



Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

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RECORDS AND REPORTING

DATE: JUNE 13, 2001

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF COMPETITIVE SERVICES (BLOOM, SIMMONS) *SAS*
DIVISION OF LEGAL SERVICES (KNIGHT) *WOK D/K*

RE: DOCKET NO. 010634-TL - ELIMINATION OF CERTAIN REPORTING REQUIREMENTS FOR INCUMBENT LOCAL EXCHANGE TELECOMMUNICATIONS COMPANIES.

AGENDA: 06/25/01 - REGULAR AGENDA - PROPOSED AGENCY ACTION - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\CMP\WP\010634.RCM

CASE BACKGROUND

On December 9, 1983, this Commission authorized incumbent local exchange companies (ILECs) to offer contractual rates or bulk discounts, instead of tariff pricing, to large users to thwart the perceived threat of uneconomic bypass. In situations where a competitor could offer service at a price less than the ILEC's tariff rate, but above the ILEC's incremental cost, there was concern that the ILEC would lose customers without economic justification. Moreover, there was concern under rate base/rate-of-return regulation that the remaining customers would have to pay higher rates to compensate for the losses. In a series of orders the Commission authorized Southern Bell (now BellSouth), United Telephone Company (now Sprint), and General Telephone Company (now Verizon) to enter into these arrangements for specific services and ordered the companies to file periodic reports listing the contracts, the relevant parties, and rate and term information.

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

As a result of a generic investigation into rates for interconnection of mobile service providers with facilities of local exchange companies, this Commission ordered ILECs to file quarterly reports containing all land-to-mobile NXX activity in Order No. 951247 (Docket No. 940235-TL). The Commission determined the reports were needed to ensure accurate billing by independent pay telephone providers for calls routed to wireless NXX codes.

This Commission has jurisdiction pursuant to Sections 364.04, 364.16, and 364.19, Florida Statutes.

At the May 15, 2001, agenda conference, staff proposed elimination of the contract service arrangement (CSA) reporting requirements and the elimination of the Land-to-Mobile reports for incumbent local exchange companies. The Commission approved staff's recommendation to eliminate Land-to-Mobile reporting requirements, but deferred a decision on staff's recommendation regarding contract service arrangement reports. Prompted by concerns expressed by representatives of Florida's alternative local exchange company (ALEC) community about eliminating the contract service reporting requirements, the Commission directed staff to examine the issues raised by ALEC representatives at the agenda conference. Specifically, representatives from the Florida Cable Telecommunications Association (FCTA) and the Florida Competitive Carriers Association (FCCA) expressed the following qualms about discontinuing the reporting requirements:

1. The reports may help the Commission to police the ILECs as to whether they are opening their markets to competition.
2. The reports could continue to serve a useful purpose by enabling staff to police potentially anti-competitive behavior on the part of the ILECs. Examples of anti-competitive behavior that could be discerned from the reports cited included below-cost contract arrangements, discriminatory contracts among similarly situated customers, and the imposition of onerous provisions relating to length of contracts and termination liability.
3. The reporting requirement itself provides a strong motivation to the ILECs to avoid anti-competitive or discriminatory behavior.

Pursuant to the Commission's directive, staff conducted an informal meeting May 30, 2001, with representatives from ILECs and ALECs to explore further the issues raised at the May 15, 2001 agenda conference. Staff's recommendation has been revised to reflect the concerns expressed at the May 15, 2001 agenda conference and at the May 30, 2001, meeting with ALEC and ILEC representatives.

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission eliminate the requirement for ILECs to file quarterly Contract Service Arrangement reports with the Commission?

