

OGDEN COMMUNICATIONS, INCORPORATED

3211 Jermantown Road
P.O. Box 10107
Fairfax, Virginia 22030
Tel (703) 246-0550
Fax (703) 246-0797

July 20, 1995

Mr. Walter D'Haeseleer, Director
FLORIDA PUBLIC SERVICE COMMISSION
Division of Administration, Room G-50
101 East Gaines Street
Tallahassee, Florida 32399-0850

RE: OGDEN COMMUNICATIONS, INC.
Application for Authority to Provide Interexchange
Telecommunications Service Within the State of Florida

950876-TI

DEPOSIT TREAS. REC. DATE
D187 JUL 24 '95

Dear Mr. D'Haeseleer:

Enclosed is an original and twelve (12) copies of an Application Form for Authority to Provide Interexchange Service Within the State of Florida of Ogden Communications, Inc. ("OCI"), which is filed pursuant to the Florida Public Service Commission Rule Nos. 25-24.471, 25-24.473 and 25-24.480(2), regulating the resell of intrastate interexchange telecommunications services.

OCI is a non-facilities based telecommunications reseller seeking to provide resale of intrastate interexchange telecommunications services between various points within the State of Florida. The proposed services to be provided by OCI will primarily be used by business corporations and other interexchange resale carriers, for their direct transmission and reception of voice, data, and other types of communications, involving resale of Message Telecommunications Services (MTS) and Wide Area Telecommunications Services (WATS), of underlying carriers.

OCI is a privately-held corporation, wholly-owned by OGDEN Technology Services Corporation (formerly, ERC International, Inc.), a subsidiary of the OGDEN Corporation. Although OCI itself is newly formed, and consequently has no significant financial history, OGDEN Corporation has been in existence for over 50 years, the most recent annual report of which is attached as Exhibit C. In addition, the Applicant respectfully requests a waiver of any Commission requirement that OCI maintain its books of account and records in the State of Florida. OCI requests authorization to maintain its books and records using generally accepted accounting principles, rather than following cost allocation methods such as the Uniform Systems of Accounts ("USOA").

DOCUMENT NUMBER-DATE

07047 JUL 24 '95

FPSC-RECORDS/REPORTING

Mr. Walter D'Haeseleer
FLORIDA PUBLIC SERVICE COMMISSION
July 20, 1995
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Applicant's management includes persons with backgrounds which enable it to provide the services proposed to offer within Florida. Attached hereto as **Exhibit D**, is a list of the Applicant's officers and a brief summary of their qualifications. These individuals are responsible for the growth and success of the Applicant's service organization. They possess the technical, managerial and financial expertise necessary for continued expansion and high performance of the Applicant.

A check made payable to the Florida Public Service Commission in the amount of \$250.00 is enclosed for the purpose of filing this Application, as required.

Correspondence and inquiries regarding this filing should be forwarded to the undersigned, at the following address or telephone number: **OGDEN COMMUNICATIONS, INC.**, 3211 Jermantown Road, Fairfax, Virginia 22030, (703)246-0704.

Respectfully submitted,



Jerry G. Kirby
Regulatory Affairs

**** FLORIDA PUBLIC SERVICE COMMISSION ****

DIVISION OF COMMUNICATIONS
BUREAU OF SERVICE EVALUATION

101 East Gaines Street
Fletcher Building
Tallahassee, Florida 32399-0866

APPLICATION FORM

for

AUTHORITY TO PROVIDE INTEREXCHANGE TELECOMMUNICATIONS SERVICE
WITHIN THE STATE OF FLORIDA

Instructions

- A. This form is used for an original application for a certificate and for approval of sale, assignment or transfer of an existing certificate. In case of a sale, assignment or transfer, the information provided shall be for the purchaser, assignee or transferee (See Appendix A).
- B. Respond to each item requested in the application and appendices. If an item is not applicable, please explain why.
- C. Use a separate sheet for each answer which will not fit the allotted space.
- D. If you have questions about completing the form, contact:

Florida Public Service Commission
Division of Communications
Bureau of Service Evaluation
101 East Gaines Street
Tallahassee, Florida 32399-0866
(904) 488-1280

- E. Once completed, submit the original and twelve (12) copies of this form along with a non-refundable application fee of \$250.00 to:

Florida Public Service Commission
Division of Administration, Room G-50
101 East Gaines Street
Tallahassee, Florida 32399-0866
(904) 488-4733

1. This is an application for (check one):
- Original Authority** (New company).
 - Approval of Transfer** (To another certificated company).
 - Approval of Assignment of existing certificate**
(To a noncertificated company).
 - Approval for transfer of control** (To another certificated company).
2. Select what type of business your company will be conducting (check all that apply):
- Facilities based carrier** - company owns and operates or plans to own and operate telecommunications switches and transmission facilities in Florida.
 - Operator Service Provider** - company provides or plans to provide alternative operator services for IXCs; or toll operator services to call aggregator locations; or clearinghouse services to bill such calls.
 - Reseller** - company has or plans to have one or more switches but primarily leases the transmission facilities of other carriers. Bills its own customer base for services used.
 - Switchless rebiller** - company has no switch or transmission facilities but may have a billing computer. Aggregates traffic to obtain bulk discounts from underlying carrier. Rebills end users at a rate above its discount but generally below the rate end users would pay for unaggregated traffic.
 - Multi-Location Discount Aggregator** - company contracts with unaffiliated entities to obtain bulk/volume discounts under multi-location discount plans from certain underlying carriers. Then offers the resold service by enrolling unaffiliated customers.

3. Name of corporation, partnership, cooperative, joint venture or sole proprietorship:

OGDEN Communications, Inc.

4. Name under which the applicant will do business (fictitious name, etc.):

OGDEN Communications, Inc.

5. National address (including street name & number, post office box, city, state and zip code).

**3211 Jermantown Road
Fairfax, Virginia 22030**

6. Florida address (including street name & number, post office box, city, state and zip code):

**Registered agent:
Prentice-Hall Corporation System, Inc.
1201 Hays Street, Suite 105
Tallahassee, Florida 32301**

7. Structure of organization;

<input type="checkbox"/>	Individual	<input type="checkbox"/>	Corporation
<input checked="" type="checkbox"/>	Foreign Corporation	<input type="checkbox"/>	Foreign Partnership
<input type="checkbox"/>	General Partnership	<input type="checkbox"/>	Limited Partnership
<input type="checkbox"/>	Other, _____		

8. If applicant is an individual or partnership, please give name, title and address of sole proprietor or partners.

(a) Provide proof of compliance with the foreign limited partnership statute (Chapter 620.169 FS), if applicable. **Not Applicable.**

(b) Indicate if the individual or any of the partners have previously been:

(1) Adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. **No.**

(2) officer, director, partner or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not. **No.**

9. If incorporated, please give:
- (a) Proof from the Florida Secretary of State that the applicant has authority to operate in Florida.

Corporate charter number: F95000000345 (See *Exhibit A*).

- (b) Name and address of the company's Florida registered agent.

**Prentice-Hall Corporation System, Inc., 120 Hays Street, Suite 105,
Tallahassee, Florida 32301**

- (c) Provide proof of compliance with the fictitious name statute (Chapter 865.09 FS), if applicable.

Fictitious name registration number: Not Applicable

- (d) Indicate if any of the officers, directors, or any of the ten largest stockholders have previously been:

(1) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. **No.**

(2) officer, director, partner or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not. **No.**

10. Who will service as liaison with the Commission in regard to (please give name, title, address and telephone number):

- (a) The application;

**Jerry G. Kirby, Manager, Tariffs & Rates Regulatory Affairs
OGDEN Communications, Inc.
3211 Jermantown Road
Fairfax, Virginia 22030
703/246-0704**

- (b) Official Point of Contact for the ongoing operations of the company;

**Joseph H. Haggler, Vice President, Network Operations
OGDEN Communications, Inc.
3211 Jermantown Road
Fairfax, Virginia 22030
703/246-0550**

- (c) Tariff; **Same as (a), above.**
- (d) Complaints/Inquiries from customers; **Same as (a), above.**

11. List the states in which the applicant:

- (a) Has operated as an interexchange carrier.

Texas

- (b) Has applications pending to be certificated as an interexchange carrier.

Maryland and New York

- (c) Is certificated to operate as an interexchange carrier.

None

- (d) Has been denied authority to operate as an interexchange carrier and the circumstances involved.

None

- (e) Has had regulatory penalties imposed for violations of the telecommunications statutes and the circumstances involved.

None

- (f) Has been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity, and the circumstances involved.

None

12. What services will the applicant offer to other certificated telephone companies:

- | | | | |
|-------------------------------------|------------------------|--------------------------|-----------|
| <input checked="" type="checkbox"/> | Facilities | <input type="checkbox"/> | Operators |
| <input type="checkbox"/> | Billing and Collection | <input type="checkbox"/> | Sales |
| <input type="checkbox"/> | Maintenance | | |
| <input type="checkbox"/> | Other: _____ | | |

13. Do you have a marketing program? **Applicant's marketing program will consist an in-house sales force initially operating from its Virginia office location(s).**

14. Will your marketing program:

- Pay Commissions?
- Offer sales franchises?
- Offer multi-level sales incentives?
- Offer other sales incentives?

15. Explain any of the offers checked in question 14 (To whom, what amount, type of franchise, etc.). **Sales agents will be paid commissions based on a percentage of customer's total monthly usage.**

16. Who will receive the bills for your service (Check all that apply)?

- Residential customers. Business customers.
- PATS providers. PATS station end-users.
- Hotels & motels. Hotel & motel quests.
- Universities. Univ. dormitory residents.
- Other: (specify) other interexchange resale carriers.

17. Please provide the following (if applicable):

- (a) Will the name of your company appear on the bill for your services, and if not who will the billed party contact to ask questions about the bill (provide name and phone number) and how is this information provided?

Yes, the name OGDEN Communications, Inc. will appear on customers' bills. Billing will be performed by OGDEN through an outside data processing service, CommSys. Customers will be billed on a timely and accurate basis. The arrangement with CommSys enables the Applicant to provide full call detail information and comply with applicable regulatory requirements. Customers will be able to call an 800 number to obtain responses to inquiries and complaints. The following 800 number will appear on invoices for service: 1-800-643-3611.

- (b) Name and address of the firm who will bill for your service.

**CommSys
1950 Roland Clarke Place, #500
Reston, Virginia 22091
(703) 716-7000**

18. Please submit the proposed tariff under which the company plans to begin operation. Use the format required by Commission Rule 25-24.485 (example enclosed). **See Exhibit B.**

19. The applicant will provide the following interexchange carrier services (Check all that apply):

MTS with distance sensitive per minute rates

Method of access is FGA

Method of access is FGB

Method of access is FGD

Method of access is 800

MTS with route specific rates per minute

Method of access is FGA

Method of access is FGB

Method of access is FGD

Method of access is 800

MTS with statewide flat rates per minute (i.e. not distance sensitive)

Method of access is FGA

Method of access is FGB

Method of access is FGD

Method of access is 800

MTS for pay telephone service providers

Block-of-time calling plan (Reach out Florida, Ring America, etc.)

800 Service (Toll free)

WATS type service (Bulk or volume discount)

Method of access is via dedicated facilities

Method of access is via switched facilities

Private Line services (Channel Services)

(For ex. 1.544 mbs., DS-3, etc.)

Travel Service

Method of access is 950

Method of access is 800

900 Service

- Operator Services**
- Available to presubscribed customers
- Available to non prescribed customers (for example to patrons of hotels, students in universities, patients in hospitals)
- Available to inmates

Services included are:

- Station assistance
- Person to Person assistance
- Directory assistance
- Operator verify and interrupt
- Conference Calling

20. What does the end user dial for each of the interexchange carrier services that were checked in services included (above).

Not applicable. Applicant does not intend to provide operator services as part of its proposed service offerings within the State of Florida.

21. Other

ATTACHMENTS:

- A - CERTIFICATE TRANSFER STATEMENT
- B - CUSTOMER DEPOSITS AND ADVANCE PAYMENTS
- C - INTRASTATE NETWORK
APPLICANT ACKNOWLEDGMENT STATEMENT
- D - FLORIDA TELEPHONE EXCHANGES AND EAS ROUTES
- E - GLOSSARY

**** APPENDIX A ****

CERTIFICATE TRANSFER STATEMENT

I, (TYPE NAME) _____,
(TITLE) _____, of (NAME OF COMPANY)
_____, and current
holder of certificate number _____, have reviewed
this Application and join in the petitioner's request for a transfer of the above-
mentioned certificate.

NOT APPLICABLE

UTILITY OFFICIAL: _____
Signature Date

Title Telephone No.

**** APPENDIX B ****

CUSTOMER DEPOSITS AND ADVANCE PAYMENTS

A statement of how the Commission can be assured of the security of the customer's deposits and advance payments may be responded to in one of the following ways (Applicant please check one):

- (X) **The Applicant will not collect deposits nor will it collect payments for service more than one month in advance.**

- () **The Applicant will file with the Commission and maintain a surety bond in an amount equal to the current balance of deposits and advance payments in excess of one month. (Bond must accompany Application.)**

UTILITY OFFICIAL: _____



Signature

7/20/95

Date

Joseph H. Haggler

Vice President, Network Operations

Title

703/246-0550

Telephone No.

**** APPENDIX C ****

INTRASTATE NETWORK

1. POP: Addresses where located, and indicate if owned or leased.

Not Applicable. (See response to 4., below)

2. SWITCHES: Address where located, by type of switch, and indicate if owned or leased.

Not Applicable. (See response to 4., below)

3. TRANSMISSION FACILITIES: Pop-to-Pop facilities by type of facilities (microwave, fiber, copper, satellite, etc.) and indicate if owned or leased.

<u>POP-TO-POP</u>	<u>TYPE</u>	<u>OWNERSHIP</u>
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Not Applicable. (See response to 4., below)

4. ORIGINATING SERVICE: Please provide the list of exchanges where you are proposing to provide originating service within thirty (30) days after the effective date of the certificate (Appendix D).

Applicant is a non-facilities based telecommunications reseller seeking to provide resale of intrastate interexchange telecommunications services between various points within the State of Florida.

The services provided by Applicant will primarily be used by business corporations and other interexchange resale carriers, for their direct transmission and reception of voice, data, and other types of communications, involving resale of Message Telecommunications Services (MTS) and Wide Area Telecommunications Services (WATS), of underlying carriers such as AT&T, MCI and WiTel. OGDEN will purchase various types of telecommunications services, including but not limited to MTS, WATS, switched and special access services, designed to be attractive to users who desire high quality telecommunications services at costs discounted from traditional providers.

Applicant proposes to offer resale telecommunications services throughout the State of Florida.

**** APPENDIX C ****

INTRASTATE NETWORK
(Continued)

5. **TRAFFIC RESTRICTIONS:** Please explain how the applicant will comply with the EAEA requirements contained in Commission Rule 25-24.471 (4) (a) (copy enclosed).

Not Applicable. (See response to 4., above)

6. **CURRENT FLORIDA INTRASTATE SERVICES:** Applicant has () or has not (X) previously provided intrastate telecommunications in Florida. If the answer is has, fully describe the following:

- a) What services have been provided and when did these services begin?
- b) If the services are not currently offered, when were they discontinued?

UTILITY OFFICIAL: _____



Signature

7/20/95

Date

Joseph H. Haggler

Vice President, Network Operations

Title

703/246-0550

Telephone No.

**** APPLICANT ACKNOWLEDGMENT STATEMENT****

1. **REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of its gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of \$50 is required.
2. **GROSS RECEIPTS TAX:** I understand that all telephone companies must pay a gross receipts tax of two and one-half percent on all intra and interstate business.
3. **SALES TAX:** I understand that a seven percent sales tax must be paid on intra and interstate revenues.
4. **APPLICATION FEE:** A non-refundable application fee of \$250.00 must be submitted with the application.
5. **RECEIPT AND UNDERSTANDING OF RULES:** I acknowledge receipt and understanding of the Florida Public Service Commission's Rules and Orders relating to my provision of interexchange telephone service in Florida. I also understand that it is my responsibility to comply with all current and future Commission requirements regarding AAV service.
6. **ACCURACY OF APPLICATION:** By my signature below, I the undersigned owner or officer of the name utility in the application, attest to the accuracy of the information contained in this application and associated attachments. I have read the foregoing and declare that to the best of my knowledge and belief, the information is a true and correct statement. Further, I am aware that pursuant to Chapter 837.06, Florida Statutes, whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree.

UTILITY OFFICIAL: _____



Signature

7/20/95

Date

Joseph H. Haggler

Vice President, Network Operations

Title

703/246-0550

Telephone No.

VERIFICATION

STATE OF VIRGINIA

COUNTY OF FAIRFAX

Mr. Joseph H. Haggler, being duly sworn, deposes and says: That he is the Vice-President of Network Operations for Ogden Communications, Inc.; that he has read the foregoing Application and knows the contents thereof, and that the same is true of his own knowledge except as to the matters therein stated upon information and belief, and as to those matters he believes them to be true; that he consents to the verified affidavit being used as evidence in this proceeding.

Subscribed and sworn to before me this the 20th day of July, 1995.

Rosemaie M. Moore
Notary Public

My commission expires:

October 31, 1999

Exhibit A

**Copy of Certificate Authority to Transact Business
from the Florida Secretary of State
as a Foreign Corporation**

and

**Copy of Ogden Communications, Inc.'s
Articles and Certificate of Incorporation**

State of Florida



Department of State

I certify the attached is a true and correct copy of the application by OGDEN COMMUNICATIONS, INC., a Delaware corporation, authorized to transact business within the State of Florida on January 23, 1995, as shown by the records of this office.

The document number of this corporation is F95000000345.

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
Twenty-third day of January, 1995



CR2EO22 (2-91)

Sandra B. Northam

Sandra B. Northam
Secretary of State

Office of the Secretary of State

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF "OGDEN COMMUNICATIONS, INC.", FILED IN THIS OFFICE ON THE SIXTH DAY OF OCTOBER, A.D. 1994, AT 4 O'CLOCK P.M.

A CERTIFIED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE KENT COUNTY RECORDER OF DEEDS FOR RECORDING.



A handwritten signature in cursive script, reading "Edward J. Freel".

Edward J. Freel, Secretary of State

2441588 8100

944190187

AUTHENTICATION: 7263232

DATE: 10-07-94

CERTIFICATE OF INCORPORATION

OF

OGDEN COMMUNICATIONS, INC.

The undersigned, a natural person, for the purpose of organizing a corporation for conducting the business and promoting the purposes hereinafter stated, under the provisions and subject to the requirements of the laws of the State of Delaware (particularly Chapter 1, Title 8 of the Delaware Code and the acts amendatory thereof and supplemental thereto, and known, identified, and referred to as the "General Corporation Law of the State of Delaware"), hereby certifies that:

FIRST: The name of the corporation (hereinafter called the "corporation") is Ogden Communications, Inc.

SECOND: the address, including street, number, city, and county, of the registered office of the corporation in the State of Delaware is 23 Lockerman Square, Suite L-100, City of Dover, County of Kent; and the name of the registered agent of the corporation in the State of Delaware at such address is The Prentice-Hall Corporation System, Inc.

THIRD: The purpose of the corporation is to provide a variety of communications products and services to the private sector and to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH: The total number of shares of stock which the corporation shall have authority to issue is One Hundred (100). The par value of each of such shares is One Dollar and 00/100 (\$1.00). All such shares are of one class and are shares of Common Stock. Each outstanding share of which, will be entitled to one vote.

FIFTH: The name and the mailing address of the incorporator are as follows:

NAME

J. L. Effinger

MAILING ADDRESS

Two Pennsylvania Plaza
New York, New York 10121

SIXTH: The corporation is to have perpetual existence.

SEVENTH: For the management of the business and for the conduct of the affairs of the corporation, and in further definition, limitation, and regulation of the powers of the corporation and of its directors and of its stockholders or any class thereof, as the case may be, it is further provided:

1. The management of the business and the conduct of the affairs of the corporation shall be vested in its Board of Directors. The number of directors which shall constitute the whole Board of Directors shall be fixed by, or in the manner provided in, the Bylaws. The phrase "whole Board" and the phrase "total number of directors" shall be deemed to have the same meaning, to wit, the total number of directors which the corporation would have if there were no vacancies. No election of directors need be by written ballot.

2. The initial Board of Directors shall consist of three members. The names and mailing addresses of the initial Board of Directors are as follows:

<u>NAME</u>	<u>MAILING ADDRESS</u>
Peter Allen	Two Pennsylvania Plaza New York, New York
C. G. Caras	Two Pennsylvania Plaza New York, New York 10121
Robert DiGia	Two Pennsylvania Plaza New York, New York 10121

3. After the original or other Bylaws of the corporation have been adopted, amended, or repealed as the case may be, in accordance with the provisions of § 109 of the General Corporation Law of the State of Delaware, and, after the corporation has received any payment for any of its stock, the power to adopt, amend, or repeal the Bylaws of the corporation may be exercised by the Board of Directors of the corporation.

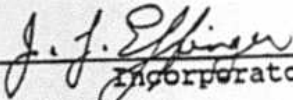
EIGHTH: The personal liability of the directors of the corporation is hereby eliminated to the fullest extent permitted by the provisions of paragraph (7) of subsection (b) of § 102 of the General Corporation Law of the State of Delaware, as the same may be amended and supplemented.

NINTH: The corporation shall, to the fullest extent permitted by the provisions of § 145 of the General Corporation Law of the State of Delaware, as the same may be amended and supplemented, indemnify any and all persons whom it shall have power to indemnify under said section from and against any and all of the expenses, liabilities, or other matters referred to in or covered by said section, and the indemnification provided for

herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any Bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office and shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of such a person.

TENTH: From time to time any of the provisions of this certificate of incorporation may be amended, altered, or repealed, and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted in the manner and at the time prescribed by said laws, and all rights at any time conferred upon the stockholders of the corporation by this certificate of incorporation are granted subject to the provisions of this Article TENTH.

Signed on October 6, 1994



Incorporator

OGDEN COMMUNICATIONS, INC.

* * * * *

B Y - L A W S

* * * * *

ARTICLE I

OFFICES

Section 1. The registered office shall be in the City of Dover, County of Kent, State of Delaware.

Section 2. The corporation may also have offices at such other places both within and without the State of Delaware as the board of directors may from time to time determine or the business of the corporation may require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

Section 1. All meetings of the stockholders for the election of directors shall be held at such place, either within or without the State of Delaware, as shall be designated from time to time by the board of directors and stated in the notice of the meeting, or in a duly executed waiver of notice thereof.

Section 2. Annual meetings of stockholders shall be held on such date and at such time as shall be designated from time to time by the board of directors, if not a legal holiday, at which they shall elect by a plurality vote a board of directors, and transact such other business as may properly be brought before the meeting.

Section 3. Written notice of the annual meeting stating the place, date and hour of the meeting shall be given to each stockholder entitled to vote at such meeting not less than ten nor more than sixty days before the date of the meeting.

Section 4. The officer who has charge of the stock ledger of the corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

Section 5. Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the certificate of incorporation, may be called by the president and shall be called by the president or secretary at the request in writing of a majority of the board of directors, or at the request in writing of stockholders owning a majority in amount of the entire capital stock of the corporation issued and outstanding and entitled to vote. Such request shall state the purpose or purposes of the proposed meeting.

Section 6. Written notice of a special meeting stating the place, date and hour of the meeting and the purpose or purposes for which the meeting is called, shall be given not less than ten nor more than sixty days before the date of the meeting, to each stockholder entitled to vote at such meeting.

Section 7. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 8. A majority of the stockholders, holding shares of stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute or by the certificate of incorporation. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally notified. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder or record entitled to vote at the meeting.

Section 9. When a quorum is present at any meeting, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall decide any question

brought before such meeting, unless the question is one upon which by express provision of the statutes or of the certificate of incorporation, a different vote is required in which case such express provision shall govern and control the decision of such question.

Section 10. Unless otherwise provided in the certificate of incorporation each stockholder shall at every meeting of the stockholders be entitled to one vote in person or by proxy for each share of the capital stock having voting power held by such stockholder, but no proxy shall be voted on after three years from its date, unless the proxy provides for a longer period.

Section 11. Unless otherwise provided in the certificate of incorporation, any action required to be taken at any annual or special meeting of stockholders of the corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

ARTICLE III

DIRECTORS .

Section 1. The number of directors which shall constitute the whole board shall not be less than three nor more than 6, The first board shall consist of three (3) directors. Thereafter, within the limits above specified, the number of directors shall be determined by resolution of the board of directors or by the stockholders at the annual meeting. The directors shall be elected at the annual meeting of the stockholders, except as provided in Section 2 of this Article, and each director elected shall hold office until his successor is elected and qualified. Directors need not be stockholders.

Section 2. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and shall qualify, unless sooner displaced. If there are no directors in office, then an election of directors may be held in the manner provided by statute. If, at the time of filling any vacancy or any newly created directorship, the directors then in office shall constitute less than a majority of the whole board (as constituted immediately prior to any such increase), the Court of Chancery may, upon application of any stockholder or stockholders holding at least ten percent of the total number of the shares at the time outstanding having the right to vote for such directors, summarily order an election to be held to fill any such vacancies or newly

created directorships, or to replace the directors chosen by the directors then in office.

Section 3. The business of the corporation shall be managed by or under the direction of its board of directors which may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the certificate of incorporation or by these by-laws directed or required to be exercised or done by the stockholders.

MEETINGS OF THE BOARD OF DIRECTORS

Section 4. The board of directors of the corporation may hold meetings, both regular and special, either within or without the State of Delaware.

Section 5. The first meeting of each newly elected board of directors shall be held at such time and place as shall be fixed by the vote of the stockholders at the annual meeting and no notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, provided a quorum shall be present. In the event of the failure of the stockholders to fix the time or place of such first meeting of the newly elected board of directors, or in the event such meeting is not held at the time and place so fixed by the stockholders, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the board of directors, or as shall be specified in a written waiver signed by all of the directors.

Section 6. Regular meetings of the board of directors may be held without notice at such time and at such place as shall from time to time be determined by the board.

Section 7. Special meetings of the board may be called by the president on ten days' notice to each director, either personally or by mail or by telegram; special meetings shall be called by the president or secretary in like manner and on like notice on the written request of two directors unless the board consists of only one director; in which case special meetings shall be called by the president or secretary in like manner and on like notice on the written request of the sole director.

Section 8. At all meetings of the board, a majority of the directors shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the board of directors, except as may be otherwise specifically provided by statute or by the certificate of incorporation. If a quorum shall not be present at any meeting of the board of directors the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 9. Unless otherwise restricted by the certificate of incorporation or these by-laws, any action required or permitted to be taken at any meeting of the board of directors or of any committee thereof may be taken without a meeting, if all members of the board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the board or committee.

Section 10. Unless otherwise restricted by the certificate of incorporation or these by-laws, members of the board of directors, or any committee designated by the board of directors, may participate in a meeting of the board of directors, or any committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

COMMITTEES OF DIRECTORS

Section 11. The board of directors may, by resolution passed by a majority of the whole board, designate one or more committees, each committee to consist of one or more of the directors of the corporation. The board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee.

