

Amount	Circuit/WTN
32.99	3059353222

Add	Amount	Service Category	Charge Type
*	0.09	Other Charges and Credits/Additions and Changes	Other Charges

Amount	Circuit/WTN	Effective Date
0.09	MIA MANHOLE	05/05/2006

CCC Code

Addition, change or deletion related to monthly recurring events

Amount	Circuit/WTN	Start Date	End Date	Service Description
0.09	3059353222			

Amount	Account No	Embedded Summary
67.19	7862768845	Sub-Account

Add	Amount	Tax/Surcharge	Description	Relationship
*	2.02	Federal Tax		Add
*	6.15	Telecommunications Tax	FL - STATE COMMUNICA	Add
*	3.84	Telecommunications Tax	FL - LOCAL COMM TAX	Add

Total Tax

12.01

Add	Amount	Service Category	Charge Type
*	55.98	Monthly Service Charge	Recurring Charge

Amount	Circuit/WTN
32.99	7862788845
32.99	7862768846

Add Amount	Service Category	Charge Type
* 0.18	Other Charges and Credits/Additions and Charges	Other Charges

Amount	Circuit/WTN	Effective Date
0.18	MIA MANHOLE	05/05/2005

OCC Code

Addition, change or deletion related to monthly recurring events

Amount	Circuit/WTN	Start Date	End Date	Service Description
0.09	7862788645			
0.09	7862788645			

Add Amount	Service Category	Charge Type
* 0.00	Itemized Calls	Usage

Amount	Circuit/WTN
0.00	7862788645

Calls	DA Type
1	Local

Add Amount	Service Category	Charge Type
* 1.03	Directory Assistance	Usage

Amount	Circuit/WTN
1.03	7862788645

Amount	Calls	Rate	DA Type
1.03	1	1.03	Local

Total	Calls	Rate
1.03	1	1.03

Amount	Account	Name - 3rd Party	Vendor Code
70.67	305W055462	ENHANCED SERVICES BILLING,INC.	0078

Contact Type	Contact Info
Billing Contact	TE 15822933724
Order Contact	TE 18822933724

Amount	Account No	Embedded Summary - 3rd Party Charges
29.95	3054388833	Sub-Account

Add Amount	Tax/Surcharge	Description	Relationship
	0.90 Federal Tax		Add
*	2.75 Telecommunications Tax	FL - STATE COMMUNICA	Add
*	1.71 Telecommunications Tax	FL - LOCAL COMM TAX	Add

Total Tax

5.36

Add	Amount	Service Category	Charge Type
*	29.95	Itemized Calls	Usage

Amount Circuit/WTN

29.95 3054368853

Add	Amount	Tax/Surcharge	Relationship
	0.90	Federal Tax	Information Only
	2.75	Telecommunications Tax	Information Only
	1.71	Telecommunications Tax	Information Only

Amount	Call Date	To City	ST	Duration	To No	Rate Period	Call Type
29.95	Apr 6 2006 12:00AM	ACCESS INET SC_MON FEE		0.0000000000			Day

Amount	Calls	Minutes
29.95	1	0

Amount	Account No	Embedded Summary - 3rd Party Charges
29.99	3058711782	Sub-Account

Add	Amount	Tax/Surcharge	Description	Relationship
*	0.90	Federal Tax		Add
*	2.75	Telecommunications Tax	FL - STATE COMMUNICA	Add
*	1.72	Telecommunications Tax	FL - LOCAL COMM TAX	Add

Total Tax

5.37

Add	Amount	Service Category	Charge Type
*	29.99	Itemized Calls	Usage

Amount Circuit/WTN

29.99 3058711782

Add	Amount	Tax/Surcharge	Relationship
	0.90	Federal Tax	Information Only
	2.75	Telecommunications Tax	Information Only
	1.72	Telecommunications Tax	Information Only

Amount	Call Date	To City	ST	Duration	To No	Rate Period	Call Type
29.99	Apr 24 2006 12:00AM	INTERNET ACCESS MO FEE		0.0000000000			Day

Amount	Calls	Minutes
29.99	1	0

Amount	Account	Name - 3rd Party	Vendor Code
66.65	305W055452	MCI WORLDCOM	022B

Contact Type	Contact Info
Bill Inquiry Contact	TE 18004442222
Order Contact	TE 18004442222

Add Amount	Tax/Surcharge	Description	Relationship
*	1.34 Federal Tax		Add
*	5.22 State/Province Tax		Add
*	7.25 Franchise Tax		Add

Total Tax

13.84

Add Amount	Service Category	Charge Type
*	38.59 Other Charges and Credits/Additions and Charges	Other Charges

Add Amount	Service Category	Charge Type
*	14.23 Itemized Calls	Usage

Amount	Account	Name - 3rd Party	Vendor Code
76.68	305W055452	ILD TELESERVICES, INC.	0782

Contact Type	Contact Info
Bill Inquiry Contact	TE 18004334518
Order Contact	TE 18004334518

Amount	Account No	Embedded Summary - 3rd Party Charges
29.95	3052948210	Sub-Account

Add Amount	Tax/Surcharge	Description	Relationship
*	0.56 Federal Tax		Add
*	2.75 Telecommunications Tax	FL - STATE COMMUNICA	Add
*	1.71 Telecommunications Tax	FL - LOCAL COMM TAX	Add

Total Tax

5.42

Add Amount	Service Category	Charge Type
*	29.95 Itemized Calls	Usage

Amount Circuit/WTN

29.95 3052243210

Add Amount	Tax/Surcharge	Relationship
	0.90 Federal Tax	Information Only
	2.75 Telecommunications Tax	Information Only
	1.77 Telecommunications Tax	Information Only

Amount	Call Date	To City	ST	Duration	To No	Rate Period	Call Type
29.95	Apr 13 2006	1:06AM	WEB HOSTING MO SVC FEE			0.0000000000	Day

Amount	Calls	Minutes
29.95	1	0

Amount Account No Embedded Summary - 3rd Party Charges

29.95 3055823942 Sub-Account

Add Amount	Tax/Surcharge	Description	Relationship
*	0.90 Federal Tax	Add	
*	2.75 Telecommunications Tax	FL - STATE COMMUNICA	Add
*	1.77 Telecommunications Tax	FL - LOCAL COMM TAX	Add

Total Tax

5.36

Add Amount	Service Category	Charge Type
* 29.95	Itemized Calls	Usage

Amount Circuit/WTN

29.95 3055923942

Add Amount	Tax/Surcharge	Relationship
	0.90 Federal Tax	Information Only
	2.75 Telecommunications Tax	Information Only
	1.77 Telecommunications Tax	Information Only

Amount	Call Date	To City	ST	Duration	To No	Rate Period	Call Type
29.95	Apr 13 2006	1:10AM	WEB HOSTING MO SVC FEE			.0.0000000000	Day

Amount	Calls	Minutes
29.95	* 0	

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