RECOMMENDATION: Yes, the Commission should eliminate the requirement for ILECs to file quarterly Contract Service Arrangement reports. (BLOOM, SIMMONS)

STAFF ANALYSIS: In Order No. 12765 (Docket No. 820537-TP), issued December 9, 1983, this Commission authorized incumbent LECs to offer contractual rates or bulk discounts, rather than tariff pricing, to large users in an effort to help counter what was, at the time, perceived as the threat of bypass. In its order, the Commission noted, "much testimony, but little cost data has been presented on the potential for bypass of the local network and the resulting cost increases to the local ratepayers." Nonetheless, the Commission authorized incumbent LECs to offer special contract rates or bulk discounts on the condition it could be determined that the loss of the customer would result in greater revenue loss than providing the service below tariffed rates.

In Order No. 13603 (Docket No. 840228-TL), issued August 20, 1984, the Commission reiterated the position it established in Order No. 12765, and added, "however, we also believe that the standardization of rates is a goal which should be pursued and that the principles of fairness and nondiscriminatory treatment embodied in the tariffing process should not be wholly supplanted through contracts negotiated to meet the exigencies of competition." The Commission acknowledged that Southern Bell needed the flexibility to enter into contract service arrangements without prior Commission approval, but expressed a need to be kept apprised of the effects of such arrangements. To meet both of these

objectives, the Commission required the following information to be submitted on a monthly basis:

A brief description of all new contract service arrangements for the month.

The applicable rates, charges and contract period involved (if available).

The comparable tariff rates and charges for each contract.

A cumulative total over the contract period of the revenues generated by contract service offerings, as well as the revenues under corresponding tariff rates.

The justification for this offering on a case-by-case basis.

In addition, the Commission required the company to provide, on request, cost information supporting the rates and charges for specific contract service arrangements.

The order allowed Southern Bell to offer contract service arrangements for private line service and special access services, but rejected the company's request to include PBX trunks and Centrex services. A subsequent Order, No. 13781, issued November 26, 1984, gave Southern Bell authority to offer Centrex service under a contract service arrangement for a six month trial period, an interval subsequently extended by the Commission.

On August 13, 1985, United Telephone Company (now Sprint) filed a tariff requesting approval to add a provision for contract service arrangements to its General Exchange Tariff, noting it intended to comply with the reporting provisions of Order No. 13603. In a subsequent Order, No. 13830, issued November 5, 1984, the Commission granted permission to General Telephone Company (now Verizon) to offer contract service arrangements.

At the time that authorization to offer contract service arrangements was first approved, each of Florida's three largest incumbent LECs was entitled to a rate of return on its investment, which was the obligation of the general body of ILEC ratepayers. If a sufficient number of large customers found means other than those provided by the incumbent to obtain service -- thereby "bypassing" the incumbent -- ratepayers would theoretically be responsible for making up the difference in lost revenues to the

incumbent if the deficit was sufficient to erode the LEC's rate of return. While the Commission noted in its order allowing contract service arrangements that the cost-based evidence on the possibility of bypass was underwhelming, the Commission acted in an abundance of caution to protect the general body of ratepayers from incurring potentially higher telephone rates.

The protective mechanism authorized by the Commission involved allowing ILECs to offer contracts for services to large users at rates below those contained in the company's tariffs, provided the LEC reported to the Commission on a monthly (later changed to quarterly) basis the number of contract arrangements into which the LEC entered.

In recommending elimination of the reporting requirement, staff considered a number of criteria.

First, staff believes a systemic shift from a rate base, rate-of-return regulatory environment to a competitive market paradigm obviates the threat of "bypass" for rate payers. Congress and the Florida Legislature have fashioned laws to simultaneously stimulate competition, and protect ratepayers from excessive rate increases for basic services. The Legislature has also given incumbent LECs explicit authority to make competitive offerings, as evidenced in section 364.051(5)(a)(2), which reads in part:

Nothing contained in this section shall prevent the local exchange telecommunications company from meeting offerings by any competitive provider of the same, or functionally equivalent, nonbasic services in a specific geographic market or to a specific customer by deaveraging the price of any nonbasic service, packaging nonbasic services together or with basic services, using volume discounts and term discounts and offering individual contracts.