Any such committee, to the extent provided in the resolution of the board of directors, shall have and may exercise all the powers and authority of the board of directors in the management of business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to amending the certificate of incorporation, (except that a committee may, to the extent authorized in the resolution or resolutions providing for the issuance of shares of stock adopted by the board of directors as

provided in Section 151(a) fix any of the preferences or rights of such shares relating to dividends, redemption, dissolution, any distribution of assets of the corporation or the conversion into, or the exchange of such shares for, shares of any other class or classes or any other series of the same or any other class or classes of stock of the corporation) adopting an agreement of merger or consolidation, recommending to the stockholders the sale, lease or exchange of all or substantially all of the corporation's property and assets, recommending to the stockholders a dissolution of the corporation or a revocation of a dissolution, or amending the by-laws of the corporation; and, unless the resolution or the certificate of incorporation expressly so provide, no such committee shall have the power or authority to declare a dividend or to authorize the issuance of stock or to adopt a certificate of ownership and merger. Such committee or committees shall have such name or names as may be determined from time to time by resolutions adopted by the board of directors.

Section 12. Each committee shall keep regular minutes of its meetings and report the same to the board of directors when required.

COMPENSATION OF DIRECTORS

Section 13. Unless otherwise restricted by the certificate of incorporation or these by-laws, the board of directors shall have the authority to fix the compensation of directors. The directors may be paid their expenses, if any, of attendance at each meeting of the board of directors and may be

paid a fixed sum for attendance at each meeting of the board of directors or a stated salary as director. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

REMOVAL OF DIRECTORS

Section 14. Unless otherwise restricted by the certificate of incorporation or by law, any director or the entire board of directors may be removed, with or without cause, by the holders of a majority of shares entitled to vote at an election of directors.

ARTICLE IV

NOTICES

Section 1. Whenever, under the provisions of the statutes or of the certificate of incorporation or of these by-laws, notice is required to be given to any director or stockholder, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, addressed to such director or stockholder, at his address as it appears on the records of the corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Notice to directors may also be given by telegram.

Section 2. Whenever any notice is required to be given under the provisions of the statutes or of the certificate of incorporation or of these by-laws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE V

OFFICERS

Section 1. The officers of the corporation shall be chosen by the board of directors and shall be a president, a vice president, a secretary and a treasurer. The board of directors may also choose additional vice presidents, and one or more assistant secretaries and assistant treasurers. Any number of offices may be held by the same person, unless the certificate of incorporation or these by-laws otherwise provide.

Section 2. The board of directors at its first meeting after each annual meeting of stockholders shall choose a president, one or more vice presidents, a secretary and a treasurer.

Section 3. The board of directors may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the board.

Section 4. The salaries of all officers and agents of the corporation shall be fixed by the board of directors.

Section 5. The officers of the corporation shall hold office until their successors are chosen and qualify. Any officer elected or appointed by the board of directors may be removed at any time by the affirmative vote of a majority of the board of directors. Any vacancy occurring in any office of the corporation shall be filled by the board of directors.

THE PRESIDENT

Section 6. The president shall be the chief executive officer of the corporation, shall preside at all meetings of the stockholders and the board of directors, shall have general and active management of the business of the corporation and shall see that all orders and resolutions of the board of directors are carried into effect.

Section 7. He shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the board of directors to some other officer or agent of the corporation.

THE VICE PRESIDENTS

Section 8. In the absence of the president or in the event of his inability or refusal to act, the vice president (or in the event there be more than one vice president, the vice presidents in the order designated by the directors, or in the absence of any designation, then in the order of their election)

shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. The vice presidents shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

THE SECRETARY AND ASSISTANT SECRETARY

Section 9. The secretary shall attend all meetings of the board of directors and all meetings of the stockholders and record all the proceedings of the meetings of the corporation and of the board of directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the board of directors, and shall perform such other duties as may be prescribed by the board of directors or president, under whose supervision he shall be. He shall have custody of the corporate seal of the corporation and he, or an assistant secretary, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by his signature or by the signature of such assistant secretary. The board of directors may give general authority to any other officer to affix the seal of the corporation and to attest the affixing by his signature.

Section 10. The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the board of directors (or if there be no such determination, then in the order of their election) shall, in the absence of the secretary

or in the event of his inability or refusal to act, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

THE TREASURER AND ASSISTANT TREASURERS

Section 11. The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the board of directors.

Section 12. He shall disburse the funds of the corporation as may be ordered by the board of directors, taking proper vouchers for such disbursements, and shall render to the president and the board of directors, at its regular meetings, or when the board of directors so requires, an account of all his transactions as treasurer and of the financial condition of the corporation.

Section 13. If required by the board of directors, he shall give the corporation a bond (which shall be renewed every six years) in such sum and with such surety or sureties as shall be satisfactory to the board of directors for the faithful performance of the duties of his office and for the restoration to the corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and

other property of whatever kind in his possession or under his control belonging to the corporation.

Section 14. The assistant treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the board of directors (or if there be no such determination, then in the order of their election) shall, in the absence of the treasurer or in the event of his inability or refusal to act, perform the duties and exercise the powers of the treasurer and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

ARTICLE VI

CERTIFICATES FOR SHARES

Section 1. The shares of the corporation shall be represented by a certificate or shall be uncertificated. Certificates shall be signed by, or in the name of the corporation by, the chairman or vice-chairman of the board of directors, or the president or a vice president and the treasurer or an assistant treasurer, or the secretary or an assistant secretary of the corporation.

Within a reasonable time after the issuance or transfer of uncertificated stock, the corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to Sections 151, 156, 202(a) or 218(a) or a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating,

optional or other special rights of each class of stock or series thereof and the qualifications, limitations, or restrictions of such preferences and/or rights.

Section 2. Any of or all the signatures on a certificate may be facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

LOST CERTIFICATES

Section 3. The board of directors may direct a new certificate or certificates or uncertificated shares to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate or certificates or uncertificated shares, the board of directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as it shall require and/or to give the corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

TRANSFER OF STOCK

Section 4. Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books. Upon receipt of proper transfer instructions from the registered owner of uncertificated shares such uncertificated shares shall be cancelled and issuance of new equivalent uncertificated shares or certificated shares shall be made to the person entitled thereto and the transaction shall be recorded upon the books of the corporation.

FIXING RECORD DATE

Section 5. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the board of directors may fix, in advance, a record date, which shall not be more than sixty nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action. A determination of stockholders of record entitled to notice of or to vote at a meeting of

stockholders shall apply to any adjournment of the meeting: provided, however, that the board of directors may fix a new record date for the adjourned meeting.

REGISTERED STOCKHOLDERS

Section 6. The corporation shall be entitled to recognize the exclusive right of a person registered on the books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VII

GENERAL PROVISIONS

DIVIDENDS

Section 1. Dividends upon the capital stock of the corporation, subject to the provisions of the certificate of incorporation, if any, may be declared by the board of directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the certificate of incorporation.

Section 2. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the directors from time to time, in

their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the directors shall think conducive to the interest of the corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

ANNUAL STATEMENT

Section 3. The board of directors shall present at each annual meeting, and at any special meeting of the stockholders when called for by vote of the stockholders, a full and clear statement of the business and condition of the corporation.

CHECKS

Section 4. All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the board of directors may from time to time designate.

FISCAL YEAR

Section 5. The fiscal year of the corporation shall be fixed by resolution of the board of directors.

SEAL

Section 6. The corporate seal shall have inscribed thereon the name of the corporation, the year of its organization and the words "Corporate Seal, Delaware". The seal may be used by

causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

INDEMNIFICATION

Section 7. The Corporation shall indemnify to the fullest extent permitted by law any person who is or was a party to or witness or participant in, or is threatened to be made a party to or witness or participant in, any threatened, pending or completed action, suit or proceeding, whether criminal, civil, administrative or investigative, by reason of the fact that such person or such person's testator or intestate is or was a director, officer, employee or agent of the Corporation or serves or served at the request of the Corporation any other enterprise as a director, officer, employee or agent against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding. Any and all expenses (including attorneys' fees) incurred by any such person in defending or settling any such action, suit or proceeding in advance of the final disposition of such action, suit or proceeding shall be paid or reimbursed by the Corporation promptly upon receipt by it of an undertaking by or on behalf of such person to repay such expenses if it shall ultimately be determined by a final judgment or other final adjudication that such person is not entitled to be indemnified by the Corporation as authorized by this by-law. The rights provided to any person by this by-law shall be enforceable against the Corporation by such person who shall be presumed to

have relied upon it in serving or continuing to serve as a director, officer, employee or agent as provided above. No amendment of this by-law shall impair the rights of any person arising at any time with respect to events occurring prior to such amendment. For purposes of this by-law, the term "Corporation" shall include any predecessor of the Corporation and any constituent Corporation (including any constituent of a constituent) absorbed by the Corporation in a consolidation or merger; the term "other enterprise" shall include any corporation, partnership, joint venture, trust or employee benefit plan; service "at the request of the Corporation" shall include service as a director, officer or employee of the Corporation which imposes duties on, or involves services by such director, officer or employee with respect to any employee benefit plan, its participants or beneficiaries; any excise taxes assessed on a person with respect to an employee benefit plan shall be deemed to be indemnifiable expenses; and action by a person with respect to any employee benefit plan which such person reasonably believes to be in the interest of the participants and beneficiaries of such plan shall be deemed to be action not opposed to the best interests of the Corporation.

ARTICLE VII

AMENDMENTS

Section 1. These by-laws may be altered, amended or repealed or new by-laws may be adopted by the stockholders or by the board of directors, when such power is conferred upon the board

of directors by the certificate of incorporation at any regular meeting of the stockholders or of the board of directors or at any special meeting of the stockholders or of the board of directors if notice of such alteration, amendment, repeal or adoption of new by-laws be contained in the notice of such special meeting. If the power to adopt, amend or repeal by-laws is conferred upon the board of directors by the certificate of incorporation it shall not divest or limit the power of the stockholders to adopt, amend or repeal by-laws.

Exhibit B

**Copy of Ogden Communications, Inc.'s
Proposed Florida Tariff**

INTEREXCHANGE RESALE TELECOMMUNICATIONS SERVICES TARIFF

OGDEN COMMUNICATIONS, INC.

REGULATIONS AND SCHEDULE OF RATES AND CHARGES
APPLICABLE TO THE RESALE OF COMPETITIVE INTEREXCHANGE
TELECOMMUNICATIONS SERVICES WITHIN THE STATE OF FLORIDA

ISSUED:

ISSUED BY:

EFFECTIVE:

**Jerry G. Kirby, Manager, Tariffs & Rates
OGDEN Communications, Inc.
3211 Jermantown Road
Fairfax, Virginia 22030**

INTEREXCHANGE RESALE TELECOMMUNICATIONS SERVICES TARIFF

CHECK SHEET

The Title Sheet, Check Sheet and Sheets 3 through 25, inclusive of this Tariff are effective as of the date shown. Revised pages, named below, contain all changes from the original Tariff that are in effect on the date indicated.

<u>SHEET</u>	<u>REVISION</u>
Title	Original
1	Original
2	Original
3	Original
4	Original
5	Original
6	Original
7	Original
8	Original
9	Original
10	Original
11	Original
12	Original
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16	Original
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18	Original
19	Original
20	Original
21	Original
22	Original
23	Original
24	Original
25	Original

ISSUED:

ISSUED BY:

EFFECTIVE:

**Jerry G. Kirby, Manager, Tariffs & Rates
OGDEN Communications, Inc.
3211 Jermantown Road
Fairfax, Virginia 22030**

INTEREXCHANGE RESALE TELECOMMUNICATIONS SERVICES TARIFF

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ISSUED:

ISSUED BY:

EFFECTIVE:

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OGDEN Communications, Inc.
3211 Jermantown Road
Fairfax, Virginia 22030**

INTEREXCHANGE RESALE TELECOMMUNICATIONS SERVICES TARIFF

APPLICATION OF TARIFF

Unless otherwise noted herein, this Tariff contains the description, regulations, rates, terms and conditions applicable to the resale of intrastate telecommunications services provided by **OGDEN Communications, Inc.** (hereinafter "the Company", or "OCI"). The Company's services are offered for intrastate telecommunications services originating and terminating within the State of Florida, under the terms of this Tariff. Services are offered subject to the availability of facilities and the terms and conditions of this Tariff, and are subject to the jurisdiction of the Florida Public Service Commission.

EXPLANATION OF SYMBOLS

- (D) To signify discontinued rate or regulation
- (I) To signify increased rate
- (M) To signify material relocated without change
- (N) To signify new rate or regulation
- (R) To signify reduced rate
- (T) To signify a change in text but no change in rate or regulation

ISSUED:

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INTEREXCHANGE RESALE TELECOMMUNICATIONS SERVICES TARIFF

TARIFF FORMAT

- A. **Sheet Numbering** - Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.
- B. **Sheet Revision Numbers** - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current sheet version on file with the Florida Public Service Commission. For example, the 4th revised Sheet 14 cancels the 3rd Revised Sheet 14. Because of various suspension periods, deferrals, etc. the Commission follows in their tariff approval process, the most current sheet number on file with the Commission is not always the tariff page in effect. Consult the Check Sheet for the sheet currently in effect.
- C. **Paragraph Numbering Sequence** - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:
- 2.
 - 2.1.
 - 2.1.1.
 - 2.1.1.A.
 - 2.1.1.A.1.
 - 2.1.1.A.1.(a).
 - 2.1.1.A.1.(a).I.
 - 2.1.1.A.1.(a).I.(i).
 - 2.1.1.A.1.(a).I.(i).(1).
- D. **Check Sheets** - When a tariff is made with the Commission, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this page if these are the only changes made to it (i.e., the format, etc., remains the same, just revised revision levels on some pages). The tariff user should refer to the latest check sheet to find if a particular sheet is the most current on file with the Commission.

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INTEREXCHANGE RESALE TELECOMMUNICATIONS SERVICES TARIFF

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

For the purpose of this Tariff, the following definitions will apply:

Access Coordination

Provides for the design, ordering, installation, coordination, pre-service testing, service turn-up and maintenance on a Company provided Local Access Channel.

Alternate Access

Alternate Access is a form of Local Access except that the provider of the service is an entity, other than the Local Exchange Carrier, authorized or permitted to provide such service. The charges for Alternate Access may be subject to private agreement rather than published or special tariff rates if permitted by applicable governmental rules.

Application for Service/Service Order

The Application for Service is a standard Company order form which includes all pertinent billing, technical and other descriptive information which will enable the Company to provide a communication service(s) as required.

Authorization Code

An Authorization Code is a code in numbers or letters which enables a Customer to access the Company and which is used by the Company to identify the Customer for billing purposes.

Authorized User

An Authorized User is a person, firm, corporation or other entity that either is authorized by the Customer to receive or send communications or is placed in a position by the Customer, either through acts or omissions, to send or receive communications.

Automatic Number Identification (ANI)

The number associated with the telephone station(s) from which calls are originated and/or terminated.

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3211 Jermantown Road
Fairfax, Virginia 22030**

INTEREXCHANGE RESALE TELECOMMUNICATIONS SERVICES TARIFF

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (Continued)

Call

A Call is a completed connection between the Calling Station and Called Station.

Called Station

The Called Station is the station (e.g., telephone number or ANI) called, or the terminating point of a call.

Calling Station

The Calling Station is the station (e.g., telephone number or ANI) from which a Call originates.

Channel or Circuit

A Channel or Circuit is a dedicated communications path between two or more points having a bandwidth or Transmission Speed specified in this Tariff and selected by a Customer.

Company

Ogden Communications, Inc. ("OCI").

Commission

Commission refers to the Florida Public Service Commission.

ISSUED:

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OGDEN Communications, Inc.
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INTEREXCHANGE RESALE TELECOMMUNICATIONS SERVICES TARIFF

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (Continued)

Customer

A Customer is the person, firm, corporation, governmental unit, or other entity which orders service -- either for its own use, as a resale carrier or as a non-profit manager of a sharing group -- and which is responsible for the payment of charges and for compliance with this Tariff. A Customer is considered to be an account for billing purposes. If any entity orders service in more than one city or requests the assignment of multiple account numbers, each such account is a separate Customer for billing purposes. The term Customer also includes an entity that (1) remains presubscribed to the Company's service after its account(s) are removed from the Company's billing system, and subsequently continues to use the Company's service, (2) has not presubscribed to the Company's service, but accesses the Company by dialing an access number or other Company carrier identification access code, or (3) otherwise uses the Company's service for which no other Customer is obligated to compensate the Company.

Customer Premises

Locations designated by a Customer where service is originated/terminated whether for its own communications needs or for the use of its resale customers.

Customer Provided Equipment

Telecommunications terminal equipment that is located at the Customer's place of business.

Dedicated Access/Special Access

Dedicated Access is dedicated Local Access between the Customer's Premises or serving wire center and the Company's Point-of-Presence for origination and/or termination of calls.

Due Date

The Due Date is the date on which payment is due.

ISSUED:

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INTEREXCHANGE RESALE TELECOMMUNICATIONS SERVICES TARIFF

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (Continued)

Individual Case Basis (ICB)

Individual Case Basis (ICB) determinations involve situations where nonstandard arrangements are required to satisfy specialized needs. The nature of such service requirements makes it difficult or impossible to establish general Tariff provisions for such circumstances. When it becomes possible to determine specific terms and conditions for such offerings, they will be offered pursuant to such terms and conditions when set forth in writing and subscribed to by authorized representatives of the Customer and the Company.

Installation

Installation denotes the connection of a Circuit, Dedicated Access line, or port, for new, changed or an additional service.

Interexchange Service

Interexchange Service means that portion of a communications channel or circuit between a Company designated Point-of-Presence in one exchange and a Company designated Point-of-Presence in another exchange.

Interruption

Interruption shall mean a condition whereby the service or a portion thereof is inoperative, beginning at the time of notice by the Customer to the Company that such service is inoperative and ending at the time of restoration.

Local Access

Local Access means the service between a Customer Premises and the Company's designated Point-of-Presence.

Local Access Provider

Local Access Provider means an entity providing Local Access.

Local Exchange Carrier (LEC)

The local telephone utility that provides local telephone local exchange and access services.

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3211 Jermantown Road
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INTEREXCHANGE RESALE TELECOMMUNICATIONS SERVICES TARIFF

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (Continued)

Nonrecurring Charges

Nonrecurring Charges are one-time charges relevant to service.

Point-of-Presence (POP)

A Company-designated location where a facility is maintained for the purpose of providing access to its service.

Service

Service consists of any telecommunications service provided by the Company pursuant to this Tariff.

Service Commitment Period

The term elected by the Customer and stated on the service order during which Ogden Communications, Inc. will provide the services subscribed to by the Customer.

Special Promotional Offerings

The Company may from time to time engage in Special Promotional Offerings limited to certain dates, times or locations designed to attract new subscribers or increase subscriber usage. The Company will not have special promotional offerings for more than 90 days in any 12 month period. In all such cases, the rates and services will be set forth in this Tariff.

Start of Service Date

The requested service date or the date service first is made available by the Company, whichever is later.

Switched Access

If the Customer's location has a transmission line that is switched through the Local Exchange Carrier or Alternate Access Provider to reach the Company's network, the access is switched.

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INTEREXCHANGE RESALE TELECOMMUNICATIONS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS

2.1 Limitations of Service

- 2.1.1** Services provided pursuant to this Tariff may be utilized only for the transmission of communications by Customers consistent with the terms of this Tariff, the rules and regulations of the Florida Public Service Commission, and the requirements of the Communications Act of 1934, as amended.
- 2.1.2** The Company may require a Customer to sign an application form and to establish credit worthiness as a condition precedent to the initial establishment of service. The application shall state the date on which service shall begin and the points between which service is to be provided, the type of facilities required, and any special arrangements related thereto.
- 2.1.3** Any member of the general public (including any natural person or legally organized entity such as a corporation, partnership, or governmental body) is entitled to obtain service under this Tariff, provided that the Company reserves the right to deny service: (A) to any Customer that, in the Company's reasonable opinion, presents an undue risk of nonpayment, (B) in circumstances in which the Company has reason to believe that the use of the service would violate the provisions of this Tariff or any applicable law or regulation, or if any applicable law or regulation restricts or prohibits provision of the service, or (C) if insufficient facilities are available to provide the service.
- 2.1.4** Service is offered in selected equal access exchanges subject to the availability of facilities and the provisions of this Tariff. The Company reserves the right to refuse to provide service to or from any location where it has not ordered access facilities, installed network interconnections or the necessary facilities and/or equipment are otherwise not available.
- 2.1.5** The Company, when acting at the Customer's request and/or as Customer's authorized agent, will make reasonable efforts to arrange for service requirements, such as Alternate Access. Due to the specialized nature of such arrangements, however, such services will be provided, if at all, on an individual case basis.

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INTEREXCHANGE RESALE TELECOMMUNICATIONS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS (Continued)

2.1 Limitations of Service (Continued)

- 2.1.6 Service begins on the date that billing becomes effective and is provided on the basis of a minimum period of at least one month, 24 hours per day. For the purposes of computing charges in this Tariff, a month is considered to have 30 days.
- 2.1.7 Service will be provided until cancelled by the Customer on not less than thirty (30) days' written notice from the date of receipt of the letter giving notice of cancellation.
- 2.1.8 The Service Commitment Period for any service shall be established by the Service Order relevant thereto and commence on the Start of Service Date. Upon expiration, each Service Commitment Period for such service shall automatically be extended subject to written notice of termination by either the Company or Customer as of a date not less than thirty (30) days after delivery of said notice to the other. The charges for Interexchange Service during any such extension shall not exceed the then current Company month-to-month charges applicable to such service.

2.2 Assignment or Transfer

All services provided under this Tariff are directly or indirectly controlled by the Company and the Customer may not transfer or assign the use of service without express prior written consent of the Company. Such transfer or assignment shall only apply where there is no interruption of the use or location of service. All terms and conditions contained in this Tariff shall apply to all such permitted transferees or assignees, as well as all conditions of service.

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INTEREXCHANGE RESALE TELECOMMUNICATIONS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS (Continued)

2.3 Use of Service

2.3.1 The services offered herein may be used for any lawful purpose, including business, governmental, or other use, including joint use or resale by the Customer. Notwithstanding the joint use, sharing or resale of service by the Customer and regardless of the Company's knowledge of same, the Customer remains liable for all obligations under this Tariff. The Company shall have no liability to any person or entity other than the Customer. The Customer shall not use nor permit others to use the service in a manner that could interfere with services provided to others, that could harm the facilities of the Company or others or that is inconsistent with any applicable law or regulation.

2.3.2 Any service provided under this Tariff may be resold to or shared (jointly used) with other persons at the Customer's option. The Customer remains solely responsible for all use of service ordered by it or billed to its account(s) pursuant to this Tariff, for determining who is authorized to use its service, and for promptly notifying the Company of any unauthorized use. The Customer may advise its customers that a portion of its service is provided by the Company, but the Customer shall not represent that the Company jointly participates with the Customer in the provision of the service.

2.4 Company Provided Equipment

2.4.1 The Customer agrees to operate any Company provided equipment in accordance with instructions of the Company or the Company's agent. Failure to do so will void the Company's liability for interruption of service and may make Customer responsible for damage to equipment.

2.4.2 Customer agrees to return to the Company all Company-provided equipment delivered to Customer within five (5) days of termination of the service in connection with which the equipment was used. Said equipment shall be in the same condition as when delivered to Customer, normal wear and tear only excepted. Customer shall reimburse the Company, upon demand, for any costs incurred by the Company due to Customer's failure to comply with this provision.

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INTEREXCHANGE RESALE TELECOMMUNICATIONS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS (Continued)

2.4 Company Provided Equipment (Continued)

2.4.3 The Company reserves the right of entrance for its employees, agents or contractors to the premises of the subscriber, at any reasonable hour for the purpose of installing, inspecting, repairing, or upon termination of service removing the Company's equipment. It shall be the responsibility of the Customer to make any necessary arrangements with the owners of the premises for the entrance of the Company's employees.

2.5 Liability

2.5.1 Except as provided otherwise in this Tariff, the Company shall not be liable to Customer or any other person, firm or entity for any failure of performance hereunder if such failure is due to any cause or causes beyond the reasonable control of the Company. Such causes shall include, without limitation, acts of God, fire, explosion, vandalism, cable cut, storm or other similar occurrence, any law, order, regulation, direction, action or request of the United States government or of any other government or of any civil or military authority, national emergencies, insurrections, riots, wars, strikes, lockouts or work stoppages or other labor difficulties, supplier failures, shortages, breaches or delays, or preemption of existing services to restore service in compliance with the Florida Public Service Commission's Rules and Regulations.

2.5.2 With respect to any claim or suit, the Company's liability, if any, shall not exceed an amount equal to the charge applicable under this Tariff to the period during which services were affected. For those services with monthly recurring charges, the Company's liability is limited to an amount equal to the proportionate monthly recurring charges for the period during which service was affected.

2.5.3 The Company is not liable for any act or omission of any other company or companies furnishing a portion of the service, facilities or equipment associated with such service.

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INTEREXCHANGE RESALE TELECOMMUNICATIONS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS (Continued)

2.5 Liability (Continued)

- 2.5.4 The Customer is responsible for taking all necessary legal steps for interconnecting the Customer provided terminal equipment with the Company's facilities. The Customer is responsible for securing all licenses, permits, rights-of-way, and other arrangements necessary for such interconnection.
- 2.5.5 All or a portion of the service may be provided over facilities of third parties, and the Company shall not be liable to Customer or any other person, firm or entity in any respect whatsoever arising out of defects caused by such third parties.
- 2.5.6 THE COMPANY SHALL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, SPECIAL, ACTUAL, OR PUNITIVE DAMAGES, OR FOR ANY LOST PROFITS OF ANY KIND OR NATURE WHATSOEVER ARISING OUT OF ANY DEFECTS OR ANY OTHER CAUSE. THIS WARRANTY AND THESE REMEDIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES OR REMEDIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.
- 2.5.7 In the event parties other than the Customer (e.g., Customer's customers or Authorized Users) shall have use of the service directly or indirectly through Customer, the Customer will forever indemnify and hold the Company and any affiliated or unaffiliated third party provider or operator of facilities employed in provision of service harmless from and against any and all claims, demands, suits, actions, losses, damages, assessments or payments which may be asserted by said parties arising out of or relating to any defects or any claims described herein.
- 2.5.8 The Company may rely on Local Exchange Carriers or other third parties for the performance of services such as Local Access. Upon Customer request and execution and delivery of appropriate authorizing documents, the Company may act as agent for Customer in obtaining such other services. Customer's liability for charges hereunder will not be reduced by untimely Installation or non-operation of Customer-provided facilities and equipment.