Moreover, under price caps incumbent LECs can only increase their basic local service rates by an amount not to exceed the change in inflation less 1 percent (Section 364.051(3), Florida Statutes). Thus, it appears the Legislature addressed competitive market dynamics and protected consumers from unanticipated rate hikes, eliminating the issue of bypass as a consideration.

Second, staff finds no assigned responsibility to which the information in the report is useful. While staff engages regularly in the collection of data from incumbent LECs and competitive local exchange companies for a variety of reasons, little in the contract

service arrangement reports has application to any collection efforts owing to the highly individualized nature of the contracts.

Third, while staff understands the trepidation expressed by representatives of the Florida Cable Telecommunications Association and the Florida Competitive Carriers Association, staff cannot agree that the CSA reports as currently structured offer a mechanism for determining the existence of anti-competitive or discriminatory behavior in the market place.

ALEC representatives have raised three issues to staff and the Commission as to why the reports should be retained. The first reason cited is that CSA reports can be used to police ILECs as to whether they are opening their markets to competition. Staff notes that CSA reports were ordered by this Commission for the limited purpose of apprising the Commission of the frequency and the extent to which ILECs were offering special contract rates or bulk rate discounts. The reporting requirements imposed for ILECs offering CSAs were developed in a non-competitive telecommunications market and predate Congressional passage of the Act by 13 years and amendments to Chapter 364, Florida Statutes, by 12 years. The contention that CSA reports that predate competition by more than a decade could be used to assess discriminatory behavior in a competitive market would appear to create a paradox of reasoning that is not overcome by the facts presented.

At the meeting on May 30, 2001, staff provided ALEC and ILEC representatives with copies of randomly selected CSA reports from BellSouth (Attachment A), GTE (now Verizon; Attachment B) and Sprint (Attachment C) from 1994, 1999 and 2000, all of which are attached for review by the Commission. Participants were to identify what aspects of the reports could be used to determine whether ILECs were opening their markets to competition. No participant was able to offer a specific methodology through which CSA reports could be used to accomplish the surveillance function that would indicate whether ILECs are or are not opening their markets to competition.

The second issue raised by ALEC representatives is that CSA reports serve a useful purpose by enabling staff to police potentially anti-competitive behavior by ILECs. Specific anti-competitive behaviors that ALEC representatives believe can be gleaned from CSA reports include below-cost contract arrangements, discriminatory contracts among similarly situated customers, and the imposition of onerous provisions relating to length of contracts and termination liability.

Each of the three anti-competitive behaviors is addressed below.

Below-cost contract arrangements: Because a CSA report includes only information about the extent to which an individual offering differs from an ILEC's tariff, a CSA report does not provide any information about the cost of the product offered in the contract. Staff does not believe deviation from a tariffed rate equates to offering a service below cost.

Discriminatory contracts among similarly situated customers: CSA reports as filed do not provide the level of detail staff believes would be needed to determine whether clients are "similarly situated," or victims of discrimination. Assuming an all-encompassing definition of "similarly situated" could be reached, an examination of whether similarly situated clients received discriminatory contracts would require staff to identify recipients of such contracts and submit a request for production of documents for the contracts in question, and a justification from the ILEC offering the contracts. Such an assessment would also require staff to determine whether discrimination occurred in the offering of contracts or whether one party was more adept than another in its negotiations with the ILEC.

Imposition of onerous provisions relating to length of contracts and termination liability: While CSA reports list the term of a contract offering, a determination of whether the length of a contract is "onerous" would have to be made by the entity agreeing to the contract. With regards to termination liability, staff believes the Commission attempted to address this issue during its "Fresh Look" docket.

The third reason cited by ALEC representatives for retention of the CSA reporting requirement is that the act of reporting serves as an intrinsic prohibition on anti-competitive behavior. Staff has no objective mechanism by which to assess the validity of this assertion. Staff believes, however, that statutes prohibiting local exchange telecommunications companies from offering services below cost (Chapter 364.3381, Florida Statutes) and prohibiting companies from giving undue or unreasonable preference to any individual or from subjecting any individual to unreasonable

prejudice or disadvantage (Chapter 364.10, Florida Statutes), provide an adequate deterrent.