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INTEREXCHANGE RESALE TELECOMMUNICATIONS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS (Continued)

2.6 Payment Arrangements

- 2.6.1 The Customer is responsible for payment of all charges for services furnished to the Customer or its joint or authorized users. This responsibility is not changed due to any use, misuse, or abuse of the Customer's service or Customer provided equipment by third parties, the Customer's employees, or the public.
- 2.6.2 Invoices for the Company's services are due upon receipt. Amounts not paid within 30 days from the Due Date of the invoice will be considered past due. Customers may be assessed a late fee on past due amounts in the maximum lawful rate under applicable law(s). If a Customer presents an undue risk of nonpayment at any time, the Company may require that Customer to pay its bills within a specified number of days and to make such payments in cash or the equivalent of cash.
- 2.6.3 The Company does not require a deposit from the Customer as a condition of service.
- 2.6.4 Billing disputes shall be processed by the Company or its billing agent(s) consistent with the rules and regulations of the Public Service Commission of Florida.
- 2.6.5 In the event the Company incurs fees or expenses, including attorney's fees, in collecting, or attempting to collect, any charges owed the Company (including charges for fraudulent use of service), the Customer will be liable to the Company for the payment of all such fees and expenses reasonably incurred.

2.7 Interconnection with Other Carriers

Service furnished by the Company may be connected with the services or facilities of other carriers. Such services or facilities, if used, are provided under the terms, rates and conditions of the other carriers. The Customer is responsible for all charges billed by other carriers for use in connection with the Company's service. Any special interface equipment or facilities necessary to achieve compatibility between carriers is the responsibility of the Customer.

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INTEREXCHANGE RESALE TELECOMMUNICATIONS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS (Continued)

2.8 Inspection, Testing and Adjustment

2.8.1 The Company may, upon reasonable notice, make such tests and inspections as may be necessary to determine whether the terms and conditions of this Tariff are being complied with in the installation, operation or maintenance of the Customer's or the Company's facilities or equipment. The Company may interrupt service at any time, without penalty or liability, due to the departure from or reasonable suspicion of the departure from any of these terms and conditions.

2.8.2 Upon reasonable notice, the facilities or equipment provided by the Company shall be made available to the Company for such tests and adjustments as may be necessary for their maintenance in a condition satisfactory to the Company. No interruption allowance will be granted for the time during which such tests and adjustments are made.

2.9 Discontinuance of Service

2.9.1 Upon nonpayment of any sum owing to the Company, or upon a violation of any of the provisions governing the furnishing of service under this Tariff, the Company may, upon written notification to the Customer, without incurring any liability, immediately discontinue the furnishing of such service. Customer shall be deemed to have cancelled service as of the date of such disconnection and shall be liable for any cancellation charges set forth in this Tariff.

2.9.2 The Company reserves the right to discontinue furnishing services or billing options, upon written notice, when necessitated by conditions beyond its reasonable control.

2.9.3 Service may be discontinued by the Company, without notice to the Customer, by blocking traffic to or from certain cities, or NXX exchanges, or by blocking calls using certain Customer authorization codes such as Travel Card codes, when the Company deems it necessary to take such action to prevent unlawful use of its service. The Company will restore service as soon as it can be provided without undue risk.

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INTEREXCHANGE RESALE TELECOMMUNICATIONS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS (Continued)

2.9 Discontinuance of Service (Continued)

2.9.4 Without incurring any liability, the Company may discontinue the furnishing of service(s) to a Customer immediately and without notice if the Company deems that such action is necessary to prevent or to protect against fraud or to otherwise protect its personnel, agents, facilities or services.

2.9.5 The discontinuance of service by the Company, pursuant to this Section does not relieve the Customer of any obligations to pay the Company for charges due and owing for service(s) furnished up to the time of discontinuance.

2.9.6 The remedies set forth herein shall not be exclusive, and the Company shall at all times be entitled to all rights available to it under either law or equity.

2.9.7 Except as otherwise provided in this Tariff or as specified in writing by the party entitled to receive service, notices may be given orally or in writing to the persons whose names and addresses appear on an executed service order.

2.10 Restoration of Service

The use and restoration of service shall be in accordance with the priority system specified in Part 64, Subpart D of the Rules and Regulations of the Federal Communications Commission. If service has been discontinued for nonpayment or as otherwise provided herein and the Customer wishes it continued, service shall, at the Company's discretion, be restored when all past due amounts are paid or the event giving rise to the discontinuance (if other than nonpayment) is corrected. Nonrecurring charges apply to restored services.

2.11 Cancellation of Application for Service

Where the Customer or applicant cancels an Application for Service prior to receipt of a final order confirmation, or prior to the start of special construction, no charge applies. Where installation of service has been started prior to the cancellation, a cancellation charge equal to the costs incurred by the Company may apply, but in no case shall such charge exceed the charge for the applicable installation charges.

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INTEREXCHANGE RESALE TELECOMMUNICATIONS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS (Continued)

2.12 Minimum Period

The minimum period for which services are provided and for which rates and charges are applicable is one month unless otherwise specified. When a service is discontinued prior to the expiration of the minimum period, charges are applicable, whether the service is used or not.

2.13 Tax Adjustments

In addition to the charges specifically pertaining to the services in this Tariff, certain federal, state and local surcharges, taxes, and fees, or similar liabilities will be applied to these services. These taxes, surcharges, and fees are calculated based upon the amount billed to the end user for the Company's services. All state and local taxes, surcharges, and fees (i.e., sales tax, gross receipts tax, municipal utilities tax, etc.) are listed on the Customer's invoices, and unless otherwise specified herein, are not included in the rates listed in this Tariff.

2.14 Special Customer Arrangements

In cases where a Customer requests a special or unique arrangement which may include engineering, conditioning, installation, construction, facilities, assembly, purchase or lease of facilities and/or other special services not offered under this Tariff, the Company, at this option, may provide the requested services. Appropriate recurring charges and/or Nonrecurring Charges and other terms and conditions will be developed for the Customer for the provision of such arrangements.

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INTEREXCHANGE RESALE TELECOMMUNICATIONS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS (Continued)

2.15 Other Terms and Conditions

- 2.15.1 The provision of service will not create a partnership or joint venture between the Company and the Customer nor result in joint service offerings to their respective Customers.
- 2.15.2 A Customer shall not use any service mark or trademark of the Company or refer to the Company in connection with any product, equipment, promotion, or publication of the Customer without prior written approval of the Company.
- 2.15.3 If an entity other than the Company (e.g., another carrier or a supplier) imposes charges on the Company in connection with a service, that entity's charges may at the Company's option, be passed through to the Customer also.
- 2.15.4 In the event suit is brought or an attorney is retained by the Company to enforce the terms of this Tariff, the Company shall be entitled to recover, in addition to any other remedy, reimbursement for reasonable attorneys' fees court costs, costs of investigation and other related expenses incurred in connection therewith.
- 2.15.5 The failure to give notice of default, to enforce or insist upon compliance with any of the terms or conditions herein, the waiver of any term or condition herein, or the granting of an extension of time for performance by the Company or the Customer shall not constitute the permanent waiver of any term or condition herein. Each of the provisions shall remain at all time in full force and effect until modified in writing.
- 2.15.6 If the Customer resells the Company's services, the Customer assumes sole responsibility to provide all billing, collection, and customer service functions for all of its locations, including resolving any unauthorized presubscription disputes. Customers reselling the Customer's services must have the appropriate certification in all areas where service is provided. Further the Customer also assumes full responsibility for complying with the Communications Act and the rules, regulations, and decisions of the Florida Public Service Commission. Failure to comply with any term, rule, or regulation of this Tariff may result in the Company immediately and irrevocably terminating service(s) without incurring any liability. Notification of termination of service(s) may be done in person or in writing.

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INTEREXCHANGE RESALE TELECOMMUNICATIONS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS (Continued)

2.15 Other Terms and Conditions (Continued)

2.15.7 If the presubscription of any line of a switchless reseller is unauthorized, the Company may charge the switchless reseller for the unauthorized presubscription change charges plus all additional charges imposed and costs incurred. The switchless reseller is financially liable for all lines at all locations until such time as the lines and/or locations are presubscribed to a different interexchange carrier. In instances where the switchless reseller has presubscribed lines and/or locations to its service without proper authorization, the switchless reseller must:

- (A) Inform the premises owner/occupant at each location of the unauthorized change in interexchange carriers;
- (B) Insure that each such location is returned to the interexchange carrier of choice; and
- (C) Pay all applicable conversion charges.

2.15.8 In the event of non-payment by a switchless reseller's end user, the Company may be requested by the switchless reseller to block such end user's location because of non-payment of charges. The switchless reseller must certify that proper notice has been given to the premises owner/occupant at such location. Proper notice must meet state and federal rules for blocking service due to non-payment. The switchless reseller is responsible for all costs incurred to disconnect or block the location from the Company's service(s).

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INTEREXCHANGE RESALE TELECOMMUNICATIONS SERVICES TARIFF

SECTION 3 - DESCRIPTION OF SERVICE

3.1 Timing of Calls

The Customer's usage charges are based on the actual usage of the Company's network. Usage begins when the called party picks up the receiver. When the called party picks up is determined by hardware answer supervision in which the local telephone company sends a signal to the switch or the software utilizing audio tone detection. When software answer supervision is employed, up to 60 seconds of ringing is allowed before it is billed as usage of the network. A call is terminated when the calling party hangs up.

3.2 Minimum Call Completion Rate

The Company's minimum call completion rate for end-to-end service is over 90%.

3.3 Rate Periods

Different rates may be applicable to an intrastate call at a different time of the day and on certain days of the week as specified in the appropriate rate schedule for that call. All times shown are local time at the calling station in case of an outbound call and at the called station in case of an inbound call. There are two rate periods. They are Peak and Off-Peak. The Peak rate period is 8:00 a.m. to 5:00 p.m., Monday through Friday. The Off-Peak rate period is all other times. Holiday rates do not apply. Usage charges apply to all completed calls. The usage charges for each completed call during a billing month will be computed. If the total charge for a call includes a fraction of a cent, the fraction is rounded up to the next whole cent.

3.4 Special Promotional Offerings

The Company may from time to time engage in Special Promotional Offerings limited to certain dates, times or locations designed to attract new subscribers or increase subscriber usage. The Company will not have special promotional offerings for more than 90 days in any 12 month period. In all such cases, the rates and services will be set forth in this Tariff.

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INTEREXCHANGE RESALE TELECOMMUNICATIONS SERVICES TARIFF

SECTION 3 - DESCRIPTION OF SERVICE (Continued)

3.5 Method for Calculation of Airline Mileage

The airline mileage between two cities can be calculated using the Vertical (V) and Horizontal (H) coordinates of the serving wire centers associated with the Company's POP locations. The method for calculating the airline mileage is obtained by reference to AT&T's F.C.C. Tariff No. 10 according to the following formula:

$$\frac{\sqrt{(V1-V2)^2 + (H1-H2)^2}}{10}$$

Where V1 and H1 correspond to the V&H coordinates of City 1 and V2 and H2 correspond to the V&H coordinates of City 2.

Example:	<u>V</u>	<u>H</u>
City 1	5004	1406
City 2	5987	3424

$$\frac{\sqrt{(5004-5987)^2 + (1406-3424)^2}}{10}$$

The result is 709.83 miles. Any fractional miles are rounded to the next higher whole number; therefore, the airline mileage for this example is 710 miles.

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INTEREXCHANGE RESALE TELECOMMUNICATIONS SERVICES TARIFF

SECTION 3 - DESCRIPTION OF SERVICE (Continued)

3.6 Service Offerings

3.6.1 OGDEN-1 SERVICE

Ogden-1 Service is a customized telecommunications service offering providing both switched and dedicated access services for origination and termination of intrastate calls. For dedicated access, dedicated facilities between the Customer's premises and the Company's terminal location are required. Service is provided on a monthly or contract basis. The Company will arrange for the installation of all required connecting facilities via a Local Exchange Carrier or other access provider. The installation and monthly recurring charges for any interface equipment associated with such access that is provided by the Company shall be calculated on an individual case basis, in accordance with the charges assessed by the Local Exchange Carrier or other access provider. Calls are rated on a flat, per minute basis. The usage charges for each completed call during a billing month will be computed. If the total charge for a call includes a fraction of a cent, the fraction is rounded up to the next whole cent.

3.6.2 OGDEN TRAVEL CARD SERVICE

Ogden Travel Card Service is a service offering under which the Company will provide travel cards from which the Customer may make intrastate telephone calls and may dial 800 numbers. In order to use the card, the Customer will insert the encoded card into the scanning device which is part of certain telephone equipment. The Customer will provide an authorization code. Upon approval of the authorization code, the origination, destination, and time of the telephone call placed by using the card will be entered into a billing data base. Calls utilizing a Company-issued travel card are rounded to the next higher minute.

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INTEREXCHANGE RESALE TELECOMMUNICATIONS SERVICES TARIFF

SECTION 4 - RATES

4.1 OGDEN-1 SERVICE

- 4.1.1 Monthly Recurring Charge: \$ 50.00 per dedicated line
- 4.1.2 Nonrecurring Charge: \$150.00 per dedicated line
- 4.1.3 Switched Access Usage Charges:

Rate Mileage	Initial Period 1 minute		Additional Period 1 minute	
	Peak	Off-Peak	Peak	Off-Peak
ALL MILES	\$.1569	\$.1539	\$.1569	\$.1539

4.1.4 Dedicated Access Usage Charges:

Rate Mileage	Initial Period 1 minute		Additional Period 1 minute	
	Peak	Off-Peak	Peak	Off-Peak
ALL MILES	\$.1075	\$.0861	\$.1075	\$.0861

4.1.5 The Customer will be billed \$5.00 per month for each voice grade channel for which dedicated access service is provided.

4.2 OGDEN TRAVEL CARD SERVICE

- 4.2.1 Installation Charge: \$50.00
- 4.2.2 Authorization Code Charge: \$ 4.50
- 4.2.3 Per Call Service Charge: \$ 0.75
- 4.2.4 Per Minute Usage Charge: \$ 0.50

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Exhibit C

Copy of Ogden Corporation and Subsidiaries'
1994 Annual Report

FINANCIAL HIGHLIGHTS

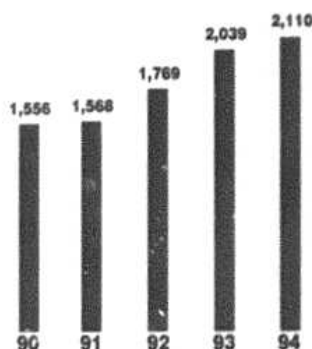
Ogden Corporation and Subsidiaries

December 31,	1994	1993	1992	1991	1990
(In thousands of dollars, except per-share amounts)					
Total Revenues	<u>\$2,110,185</u>	<u>\$2,039,337</u>	<u>\$1,768,815</u>	<u>\$1,567,568</u>	<u>\$1,556,406</u>
Income (Loss) From:					
Continuing operations	67,826	62,130	60,767	57,604	58,072
Discontinued operations				(13,880)	(2,160)
Cumulative effect of changes in accounting principles	(1,520)	(5,340)	(5,186)		
Net income	<u>66,306</u>	<u>56,790</u>	<u>55,581</u>	<u>43,724</u>	<u>55,912</u>
Earnings (Loss) Per Common Share:					
Continuing operations	1.55	1.43	1.41	1.33	1.36
Discontinued operations				(0.32)	(0.05)
Cumulative effect of changes in accounting principles	(0.03)	(0.12)	(0.12)		
Total	<u>1.52</u>	<u>1.31</u>	<u>1.29</u>	<u>1.01</u>	<u>1.31</u>
Total Assets	<u>3,644,886</u>	<u>3,340,729</u>	<u>3,187,826</u>	<u>2,846,254</u>	<u>2,690,448</u>
Shareholders' Equity	<u>596,818</u>	<u>486,267</u>	<u>481,084</u>	<u>478,122</u>	<u>484,482</u>
Shareholders' Equity Per Common Share	<u>12.21</u>	<u>11.15</u>	<u>11.11</u>	<u>11.09</u>	<u>11.26</u>

Net income in 1993 was reduced by \$.08 per share, reflecting the retroactive effect of the increased Federal income tax rate that was enacted in August 1993 on the prior years' deferred income tax balances.

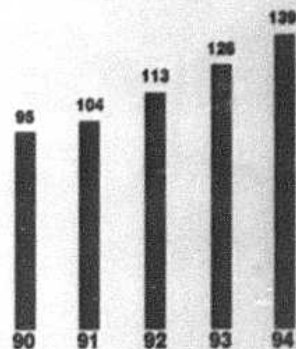
TOTAL REVENUES

(expressed in millions of dollars)



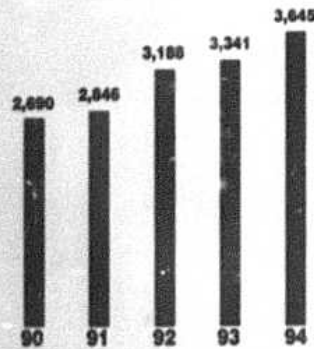
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND MINORITY INTEREST

(expressed in millions of dollars)



TOTAL ASSETS

(expressed in millions of dollars)



ON THE COVER

From beaches, to playing fields, to stadiums around the globe, soccer has become the world's favorite game. So, too, is Ogden becoming one of the world's favorite service providers. We strive to offer our customers the highest levels of service and to create a better quality of life in each of the communities in which we do business.



The Ogden Corporation 1994 Annual Report is printed entirely on recycled paper and with soy-based inks.

O¹G⁹D⁹E⁴N

C O R P O R A T I O N



2 To Our Shareholders

Ogden's commitment to the growth of its global service network remains paramount as we strive to create enhanced shareholder value.

Operating Review:

6 Projects:



Projects expanded its complement of service capabilities into the areas of water/wastewater treatment and independent power, while maintaining its leadership position in waste to energy in North America.

11 Services:

Ogden's Entertainment group has expanded in both size and scope and continues to build long-term service partnerships in international markets.

15 Aviation

Significant worldwide growth in passenger traffic and air cargo provides strong demand for Ogden's high-quality aviation services and

advances the group's potential for further international expansion.



18

Environmental

Companies and government agencies around the world are turning to the "one-stop-shopping" capabilities of Ogden's Environmental group to manage multidisciplinary environmental cleanup projects.

20

Technology

Ogden's group of technology-based companies strengthened their position to expand in significant niche markets serving both government and commercial clients.



21

Facility

Ogden's Facility group developed innovative marketing approaches to capture new business resulting from the emerging demand for outsourcing of support services.

Financial Review:

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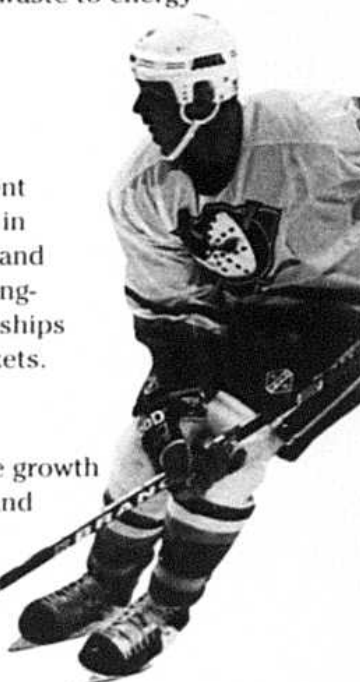
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21

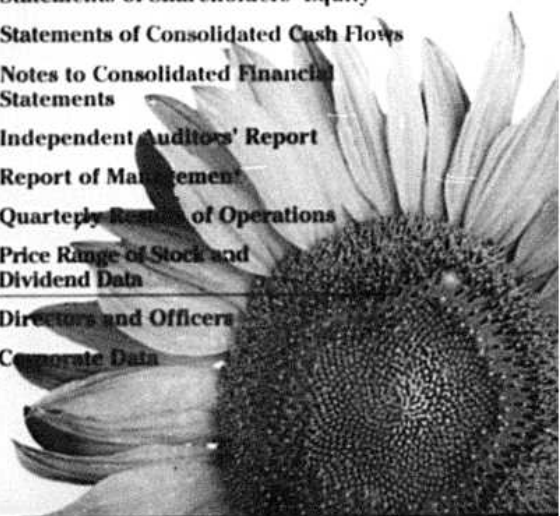
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Financial Review:

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As the year 1994 drew to a close, Ogden acquired the 16% of Ogden Projects that was publicly traded. Returning Ogden Projects to a 100% Ogden holding signifies our major strategic thrust into the independent power and water/wastewater treatment fields—two areas guaranteed to be enormous growth markets by virtue of the rapid development of economies around the globe. Ogden already has a significant and growing position in power production, ranging from waste to energy, to geothermal and hydroelectric generation, to traditional fossil-fired steam operations; and our global alliance with Yorkshire Water Enterprises Ltd. has provided the foundation for a solid entry into the water supply and wastewater treatment field. Our efforts are supported by Ogden's presence worldwide—our name, our people, and our financial strength. Management is optimistic that Ogden will reap long-term, high-quality earnings from these markets and that our shareholders should enjoy 100% of those benefits.

Y O U R C O R P O R A T I O N ' S C O M M I T M E N T

The acquisition also enables us to bring the project development, financing, and construction skills of our Projects group to our Entertainment and Aviation groups. Since we expect to capture additional dimensions of those market areas, these skills will provide a unique competitive advantage as we pursue a higher-quality, higher value-added stream of income.

T O T H E G R O W T H A N D D E V E L O P M E N T

In Entertainment, our plans in 1995 call for the development of new long-term service contracts with potential customers in North and South America, Europe, and Asia; and in Aviation we have already begun to go beyond our current service activities to seek opportunities in the vast areas of airport infrastructure development and renewal. Penetrating this dynamic global market offers the possibility of long-duration service contracts on a high-quality, high-return basis, and the combination of our current skills in the aviation and projects businesses instantly makes us a formidable player.

O F T H E O G D E N G L O B A L S E R V I C E

One more reason for our purchase of the outstanding shares of Ogden Projects is potential shareholder perception. Having a single Ogden shareholding option rather than two will simplify shareholder investment decisions. We are optimistic that continued growth in our earnings and underlying value will reflect more directly and efficiently in growing share value.

N E T W O R K R E M A I N S P A R A M O U N T

In late 1995, we will see a highly significant event in our Aviation business. That will be the start-up of our operation at the new \$1.5-billion Macau International Airport where an Ogden-led consortium will be responsible for all ground services, cargo, maintenance, and passenger handling on an exclusive basis for a period of 16 years. Macau, currently an overseas territory of Portugal, reverts back to mainland China in 1999 and will enjoy a special economic status for 50 years. Ogden's major partner in the new airport is Macau Aviation Services Corporation, a subsidiary of the Civil Aviation Authority of China. This alliance positions Ogden well to expand our relationship and services into mainland China, one of the most dynamic aviation growth markets of the modern era.

We will also see a major breakthrough for our Entertainment group in 1995. In September, Ogden will open the newest and largest state-of-the-art arena in Europe, the Victoria Station Arena in Manchester, England. This facility will be the first of its kind and scale in Europe, and Ogden will provide complete facility management services for 20 years. Similarly, in North America, the Ottawa Palladium will be nearing completion by year-end. Ogden arranged the financing, is assisting in the design and construction, and will provide complete facility management services for 30 years.

Other entertainment development projects in North America are also in the works. New Ogden-served amphitheatres will open in 1995 in Connecticut, New Jersey, and Virginia. Ogden will also be providing food and beverage services to General Motors Place in Vancouver, British Columbia, when it opens this fall, and at Wrigley Field in Chicago.

Our Technology group is poised for its best year ever. The group provides professional services, including contract manufacturing, systems design, integration and software develop-

ment, high-technology research, biomedical support, and engineering services. Our acquisition of Applied Data Technology, Inc., a leader in the advanced field of combat pilot training support, should open new markets for Ogden's high-technology government services companies.

Ogden's Environmental group is expected to show accelerating revenues in Europe, the Far East, and Mexico in 1995; and a better year is also anticipated by our analytical laboratory network, particularly the mixed-waste laboratory in Colorado.

Ogden will aggressively pursue new business in 1995. New offices charged with facilitating the growth of all of our core services are opening in Hong Kong, India, and Korea; and existing marketing centers in Mexico, Brazil, Japan, and the European community will be expanded.

Your Corporation's commitment to the growth and development of our global service network remains paramount. Despite the considerable cost of this effort, pre-tax income continued its steady rise in 1994 to \$139 million, an 11% increase over the previous year. Such reliable per-

formance in the past and exciting prospects for the future reflect the outstanding effort made by our nearly 50,000 employees.

I wish to thank the dedicated members of our Board of Directors who continue to provide wisdom, guidance, and a healthy forum for examining the complex issues that confront modern corporations.

Our shareholders can continue to rely on management's commitment to Ogden's substantial dividend payment, an obligation we take seriously while we strive to create enduring shareholder value. Without the commitment of all of these groups, there would be no unique global service company known as Ogden Corporation. You all have my heartfelt gratitude and appreciation.



R. Richard Ablon
President and
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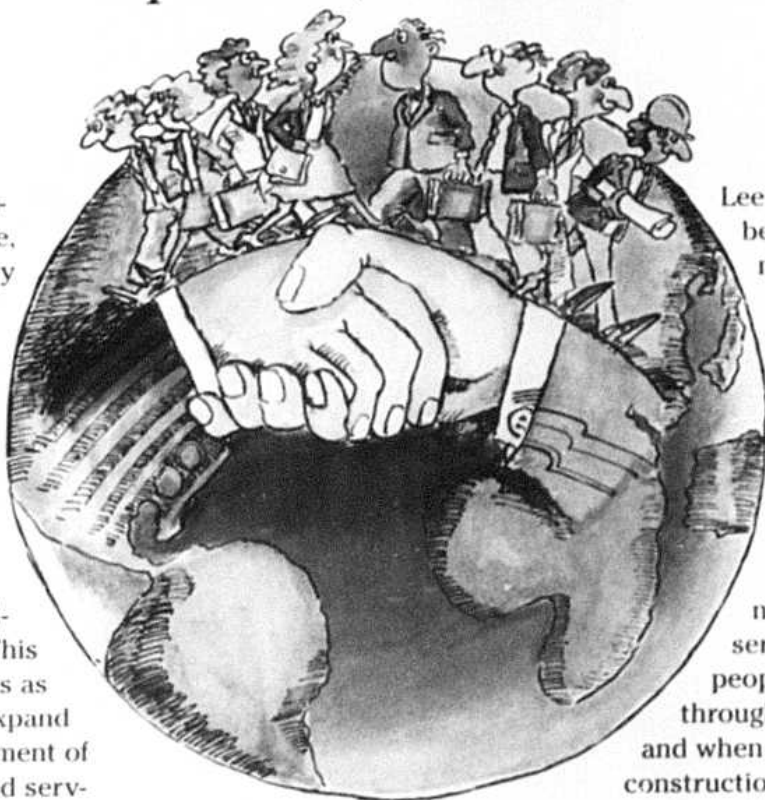
PROJECTS Sets Sights on Geographic Expansion, Market Diversification

Unparalleled environmental performance, client satisfaction, quality long-term operations, excellent project development and financing track record, construction expertise—these sound a lot like the reasons behind Ogden's leadership position developing and operating waste-to-energy facilities in North America. This list of superlatives serves as the basis for Ogden to expand and diversify its complement of power and project-related services and to grow internationally.

Ogden, through its Projects group, is now bringing environmentally sound solutions in the areas of waste management, water/wastewater treatment, and power generation to communities and companies around the globe.

Strengthening the waste-to-energy base in the United States

In its core waste-to-energy business, Ogden placed its 25th and 26th waste-to-energy projects into full commercial operation—the 1,440-ton-per-day facility serving Union



County, New Jersey, and the 1,200-ton-per-day facility serving Lee County, Florida. With the Union County facility in operation, the County's 350,000 residents are served at just over half the cost of the County's



The new Lee County, Florida, waste-to-energy facility became the first in the nation to propose mercury abatement technology.

previous system, which relied on out-of-state landfills, with a marked improvement to the environment; and the

Lee County project became the first in the nation to propose mercury abatement technology as an adjunct to the state-of-the-art air pollution controls that Ogden already installs in its facilities.

The 26 projects now in operation serve 16 million people in municipalities throughout North America; and when Ogden completes construction of two new waste-to-energy facilities by the end of 1995, its total number of projects will be 28 (see box page 7).

These projects clearly demonstrate Ogden's commitment to environmentally sound solutions that anchor integrated solid waste management programs within communities. Such programs emphasize recycling, reuse, and the recovery of energy from solid waste.

Tapping waste-to-energy opportunities abroad

Having solidified its leadership in waste to energy in the United States, Ogden has readied itself for international expansion in this market.

The need for waste to energy is strong and increasing around the world, especially in Europe where the integrated approach to waste management has been embraced for its environmental and social merits. Integrated waste management promotes the use of waste as a resource, which if not recovered for material recycling, should be converted into energy. Landfilling of raw solid waste is viewed as an option of last resort.

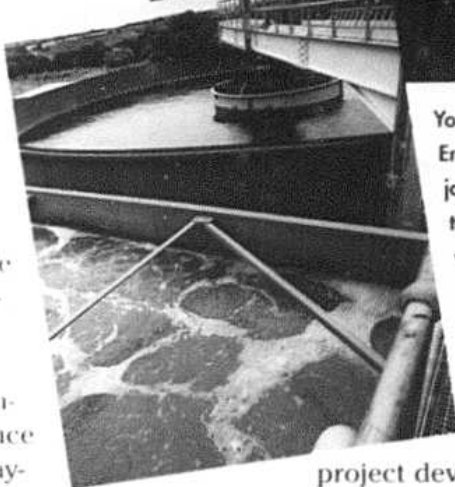
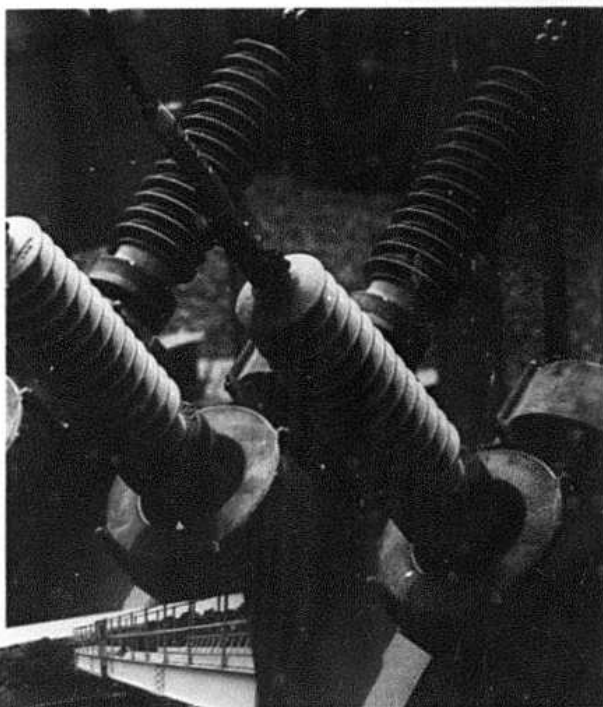
Moreover, in select countries throughout Asia and South America, waste to energy is clearly the best means to solve the significant environmental problems associated with current waste management practices.

Ogden offers international clients the full-service approach to waste to energy, which Ogden shaped as it evolved into the leading provider of such services to communities in the United States. Ogden can provide guaranteed financing, construction services, operations, and environmental performance in return for the payment of stable, long-term fees.

Ogden is aggressively moving to capitalize on the opportunities for its full-service waste-to-energy approach worldwide and in 1994, opened and staffed international offices in Munich, Germany, and São Paulo, Brazil.

A move into water/ wastewater treatment

Ogden's joint venture with Yorkshire Water Enterprises Ltd. (YWE) reflects the Corporation's measured approach to diversification and geographic ex-



Yorkshire Water plc of Leeds, England, the parent company of joint venture partner YWE, is the seventh largest water and wastewater utility in the world.

pansion and taps its unique combination of skills in project development, environmental services, and forging public/private partnerships.

The new enterprise, Ogden Yorkshire Water Company, formed in 1994, will pursue contracts to design, build, own, and operate municipal potable water and wastewater facilities and systems in public or private part-

nerships throughout the United States, Canada, Latin America, Europe, Asia, and the Middle East. Clean water and effective wastewater treatment for many developing countries will be a top priority in the next decade, and Ogden Yorkshire expects to play a leading role in the privatization of water and wastewater facilities and systems, which often need capital improvements and environmental upgrades to keep up with increasingly stringent regulatory demands.

In 1995, Ogden will add two new waste-to-energy projects:

■ The 990-ton-per-day facility in Onondaga County, New York, is expected to begin commercial operation in the first quarter of 1995. Since the facility is privately owned, Ogden was able to raise cash by selling limited partnership interests in the facility, similar to its Huntington, New York, limited partnership transaction in 1991. Ogden, as the general partner, will continue to operate the plant and will retain most of the facility's residual value at the end of its 20-year operating contract period.

■ The 1,800-ton-per-day facility in Montgomery County, Maryland, is expected to be in full commercial operation in the second half of 1995. All waste for this facility will be delivered by rail and a loading and unloading system that Ogden built and will operate.

Meeting worldwide demand for energy

Annual worldwide energy demand could be double today's levels by the year 2020; and developing nations in Asia and Latin America, in particular, are engaged in aggressive power privatization programs. Ogden redoubled its commitment

to the independent power and cogeneration market in 1994 through the activities of its Power group and opened an office in Miami to explore additional power generation opportunities in Latin America. Ogden also is opening an office in Hong Kong in early 1995.

In the United States during 1994, the group set new power production records at the New Martinsville hydroelectric plant in West Virginia and the two geothermal power facilities in the Heber Known Geothermal Area in Imperial County, California. Ogden recently acquired 100% of the Second Imperial Geothermal Company, a 48-megawatt binary geothermal plant located in Heber, California, one mile



from the Heber Geothermal Company plant that is 50% owned by Ogden. This acquisition allows Ogden to maximize the area's potential and will complement Ogden's pursuit of independent power projects throughout the world.

Ogden also took an important first step toward realizing the long-term potential of the Latin American market by acquiring an equity position in the Don Pedro hydroelectric power station under construction in Costa Rica. Designed to minimize any impact on the rain forest in which it is located, the station will be operated and maintained by Ogden once construction is completed.

In addition, Ogden is currently developing a number of new power projects in Asia as well as South America.



Scott G. Mackin,
president of
the Projects group,
discussed the challenges
and opportunities for the
group during an informal
interview in early 1995.

How would you characterize the year 1994 for the Projects group?

A. It was a challenging year, but we came out of it stronger than we went in. The worldwide demand for waste to energy, water treatment, and power—our three main business groups—is huge and growing rapidly. We positioned ourselves to seize opportunities in all three markets, and the prospects for the future are bright because of the foundations we built in 1994 (see page 6).

From our leadership in waste to energy, we have gained strong expertise in financing, designing, building, and operating complex, state-of-the-art processing facilities. We also have expertise in generating energy from fossil, water, and geothermal resources. We can expertly structure power projects by identifying the best local and international partners, arranging financing, managing construction if necessary, and providing long-term operations—all of this with a view toward actualizing potential projects as quickly as possible. In the water market, our partner, Yorkshire Water Enterprises Ltd. is also well known internationally, and we have excellent contacts—and an outstanding track record in waste to energy—with municipalities in the United States. We plan to focus on communities where we are known and already providing service.

Why are you so optimistic about the group's international growth potential?

A. In waste to energy, we bring to the table an unparalleled record of successful projects as well as the most environmentally sound and cost-effective alternative to landfilling. We strongly believe we can replicate overseas the types of client relationships we have established in the United States.

As for our Power group, the demand for energy around the world is enormous. The power markets in Southeast Asia alone

are expected to generate about \$50 billion in contract awards between the years 1994 and 2000. About half of that amount is expected to be privately financed. The growth in energy consumption in developing countries between the years 2000 and 2010 will be greater than today's consumption in western Europe. We expect to capitalize on this unprecedented trend.



Scott G. Mackin, President; Gloria A. Mills, Executive Vice President, Business Development; and Bruce W. Stone, Executive Vice President and Managing Director—all executive officers of the Projects group.

Our partnership with Bechtel, the large construction and engineering firm, to develop a 480-megawatt coal-fired power plant in the Philippines is just one good example of how we are moving aggressively to pursue independent power production.

In the water market, our new joint venture, Ogden Yorkshire Water Company, will help satisfy the great demand for clean water, wastewater treatment, and sludge disposal around the world. In the United States, where budgets and regulatory requirements are squeezing

municipalities, local governments are looking for alternative sources of financing for building, repairing, and operating sewage treatment plants. Internationally, the concept of privatization is taking hold even faster than in the United States. As a result, we are pursuing projects in Canada, Latin America, Europe, Asia, and the Middle East.

What is your view of the domestic waste-to-energy market?

A. There is no question in my mind that there will be strong growth for waste to energy in the United States. The only question is when. If current thinking prevails in the United States, by the end of the decade, 120 to 130 million tons of trash per year will still be designated for landfills, which are still seriously underregulated

and emitting large quantities of air pollutants including hazardous and cancer-causing substances. That is simply unacceptable. With enforcement of the laws on the books today, landfilling will become more expensive, reflecting its true environmental cost.

As people realize the environmental and economic failures of landfilling and the ongoing successes of an integrated solid waste management approach that includes waste to energy, the tide will turn and waste to energy will come back stronger than ever.

Business partnerships have become essential in a complex and ever-changing marketplace, and Ogden Corporation has become the partner of choice in all of its capability areas.

To build its network of 26 waste-to-energy plants, our Projects group successfully developed a full-service approach to meeting its clients' needs, wherein Ogden's part of a community partnership has been the design, construction, and operation of large waste-to-energy facilities as well as assistance with long-term financing arrangements. This strategy provides steady streams of revenues to us for 20 to 30 years. Ogden Services' other core groups are now using a similar approach,

as they pursue opportunities having long-term, high value-added benefits. These opportunities may take the form of airport development projects or the construction of new convention centers, stadiums, and arenas and have the advantage of providing dependable revenues over the long term.

From waste-to-energy plants, to water distribution and wastewater treatment facilities, to power plants of all kinds, to long-term aviation services contracts, to total entertainment facility management, to global environmental cleanup programs, our full-service approach enables Ogden to maintain its financial health, implement its ambitious development programs, and steadily increase its intrinsic value.

Strong Performance, Promising Results

All around the world, people are spending more money than ever on entertainment and recreation. As world economies improve and new markets develop, spending is expected to continue to grow, creating new opportunities in the entertainment and recreation businesses. Ogden's objective is to capture as many of these opportunities as possible.

In 1994, although many North American professional baseball stadiums and hockey arenas were impacted as a result of labor disagreements, Ogden's Entertainment group continued to expand in both size and scope. The group's ability to offer complete project-development expertise, including the design, construction, and operation of facilities as well as financing assistance in return for long-term services contracts, provides a distinct competitive advantage and the promise of more significant earnings growth.

Finding answers in a challenging year

During the year, Ogden continued to sell a wide array of its services, including facility

management, food and beverage, marketing and sales, ticket distribution, crowd management and security, parking lot management, merchandising, opera-



tions management, and financial management, to many segments of the entertainment market. It also minimized the adverse effects caused by the baseball strike and hockey lockout by growing and maintaining its unmatched network of diverse entertainment venues.

For example, Ogden added several long-term contracts at amphitheaters to its United States operations base, including exclusive food and beverage contracts with both the Connecticut Center for the Performing Arts, a new modular facility being built in Hartford, Connecticut, and the Blockbuster Sony Music Entertainment Center at the Waterfront,

being built in Camden, New Jersey. These facilities are expected to open in the summer of 1995, and each is an all-seasons amphitheater providing seating for approximately 30,000 and 25,000 patrons, respectively. During the summer months, the facilities will function as traditional amphitheaters, with covered seating for 7,500 and 7,000 guests and lawn seating for an additional 22,500 and 18,000, respectively. During the winter, moving walls will allow these

amphitheaters to be converted to indoor theaters for year-round events scheduling. As part of a 20-year agreement, Ogden also is providing food and beverage services at the Polaris Amphitheater in Columbus, Ohio, which opened in June 1994. With 7,000 fixed seats and a lawn capacity of 13,000, the Polaris Amphitheater featured over 40 shows during its successful first season, including performances by such superstars as Aerosmith, Phil Collins, Bill Cosby, Janet Jackson, Reba McEntire, and Liza Minelli. In addition, Ogden was awarded a 20-year contract to provide parking and food and beverage services at the Cellar

Door Amphitheater under construction in Prince William County near Manassas, Virginia.

This outdoor concert facility, scheduled to open in the spring of 1995, will provide a range of events, from rock concerts to family-oriented shows. The theater will include 10,000 fixed seats and a lawn-seating capacity of 15,000.

Also during 1994, Ogden signed a five-year contract to provide food and beverage and merchandise services at Chicago's Wrigley Field, home of the Chicago Cubs baseball team. As part of the relationship, Ogden is renovating the existing concession stands and merchandise stores,

which are expected to open for the 1995 season, and will manage the mail order business and mall stores outside the ballpark. Built in 1914, the landmark Wrigley Field is the third oldest ballpark in the major leagues.

Ogden also responded to the demand for more sophisticated food service at zoos. In June 1994, the Corporation began food service operations at Seattle's Woodland Park Zoo. Since the

Ogden's food and beverage service provides an array of fare having appeal to regional tastes.

15-year contract was awarded in 1993, Ogden has been overseeing construction of the new food

court area incorporating a number of food franchises. The new food pavilion, designed to complement and enhance the overall zoo environment, has received accolades from zoo officials.

To further diversify and increase its international presence, Ogden became the leading partner in Partecsa, a company based in Seville, Spain. Partecsa manages and operates Cartuja, a multiattraction park located on the grounds of the former Seville Expo, where Ogden will be the exclusive food and beverage provider. The

Cartuja site includes a 10,000-seat-capacity amphitheater and features cultural, educational, and entertainment attractions.



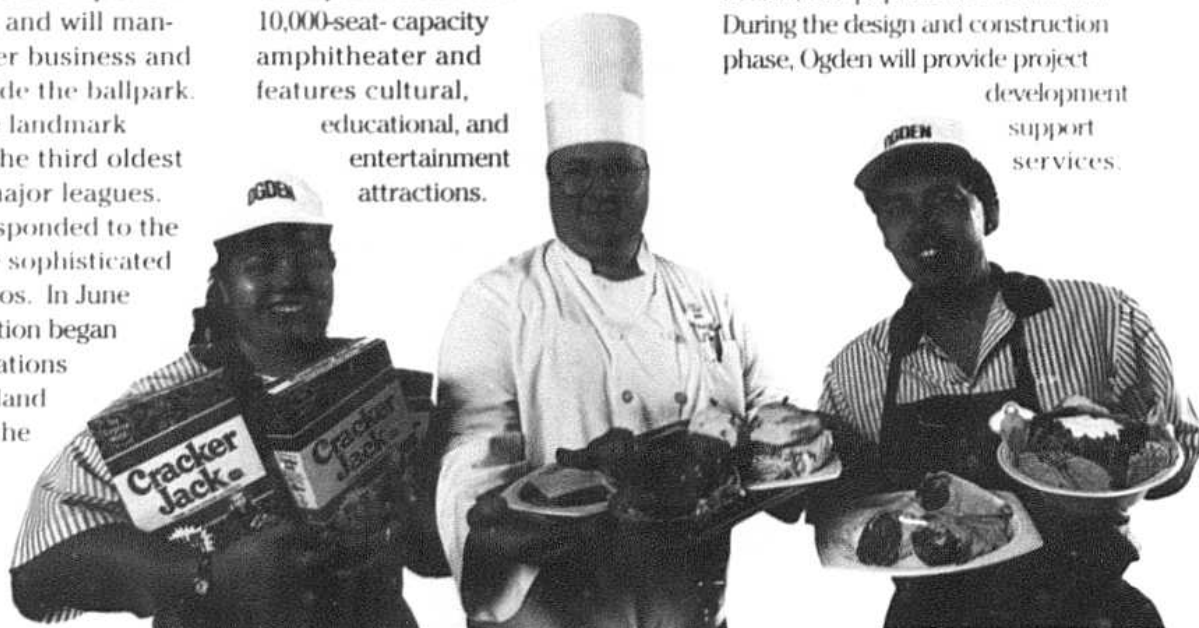
Ogden's continued expansion in Europe includes the opening of an office in Windsor, England (near London), which will oversee the management of Manchester's 19,500-seat Victoria Station Arena. The facility, currently under construction and scheduled to open in 1995, will be Europe's largest indoor arena.

Total facility management for the long term

A key to Ogden's strategy is its unique, proven capability for total project development services. In 1994, Ogden finalized a 30-year contract to manage and operate the Ottawa Palladium, a 19,000-seat multipurpose indoor arena, which is under construction near Canada's capital and fourth largest city. The facility, scheduled to open in 1996, will be home to the Ottawa Senators of the National Hockey League (NHL). Ogden's development role in Ottawa is similar to its involvement in the successful Arrowhead Pond of Anaheim in California.

In Europe, Ogden signed a 20-year contract to provide complete facility management and concession services at the 12,000-seat Oberhausen Arena, a new state-of-the-art sports and entertainment facility in Oberhausen, Germany. Scheduled to open in September 1996, the arena will feature ice hockey, handball, basketball, and pop and rock concerts. During the design and construction phase, Ogden will provide project

development support services.



Ogden was also awarded a 20-year contract to provide food and beverage services at General Motors Place, a new sports and entertainment arena under construction in Vancouver, British Columbia. The 20,000-seat facility, scheduled to open in the fall of 1995, will be the home of the NHL's Vancouver Canucks and the newly awarded National Basketball Association franchise, the Vancouver Grizzlies. The facility will include 88 luxury suites, two restaurants, numerous concessions, club seating, and a lounge.

Filling the seats, too

In addition to its service contracts at more than 100 major venues, Entertainment's promotions arm, "Ogden Presents," gives the group a competitive advantage by helping to fill the arenas and venues that it services with capacity crowds.

During 1994, "Ogden Presents" formed two operating units—Music/Concerts Services and Events/Marketing Services—to improve and expand the Entertainment group's capabilities. Music/Concert Services assisted in bringing such world-class performers as The Eagles, Pink Floyd, Billy Joel, and The Rolling Stones to Ogden-serviced facilities.

Events/Marketing Services, which specializes in nonconcert events including family shows and sports, provided similar assistance with such attractions as magician David Copperfield, the Harlem Globetrotters, the Ice Capades, Motorsports, Sesame Street Live, and six "Nutcracker on Ice" engagements starring world-famous skaters Oksana Baiul, Brian



Boitano, and Viktor Petrenko. Events/Marketing Services also brokers naming rights and advertising space as an additional revenue source for Ogden's customers.

Working together to seize opportunities

Like the instruments in a good arena concert, all the different segments of the Entertainment



"Nutcracker on Ice" is one of many family shows that the Events/Marketing unit of "Ogden Presents" assists in bringing to venues that it serves throughout North America. Pictured is Olympic champion Oksana Baiul, with a member of the skating ensemble, performing at the Hartford Civic Center.

group are working together as a unit to satisfy the audiences they serve. As entertainment continues to become a truly global business, Ogden will be well-positioned to meet growing needs in the marketplace and to seize the opportunities as they arise.

OGDEN

The First Name

In Global Services

The Ogden network—talented people, substantial resources, and innovative marketing—is the foundation upon which our reputation as a dependable service provider has been built and the driving force behind our rapid expansion into areas beyond North America. More and more international clients are demanding the kind of high-quality services synonymous with Ogden's name, making Ogden one of the most sought-after service providers in the world. Ogden groups have set up offices in Europe, the Pacific Rim, Latin America, and Mexico, utilizing a one-of-a-kind synergy whereby one Ogden group can act as a "pathfinder" in new markets and form client relationships that open doors for the other groups.

This aggressive marketing approach is expected to assist our further

penetration into developing world markets and reinforce our position as the first name in global services.

Marketing initiatives have been launched with the opening of the following offices:

Europe:

Ogden Entertainment Services
(U.K.) Ltd.—Windsor (near
London), United Kingdom
Ogden Projects GmbH—
Munich, Germany

Pacific Rim:

*Ogden Asia Pacific—Hong Kong
Ogden Japan—Tokyo, Japan
*Ogden Korea—Seoul, Korea

Latin America:

Ogden do Brasil Participações S/C
Ltda.—São Paulo, Brazil
Ogden Latin America—based in
Miami, Florida

Mexico:

Ogden de México—
Mexico City, Mexico

* To open in 1995.

Taking Off

In 1994, worldwide passenger traffic and air cargo grew significantly, and Ogden expects that strong demand will continue for aviation services in general and particularly for the kind of high-quality services that Ogden can provide. Ogden's unique capability for total project management will also enable the Corporation to be a significant player in the growing airport infrastructure development market.

Around the World

With this competitive advantage, Ogden expects to continue in 1995 the successful international expansion of the recent past.

Aviation's dedication to maintaining its service leadership in North America while using its proven track record to expand globally has made it the world's largest nonairline-owned aviation services organization, providing comprehensive ramp and passenger services, ground handling and cargo/warehouse services, in-flight catering, aviation fueling, and terminal operations to nearly 185 airlines in 90 airports in 18 countries.

The sky's the limit in North America, Europe, Latin America, and...

Business trends suggest that worldwide cargo growth is

Pictured above, top right, are members of Ogden's team at Schiphol Airport in Amsterdam, where Ogden is providing a variety of aviation services.

the most rapidly expanding segment of the aviation industry. Responding to this trend, Ogden expanded its cargo/warehouse operations at LaGuardia Airport in New York, Charlotte Douglas International Airport in North Carolina, Baltimore/Washington International Airport in Maryland, and Washington/National Airport in the Washington, D.C., area. Cargo services include mail and

World

cargo sorting and cargo buildup and breakdown. Ogden also received additional contracts to provide ground handling services at Washington/Dulles, Chicago, and Los Angeles international airports and began providing ground and cargo services at Vancouver (British Columbia) International Airport.

Recognizing that the overall domestic market for aviation services offers limited growth, Ogden took strategic steps during the year to refine and expand its capabilities abroad.

In late 1994, Ogden acquired SkyCare Cargo Limited, a cargo handling company, which provides Aviation entrée into one of

the world's busiest international airports—London Heathrow. This move increased from three to four the number of major European capitals at which Ogden performs one or more types of ground services—London,

Amsterdam, Berlin, and Prague.



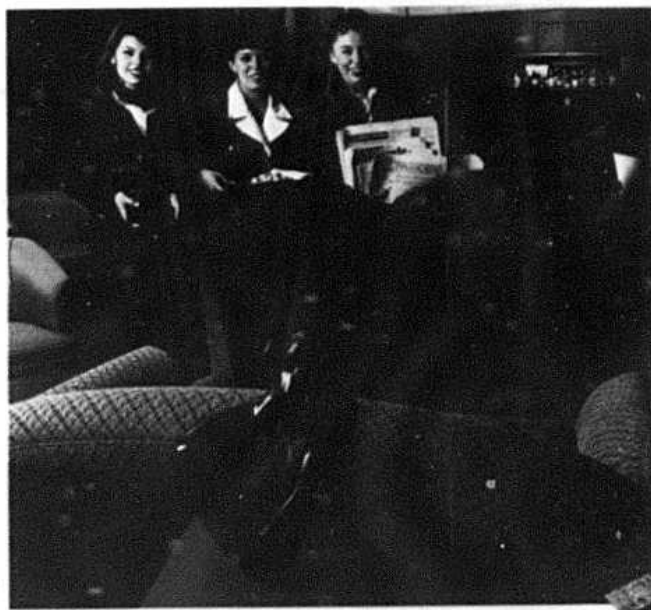
Additionally, since beginning its ground handling operations at Schiphol Airport in Amsterdam in 1993, Ogden has attracted more than 40 airline customers at that location. During 1994, Ogden received new awards for cargo service contracts at Schiphol. Worldwide, Ogden currently provides cargo services for 27 airlines at 16 airports around the world for a total volume of 115 million pounds per year.

In Latin America, Ogden began providing ground handling services at Jorge Chávez International Airport in Lima, Peru; added United Airlines to its existing ground handling operations at Guarulhos International Airport in São Paulo and Galeão International Airport in Rio de Janeiro, Brazil; and became a major ground handler at Simón Bolívar Airport in Caracas, Venezuela, where it now provides ramp and cargo handling, passenger service, aircraft line maintenance, and flight dispatch services for such customers as United Airlines and Lufthansa German Airlines. In addition, Ogden signed long-term contracts to manage and operate VIP lounges at the new international terminals at Arturo Merino Benítez Airport in Santiago, Chile, and Mexico International Airport in Mexico City, which serve passengers from a range of airlines. Ogden also designed and managed the construction of these projects.

With its solid foothold in Europe and Latin America, Ogden has taken the first steps toward expanding its presence into Asia—the world's fastest growing aviation market; the Middle East; and Africa, largely through the pursuit of joint ventures. By combining local resources and knowledge with its proven capabilities and reputation, Ogden is strategically positioned to respond

successfully to the opportunities developing around the world. success of a consortium, led by Ogden and Macau Aviation Services Corporation (a subsidiary of the Civil Aviation Authority of China), which was awarded a 19-year contract, with a 16-year exclusivity arrangement, to provide ramp and cargo handling, passenger services, and aircraft line maintenance at the new Macau International Airport, expected to be operational in late 1995.

As part of the agreement, Ogden will provide all necessary passenger and ramp equipment and build cargo and engineering facilities, an aircraft hangar, and a state-of-the-art training center. Ogden considers the successful start-up of operations at Macau to be a critical element in penetrating the Chinese market, which is the fastest growing aviation market in the Asia Pacific region.