In summary, staff finds no factual basis to support the contentions of ALEC representatives that CSA reports have validity as a barometer of anti-competitive behavior. Also, staff cannot conclude the filing of CSA reports does or does not deter anti-competitive behavior.

Conclusion

In its order creating the CSA reporting requirements in 1983, the Commission expressed skepticism that the threat of uneconomic bypass was supported by cost data in the record of its proceedings. In an abundance of caution, however, the Commission gave ILECs the authority to offer contract service arrangements and bulk discounts in the event the threat eventuated. Staff believes this decision was rendered moot by changes to Chapter 364, Florida Statutes, which gave ILECs specific authority to offer combinations of basic and nonbasic services to meet offerings by competitive providers.

In the current competitive environment, staff cannot identify any justification for continuing the CSA reporting requirements, cannot conclude the reports can be used to perform a function they were not intended to serve (i.e., identifying anti-competitive behavior), and cannot find sufficient evidence to conclude the reports deter anti-competitive behavior. Staff recommends, therefore, that the reporting requirement be eliminated.

DOCKET NO. 010634-TL

DATE: June 13, 2001

ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes. If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this docket should be closed upon the issuance of a consummating order. (**KNIGHT**)

STAFF ANALYSIS: If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this docket should be closed upon the issuance of a consummating order.

**CSA QUARTERLY REPORT
MONTHLY - 1999
FLORIDA**

	<u># CSA's REQUESTED</u>	<u># CSA's QUOTED</u>	<u># CSA's ACCEPTED</u>
January	55	55	17
February	72	72	29
March	107	107	19
April	65	65	19
May	84	84	16
June	87	87	31
July			
August			
September			
October			
November			
December			
Cumulative	470	470	131

**C.S.A. QUARTERLY REPORT
FLORIDA - 1999**

MONTH	C.S.A.		TARIFF		DIFFERENCE	
	NONRECUR.	MONTHLY	NONRECUR.	MONTHLY	NONRECUR.	MONTHLY
January	\$ 305,865	\$ 666,493	\$ 487,638	\$ 852,467	\$ (181,773)	\$ (185,974)
February	\$ 25,929	\$ 750,407	\$ 64,553	\$ 855,653	\$ (38,624)	\$ (105,246)
March	\$ 11,248	\$ 56,558	\$ 37,008	\$ 78,602	\$ (25,760)	\$ (22,044)
April	\$ 9,541	\$ 67,642	\$ 58,550	\$ 80,449	\$ (49,009)	\$ (12,807)
May	\$ 26,430	\$ 67,221	\$ 66,122	\$ 85,278	\$ (39,692)	\$ (18,057)
June	\$ 47,592	\$ 134,796	\$ 107,659	\$ 198,564	\$ (60,067)	\$ (63,768)
July						
August						
September						
October						
November						
December						
Cumulative	\$ 426,605	\$ 1,743,117	\$ 821,530	\$ 2,151,013	\$ (394,925)	\$ (407,896)

FLORIDA
SOLD - C.S.A.
QUARTER: 2Q99

CASE NUMBER: FL99-1493-00

LOCATION: PEMBROKE PINES

DESCRIPTION: FRAME RELAY

REASON FOR C.S.A.: COMPETITIVE ALTERNATIVES WERE AVAILABLE TO THIS CUSTOMER. THIS CASE PERMITTED US TO BE PRICE COMPETITIVE.