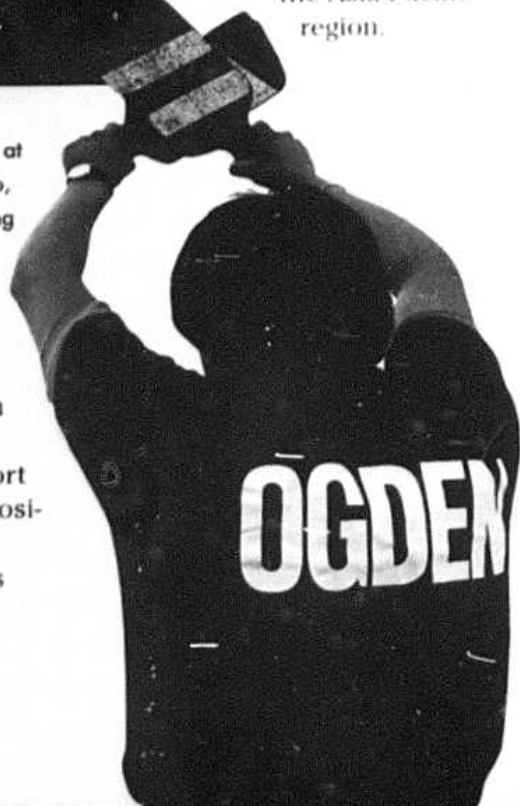


Ogden signed long-term contracts to manage and operate two VIP lounges at new international terminals in Santiago, Chile, and Mexico City (above), serving passengers from a range of airlines.

successfully to the opportunities developing around the world.

In early 1995, Ogden began ground handling operations at Karachi International Airport in Pakistan, which will help position Ogden for future ground handling opportunities in this area of the world.

Ogden's most significant achievement in 1994 was the



Maintaining its strong catering niche

Many airline caterers have lost business during the last several years because of a reduction in the number of full-service meals required by their clients. Since most of Ogden's in-flight catering is for long-haul flights involving the provision of at least one full meal per flight, Aviation has maintained its strong market niche, currently preparing more than 25 million meals each year. In 1994, Ogden's airline food service operations expanded through new contracts, acquisitions, and strategic alliances.

Ogden was awarded a contract to provide catering services for Virgin Atlantic Airways in Los Angeles and San Francisco and also successfully renegotiated and extended several multistation catering agreements with such airlines as Qantas Airways (Los Angeles and Honolulu); Air New Zealand (Los Angeles and Honolulu); Philippines Airlines (San Francisco, Los Angeles, and Honolulu); United Airlines (Las Vegas); Swissair (Los Angeles and New York); and Finnair (Miami and New York).

Ogden increased its competitiveness in this market through the acquisition from TWA of an in-flight catering kitchen at Los Angeles International Airport. The kitchen, Aviation's third at this location, is well-situated and significantly increases the total square footage by 65,000 square feet over 5.25 acres; offers improved access to existing clients; and creates expan-

sion possibilities by strengthening Aviation's service capability.

On the international front, Ogden began operating four catering kitchens in the Canary and Balearic Islands, bringing to 18 the total number of kitchens that Ogden operates.

Fueling growth through new technology

Overall, Ogden provides 30% of the commercial airline fuel volume in the United States and 65% in Canada. At the same time, Ogden—the world's largest provider of airline fueling services—is beginning to take advantage of government deregulation and privatization in key regions of the world and to improve its competitiveness in the United States with new, efficient technologies.

To maintain its competitive advantage, Ogden is in the process of developing fuel accounting and automation technology that would reduce manpower needs and costs for both Ogden and its customers, accelerate billing and collection, and meet the future needs of the airlines' electronic information management systems.

In 1994, Ogden signed a new five-year contract with Continental Airlines to provide fueling services at Houston Intercontinental Airport. As part of the contract, Ogden is offering "towable" hydrant carts, which reduce equipment capital



expenditures by 25% and are expected to lower equipment maintenance costs by as much as 65%. Ogden also renegotiated contracts at Newark and Washington/Dulles airports, both for three years, under which Ogden will provide fueling services for all airlines. Internationally, Ogden

signed a 10-year contract to serve as the sole fuel handling agent at Tocumen International Airport in Panama City, Panama, and has been awarded a five-year contract to fuel the majority of airlines at Luis Muñoz Marín International Airport in San Juan, Puerto Rico. The start-up in San Juan is expected to begin in mid-1995.

Building on a foundation

Ogden's growth in 1994 is the result of a consistent plan to maintain its service leadership in North America and aggressively pursue every opportunity for aviation services emerging around the world. The continuing global trend toward privatization of airport operations and development of airport projects offers Aviation a large number of such opportunities, and Ogden expects to combine its Aviation services skills with the excellent project development capability, financing track record, and construction expertise of its Projects group to capitalize on these opportunities.

“One-Stop Shopping” at Environmental

Companies and government agencies worldwide are making major efforts to protect the environment and remedy existing environmental problems. In order to accomplish this, they are turning to diversified environmental service providers that can meet their needs through comprehensive service agreements—“one-stop shopping.” Ogden’s Environmental

group, with its international scope and proven capability to manage successfully large, multi-year,

multidisciplinary environmental projects anywhere on the globe, makes Ogden well-positioned to respond to these opportunities. During 1994, Ogden continued to expand its environmental, remediation, and analytical laboratory businesses.



Ogden continues its successful relationship with the Air Force Center for Environmental Excellence under another large multiyear assignment as part of a team that performs remediation services at Air Force bases nationwide.

Ogden’s successful performance under these and other major contracts demonstrates that Ogden has the expertise to manage and support effectively large, complex, and diverse environmental cleanup and management programs for the Federal government. In addition, major companies such as TRW, Ford, and Chevron have selected Ogden to provide services in support of their most critical environmental initiatives. Ogden’s work for commercial clients takes the Corporation to numerous sites around the world and further demonstrates that it is an industry leader in environmental services.

Other major contract awards to Ogden include a five-year contract from the National Guard Bureau and the Air National Guard Readiness Center to provide environmental compliance and training services at selected bases nationwide; selection by the United States Army Corps of Engineers in Alaska of a joint venture formed by Ogden and Dowl Engineering, Ogden’s

Major environmental cleanup assignments

Among the most significant new work is a large increase in Ogden’s existing contract with the Naval Facilities Engineering

Command in the Pacific.

Known as CLEAN (Comprehensive Long-Term

Environmental

Action Navy), the

contract is a multiyear assignment involving

environmental analysis, testing, and remediation

at Navy bases throughout the Pacific Rim. In addition to

the contract increase, which nearly doubled

its monetary value,

Ogden was designated by the

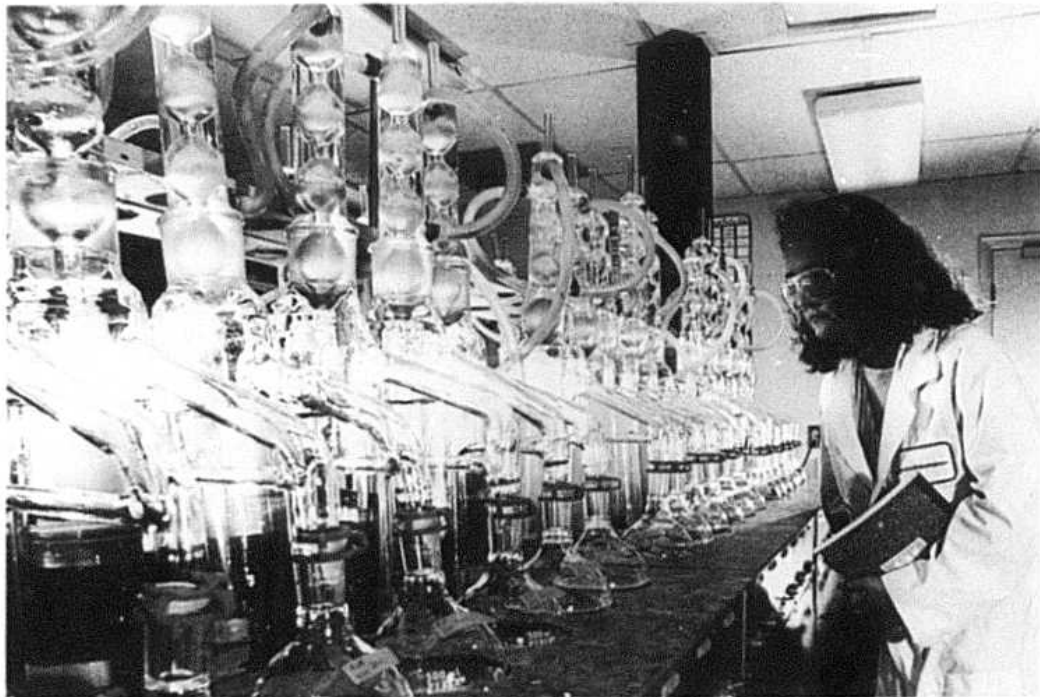
Navy as a Level I

contractor, which is the

Navy’s highest contractor rating.

Alaskan partner, to manage a large hazardous, toxic, and radioactive waste project; selection by the United States Army Corps of Engineers in Fort Worth, Texas, of a team on which Ogden plays a major role to perform environmental studies for a number of Federal government agencies; and an award by Metro North Railroad in Croton, New York, of a contract to remediate a PCB-contaminated site.

Internationally, Ogden is attracting business in the growing European and Asian marketplaces. Ogden umwelt und energie systeme gmbh, Ogden's German subsidiary, received in 1994 two increases to existing contracts from the United States Army Corps of Engineers,



Ogden's mixed-waste laboratory in Fort Collins, Colorado (above and on page 18) generated substantial new business in 1994.

European District, to support the cleanup of American military bases being closed throughout Europe; Compañía General de Sondeos, S.A., Ogden's Spanish subsidiary, continues its strong performance in the environmental and geophysical markets in Spain and other European locations; and Ogden's affiliate IEA of

Japan has grown to be a recognized leader in the nuclear utility consulting field and achieved record profits in 1994.

Quick, efficient analysis just about anywhere

In its analytical laboratory business, Ogden provides government and industry with comprehensive testing and data analyses to meet tough environmental and regulatory requirements. With a network of eight fixed and eight mobile full-service facilities, Ogden can provide analytical services to a wide variety of clients throughout the United States. Ogden's mixed-waste laboratory in Fort Collins, Colorado, generated substantial new contract work, and the mobile laboratory operations completed a major five-month, \$1-million Navy CLEAN project in Yuma, Arizona, to test for contaminants in approximately 2,600 soil samples.



Compañía General de Sondeos, S.A., is currently involved in a hydraulic resources project in and around the city of Málaga and a major national water resources project in Spain's Duero Basin.



Ogden's group of technology- based companies

positioned themselves to expand in significant niche

Atlantic Design Takes Advantage of Outsourcing Trend

Atlantic Design, which designs, engineers, assembles, and distributes electronic products and components, continued to take advantage of the outsourcing now sweeping the electronics industry.

Atlantic Design recently added the fast-growing EMC Corporation to its client list as a principal supplier of turnkey assembly and testing of printed circuit boards for EMC Corporation's mass storage and client server product lines.

Leading original equipment manufacturers are increasingly turning to Atlantic Design to design, engineer, assemble, and distribute electronic products and components.

In addition, Atlantic Design won a multiyear contract with AT&T Tridom of Atlanta, Georgia, to manufacture an entire product line of satellite communications equipment and successfully launched the first Custom Integrated Services product—an electronic notebook "fast charger" component—for Compaq Computer.

Expanding its manufacturing partnership with Netrix Corporation in Virginia, Atlantic Design is now responsible for the full assembly of Netrix printed circuit boards and is the sole manufacturer and assembler of printed

circuit boards for a key Netrix subsidiary.

Performance results from Atlantic Design's Lenzar unit, which develops and markets a range of high-technology products, have improved steadily, and the unit was selected to convert microfiche images to digital storage medium for the Federal Aviation Agency.

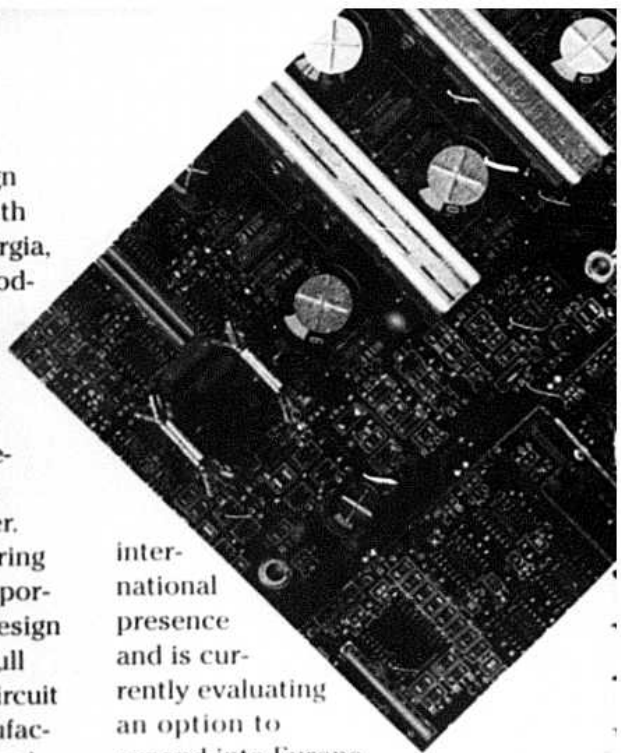
With a 40-year track record of service as well as

expanded capabilities at its production facilities, Atlantic Design is proving that it can attract quality, profitable business from some of the largest and best recognized companies in the industry. Having solidified its reputation in the United States, the group now intends to establish an

international presence and is currently evaluating an option to expand into Europe.

The expansion of Ogden's Technology services

In early 1995, the team of Ogden's complementary technology-based companies was significantly strengthened with the acquisition of Applied Data Technology, Inc. (ADTI), of San Diego, California. ADTI is the nation's leading supplier of air combat maneuvering instrumentation systems and after-action reporting and display systems. Currently, ADTI has the only leading-edge technology contract for interfacing live air ranges with simulator exercises. Operational readiness has first priority within the defense budget, and funding for training system improvements such as Top Gun and Red Flag, which are supplied by ADTI, is growing in importance.



Significant accomplishments during 1994

Ogden's other Technology groups received additional contracts during the year. The Systems Engineering group was awarded its second consecutive contract by the General Services Administration to study and analyze information systems requirements for government agencies in the Washington, D.C., area and a new five-year contract to analyze, design, and develop data systems, particularly scientific and mathematical applications, for government agencies in the western United States. W.J. Schafer Associates won new contracts and contract extensions, including an assignment from the Defense Nuclear Agency to define and analyze sensor architectures that assess bomb damage to underground targets; a program with the Department of Energy to

markets in 1995 and beyond.

help develop an advanced technique for producing large-scale electric power; and the continuation of a United States Army engagement to help develop the Theatre High Altitude Air Defense program. The Applied Engineering group was awarded additional work by the United States Navy to provide a wide

range of engineering and technical services for strategic and tactical communications systems and system integration programs on major



Navy combat vessels. The BioServices group was awarded a five-year contract from the Walter Reed Army Institute of Research to help establish and operate two laboratory facilities in Bangkok, Thailand, to collect, process, and store HIV-contaminated blood samples and was awarded additional multiyear projects by the American Red Cross, the National Institutes of Health, the National Cancer Institute, Walter Reed, the Centers for Disease Control, and other agencies.

As 1995 progresses, the components of our Technology group will combine their expertise to seek new, broader markets in both the government and commercial environments.

SERVICES

Facility

Taking Care of Business

Ogden's Facility group continued to provide a full range of services at office buildings, industrial facilities, and academic institutions in the United States and Canada.

During 1994, in order to maintain its competitive advantage, the group implemented two complementary marketing strategies. The first involves the pursuit of single-task contract awards at multiple loca-



Ogden's Facility group services the University of Miami as well as a number of other educational institutions throughout North America.



tions for the same client; the second, total facility management for corporate customers. The dramatic increase in the focus by corporations on their core businesses, leading to a desire to outsource support activity, created a number of opportunities for the Facility group during the year.

The group secured multiyear contracts to provide facility management services for such leading corporations as US West, Goodyear, and MITRE Corporation, and it agreed to provide multisite warehouse management services for B.F. Goodrich's Geon Division. The group also won two important corporate assignments for security services—one at BASF's new headquarters in Mount Olive, New Jersey; the other at Ameritech's headquarters in Chicago, Illinois.

Facility also strengthened its position in the educational market by adding Miles College in Alabama and the University of Northern British Columbia in Canada to its growing roster of facility management clients.

OGDEN

Exceeding Client Expectations

**for More than
a Century**

For more than 100 years, Ogden's employees have been consistently exceeding the requirements of typical service contracts as we deliver the highest level of service to clients as well as the communities in which we do business. The following examples speak for themselves:

- When the West Michigan Environmental Action Council created an Adopt-a-Stream program dedicated to protecting the state's 350 miles of natural waterways, Ogden responded to the call by adopting the section of the Grand River that runs directly in front of its Kent County waste-to-energy facility. Volunteers from the facility participate in regular cleanups to help keep the river clean and healthy.
- During 1994, as manager of the Carlson Center in Fairbanks, Alaska, our Entertainment group assisted the Red Cross in providing relief to local flood victims. Ogden's staff worked around the clock to supply food, clothing, and medical services to nearly 200 people.
- At Amsterdam's Schiphol Airport, our staff and management join forces to support worthy causes and annually handle a special Britannia Airways charter excursion for disadvantaged children.
- Ogden BioServices delivers investigational new drugs to desperately ill patients. The group is currently furnishing prescription drugs to requesting physicians in less than six hours, 24 hours a day, and seven days a week anywhere in the United States.
- During intense flooding along the Mississippi River in 1993, employees of the Facility group helped build and fortify a levee to protect a client's vulnerable operational areas, working up to 20-hour days. Overtime totaled over 30,000 hours, and damage to the client's facility was minimized.

Management's Discussion and Analysis of Consolidated Operations

At December 31, 1994, in connection with Ogden's acquisition of the publicly traded shares of Ogden Projects, Inc. (OPI), Ogden reclassified its business segments. Ogden now classifies its business segments as Services (formerly "Operating Services") and Projects (formerly "Waste-to-Energy Operations"). Independent power activities, formerly part of Operating Services, are now part of Projects, reflecting consolidation of the overall management of these activities within OPI. Projects now includes waste-to-energy activities, the independent power business, water and wastewater projects, and Ogden's construction activities. Within the Services segment, certain business activities have been reclassified. The Environmental Services group no longer includes independent power, the Government Services group has been renamed Technology Services, and all facility management service contracts for government customers have been transferred to the Facility Management Services group. The discussion and analysis that follow reflect these reclassifications.

Operations: Revenues for 1994 were \$70,800,000 higher than the comparable period of 1993, primarily due to increased revenues of \$24,100,000 in Aviation Services reflecting the start-up of operations in Brazil and increased activity in Venezuela, Chile, and European operations; \$30,200,000 in Technology Services, primarily in the Atlantic Design group and the Systems Engineering group reflecting several new contracts and increased customer activity; \$18,500,000 in Environmental Services, primarily reflecting increased activity in the consulting group; \$26,900,000 in waste-to-energy services due primarily to increased revenues at the Detroit, Michigan, Hartford, Connecticut, and Honolulu, Hawaii, facilities acquired in January 1993 and the start-up and full operation of the Union County, New Jersey, facility; \$3,800,000 in the independent power group, reflecting increased geothermal power production, and \$26,100,000 relating to the gain on the sale of limited partnership interests in and related tax benefits of the Onondaga County, New York, facility. These increases were partially offset by lower revenues of \$24,800,000 in the Facility Management Services group due primarily to the loss of several building cleaning contracts and certain utility maintenance contracts and a reduction in construction revenues of \$35,300,000, primarily due to reduced construction activity at the Union County facility completed in May 1994, and the Lee County, Florida, facility completed in December 1994.

Consolidated operating income was \$16,200,000 higher than 1993, primarily due to an increase of \$3,500,000 in Technology Services, reflecting several new contracts and increased customer activity in the Atlantic Design group, an increase of \$1,600,000 in waste-to-energy services (service revenues less operating costs and debt service charges), chiefly associated with the start-up and full commercial operations of the Union County facility and partially offset by additional maintenance work at the Detroit facility, additional provisions totaling \$8,000,000 for deferred proposal costs, litigation and contractor settlement costs, and increased debt service charges of \$1,700,000; an increase of \$1,700,000 in independent power, primarily reflecting increased activity; an increase in construction income (construction revenues less construction costs) of \$2,600,000, primarily due to increased activity at the Montgomery County, Maryland, facility, and a gain of \$26,100,000 from the sale of limited partnership interests in and related tax benefits of the Onondaga County facility. These increases were partially offset by lower earnings of \$5,000,000 in Facility Management Services, reflecting the loss of several building cleaning and utility maintenance contracts; lower earnings of \$2,500,000 in Aviation Services, reflecting lower margins in the in-flight catering group; and a loss on the devaluation of the Mexican peso, partially offset by increased earnings in overseas ground services operations, and lower earnings of \$2,200,000 in Entertainment Services, primarily reflecting the effect of the baseball strike and hockey lockout and start-up of overseas operations, partially offset by the opening of Arrowhead Pond of Anaheim and several new customers. Selling, administrative, and general expenses increased \$10,600,000 due primarily to increased overhead costs including marketing efforts related to new industries and international markets for both the Projects and Services segments. Debt service charges increased \$1,700,000. This increase was due to higher interest rates resulting from the conversion of one series of adjustable-rate project debt to fixed rates in 1993 and higher interest rates resulting from two fixed interest rate swap agreements entered into as hedges against two series of adjustable rate project debt. The swap agreements resulted in additional debt service charges of \$1,400,000 and \$1,500,000 in 1994 and 1993, respectively.

Interest income for 1994 was \$3,500,000 higher than in 1993, primarily reflecting interest earned on loans made in the second half of 1994 and higher interest rates on earnings from investments. Interest expense for 1994 was \$3,400,000 higher than in 1993, reflecting higher borrowings and a reduction of \$2,600,000 in income received on two interest rate swap agreements covering notional amounts of \$100,000,000 each. One swap agreement expired in March 1994. The other swap agreement expires on December 16, 1998. These swap agreements were entered into in order to convert Ogden's fixed-rate \$100,000,000 9.25% debentures to variable rate debt. Income received on these swaps was \$800,000 and \$3,400,000 in 1994 and 1993, respectively.

The effective income tax rate for 1994 was 44.4%, compared with 45.0% for 1993. This decrease reflects a charge of \$4,100,000 in 1993 reflecting the adjustment of prior years' deferred income tax balances to the new 35% rate enacted in 1993 in accordance with Statement of Financial Accounting Standards (SFAS) 109, offset by \$3,600,000 in 1994 due to the recapture of investment tax credits relating to the sale of certain tax benefits with respect to the Onondaga County facility. Note 20 to the Consolidated Financial Statements contains a more detailed reconciliation of the variances from the Federal statutory income tax rate.

Revenues for 1993 were \$270,500,000 higher than the comparable period of 1992, reflecting increased revenues of \$30,000,000 in Entertainment Services primarily due to new contracts and increased customer activity principally at sports venues; \$17,900,000 in Aviation Services, chiefly associated with the in-flight catering group and the Mexican and European ground handling operations due to increased customer activity and the start-up of operations at Schiphol Airport in Holland; and \$3,200,000 in Environmental Services, reflecting the acquisition of a Spanish environmental services company in 1993. Waste-to-energy service revenues increased \$60,000,000 primarily due to the operations of the three waste-to-energy plants acquired from RRS Holdings, Inc. (RRS) the waste-to-energy subsidiary of Asea Brown Boveri Inc. on January 8, 1993; independent power production increased \$4,100,000, chiefly associated with increased activity; and construction revenues increased \$161,800,000 due to increased construction activity at the Lee County, Detroit, and Montgomery County waste-to-energy facilities. These increases were partially offset by a reduction of \$7,700,000, arising from the sale of limited partnership interests in and related tax benefits of the Huntington, New York, waste-to-energy facility in 1992.

Consolidated operating income was \$8,800,000 higher than 1992, primarily reflecting an increase in waste-to-energy service income (service revenues less operating costs and debt service charges) of \$9,100,000, chiefly associated with increased activity at existing facilities, the addition of three RRS plants in January 1993, and a decrease in debt service charges of \$1,100,000; \$500,000 in independent power operations, reflecting increased production; \$14,000,000 in construction income due to increased activity; \$3,900,000 in

Entertainment Services due to new contracts and increased customer activity, principally at sports venues, \$1,900,000 at Universal Ogden reflecting increased activity in the offshore remote services business; and \$300,000 in Environmental Services, primarily due to the acquisition of a Spanish environmental services company. These increases were partially offset by a reduction of \$7,700,000, reflecting the gain in 1992 from the sale of limited partnership interests in and related tax benefits of the Huntington waste-to-energy facility. Selling, administrative, and general expenses for both the Projects and Services segments increased \$14,300,000 due to increased overhead costs including marketing efforts relating to new industries and international markets. Debt service charges were \$1,100,000 lower due primarily to a repayment of project debt from excess construction proceeds as part of a refinancing. This decrease was partially offset by higher interest rates on certain variable-rate debt and higher interest expense resulting from two interest rate swap agreements entered into in May 1993 as hedges against interest rate exposure on two series of adjustable-rate project debt. The interest rate swap agreements resulted in an additional \$1,500,000 of debt service charges in 1993.

In December 1993, the Corporation adopted a plan to discontinue its fixed-site hazardous waste business. The net charge for all discontinued operations' activity in 1993, which was not material, has been included in operating costs and expenses. (See Note 21 to the Consolidated Financial Statements for a more detailed discussion of Discontinued Operations.)

Interest income for 1993 was \$200,000 lower than 1992, primarily reflecting income from the investment of the proceeds from the 9.25% debentures issued in March 1992, partially offset by lower interest rates on investments and the collection of 2% subordinated note bearing interest above the prime rate. Interest expense for 1993 was \$600,000 higher than 1992, primarily reflecting interest costs on the 9.25% debentures issued in March 1992, partially offset by lower interest costs on the Corporation's variable-rate debt and increased income received on two interest rate swap agreements covering notional amounts of \$100,000,000 each. One swap was entered into in November 1993. These swaps were entered into in order to convert Ogden's fixed-rate \$100,000,000 9.25% debentures to variable-rate debt. Income received on these swaps amounted to \$3,400,000 and \$2,300,000 in 1993 and 1992, respectively.

The effective income tax rate for 1993 was 45.0%, compared with a 40.1% rate for the comparable period of 1992. This increase of 4.9% is chiefly associated with the Omnibus Budget Reconciliation Act of 1993, signed in August 1993, which increased the Federal income tax rate from 34% to 35% retroactively to January 1, 1993. As a consequence, deferred income tax balances were adjusted to reflect the new tax rate as required by SFAS 109, which resulted in a one-time charge for Federal income taxes of \$4,100,000 in 1993. Note 20 to the Consolidated Financial Statements contains a more detailed reconciliation of the variances from the Federal statutory income tax rate.

Capital Investments, Commitments, and Liquidity: During 1994, capital investments amounted to \$119,700,000, of which \$76,700,000, inclusive of restricted funds transferred from funds held in trust, was for Projects' waste-to-energy operations and \$43,000,000 was for normal replacement and growth in Services, Projects, and for Corporate equipment.

At December 31, 1994, capital commitments amounted to \$49,900,000, which includes commitments for equity investments (over and above restricted funds provided by revenue bonds issued by municipalities) of \$2,600,000 for Projects' waste-to-energy facilities and \$47,300,000 for normal replacement, modernization, and growth in Services' and Projects' operations.

In 1994, Ogden Corporation's Board of Directors increased from 2,000,000 to 3,200,000 the number of shares authorized to be repurchased by the Corporation from time to time in the open market. The Corporation has not purchased any of its shares.

Ogden and certain of its subsidiaries have issued or are party to performance bonds and guarantees and related contractual obligations undertaken mainly pursuant to agreements to construct and operate certain waste-to-energy, entertainment, and other facilities. In the normal course of business, they are involved in legal proceedings in which damages and other remedies are sought. Management does not expect that these contractual obligations, legal proceedings, or any other contingent obligations incurred in the normal course of business will have a material adverse effect on Ogden's Consolidated Financial Statements.

During 1994, a subsidiary of the Corporation has entered into a 30-year facility management contract pursuant to which it has agreed to advance funds to a customer, if necessary and only upon satisfactory completion of construction of the facility, to assist in refinancing senior secured debt incurred in connection with construction of the facility. Such refinancing requirements are not expected to exceed \$67,000,000 at maturity of the senior secured debt, which is expected to be on or about March 1, 2001. Ogden continues as guarantor of senior bonds and letters of credit totaling approximately \$19,200,000 on behalf of International Terminal Operating Co., Inc. and has guaranteed borrowings of certain customers amounting to approximately \$20,300,000. Management does not expect that these arrangements will have a material adverse effect on Ogden's Consolidated Financial Statements.

Ogden's obligation as guarantor on behalf of Avondale Industries, Inc., with respect to \$36,000,000 of Industrial Revenue Bonds as well as other contingent obligations under which Ogden may have been required to purchase Avondale preferred stock, ended June 1, 1994.

Projects' waste-to-energy facilities are financed to a large degree by revenue bonds issued by the municipalities for facility construction. Other capital commitments and payments, if any, required by guarantees, are expected to be satisfied from cash flow from operations, available funds, including short-term investments, and the Corporation's unused credit facilities to the extent needed. At December 31, 1994, the Corporation had \$204,000,000 in cash, cash equivalents, and marketable securities and unused revolving credit lines of \$162,000,000.

Ogden expects to continue its strategy of developing and offering new services to an increasing number of customers. This strategy includes the expansion of the waste-to-energy business, independent power generating capabilities, and the development of water and wastewater treatment projects as well as the continued development of the Corporation's services product lines, both in the United States and abroad. Acquisitions are expected to be a continuing factor in the future growth of Ogden.

Selected Financial Data

December 31	1994	1993	1992	1991	1990
(in thousands of dollars, except per-share amounts)					
Total Revenues	\$2,110,185	\$2,039,337	\$1,768,815	\$1,567,568	\$1,556,406
Income (Loss) From:					
Continuing operations	67,826	62,130	60,767	57,604	58,072
Discontinued operations				(13,880)	(2,160)
Cumulative effect of changes in accounting principles	(1,520)	(5,340)	(5,186)		
Net income	66,306	56,790	55,581	43,724	55,912
Earnings (Loss) Per Common Share:					
Continuing operations	1.55	1.43	1.41	1.33	1.36
Discontinued operations				(0.32)	(0.05)
Cumulative effect of changes in accounting principles	(0.03)	(0.12)	(0.12)		
Total	1.52	1.31	1.29	1.01	1.31
Earnings (Loss) Per Common Share— Assuming Full Dilution:					
Continuing operations	1.54	1.42	1.40	1.32	1.34
Discontinued operations				(0.32)	(0.05)
Cumulative effect of changes in accounting principles	(0.03)	(0.12)	(0.12)		
Total	1.51	1.30	1.28	1.00	1.29
Total Assets	3,644,886	3,340,729	3,187,826	2,846,254	2,690,448
Long-Term Obligations	2,047,031	1,946,547	2,003,091	1,781,576	1,682,354
Shareholders' Equity	596,818	486,267	481,084	478,122	484,482
Shareholders' Equity Per Common Share	12.21	11.15	11.11	11.09	11.26
Cash Dividends Declared Per Common Share	1.25	1.25	1.25	1.25	1.31

Net income in 1993 was reduced by \$08 per share, reflecting the retroactive effect of the increased Federal income tax rate that was enacted in August 1993 on the prior years' deferred income tax balances.

Statements of Consolidated Income

For the years ended December 31,	1994	1993	1992
Service revenues	\$1,414,348,000	\$1,367,557,000	\$1,283,453,000
Net sales	456,586,000	423,329,000	390,994,000
Construction revenues	213,125,000	248,451,000	86,687,000
Gain on sale of limited partnership interests	26,126,000		7,681,000
Total revenues	<u>2,110,185,000</u>	<u>2,039,337,000</u>	<u>1,768,815,000</u>
Operating costs and expenses	1,125,303,000	1,073,684,000	989,771,000
Costs of goods sold	405,190,000	376,553,000	359,736,000
Construction costs	194,022,000	231,956,000	84,212,000
Selling, administrative, and general expenses	135,852,000	125,219,000	110,872,000
Debt service charges	100,358,000	98,664,000	99,734,000
Total costs and expenses	<u>1,960,725,000</u>	<u>1,906,076,000</u>	<u>1,644,325,000</u>
Consolidated operating income	149,460,000	133,261,000	124,490,000
Interest income	12,709,000	9,181,000	9,359,000
Interest expense	(23,655,000)	(20,289,000)	(19,721,000)
Other income (deductions) - net	850,000	3,348,000	(1,253,000)
Income before income taxes and minority interests	139,364,000	125,501,000	112,875,000
Less: income taxes	61,883,000	56,526,000	45,255,000
minority interests	9,655,000	6,845,000	6,853,000
Income before cumulative effect of changes in accounting principles	67,826,000	62,130,000	60,767,000
Cumulative effect of changes in accounting principles (net of income taxes of \$1,100,000 and \$3,710,000 for 1994 and 1993, respectively, and including minority interest of \$6,582,000 for 1992)	(1,520,000)	(5,340,000)	(5,186,000)
Net income	<u>\$ 66,306,000</u>	<u>\$ 56,790,000</u>	<u>\$ 55,581,000</u>
Earnings (Loss) Per Common Share:			
Income before cumulative effect of changes in accounting principles	\$ 1.55	\$ 1.43	\$ 1.41
Cumulative effect of changes in accounting principles	(0.03)	(0.12)	(0.12)
Total	<u>\$ 1.52</u>	<u>\$ 1.31</u>	<u>\$ 1.29</u>
Earnings (Loss) Per Common Share—Assuming Full Dilution:			
Income before cumulative effect of changes in accounting principles	\$ 1.54	\$ 1.42	\$ 1.40
Cumulative effect of changes in accounting principles	(0.03)	(0.12)	(0.12)
Total	<u>\$ 1.51</u>	<u>\$ 1.30</u>	<u>\$ 1.28</u>

See Notes to Consolidated Financial Statements

Ogden Corporation and Subsidiaries
Consolidated Balance Sheets

Assets	December 31,	1994	1993
Current Assets			
Cash and cash equivalents		\$ 117,359,000	\$ 109,097,000
Marketable securities available for sale		86,676,000	94,247,000
Restricted funds held in trust		104,700,000	132,273,000
Receivables (less allowances: 1994, \$32,783,000 and 1993, \$25,547,000)		585,959,000	506,727,000
Deferred income taxes		26,451,000	28,219,000
Other		74,752,000	61,995,000
Total current assets		995,897,000	932,558,000
Property, plant, and equipment—net			
Property, plant, and equipment—net		1,884,774,000	1,693,801,000
Restricted funds held in trust		203,244,000	227,143,000
Unbilled service and other receivables		171,441,000	145,542,000
Unamortized contract acquisition costs		133,172,000	111,681,000
Goodwill and other intangible assets		100,416,000	83,352,000
Other assets		155,942,000	146,452,000
Total Assets		\$3,644,886,000	\$3,340,729,000
Liabilities and Shareholders' Equity			
Current Liabilities:			
Current portion of long term debt		\$ 3,483,000	\$ 3,070,000
Current portion of project debt		45,279,000	32,632,000
Dividends payable		13,637,000	13,594,000
Accounts payable		93,362,000	84,917,000
Federal income taxes payable		10,141,000	453,000
Accrued expenses, etc.		346,997,000	295,181,000
Total current liabilities		512,899,000	429,847,000
Long-term debt:			
Long-term debt		304,393,000	276,063,000
Project debt		1,593,988,000	1,518,734,000
Deferred income taxes		281,065,000	227,275,000
Other liabilities		196,305,000	176,682,000
Minority interest		10,768,000	74,111,000
Convertible subordinated debentures		148,650,000	151,750,000
Total Liabilities		3,048,068,000	2,854,462,000
Shareholders' Equity		596,818,000	486,267,000
Total Liabilities and Shareholders' Equity		\$3,644,886,000	\$3,340,729,000

See Notes to Consolidated Financial Statements

Statements of Shareholders' Equity

For the years ended December 31,	1994	1993	1992
Serial Cumulative Convertible Preferred Stock, Par Value \$1.00 Per Share; Authorized, 4,000,000 Shares:			
Balance at beginning of year	\$ 57,000	\$ 62,000	\$ 68,000
Shares converted into common stock	(3,000)	(5,000)	(6,000)
Balance at end of year (shares outstanding: 54,000 in 1994, 54,000 in 1993, 62,000 in 1992; aggregate involuntary liquidation value—1994, \$1,078,000)	54,000	57,000	62,000
Common Stock, Par Value \$5.50 Per Share; Authorized, 80,000,000 Shares:			
Balance at beginning of year	21,750,000	21,595,000	21,497,000
Acquisition of Ogden Projects, Inc., minority interests	2,570,000		
Exercise of stock options, less common stock utilized	57,000	95,000	76,000
Conversion of preferred shares	11,000	14,000	18,000
Conversion of 5% debentures		46,000	4,000
Balance at end of year (shares outstanding: 48,777,000 in 1994, 43,409,000 in 1993, 43,190,000 in 1992)	24,388,000	21,750,000	21,595,000
Capital Surplus:			
Balance at beginning of year	100,223,000	94,659,000	90,551,000
Acquisition of Ogden Projects, Inc., minority interests	91,876,000		
Exercise of stock options, less common stock utilized	2,164,000	3,640,000	2,623,000
Capital transactions of subsidiary companies—net	241,000	696,000	1,379,000
Conversion of preferred shares	(8,000)	(10,000)	(12,000)
Conversion of 5% debentures		1,238,000	118,000
Balance at end of year	194,496,000	100,223,000	94,659,000
Earned Surplus:			
Balance at beginning of year	370,231,000	367,908,000	366,410,000
Net income	66,306,000	56,790,000	55,581,000
Total	436,537,000	424,698,000	421,991,000
Preferred dividends—per share 1994, 1993, and 1992, \$3.35	184,000	199,000	213,000
Common dividends—per share 1994, 1993, and 1992, \$1.25	54,489,000	54,268,000	53,870,000
Total dividends	54,673,000	54,467,000	54,083,000
Balance at end of year	381,864,000	370,231,000	367,908,000
Cumulative Translation Adjustment—Net	(1,399,000)	(4,639,000)	(2,544,000)
Pension Liability Adjustment	(441,000)	(928,000)	
Net Unrealized Loss on Securities Available For Sale	(2,144,000)		
Net Unrealized Loss on Noncurrent Marketable Equity Securities		(427,000)	(596,000)
Total Shareholders' Equity	\$596,818,000	\$486,267,000	\$481,084,000

See Note 1 to consolidated Financial Statements.

Statements of Consolidated Cash Flows

For the years ended December 31,	1994	1993	1992
Cash Flows From Operating Activities:			
Net income	\$ 66,306,000	\$ 56,790,000	\$ 55,581,000
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation and amortization	90,545,000	85,643,000	77,048,000
Deferred income taxes	37,704,000	47,598,000	37,547,000
Cumulative effect of changes in accounting principles	1,520,000	5,340,000	5,186,000
Other	44,062,000	24,653,000	20,322,000
Management of Operating Assets and Liabilities:			
Decrease (Increase) in Assets:			
Accounts receivable	(72,067,000)	(61,559,000)	(72,751,000)
Other assets	(58,727,000)	(36,450,000)	(29,684,000)
Increase (Decrease) in Liabilities:			
Accounts payable	3,153,000	8,087,000	383,000
Accrued expenses	17,629,000	38,481,000	12,993,000
Deferred income	1,222,000	(1,152,000)	(926,000)
Other liabilities	35,218,000	24,315,000	(6,864,000)
Net cash provided by operating activities	<u>166,565,000</u>	<u>191,746,000</u>	<u>98,835,000</u>
Cash Flows From Investing Activities:			
Entities purchased, net of cash acquired	(32,404,000)	(54,224,000)	(7,940,000)
Proceeds from sale of marketable securities available for sale	63,545,000	88,775,000	136,154,000
Purchase of marketable securities available for sale	(56,418,000)	(83,084,000)	(199,178,000)
Proceeds from sale of business	12,516,000		
Proceeds from sale of property, plant, and equipment	2,824,000	8,185,000	1,234,000
Investments in waste-to-energy facilities	(76,686,000)	(77,777,000)	(29,836,000)
Other capital expenditures	(42,961,000)	(38,423,000)	(34,201,000)
Decrease (increase) in other receivables	(21,127,000)	(7,920,000)	12,490,000
Other	268,000	7,111,000	7,658,000
Net cash used in investing activities	<u>(150,443,000)</u>	<u>(157,357,000)</u>	<u>(113,639,000)</u>
Cash Flows From Financing Activities:			
Borrowings for waste-to-energy facilities			225,686,000
Decrease (increase) in funds held in trust for waste-to-energy facilities	52,337,000	60,347,000	(132,428,000)
Other new debt	31,589,000	680,000	114,125,000
Payment of debt	(38,455,000)	(49,973,000)	(116,248,000)
Dividends paid	(54,630,000)	(54,347,000)	(54,054,000)
Proceeds from exercise of stock options	3,524,000	5,366,000	5,000,000
Other	(2,043,000)	(3,488,000)	(1,932,000)
Net cash provided (used) by financing activities	<u>(7,678,000)</u>	<u>(41,415,000)</u>	<u>40,149,000</u>
Effect of foreign currency exchange rate changes on cash and cash equivalents	(182,000)	(334,000)	(493,000)
Net Increase (Decrease) in Cash and Cash Equivalents	8,262,000	(7,360,000)	24,852,000
Cash and Cash Equivalents at Beginning of Year	109,097,000	116,457,000	91,605,000
Cash and Cash Equivalents at End of Year	<u>\$117,359,000</u>	<u>\$109,097,000</u>	<u>\$116,457,000</u>

See Notes to Consolidated Financial Statements

1. Summary of Significant Accounting Policies

Principles of Consolidation, Combinations, etc.: The Consolidated Financial Statements include the accounts of Ogden Corporation and its subsidiaries (Ogden). Companies in which Ogden has equity investments of 50% or less are accounted for using the "Equity Method," if appropriate. All intercompany transactions and balances have been eliminated.

On December 29, 1994, in a transaction accounted for as a purchase, Ogden acquired the minority interest in Ogden Projects, Inc. (OPI), for .84 of an Ogden common share for each OPI share. The transaction required the issuance of 5,139,939 shares of Ogden common stock valued at \$18.375 per share on the closing date, for a total purchase price of \$94,446,000. The excess purchase price over the net book value of the minority interest acquired was allocated to the fair value of the net assets acquired. During 1994 in other transactions accounted for as purchases, Ogden subsidiaries acquired the shares of SkyCare Cargo Limited, a cargo handling company at Heathrow Airport in the United Kingdom; Second Imperial Geothermal Company; and 60% of the common stock of a Brazilian company involved in airport, entertainment, and industrial feeding activities for a total cost of \$32,404,000. The operations of these companies have been included in the accompanying financial statements from the dates of acquisition. If Ogden had acquired these companies at January 1, 1993, total revenues, net income, and earnings per share would have been \$2,165,000,000, \$76,483,000, and \$1.57 and \$2,073,000,000, \$62,305,000, and \$1.28 for 1994 and 1993, respectively.

Cash and Cash Equivalents: Cash and cash equivalents include all cash balances and highly liquid investments having original maturities of three months or less.

Marketable Securities: Ogden adopted Statement of Financial Accounting Standards (SFAS) 115, "Accounting for Certain Investments in Debt and Equity Securities," at January 1, 1994. In accordance with SFAS 115, prior years' financial statements have not been restated to reflect the change in accounting method. Under this Statement, the Corporation's marketable securities have been classified as available for sale and are recorded at current market value with an offsetting adjustment to Shareholders' Equity. The adoption of this Statement did not have a significant effect on the Corporation's consolidated financial position. At December 31, 1993, marketable securities were carried at the lower of cost or market. Net unrealized losses on noncurrent marketable equity securities were charged to Shareholders' Equity (see Note 2).

Contracts and Revenue Recognition: Service revenues primarily include only the fees for cost-plus contracts and the gross billings for fixed-fee and other types of contracts. Both the service revenues and operating costs and expenses exclude reimbursed expenditures of \$439,195,000, \$432,891,000, and \$405,362,000 for the years ended December 31, 1994, 1993, and 1992, respectively. Subsidiaries engaged in governmental contracting recognize revenues from cost-plus-fixed-fee contracts on the basis of direct costs incurred plus indirect expenses and the allocable portion of the fixed fee. Revenues under time and material contracts are recorded at the contracted rates as the labor hours and other direct costs are incurred. Revenues under fixed-price contracts are recognized on the basis of the estimated percentage of completion of services rendered. Service revenues also include the fees earned under contracts to operate and maintain the waste-to-energy facilities and to service the facilities' debt, with additional fees earned based on excess tonnage processed and energy generation. Long term unbilled service receivables related to waste-to-energy operations are discounted in recognizing the present value for services performed currently. Such unbilled receivables amounted to \$92,522,000 and \$81,082,000 at December 31, 1994 and 1993, respectively. Subsidiaries engaged in long-term construction contracting record income on the percentage-of-completion method of accounting and recognize income as the work progresses. Anticipated losses on contracts are recognized as soon as they become known. Revenues include the gain on sales of limited partnership interests in and related tax benefits of waste-to-energy facilities.

Inventories: Inventories, consisting primarily of finished goods, are recorded principally at the lower of first-in, first-out cost or market.

Property, Plant, and Equipment: Property, plant, and equipment is stated at cost. For financial reporting purposes, depreciation is provided by the straight-line method over the estimated useful lives of the assets, which range generally from five years for machinery and equipment to 50 years for waste-to-energy facilities. Accelerated depreciation is generally used for Federal income tax purposes. Leasehold improvements are amortized by the straight-line method over the terms of the leases or the estimated useful lives of the improvements as appropriate. Landfills are amortized based on the quantities deposited into each landfill compared to the total estimated capacity of such landfill.

Contract Acquisition Costs: Costs associated with the acquisition of specific contracts are amortized over their respective terms.

Bond Issuance Costs: Costs incurred in connection with the issuance of revenue bonds are amortized over the terms of the respective debt issues.

Deferred Charges on Projects: Costs incurred in connection with certain project development efforts are deferred until the award of the related project is determined. Costs on awarded projects are deferred until the

commencement of construction, at which time they are either capitalized in property, plant, and equipment for privately owned facilities or charged to construction costs for municipally owned facilities. Costs associated with projects, which are no longer under consideration, are charged to operating costs.

Restricted Funds: Restricted funds represent proceeds from the financing of waste-to-energy facilities. Funds are held in trust and released as expenditures are made or upon satisfaction of conditions provided under the respective trust agreements.

Goodwill: Goodwill acquired subsequent to 1970 is being amortized by the straight-line method over periods ranging from 20 to 40 years. Goodwill acquired prior to 1970 is not being amortized. Where there has been a loss of value, goodwill is written off.

Retirement Plans: Ogden and certain subsidiaries have several retirement plans covering all salaried and hourly employees. Certain subsidiaries also contribute to multiemployer plans for unionized hourly employees that cover, among other benefits, pensions and postemployment health care. During 1992, the cost of retiree health care and life insurance benefits for employees not covered by multiemployer plans was recognized as expense as claims were paid. For 1992, these costs were not significant. Ogden adopted SFAS 106, "Employers Accounting for Postretirement Benefits Other than Pensions," as of January 1, 1993. The effect of adopting SFAS 106 is shown in the accompanying financial statements for 1993 as a cumulative effect of a change in accounting principle and is reflected as a charge to income of \$5,340,000 (see Note 17).

Ogden adopted SFAS 112, "Employers' Accounting for Postemployment Benefits," as of January 1, 1994. The effect of adopting SFAS 112 is shown as a cumulative effect of a change in accounting principle and is reflected as a charge to income of \$1,520,000 in 1994.

Income Taxes: Ogden files a consolidated Federal income tax return, which includes all eligible United States subsidiary companies. Foreign subsidiaries are taxed according to regulations existing in the countries in which they do business. Provision has not been made for United States income taxes on distributions, which may be received from foreign subsidiaries, that would be substantially offset by foreign tax credits. Investment credits are accounted for by the "flow-through" method, and provisions for income taxes have been reduced by the amount of investment credits earned.

Ogden adopted SFAS 109, "Accounting for Income Taxes," as of January 1, 1992. The effect of adopting SFAS 109 is shown in the accompanying financial statements as a cumulative effect of a change in accounting principle and is reflected as a charge to income of \$5,186,000 (see Note 20).

Reclassification: The accompanying financial statements have been reclassified to conform with the 1994 presentation.

2. Investments in Marketable Securities Available for Sale

Ogden adopted SFAS 115, "Accounting for Certain Investments in Debt and Equity Securities," at January 1, 1994, and has classified its marketable securities as available for sale and recorded them at current market value with an offsetting adjustment to Shareholders' Equity. In accordance with SFAS 115, prior years' financial statements have not been restated to reflect this change in accounting. At December 31, 1993, marketable securities were carried at the lower of cost or market. Net unrealized losses on noncurrent marketable equity securities were charged to Shareholders' Equity. At December 31, 1993, noncurrent marketable securities having a cost of \$5,549,000 and a market value of \$4,846,000 resulted in an unrealized loss of \$703,000, which was offset by deferred income taxes of \$276,000. The net valuation allowance of \$427,000 was charged to Shareholders' Equity.

At December 31, 1994 and 1993, marketable equity and debt securities available for current operations are classified in the balance sheet as current assets while securities held for noncurrent uses such as nonqualified pension liabilities and a deferred compensation plan are classified as long-term assets.

Marketable securities at December 31, 1994 (expressed in thousands of dollars), include the following:

	Market Value	Cost
Classified as Current Assets:		
United States government securities	\$ 1,567	\$ 1,736
Tax exempt municipal bonds	52,158	53,295
Mortgage-backed securities	31,146	31,664
Other securities	1,805	1,954
Total current	<u>86,676</u>	<u>88,654</u>
Classified as Noncurrent Assets:		
United States government securities	236	236
Corporate debt securities	12,174	14,122
Total noncurrent	<u>12,410</u>	<u>14,358</u>
Total	<u>\$99,086</u>	<u>\$103,012</u>

Unrealized holding losses at December 31, 1994, amounted to \$3,926,000. Deferred tax benefits on these losses amounted to \$1,782,000, resulting in a net charge of \$2,144,000 to Shareholders' Equity.

Proceeds and realized gains and losses from the sales of securities classified as available for sale for the year ended December 31, 1994, were \$63,545,000, \$256,700, and \$476,700, respectively. For the purpose of determining realized gains and losses, the cost of securities sold is based on specific identification.

3. Restricted Funds Held in Trust

Funds held by trustees from proceeds received from the financing of waste-to-energy facilities are segregated principally for the construction of the facilities, debt service reserves for payment of principal and interest on revenue bonds, capitalized interest for payment of interest generally during the construction period, and deposits of revenues received. Such funds are invested principally in United States Treasury bills and notes and United States government agencies securities.

Fund balances (expressed in thousands of dollars) were as follows:

	1994		1993	
	Current	Noncurrent	Current	Noncurrent
Construction funds	\$ 20,734		\$ 32,396	\$ 19,129
Debt service funds	36,803	\$165,938	35,851	161,798
Capitalized interest funds	8,847		10,442	8,847
Revenue funds	21,013		19,292	
Other funds	17,303	37,306	14,092	37,369
Total	<u>\$104,700</u>	<u>\$203,244</u>	<u>\$132,273</u>	<u>\$227,143</u>

4. Property, Plant, and Equipment

Property, plant, and equipment (expressed in thousands of dollars) consisted of the following:

	1994	1993
Land	\$ 6,698	\$ 6,693
Waste-to-energy facilities	1,577,147	1,539,373
Geothermal power plant	105,738	
Buildings and improvements	155,934	141,165
Machinery and equipment	313,404	283,595
Landfills	9,841	8,464
Construction in progress	161,303	93,389
Total	2,330,035	2,078,719
Less accumulated depreciation and amortization	445,261	384,969
Property, plant, and equipment—net	<u>\$1,884,774</u>	<u>\$1,693,750</u>

5. Other Assets

Other assets (expressed in thousands of dollars) consisted of the following:

	1994	1993
Investment in and advances to joint ventures	\$ 38,926	\$ 35,239
Unamortized bond issuance costs	29,287	35,781
Spare parts	13,915	12,753
Noncurrent securities available for sale	12,410	5,549
Deferred charges on projects	5,708	12,709
Insurance deposits	5,388	3,389
Other	30,305	33,236
Total	<u>\$155,942</u>	<u>\$148,456</u>

6. Accrued Expenses, etc.

Accrued expenses, etc. (expressed in thousands of dollars), consisted of the following

	1994	1993
Debit service charges and interest	\$ 38,278	\$ 38,327
Payroll	31,493	28,232
Deferred income	26,843	23,620
Insurance	25,983	24,380
Construction costs	25,442	27,314
Operating expenses	21,802	17,836
Billings in excess of costs	19,167	17,938
Municipalities' share of energy revenues	17,756	18,247
Retainage payable	17,550	40,757
Lease payments	16,193	13,829
Payroll and other taxes	10,533	9,068
Pension and profit sharing	6,499	6,399
Professional fees	4,663	3,807
Other	84,295	59,092
Total	<u>\$346,997</u>	<u>\$295,181</u>

7. Long-Term Debt

Long-term debt (expressed in thousands of dollars) consisted of the following

	1994	1993
Adjustable-rate revenue bonds due 2014 through 2024	\$124,755	\$124,755
9.25% debentures due 2022	100,000	100,000
Variable-rate revolving credit lines due 1997	20,820	20,680
Other long-term debt	52,818	30,628
Total	<u>\$308,393</u>	<u>\$276,063</u>

The adjustable-rate revenue bonds are adjusted periodically to reflect current market rates for similar issues, generally with an upside cap of 15%. The average rate for this debt was 2.79% and 2.24% in 1994 and 1993, respectively. These bonds were issued under agreements that contain various restrictions, the most significant being the requirement to maintain Shareholders' Equity of \$400,000,000. At December 31, 1994, Ogden had \$196,818,000 in excess of the required amount.