CONTRACT RATES

<u>NON-RECURRING</u>	<u>MONTHLY</u>	<u>CONTRACT PERIOD</u>
\$ 0	\$ 383	24 MONTHS

DIFF RATES

<u>NON-RECURRING</u>	<u>MONTHLY</u>
\$ 934	\$ 383

DIFFERENCE

<u>NON-RECURRING</u>	<u>MONTHLY</u>
(\$ 934)	\$ 0

CASE NUMBER: FL99-1779-00

LOCATION: MERRITT ISLAND

DESCRIPTION: PRIMARY RATE ISDN – INWARD DATA OPTION

REASON FOR C.S.A.: COMPETITIVE ALTERNATIVES WERE AVAILABLE TO THIS CUSTOMER. THIS CASE PERMITTED US TO BE PRICE COMPETITIVE.

CONTRACT RATES

<u>NON-RECURRING</u>	<u>MONTHLY</u>	<u>CONTRACT PERIOD</u>
\$ 550	\$ 966	49 MONTHS

TARIFF RATES

<u>NON-RECURRING</u>	<u>MONTHLY</u>
\$ 1,100	\$ 1,107

DIFFERENCE

<u>NON-RECURRING</u>	<u>MONTHLY</u>
(\$ 550)	(\$141)

FLORIDA
SOLD - C.S.A.
QUARTER: 2Q99

CASE NUMBER: FL99-0099-01

LOCATION: BOCA RATON

DESCRIPTION: FRAME RELAY

REASON FOR C.S.A.: COMPETITIVE ALTERNATIVES WERE AVAILABLE TO THIS CUSTOMER. THIS CASE PERMITTED US TO BE PRICE COMPETITIVE.

CONTRACT RATES

<u>NON-RECURRING</u>	<u>MONTHLY</u>	<u>CONTRACT PERIOD</u>
\$ 0	\$ 383	36 MONTHS

TARIFF RATES

<u>NON-RECURRING</u>	<u>MONTHLY</u>
\$ 925	\$ 383

DIFFERENCE

<u>NON-RECURRING</u>	<u>MONTHLY</u>
(\$ 925)	\$ 0

FLORIDA
SOLD - C.S.A.
QUARTER: 2Q99

CASE NUMBER: FL99-2119-00

LOCATION: ORLANDO

DESCRIPTION: PRIMARY RATE ISDN

REASON FOR C.S.A.: COMPETITIVE ALTERNATIVES WERE AVAILABLE TO THIS
CUSTOMER. THIS CASE PERMITTED US TO BE PRICE COMPETITIVE.

CONTRACT RATES

<u>NON-RECURRING</u>	<u>MONTHLY</u>	<u>CONTRACT PERIOD</u>
\$ 0	\$ 2,053	49 MONTHS

TARIFF RATES

<u>NON-RECURRING</u>	<u>MONTHLY</u>
\$ 0	\$ 2,980

DIFFERENCE

<u>NON-RECURRING</u>	<u>MONTHLY</u>
\$ 0	(\$ 927)



KGO
ANNE
ORIGINAL

Beverly Y. Menard
Regulatory and Governmental Affairs
Assistant Vice President - Florida/Georgia

GTE Service Corporation

One Tampa City Center
Post Office Box 110, FLTC0616
Tampa, Florida 33601-0110
813-483-2526
813-223-4888 (Facsimile)

July 31, 2000

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

Dear Ms. Bayo:

Subject: Contract Service Arrangements (CSAs)

As required in Docket No. 840228-TL, Order Nos. 13830 dated November 5, 1984 and 15317 dated October 31, 1985, enclosed is a copy of GTE Florida's CSA activity for the second quarter, 2000.

Should you require additional information, please contact Linda Rossy at (813) 483-2525.