At December 31, 1994, Ogden had a long-term interest rate swap agreement, covering a notional amount of \$100,000,000, which expires December 16, 1998. This swap was entered into to convert Ogden's fixed rate \$100,000,000 9.25% debentures due in 2022 to variable-rate debt. Ogden receives a fixed rate of 5.52% per annum paid on a semi-annual basis and pays a floating rate of three months LIBOR set in arrears on a quarterly basis. At December 31, 1994, the three-month LIBOR rate was 6.50%. The counterparty to this interest rate swap is a major financial institution. Management believes its credit risk associated with nonperformance by the counterparty is not significant.

Other long-term debt includes an obligation for approximately \$28,400,000, representing the proceeds of a sale and leaseback arrangement relating to a waste-to-energy facility. This arrangement is accounted for as a financing, has an effective interest rate of 5%, and extends through 2017. Additionally, in November 1994, limited partnership interests in and related tax benefits of the Onondaga County, New York, waste-to-energy facility were sold. As part of this transaction, \$22,450,000 of the proceeds relating to the sale of the partnership interests have been accounted for as a financing for accounting purposes. This obligation has an effective interest rate of 10% and extends through 2015.

The maturities on long-term debt (expressed in thousands of dollars) at December 31, 1994, were as follows:

1995	\$ 1,483
1996	7,632
1997	30,384
1998	8,74
1999	579
Later years	<u>274,634</u>
Total	307,866
Less current portion	<u>1483</u>
Total long-term debt	<u>\$304,383</u>

8. Project Debt

Project debt (expressed in thousands of dollars) consisted of the following:

	1994	1993
Revenue Bonds Issued by and Prime Responsibility of Municipalities:		
4.4—10% serial revenue bonds due through 2005	\$ 222,036	\$ 239,180
5.4—10% term revenue bonds due through 2019	939,740	934,685
Adjustable-rate revenue bonds due through 2013	10,875	15,526
Total	<u>1,172,651</u>	<u>1,189,391</u>
Revenue Bonds Issued by Municipal Agencies with Sufficient Service Revenues Guaranteed by Third Parties:		
4.95—8.9% serial revenue bonds due through 2007	78,591	85,040
7.25—7.4% term revenue bonds due 1999 through 2011	106,109	105,610
Adjustable-rate revenue bonds due through 2011	133,467	138,693
Total	<u>318,167</u>	<u>329,343</u>
Other project debt	103,170	
Total long-term project debt	<u>\$1,593,988</u>	<u>\$1,518,734</u>

Project debt associated with the financing of waste-to-energy facilities is generally arranged by municipalities through the issuance of tax-exempt and taxable revenue bonds. The category, "Revenue Bonds Issued by and Prime Responsibility of Municipalities," includes bonds issued with respect to which debt service is an explicit component of the client community's obligation under the related service agreement. In the event that a municipality is unable to satisfy its payment obligations, the bondholders' recourse with respect to the Corporation is limited to the waste-to-energy facilities and restricted funds pledged to secure such obligations. The category, "Revenue Bonds Issued by Municipal Agencies with Sufficient Service Revenues Guaranteed by Third Parties," includes bonds issued to finance three facilities for which contractual obligations of third parties to deliver waste and related third-party power purchase agreements ensure sufficient revenues to pay debt service, although such debt service is not an explicit component of a third party's service fee obligation.

Payment obligations for the revenue bonds, which are nonrecourse to the Corporation subject to construction and operating performance guarantees and commitments, are secured by the revenues pledged under various indentures and are collateralized principally by a mortgage lien and a security interest in each of the respective waste-to-energy facilities and related assets. At December 31, 1994, such revenue bonds were collateralized by property, plant, and equipment with a net carrying value of \$1,568,747,000, credit enhancements of approximately \$193,000,000 for which Ogden has certain reimbursement obligations, and substantially all restricted funds (see Note 3).

The adjustable-rate revenue bonds are adjusted periodically to reflect current market rates for similar issues, generally with an upside cap of 15%. The average rate for such revenue bonds was 3.33% and 2.65% in 1994 and 1993, respectively.

At December 31, 1994, Ogden had two interest rate swap agreements relating to the revenue bonds. These interest rate swaps had notional amounts at December 31, 1994, of \$91,070,000 and \$43,765,000, respectively, which are reduced periodically and expire in May 1999. Under the former swap agreement, Ogden pays a fixed rate of 3.95% per annum on a semi-annual basis and receives a floating rate based on an index of tax-exempt, variable-rate obligations. Under the latter swap agreement, Ogden pays a fixed rate of 5.25% per annum on a semi-annual basis and receives a floating rate based on a defined commercial paper rate. At December 31, 1994, the floating rates on the two swaps were 5.53% and 6.03%, respectively. These swap agreements were entered into to convert from floating rates to fixed interest rates \$91,070,000 of tax-exempt, adjustable-rate revenue bonds due 1995 to 2011 and \$43,765,000 of taxable adjustable-rate revenue bonds due 1995 to 2011. The counter parties to these interest rate swaps are major financial institutions. Management believes the credit risk associated with nonperformance by the counterparties is not significant.

Other project debt is an obligation of a special-purpose limited partnership acquired by two special-purpose subsidiaries of Ogden in December 1994 and represents the lease of a geothermal power plant, which has been accounted for as a financing. This obligation has an effective interest rate of 5.3% and extends through 2008 with options to renew for additional periods and has a fair market value purchase option at the conclusion of the initial lease term. Payment obligations under this lease arrangement are limited to assets of the limited partnership and revenues derived from a power purchase agreement with a third party, which are expected to provide sufficient revenues to make rental payments. Such payment obligations are secured by all the assets, revenues, and other benefits derived from the geothermal power plant, which had a net carrying value of approximately \$114,093,000 at December 31, 1994.

The maturities on project debt (expressed in thousands of dollars) at December 31, 1994, were as follows:

1995	\$ 45,279
1996	6,206
1997	61,065
1998	67,338
1999	74,613
Later years	<u>1,354,676</u>
Total	1,679,267
Less current portion	<u>45,279</u>
Total long-term project debt	<u>\$1,593,988</u>

9. Debt Service Charges

Debt service charges for Ogden's project debt (expressed in thousands of dollars) consisted of the following:

	1994	1993	1992
Interest incurred on taxable and tax-exempt borrowings	\$109,586	\$107,846	\$99,828
Interest earned on temporary investment of borrowings during construction, etc.	<u>6,712</u>	<u>9,985</u>	<u>6,093</u>
Net interest incurred	102,804	97,861	93,735
Interest capitalized during construction in property, plant, and equipment	<u>8,893</u>	<u>5,538</u>	<u>753</u>
Interest expense—net	93,911	92,323	92,982
Amortization of bond issuance costs	<u>6,447</u>	<u>6,341</u>	<u>6,754</u>
Debt service charges	<u>\$100,358</u>	<u>\$98,664</u>	<u>\$99,734</u>

10. Credit Arrangements

At December 31, 1994, Ogden had unused revolving credit lines amounting to \$162,000,000, of which \$155,000,000 is available under its principal revolving credit line at various borrowing rates including prime, the London interbank offering rate plus .30%, or certificate-of-deposit rates plus .425%. Ogden is not required to maintain compensating balances; however, Ogden pays a facility fee of .1% of 1% on its principal revolving credit line of \$175,000,000, which expires October 29, 1997.

11. Convertible Subordinated Debentures

Convertible subordinated debentures (expressed in thousands of dollars) consisted of the following:

	1994	1993
6% debentures due June 1, 2002	\$ 85,000	\$ 85,000
5 3/4% debentures due October 20, 2002	<u>63,750</u>	<u>66,750</u>
Total	<u>\$148,750</u>	<u>\$151,750</u>

The 6% convertible subordinated debentures are convertible into Ogden common stock at the rate of one share for each \$39,077 principal amount of debentures. The debentures are redeemable at Ogden's option at 103% of principal amount during the year commencing June 1, 1994, and at decreasing prices thereafter.

The 5 3/4% convertible subordinated debentures are convertible into Ogden common stock at the rate of one share for each \$41,772 principal amount of debentures. The debentures are redeemable at Ogden's option at 100% of face value. During 1994, the Corporation purchased \$3,100,000 face value of these debentures at prevailing market rates. The net gain on the acquisition of these securities amounted to \$620,000 and is included in Other Income.

12. Preferred Stock

The outstanding Series A \$1.875 Cumulative Convertible Preferred Stock is convertible at any time at the rate of 5.97626 common shares for each preferred share. Ogden may redeem the outstanding shares of preferred stock at \$50 per share, plus all accrued dividends. These preferred shares are entitled to receive cumulative annual dividends at the rate of \$1.875 per share, plus an amount equal to 150% of the amount, if any, by which the dividend paid or any cash distribution made on the common stock in the preceding calendar quarter exceeded \$.667 per share. During 1994, 1993, and 1992, 3,694, 4,697, and 6,013 preferred shares were converted into 22,054, 28,046, and 35,908 shares of common stock, respectively.

13. Common Stock and Stock Options

In 1986, Ogden adopted a nonqualified stock option plan (the "1986 Plan"). Under the 1986 Plan, options and/or stock appreciation rights may be granted to key management employees to purchase Ogden common stock at prices not less than the fair market value at the time of grant, which become exercisable during a five-year period from the date of grant, except for the grant to the Chairman of the Board, which vested in its entirety six months after the date of the grant. As adopted, and as adjusted for stock splits, the 1986 Plan calls for up to an aggregate of 2,700,000 shares of Ogden common stock to be available for issuance upon the exercise of options and stock appreciation rights, which may be granted over a ten-year period ending March 10, 1996. At December 31, 1994, all of the authorized shares of this plan had been granted.

In October 1990, Ogden adopted the Ogden 1990 Stock Option Plan (the "1990 Plan"). Under the 1990 Plan, nonqualified options, incentive stock options, and/or stock appreciation rights and stock bonuses may be granted to key management employees and outside directors to purchase Ogden common stock at an exercise price to be determined by the Ogden Compensation Committee. Pursuant to the 1990 Plan, which was amended in 1994 to increase the number of shares available by 3,200,000 shares, an aggregate of 6,200,000 shares of Ogden common stock is available for issuance upon the exercise of such options, rights, and bonuses, which may be granted over a ten-year period ending October 11, 2000; 2,382,500 shares were available for grant at December 31, 1994.

Under the foregoing plans, Ogden issued 4,713,000 limited stock appreciation rights in conjunction with the stock options granted. These limited rights are exercisable only during the period commencing on the first day following the occurrence of any of the following events and terminate 90 days after such date: the acquisition by any person of 20% or more of the voting power of Ogden's outstanding securities; the approval by Ogden shareholders of an agreement to merge or to sell substantially all of its assets; or the occurrence of certain changes in the membership of the Ogden Board of Directors. The exercise of these limited rights entitles participants to receive an amount in cash with respect to each share subject thereto, equal to the excess of the market value of a share of Ogden common stock on the exercise date or the date these limited rights become exercisable, over the related option price.

In connection with the acquisition of ERC International, Inc. (ERCI), Ogden assumed pre-existing ERCI stock option plans and converted all options then outstanding into options to acquire shares of Ogden common stock. No further options will be granted under the ERCI plans. These options expired in 1993.

In connection with the acquisition of the minority interest of OPI, Ogden assumed the pre-existing OPI stock option plan then outstanding and converted these options into options to acquire shares of Ogden common stock. No further options will be granted under this plan.

Information regarding the Corporation's stock option plans is summarized as follows:

	Option Price Per Share	Outstanding	Exercisable	Available For Grant
1986 Plan:				
December 31, 1991, balance	\$14.98-28.54	1,226,400	664,400	105,500
Became exercisable			150,000	
Exercised	14.98	(136,400)	(136,400)	
Cancelled	28.54	(10,000)	(10,000)	10,000
December 31, 1992, balance	14.98-28.54	1,080,000	668,000	115,500
Became exercisable			144,000	
Exercised	14.98	(49,313)	(49,313)	
December 31, 1993, balance	14.98-28.54	1,030,687	762,687	115,500
Granted	22.50	115,500		(115,500)
Became exercisable			134,000	
Exercised	14.98	(18,644)	(18,644)	
December 31, 1994, balance	14.98-28.54	1,127,543	878,043	—
1990 Plan:				
December 31, 1991, balance	18.31-20.31	2,681,000	498,000	319,000
Granted	21.19	40,000		(40,000)
Became exercisable			539,400	
Cancelled	18.31-21.19	(66,000)		66,000
December 31, 1992, balance	18.31-21.19	2,655,000	1,037,400	145,000
Granted	23.56	158,000		(158,000)
Became exercisable			522,900	
Exercised	18.31-20.31	(123,000)	(123,000)	
Cancelled	18.31-20.31	(50,000)	(4,000)	50,000
December 31, 1993, balance	18.31-23.56	2,640,000	1,433,300	237,000
Increase in authorized option shares				5,200,000
Granted	21.50-22.50	1,169,500		(1,169,500)
Became exercisable			507,500	
Exercised	18.31-20.31	(109,000)	(109,000)	
Cancelled	18.31-23.56	(115,000)	(32,000)	115,000
December 31, 1994, balance	18.31-23.56	3,585,500	1,799,800	2,182,500
Conversion of ERCI Plan:				
December 31, 1991, balance	21.05-35.55	137,958	121,715	
Became exercisable			16,243	
Exercised	21.05	(15,890)	(15,890)	
Cancelled	21.05-35.55	(51,951)	(51,951)	
December 31, 1992, balance	21.05-24.74	70,117	70,117	
Exercised	21.05	(23,102)	(23,102)	
Cancelled	21.05-24.74	(47,015)	(47,015)	
December 31, 1993 and 1994, balance	—	—	—	
Conversion of OPI Plan:				
December 29, 1994	14.17-29.46	266,561	266,561	
December 31, 1994, balance	14.17-29.46	266,561	266,561	
Total December 31, 1994	\$14.17-29.46	4,979,604	2,944,404	2,382,500

At December 31, 1994, there were 11,380,791 shares of common stock reserved for the exercise of stock options and the conversion of preferred shares and debentures.

14. Preferred Stock Purchase Rights

On September 20, 1990, the Board of Directors declared a dividend of one preferred stock purchase right (Right) on each outstanding share of common stock. Among other provisions, each Right may be exercised to purchase a one one-hundredth share of a new series of cumulative participating preferred stock at an exercise price of \$80, subject to adjustment. The Rights may only be exercised after a party has acquired 15% or more of the Corporation's common stock or commenced a tender offer to acquire 15% or more of the Corporation's common stock. The Rights do not have voting rights, expire October 2, 2000, and may be redeemed by the Corporation at a price of \$ 01 per Right at any time prior to the acquisition of 15% of the Corporation's common stock.

In the event a party acquires 15% or more of the Corporation's outstanding common stock in accordance with certain defined terms, each Right will then entitle its holder (other than such party) to purchase, at the Rights then-current exercise price, a number of the Corporation's common shares having a market value of twice the Right's exercise price. At December 31, 1994, 48,777,000 preferred stock purchase rights were outstanding.

15. Sale of Limited Partnership Interests

1994 revenues include \$26,100,000 from the sale of limited partnership interests in and related tax benefits of the Onondaga County waste-to-energy facility, which was partially offset by the recapture of investment tax credits and minority interests.

In 1992, revenues included \$7,700,000 from the sale of the remaining limited partnership interests in and related tax benefits of the Huntington, New York, waste-to-energy facility.

16. Retirement Plans

Ogden has retirement plans that cover substantially all of its employees. A substantial portion of hourly employees of Ogden Services Corporation participates in defined contribution plans. Other employees participate in defined benefit or defined contribution plans.

The defined benefit plans provide benefits based on years of service and either employee compensation or a flat benefit amount. Ogden's funding policy for those plans is to contribute annually an amount no less than the minimum funding required by ERISA. Contributions are intended to provide not only benefits attributed to service to date but also for those expected to be earned in the future.

The following table sets forth the defined benefit plans' funded status and related amounts recognized in Ogden's Consolidated Balance Sheets (expressed in thousands of dollars).

	1994		1993	
	Assets Exceed Accumulated Benefits	Accumulated Benefits Exceed Assets	Assets Exceed Accumulated Benefits	Accumulated Benefits Exceed Assets
Accumulated Benefit Obligation:				
Vested	\$5,408	\$ 7,800	\$5,356	\$ 8,888
Nonvested	311	413	479	1,311
Total	<u>\$5,719</u>	<u>\$ 8,213</u>	<u>\$6,235</u>	<u>\$10,399</u>
Projected benefit obligation for services rendered to date	\$8,278	\$11,733	\$8,721	\$12,889
Plan assets at fair value	<u>7,832</u>	<u>5,138</u>	<u>7,633</u>	<u>7,880</u>
Underfunded projected benefits	<u>\$ 446</u>	<u>\$ 6,595</u>	<u>\$ 820</u>	<u>\$ 5,009</u>
Source of Underfunded Status:				
Unrecognized net (loss) from past experience different from that assumed and effects of changes in assumptions	\$(1,251)	\$ (625)	\$ (1,360)	\$ (1,910)
Unrecognized net transition asset (obligation) at January 1, 1986, being recognized over 13 years	566	(390)	728	(685)
(Pension liability) prepaid pension costs	(412)	(1,997)	(192)	228
Unrecognized prior service costs	<u>651</u>	<u>(3,583)</u>		<u>(3,527)</u>
Underfunded projected benefits	<u>\$ 446</u>	<u>\$ 6,595</u>	<u>\$ 820</u>	<u>\$ 5,009</u>

At December 31, 1994 and 1993, the accumulated benefit obligation of certain pension plans exceeded plan assets. As required by SFAS 87, the Corporation's liability for such excess was \$1,677,000 and \$2,765,000 at December 31, 1994 and 1993, respectively. These liabilities were offset by intangible assets and reductions in Shareholders' Equity, net of income taxes of \$441,000 and \$928,000 at December 31, 1994 and 1993, respectively.

Pension costs for Ogden's defined benefit plans included the following components (expressed in thousands of dollars):

	1994	1993	1992
Service cost on benefits earned during the period	\$1,979	\$1,610	\$1,592
Interest cost on projected benefit obligation	1,629	1,457	1,301
Net amortization and deferral	(436)	40	161
Actual return on plan assets	32	(979)	(1,227)
Net periodic pension cost	<u>\$3,204</u>	<u>\$2,128</u>	<u>\$1,827</u>

The weighted-average discount rate and rate of increase in future compensation levels used in determining the actuarial present value of the projected benefit obligations were 8 1/4% and 5% for 1994, 7 1/2% and 4 1/2% for 1993, and 8 1/2% and 5% for 1992, respectively. The expected long-term rate of return on plan assets was 8% for each year.

Contributions and costs for defined contribution plans are determined by benefit formulas based on percentage of compensation as well as discretionary contributions and totaled \$12,052,000, \$13,061,000, and \$11,397,000 in 1994, 1993, and 1992, respectively. Plan assets at December 31, 1994, 1993, and 1992 primarily consisted of common stocks, United States government securities, and guaranteed insurance contracts.

With respect to union employees, the Corporation is required under contracts with various unions to pay, generally based on hours worked, retirement, health, and welfare benefits. These multiemployer defined benefit and defined contribution plans are not controlled or administered by the Corporation. The amount charged to expense for such plans during 1994, 1993, and 1992 was \$30,100,000, \$32,000,000, and \$32,000,000, respectively.

17. Postretirement Health Care and Life Insurance Benefits

In 1992, the Corporation discontinued its policy of providing postretirement health care and life insurance benefits for all salaried employees, except those employees who were retired or eligible for retirement at December 31, 1992, or who were covered under certain company-sponsored union plans. The Corporation adopted SFAS 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," as of January 1, 1993. SFAS 106 requires the accrual method of accounting for postretirement health care and life insurance benefits, based on actuarial determined costs to be recognized over the period from the date of hire to the full eligibility date of employees who are expected to qualify for such benefits.

As of January 1, 1993, the Corporation recognized the full amount of its estimated accumulated postretirement benefit obligation, representing the present value of the estimated future benefits payable to current retirees and a pro rata portion of estimated benefits payable to eligible active employees after retirement. The effect of recognizing SFAS 106 at January 1, 1993, is shown in the accompanying financial statements as a cumulative effect of a change in accounting principle and is reflected as a charge to income of \$5,340,000 (net of income taxes of \$3,710,000) or \$ 12 per share.

For the years ended December 31, 1994 and 1993, the components of the periodic expense for these benefits were as follows:

Recognition of Components of Net Periodic Postretirement Benefit Costs for the Years Ended December 31:

	1994	1993
Service costs	\$ 162,107	\$140,157
Interest	775,142	747,665
Amortization of unrecognized net loss	67,820	
Total	<u>\$1,005,069</u>	<u>\$887,822</u>

As of December 31, 1994 and 1993, the actuarial recorded liabilities for these postretirement benefits, none of which have been funded, were as follows:

Accumulated Postretirement Benefit Obligation:

Retirees	\$3,884,885	\$ 3,048,954
Eligible active participants	4,581,234	4,957,341
Other active	1,480,725	1,694,853
Total accumulated postretirement obligation	9,946,844	10,701,148
Unrecognized net loss	117,947	1,135,080
Accrued postretirement benefit liability	<u>\$9,828,897</u>	<u>\$ 9,425,217</u>

The accumulated postretirement benefit obligation was determined using discount rates of 8 1/4% and 7 1/2% and an estimated increase in compensation levels of 5% and 4 1/2% for 1994 and 1993, respectively, and a health care cost rate of approximately 14 1/2%, decreasing in subsequent years until it reaches 6% in the year 2008 and thereafter. The effect of a one percentage point increase in the assumed health care cost trend rates for each future year on the aggregate of the service and interest cost components of net periodic postretirement health care benefit cost and the accumulated postretirement benefit obligation for health care benefits would be \$69,248 and \$652,360, respectively.

18. Foreign Exchange

Foreign exchange translation adjustments for 1994, 1993, and 1992, amounting to \$3,240,000, \$(2,095,000), and \$(2,931,000), respectively, have been credited (charged) directly to Shareholders' Equity. Foreign exchange transaction adjustments for 1994, amounting to \$1,844,000, have been charged directly to income.

19. Leases

Total rental expense amounted to \$77,190,000, \$73,138,000, and \$65,822,000 (net of sublease income of \$328,000, \$2,606,000, and \$3,633,000) for 1994, 1993, and 1992, respectively. Included in rental expense are amounts based on contingent factors (principally sales) in excess of minimum rentals, amounting to: \$15,181,000, \$19,836,000, and \$14,332,000 for 1994, 1993, and 1992. Principal leases are for leasehold-sale and leaseback arrangements on waste-to-energy facilities, trucks and automobiles, airplane and machinery and equipment. Some of these operating leases have renewal options.

The following is a schedule (expressed in thousands of dollars), by year, of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of December 31, 1994:

1995	\$ 49,978
1996	47,160
1997	42,378
1998	36,669
1999	35,717
Later years	<u>272,174</u>
Total	<u>\$484,067</u>

These future minimum rental payment obligations include \$114,153,000 of future nonrecourse rental payments that relate to a waste-to-energy facility, which are supported by third-party commitments to provide sufficient service revenues to meet such obligations. Also included are \$96,520,000 of nonrecourse rental payments relating to a hydroelectric power generating facility operated by a special-purpose subsidiary, which are supported by contractual power purchase obligations of a third party and which are expected to provide sufficient revenues to make the rent payments. These nonrecourse rental payments (in thousands of dollars) are due as follows:

1995	\$ 16,693
1996	18,698
1997	19,197
1998	19,492
1999	20,797
Later years	<u>115,794</u>
Total	<u>\$210,673</u>

20. Income Taxes

Ogden adopted the provisions of SFAS 109, "Accounting for Income Taxes," as of January 1, 1992. SFAS 109 requires recognition of deferred income tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or income tax returns. Under this method, deferred income tax liabilities and assets are based on the difference between the financial statements and the tax bases of assets and liabilities, using tax rates currently in effect. As of January 1, 1992, Ogden recorded a deferred income tax charge of \$5,186,000 or \$ 12 per share, which represented a net increase to the deferred tax liability as of that date. This amount has been included in the Statements of Consolidated Income as a cumulative effect of a change in accounting principle.

In August 1993, the Omnibus Budget Reconciliation Act was enacted, which increased the corporate Federal income tax rate from 34% to 35% retroactive to January 1, 1993. As a consequence, deferred Federal income tax balances were adjusted to this new rate as required by SFAS 109, which resulted in a one-time charge for Federal income taxes of \$4,066,000 in 1993.

The components of the provision for income taxes (expressed in thousands of dollars) were as follows:

	1994	1993	1992
Current:			
Federal	\$10,141	\$7,433	\$8,448
State	11,616	6,999	8,548
Foreign	2,422	1,476	2,210
Total current	24,179	15,908	19,206
Deferred:			
Federal	36,520	43,203	37,367
State	1,184	4,303	5,133
Total deferred	37,704	47,506	42,500
Total provision for income taxes	\$61,883	\$63,414	\$61,706

The current provision for Federal income tax results principally from the alternative minimum tax.

The provision for income taxes (expressed in thousands of dollars) varied from the Federal statutory income tax rate due to the following:

	1994		1993		1992	
	Amount of Tax	Percent of Income Before Taxes	Amount of Tax	Percent of Income Before Taxes	Amount of Tax	Percent of Income Before Taxes
Taxes at statutory rate	\$48,777	35.0%	\$43,925	35.0%	\$38,378	34.0%
Adjustment of deferred income tax balances			4,066	3.2		
State income taxes, net of Federal tax benefit	8,320	6.0	7,346	5.8	7,030	6.2
Recapture (benefit) of investment tax credits	1,807	1.3	(1,807)	(1.4)		
Other—net	2,979	2.1	2,996	2.4	(153)	(1.4)
Provision for income taxes	\$61,883	44.4%	\$56,526	45.0%	\$45,255	40.1%

The components of the net deferred income tax liability (expressed in thousands of dollars) as of December 31, 1994 and 1993, were as follows:

	1994	1993
Deferred Tax Assets:		
Deferred income	\$16,291	\$18,922
Accrued expenses	52,055	46,463
Other liabilities	16,779	17,738
Investment tax credits	31,064	33,844
Alternative minimum tax credits	19,367	9,249
Net operating loss carryforwards	137,488	185,210
Total deferred tax assets	272,994	311,426
Deferred Tax Liabilities:		
Unbilled accounts receivable	47,119	44,784
Property, plant, and equipment	445,199	435,580
Other	13,865	32,233
Total deferred tax liabilities	506,183	512,597
Net deferred tax liability	\$233,189	\$201,171

Deferred tax assets and liabilities are presented as follows in the accompanying balance sheets:

	1994	1993
Net deferred tax liability—noncurrent	\$281,065	\$227,275
Less net deferred tax asset—current	26,451	28,219
Net deferred tax liability	\$254,614	\$199,056

At December 31, 1994, for Federal income tax purposes, the Corporation had investment and energy tax credit carryforwards of approximately \$31,064,000 and net operating loss carryforwards of approximately \$336,744,000, which will expire in 2004 through 2008. Deferred Federal income taxes have been reduced by the tax effect of these amounts.

21. Discontinued Operations

In December 1991, the Corporation discontinued the on-site remediation business, utilizing mobile technology, of OPI. During 1993, the Corporation recognized a pretax gain of \$12,379,000 resulting primarily from the receipt of amounts previously withheld pending satisfactory completion of obligations under existing contracts and from proceeds from the sale of assets in excess of previously estimated net realizable values.

In December 1993, the Corporation discontinued its fixed-site hazardous waste business. Provision was made in 1993 for the write-down of assets, primarily development costs, resulting in a pretax loss of \$12,629,000.

For the year ended December 31, 1993, the \$250,000 net loss from both discontinued operations is reported as Operating Costs and Expenses in the Statements of Consolidated Income.

22. Earnings Per Share

Earnings per common share were computed by dividing net income, reduced by preferred stock dividend requirements, by the weighted average of the number of shares of common stock and common stock equivalents, where dilutive, outstanding during each year.

Earnings per common share, assuming full dilution, were computed on the assumption that all convertible debentures, convertible preferred stock, and stock options converted or exercised during each year or outstanding at the end of each year, were converted at the beginning of each year or at the date of issuance or grant, if dilutive. This computation provided for the elimination of related convertible debenture interest and preferred dividends.

The weighted-average number of shares used in computing earnings per common share was as follows:

	1994	1993	1992
Primary	43,610,000	43,378,000	43,086,000
Assuming full dilution	43,939,000	43,776,000	43,583,000

23. Commitments and Contingent Liabilities

Ogden and certain of its subsidiaries have issued or are party to performance bonds and guarantees and related contractual obligations undertaken mainly pursuant to agreements to construct and operate certain waste-to-energy, entertainment, and other facilities. In the normal course of business, they are involved in legal proceedings in which damages and other remedies are sought. Management does not expect that these contractual obligations, legal proceedings, or any other contingent obligations incurred in the normal course of business will have a material adverse effect on Ogden's Consolidated Financial Statements.

During 1994, a subsidiary of the Corporation has entered into a 30-year facility management contract pursuant to which it has agreed to advance funds to a customer, if necessary and only upon satisfactory completion of construction of the facility, to assist refinancing senior secured debt incurred in connection with construction of the facility. Such refinancing requirements are not expected to exceed \$67,000,000 at maturity of the senior secured debt, which is expected to be on or about March 1, 2001. Ogden continues as guarantor of surety bonds and letters of credit totaling approximately \$19,200,000 on behalf of International Terminal Operating Co., Inc. (ITCO) and has guaranteed borrowings of certain customers amounting to approximately \$20,300,000. Management does not expect that these arrangements will have a material adverse effect on Ogden's Consolidated Financial Statements.

Ogden's obligation as guarantor on behalf of Avondale Industries, Inc., with respect to \$36,000,000 of Industrial Revenue Bonds as well as other contingent obligations under which Ogden may have been required to purchase Avondale preferred stock, ended June 1, 1994.

As of December 31, 1994, capital commitments amounted to \$49,900,000, which includes commitments for equity investments (over and above restricted funds provided by revenue bonds issued by municipalities) of \$2,600,000 for waste-to-energy facilities and \$47,300,000 for normal replacement, modernization, and growth in Services and Projects.

24. Information Covering Business Segments

In connection with Ogden's acquisition of the publicly traded shares of OPI, Ogden's business segments have been reclassified. Ogden now classifies its business segments as Services and Projects. The Services segment (formerly "Operating Services") includes principally ground services, fueling, cargo, food catering, and related services to the aviation industry; food and beverage, janitorial, maintenance, and other services related to the management and operations of arenas, stadiums, amphitheaters, and parks; management, maintenance, security, janitorial, and related services to commercial office buildings and industrial and other facilities; and professional technical and environmental consulting services to a wide range of customers. Independent power activities, namely, the operation of two geothermal power stations and related well field activities and a hydroelectric power station, formerly part of Operating Services, are now included in the Projects segment because the activities and strategic direction of the business activities of the Projects segment largely involve power generation.

The Projects segment (formerly "Waste-to-Energy Operations") now includes all of Ogden's waste-to-energy activities, its independent power business, its water and wastewater project business, and its construction activities, all of which activities are now commonly managed by OPI.

The information that follows reflects this reclassification.

Revenues and income from continuing operations (expressed in thousands of dollars) for the years ended December 31, 1994, 1993, and 1992, were as follows:

	1994	1993	1992
Revenues:			
Services	\$1,379,450	\$1,330,104	\$1,279,715
Projects	730,735	709,233	490,100
Total revenues	<u>\$2,110,185</u>	<u>\$2,039,337</u>	<u>\$1,769,815</u>
Income from Operations:			
Services	\$ 52,719	\$ 63,611	\$ 58,661
Projects	109,775	83,749	75,354
Total income from operations	162,494	147,360	134,015
Corporate unallocated income and expenses—net	(12,184)	(10,751)	(6,728)
Corporate interest—net	(10,946)	(11,108)	(10,362)
Consolidated Income from Continuing Operations Before Income Taxes and Minority Interest	<u>\$ 139,364</u>	<u>\$ 125,501</u>	<u>\$ 112,875</u>

Services' revenues include \$248,500,000, \$245,100,000, and \$251,300,000 from United States government contracts for the years ended December 31, 1994, 1993, and 1992, respectively.

Total revenues by segment reflect sales to unaffiliated customers. In computing income from operations, none of the following have been added or deducted: unallocated corporate expenses, nonoperating interest expenses, interest income, and income taxes.

A summary (expressed in thousands of dollars) of identifiable assets, depreciation and amortization, and capital additions for the years ended December 31, 1994, 1993, and 1992, is as follows:

	Identifiable Assets	Depreciation and Amortization	Capital Additions
1994			
Services	\$ 800,011	\$39,658	\$ 37,207
Projects	2,556,655	49,061	82,418
Corporate	288,220	1,826	22
Consolidated	<u>\$3,644,886</u>	<u>\$90,545</u>	<u>\$119,647</u>
1993			
Services	\$ 719,964	\$35,973	\$ 33,917
Projects	2,361,499	47,186	81,852
Corporate	259,266	2,484	473
Consolidated	<u>\$3,340,729</u>	<u>\$85,643</u>	<u>\$116,200</u>
1992			
Services	\$ 650,030	\$32,272	\$ 30,691
Projects	2,261,764	42,166	33,341
Corporate	276,032	2,610	25
Consolidated	<u>\$3,187,826</u>	<u>\$77,048</u>	<u>\$ 64,057</u>

25. Supplemental Disclosure of Cash Flow Information

(Expressed in thousands of dollars)	1994	1993	1992
Cash Paid for Interest and Income Taxes:			
Interest (net of amounts capitalized)	\$119,947	\$117,733	\$133,021
Income taxes	8,298	3,197	1,028
Noncash Investing and Financing Activities:			
Conversion of preferred shares for common shares	3	5	0
Conversion of debentures for common shares		1,287	322
Adjustment to property, plant, and equipment and deferred income taxes in connection with adoption of SFAS 109			18,031
Contract acquisition costs, etc.		22,549	
Future contract obligations		(22,839)	
Acquisition of net assets in connection with merger			4,311
Purchase of Minority Interest			
Common stock issued	94,446		
Adjustment to net assets for excess of purchase price over book value of net assets acquired	21,389		
Detail of Entities Acquired:			
Fair value of assets acquired	158,212	26,875	14,211
Liabilities assumed	(125,800)	(22,651)	1,489
Net cash paid for acquisitions	32,404	54,224	12,722

26. Fair Value of Financial Instruments

The following disclosure of the estimated fair value of financial instruments is made in accordance with the requirements of SFAS 107, "Disclosures About Fair Value of Financial Instruments." The estimated fair value amounts have been determined using available market information and appropriate valuation methodologies. However, considerable judgment is necessarily required in interpreting market data to develop estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that holders would realize in a current market exchange.

The estimated fair value (expressed in thousands of dollars) of financial instruments at December 31, 1994 and 1993, is summarized as follows:

	1994		1993	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Assets:				
Cash and cash equivalents	\$117,359	\$117,359	\$181,092	\$181,092
Marketable securities—available for sale	99,086	99,086	98,943	98,742
Receivables	757,400	761,092	632,270	638,086
Restricted funds	307,944	306,876	359,419	360,539
Other assets	33,875	32,895	29,836	28,176
Liabilities:				
Long-term debt	307,876	298,668	270,133	274,467
Convertible subordinated debentures	148,650	119,770	131,750	142,912
Project debt	1,639,267	1,661,813	1,331,366	1,641,933
Other liabilities	34,906	34,906	30,830	29,214
Off Balance-Sheet Financial Instruments:				
Unrealized losses on interest rate swap agreements		9,333		832
Unrealized gains on interest rate swap agreements		8,716		

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

For cash and cash equivalents, the carrying value of these amounts is a reasonable estimate of their fair value. The fair value of long-term unbilled receivables is estimated by using a discount rate that approximates the current rate for comparable notes. Marketable securities' fair values are based on quoted market prices or dealer quotes. The fair value of restricted funds held in trust is based on quoted market prices of the investments held by the trustee. The fair value of noncurrent receivables is estimated by discounting the future cash flows using the current rates at which similar loans would be made to such borrowers based on the remaining maturities, consideration of credit risks, and other business issues pertaining to such receivables. Other assets, consisting primarily of insurance and escrow deposits and other miscellaneous financial instruments used in the ordinary course of business, are valued based on quoted market prices or other appropriate valuation techniques.

Fair values for short-term debt and long-term debt were determined based on interest rates that are currently available to the Corporation for issuance of debt with similar terms and remaining maturities for debt issues that are not traded or quoted on an exchange. With respect to convertible subordinated debentures, fair values are based on quoted market prices. The fair value of project debt is estimated based on quoted market prices for the same or similar issues. Other borrowings and liabilities are valued by discounting the future stream of payments using the incremental borrowing rate of the Corporation. The fair value of the Corporation's interest rate swap agreements is the estimated amount that the Corporation would receive or pay to terminate the swap agreements at the reporting date based on third-party quotations. The fair value of Ogden financial guarantees provided on behalf of ITO and customers (see Note 23) would be zero because Ogden receives no fees associated with such commitments.

The fair-value estimates presented herein are based on pertinent information available to management as of December 31, 1994 and 1993. Although management is not aware of any factors that would significantly affect the estimated fair-value amounts, such amounts have not been comprehensively revalued for purposes of these financial statements since that date, and current estimates of fair value may differ significantly from the amounts presented herein.

Independent Auditors' Report

Deloitte & Touche LLP

Two World Financial Center
New York, NY 10281

The Board of Directors and Shareholders of Ogden Corporation:

We have audited the accompanying consolidated balance sheets of Ogden Corporation and subsidiaries as of December 31, 1994 and 1993 and the related statements of shareholders' equity, consolidated income and cash flows for each of the three years in the period ended December 31, 1994. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the companies at December 31, 1994 and 1993 and the results of their operations and cash flows for each of the three years in the period ended December 31, 1994 in conformity with generally accepted accounting principles.

As discussed in Note 1 to the financial statements, in 1994 the Corporation changed its methods of accounting for postemployment benefits to conform with Statement of Financial Accounting Standards No. 112 and for certain investments in debt and equity securities to conform with Statement of Financial Accounting Standards No. 115. In 1993, the Corporation changed its method of accounting for postretirement benefits other than pensions to conform with Statement of Financial Accounting Standards No. 106 and in 1992 changed its method of accounting for income taxes to conform with Statement of Financial Accounting Standards No. 109.

Deloitte & Touche LLP

February 3, 1995

Directors

Ralph E. Ablon²

Chairman of the Board,
Ogden Corporation

R. Richard Ablon²

President and Chief Executive
Officer, Ogden Corporation,
Chairman and Chief Executive
Officer, Ogden Projects, Inc.

David M. Abshire²

President, Center for Strategic and
International Studies, Former
Assistant Secretary of State,
Ambassador to NATO, and Special
Counselor to the President of the
United States

Constantine G. Caras

Executive Vice President and
Chief Administrative Officer,
Ogden Corporation

Norman G. Einspruch^{1,2,3,4}

Senior Fellow in Science and
Technology and Professor and
Chairman of Industrial Engineering,
University of Miami, Director, Penril
Datacomm Networks, Inc.

Attallah Kappas^{2,3}

Sherman Lanchik Professor, Physician
in Chief Emeritus and Past Vice
President, The Rockefeller University

Terry Allen Kramer

Theatrical Producer, President,
Remark Theatrical Productions, Inc.,
Director of Allen & Company,
Incorporated, Chairman of the Board,
American Diversified Enterprises

Maria P. Monet

Former Chief Financial Officer,
Ogden Corporation

Judith D. Moyers^{2,4}

President, Public Affairs Television,
Inc., Home Economist and Education
Specialist, Director, Patte Webber
Family of Mutual Funds, Director,
The Public Agenda Foundation

Homer A. Neal^{1,3}

Vice President for Research, University
of Michigan, Member, Advisory Board,
Oak Ridge National Laboratory,
Former Member, United States National
Science Board, Member, Smithsonian
Institution Board of Regents, Member
Board of Trustees, Center for Strategic
and International Studies

Stanford S. Penner²

Professor Emeritus, Former Vice
Chancellor, Department Chairman,
and Institute Director, University of
California at San Diego; Editor-in-Chief,
Energy—The International Journal,
Elsevier Science Ltd., Oxford, England

Jesús Sainz

Executive Vice Chairman, Trebol
International, Madrid; Member of the
Board of Directors, EDS Spain;
Former Lecturer on International
Economics, ICADE University, Madrid

Frederick Seitz^{2,3,4}

President Emeritus, The Rockefeller
University, Past President, National
Academy of Sciences

Robert E. Smith²

Partner, Rosenman & Colin; Director
of The Zweig Fund, Inc., and The
Zweig Total Return Fund, Inc.

Helmut F. O. Völcker

Professor of Energy Technology,
University of Essen; Former Member
of Management Board, STEAG AG,
Essen, Chairman, Technical Advisory
Board, GEC Alsthom EVT Energie und
Verfahrenstechnik GmbH, Stuttgart

Abraham Zaleznik, D.C.S.^{2,4}

Vice Chairman of the Board, Ogden
Corporation; Konosuke Matsushita
Professor of Leadership Emeritus,
Graduate School of Business
Administration, Harvard University

Member of Audit Committee,
Norman G. Einspruch, Chairman
Member of Management Committee,
Ralph E. Ablon, Chairman
Member of Technology Committee,
Frederick Seitz, Chairman
Member of Compensation Committee,
Abraham Zaleznik, Chairman

Officers

Ralph E. Ablon

Chairman of the Board

Abraham Zaleznik

Vice Chairman of the Board

R. Richard Ablon

President and Chief Executive Officer

Constantine G. Caras

Executive Vice President and
Chief Administrative Officer

Rodrigo Arboleda

Senior Vice President,
Business Development—
Latin America

Lynde H. Coit

Senior Vice President and
General Counsel

David L. Hahn

Senior Vice President,
Business Development—
Asia

Philip G. Husby

Senior Vice President,
Chief Financial Officer,
and Treasurer

Nancy R. Christal

Vice President, Investor Relations

Robert M. DiGria

Vice President and Controller

Kathleen Ritch

Vice President and Secretary

Jerry L. Effinger

Assistant Secretary

Bruce W. Stone

Assistant Secretary

Wayne A. Francis

Assistant Treasurer

Corporate Data

Corporate Office

Two Pennsylvania Plaza
New York, NY 10121
(212) 868-6100

Transfer Agent and Registrar

For Lost Securities
Requirements and
Securities Processing
(Transfers, Redemptions,
Conversions):

Chemical Bank
J.A.F. Building
P.O. Box 2862
New York, NY 10116-2862

For Change of Address
and Account
Consolidations (com-
bining two or more
accounts):

Chemical Bank
J.A.F. Building
P.O. Box 3070
New York, NY 10116-3070

For Legal Transfer
Inquiries, Replacement
Checks, Tax Information,
and Other Inquiries:

Chemical Bank
J.A.F. Building
P.O. Box 3068
New York, NY 10116-3068

Communications Center Toll-Free Number: (800) 851-9677

Auditors

Deloitte & Touche LLP
Two World Financial Center
New York, NY 10281
(212) 436-2000

Form 10-K

Copies of the Corporation's
annual report on Form 10-K
are available from
Assistant Secretary
Ogden Corporation
Two Pennsylvania Plaza
New York, NY 10121

Annual Meeting

The annual meeting of share-
holders will be held at the
Grand Hyatt New York Hotel,
42nd Street, west of Lexington
Avenue, New York City,
on Thursday, May 25, 1995,
at 10:30 a.m.

Design

Clarke & Associates

Photography:

*Robert Colton
Central Glass*

Printing:

Toppan Printing Company America, Inc.

Exhibit D
List of Corporate Officers
and Summary of Their Qualifications

R. Richard Ablon

President and Chief Executive Officer, Ogden Corporation
Chairman and Chief Executive Officer, Ogden Projects, Inc.

As President and Chief Executive Officer of Ogden Corporation, a \$2.1 billion multi-dimensional service company with over 50,000 employees worldwide, Mr. Ablon oversees the operations of all of the company's subsidiaries. Mr. Ablon joined Ogden in 1971 and moved into operations in 1975 where he served as Group Vice President and Executive Vice President of Ogden's food service operations. From 1981 to 1985, Mr. Ablon served as the President of Ogden Food Service and Ogden Services Corporation. In 1985, he became President and Chief Operating Officer, Operating Services, of Ogden Corporation. In 1990, Mr. Ablon was named President and Chief Executive Officer of Ogden Corporation. Mr. Ablon is a graduate of Boston University where he earned a Bachelor of Arts Degree.

Peter Allen

Senior Vice President, General Counsel and Secretary, Ogden Services Corporation
Vice President, Secretary and Director, Ogden Communications, Inc.

As Senior Vice President, General Counsel and Secretary of Ogden Services Corporation, Mr. Allen is responsible for managing the legal affairs of Ogden Services Corporation and its operating subsidiaries. Mr. Allen joined Ogden Corporation in 1966 as Senior Associate Counsel and was elected to his current position with Ogden Services Corporation in 1986. In addition to his current position, Mr. Allen was elected Director, Vice President and Secretary of Ogden Communications, Inc. on October 6, 1994. He received his Bachelor of Arts Degree in 1959 from Queens College and was awarded his Juris Doctorate from Fordham University in 1962. Mr. Allen is a member of the New York State Bar Association.

C.G. Caras

Executive Vice President and Chief Administrative Officer, Ogden Corporation
Director and Vice President, Ogden Communications, Inc.

Mr. Caras is responsible for all administrative functions of Ogden Corporation and subsidiaries. He has complete fiduciary oversight and is responsible for special projects and mergers and acquisitions. Mr. Caras' expertise includes corporate management, legal issues and government relations. He has been with the Company for 19 years, serving in his current position for 7 years. He was elected to Ogden Communications, Inc. on October 6, 1994. Mr. Caras holds a Bachelor of Arts Degree from the University of Pittsburgh and a Juris Doctorate Degree from the University of Virginia. He is a member of the Ohio State Bar Association and the American Bar Association.

Robert DiGia

Vice President and Controller, Ogden Corporation
Director, Vice President and Treasurer, Ogden Communications, Inc.

As Vice President and Controller of Ogden Corporation, Mr. DiGia oversees all of the accounting affairs of Ogden Corporation and its operating subsidiaries. Mr. DiGia joined Ogden Corporation 30 years ago and was elected to his position with Ogden Communications, Inc. on October 6, 1994. He received a Bachelor of Science Degree from New York University and is a Certified Public Accountant.

Exhibit D
(Continued)

Joseph H. Haggler

Vice President, Network Operations

Mr. Haggler joined Ogden Communications, Inc. in January, 1995. As Vice President of Network Operations, Mr. Haggler is responsible for managing the strategic planning, development and implementation of the Company's telecommunications networking systems. His direct responsibility includes, but is not limited to, network design and engineering, equipment evaluation, regulatory considerations, staffing and logistics, cost analysis and performance measurement. Prior to joining Ogden, Mr. Haggler served as Director of Network Solutions for IntelliSys Technology Corporation, and Vice President of Operations at CIS, Inc. From December 1988 to October 1990, he was employed by Fairchild Industries as Manager of Information Systems. Between December 1985 and December 1988, Mr. Haggler was Vice President of Network Operations for Transportation Information Management Systems, Inc. From March 1983 and May 1985, he was Senior Manager, Divisional Support for MCI Telecommunications Corporation, where he was responsible for installation, maintenance and development of the corporate voice and data communications network supporting 145 locations nationwide, including network engineering, equipment evaluation and selection, and maintenance activities. From September 1981 to March 1983, Mr. Haggler served as Director of Network Operations and Customer Services for United Telecom Corporation, where he was responsible for the day-to-day operations of the commercial network including the installation and maintenance of a nationwide network of switching facilities. Mr. Haggler received his Bachelor of Science degree from Winston-Salem State University.

Issac Palmer

***Vice President, Assistant General Counsel and Assistant Secretary,
Ogden Services Corporation***

Vice President and Assistant Secretary, Ogden Communications, Inc.

Mr. Palmer was elected an Officer of Ogden Services Corporation in 1989 and was elected an officer of Ogden Communications, Inc. in 1994. As Assistant General Counsel of Ogden Services Corporation, Mr. Palmer's responsibilities include general corporate law and litigation. Mr. Palmer graduated from Columbia University with a Bachelor of Arts Degree in 1974, from the Benjamin N. Cardozo School of Law, Yeshiva University with a Juris Doctorate Degree in 1979 and from the Wharton School, University of Pennsylvania, with a Masters Degree in Business Administration in 1993. Mr. Palmer has been a member of the New York State Bar Association since 1980.

J. L. Effinger

Assistant Secretary, Ogden Corporation

Assistant Secretary, Ogden Communications, Inc.

As Assistant Secretary of Ogden Corporation, Mr. Effinger is responsible for Ogden Corporation's compliance with the rules and regulations of the Securities and Exchange Commission and the New York Stock Exchange. In addition, he manages the functions associated with the office of Secretary for Ogden Corporation and its subsidiaries. In 1968, Mr. Effinger joined Ogden Corporation and was elected to his position with Ogden Communications, Inc. in 1994. Mr. Effinger received a Bachelor of Science Degree in Business Administration from Virginia Polytechnic Institute and State University in 1960 and was awarded his Juris Doctorate Degree from West Virginia University in 1968. He has been a member of the West Virginia Bar Association since 1968.

Exhibit D
(Continued)

Helene R. Stewart
Assistant Secretary

Ms. Stewart joined Ogden in February, 1992. Her responsibilities include analyzing the legal risks of potential bidding opportunities and contracts for the Company. She has over 13 years of legal practice, with experience in intellectual property, employment and real property law. Prior to Ogden, Ms. Stewart served as in-house counsel for Oracle Complex Systems Corporation, Systemhouse, Inc., and private law practice. She received her Bachelor of Arts degree from Wellesley College, and a Masters degree from the University of Texas. She earned a Juris Doctor degree from Georgetown University, and is a member of both the Virginia State and District of Columbia Bar Associations.

Commissioners:

SUSAN F. CLARK, CHAIRMAN
J. TERRY DEASON
JULIA L. JOHNSON
DIANE K. KIESLING
JOE GARCIA



DIVISION OF RECORDS &
REPORTING
BLANCA S. BAYO
DIRECTOR
(904) 413-6770

Public Service Commission

July 24, 1995

Mr. Jerry G. Kirby, Regulatory Affairs
OGDEN Communications, Inc.
3211 Jermantown Road
Fairfax, Virginia 22030

Dear Mr. Kirby:

RE: Docket No. 950876-TI
Application for certificate to provide interexchange telecommunications service
by OGDEN Communications, Inc.

This will acknowledge receipt of an application for certificate to provide interexchange telecommunications service by OGDEN Communications, Inc., which has been filed as of July 24, 1995.

Appropriate staff members will be advised.

by: M. Sanders

OGDEN COMMUNICATIONS, INCORPORATED

3211 Jermantown Road
P.O. Box 10107
Fairfax, Virginia 22030
Tel (703) 246-0550
Fax (703) 246-0797

July 20, 1995

950876-TL

Mr. Walter D'Haeseleer, Director
FLORIDA PUBLIC SERVICE COMMISSION
Division of Administration, Room G-50
101 East Gaines Street
Tallahassee, Florida 32399-0850

DEPOSIT TREAS. REC. DATE
D187 JUL 24 '95

RE: OGDEN COMMUNICATIONS, INC.
Application for Authority to Provide Interexchange
Telecommunications Service Within the State of Florida

Dear Mr. D'Haeseleer:

Enclosed is an original and twelve (12) copies of an Application Form for Authority to Provide Interexchange Service Within the State of Florida of Ogden Communications, Inc. ("OCI"), which is filed pursuant to the Florida Public Service Commission Rule Nos. 25-24.471, 25-24.473 and 25-24.480(2), regulating the resell of intrastate interexchange telecommunications services.

OCI is a non-facilities based telecommunications reseller seeking to provide resale of intrastate interexchange telecommunications services between various points within the State of Florida. The proposed services to be provided by OCI will primarily be used by business corporations and other interexchange resale carriers, for their direct transmission and reception of voice, data, and other types of communications, involving resale of Message Telecommunications Services (MTS) and Wide Area Telecommunications Services (WATS) of underlying services.

OGDEN COMMUNICATIONS INC.
3211 JERMANTOWN ROAD
FAIRFAX, VA 22030

CHEMICAL BANK DELAWARE
1201 MARKET STREET
WILMINGTON, DE 19801

11244

11244
CHECK NO.

7/13/95
DATE

\$250.00
AMOUNT

Two Hundred Fifty Dollars And 00 Cents

PAY TO THE ORDER OF
FL Public Service Commission
101 East Gaines Street
Tallahassee FL 32399-0850



AUTHORIZED SIGNATURE

DOCUMENT NUMBER

07047 JUL 24 '95

FPSC-RECORDS/REPORTING