Sincerely,

Beverly Y. Menard
Beverly Y. Menard

BYM:hr
Enclosures

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Florida Public Service Commission
Division of Regulatory Oversight

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GTE FLORIDA INCORPORATED

Contract Service Arrangements Activity Report for Second Quarter, 2000

Quarter	CSAs Requested	CSAs Quoted	CSAs Canceled Prior to Customer Quote	CSAs Accepted	CSAs Rejected	CSAs Pending (includes CSAs pending from previous quarters)
2Q, 2000	25	21	1	23	7	88

Quarter	CSA		TARIFF		DIFFERENCE	
	Nonrecurring	Monthly	Nonrecurring	Monthly	Nonrecurring	Monthly
2Q, 2000		\$23,365.55		\$27,926.96		\$4,561.41

GTE FLORIDA INCORPORATED
CONTRACT SERVICE ARRANGEMENT

1. **Customer Case Number:**
 FL0002286, FL0002288, FL0002293, FL0002295, FL0002297, FL0002299,
 FL0002300, FL0002305, FL0002307, FL0002310, FL0002311, FL0002312,
 FL0002315, FL0002320, FL0002339, FL0002340, FL0002345, FL0002349,
 FL0002376, and FL0002379

2. **Location:** Tampa, FL

3. **Description of Contract Service Arrangement:**
 Contract service arrangement is CentraNet service for various customers as
 referenced by the above Customer Case Numbers. All of the customers are
 similarly situated and have been quoted the same CSA rates.

4. **Contract Service Arrangement Rates and Charges:**

<u>Nonrecurring</u>	<u>Monthly</u>	<u>Contract Period</u>
	\$5,623.80	36 months

5. **Comparable Tariff Rates and Charges:**

<u>Nonrecurring</u>	<u>Monthly</u>
	\$8,012.46

Difference (5-4):

<u>Nonrecurring</u>	<u>Monthly</u>
	\$2,388.66

GTE FLORIDA INCORPORATED
CONTRACT SERVICE ARRANGEMENT

1. **Customer Case Number:** FL0002335

2. **Location:** Any customer location within GTE's serving area

3. **Description of Contract Service Arrangement:**
CSA rate for the wire center line charge associated with ContraNet service.

4. **Contract Service Arrangement Rates and Charges:**

<u>Nonrecurring</u>	<u>Monthly</u>	<u>Contract Period</u>
	\$9,501.75	12 months

5. **Comparable Tariff Rates and Charges:**

<u>Nonrecurring</u>	<u>Monthly</u>
	\$9,733.50

6. **Difference (5-4):**

<u>Nonrecurring</u>	<u>Monthly</u>
	\$231.75

GTE FLORIDA INCORPORATED
CONTRACT SERVICE ARRANGEMENT

1. **Customer Case Number:** FL0002418

2. **Location:** Clearwater, FL

3. **Description of Contract Service Arrangement:**

This CSA provides for ISDN-PRI with flat rate ECS calling.

4. **Contract Service Arrangement Rates and Charges:**

<u>Nonrecurring</u>	<u>Monthly</u>	<u>Contract Period</u>
	\$2,472.00	36 months

5. **Comparable Tariff Rates and Charges:**

<u>Nonrecurring</u>	<u>Monthly</u>
	\$3,116.50

6. **Difference (5-4):**

<u>Nonrecurring</u>	<u>Monthly</u>
	\$644.50

GTE FLORIDA INCORPORATED
CONTRACT SERVICE ARRANGEMENT

1. Customer Case Number: FL0002443

2. Location: Tampa, FL

3. Description of Contract Service Arrangement:

CSA pricing is for ISDN-PRI with flat rate ECS calling.

4. Contract Service Arrangement Rates and Charges:

<u>Nonrecurring</u>	<u>Monthly</u>	<u>Contract Period</u>
	\$5,768.00	36 months

5. Comparable Tariff Rates and Charges:

<u>Nonrecurring</u>	<u>Monthly</u>
	\$7,064.50

6. Difference (5-4):

<u>Nonrecurring</u>	<u>Monthly</u>
	\$1,296.50



Box 165000
Mail Code 5326
Altamonte Springs, Florida 32716-5000
Telephone: 407-889-6403
Fax: 407-884-7020

P. J. Merkle
Manager - Regulatory

March 11, 1994

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MAR 15 1994

Ms. Robin Norton
Division of Communications
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32399-0850

CMU

Dear Ms. Norton:

Per your request, enclosed is the additional information regarding Contract Service Arrangements (CSA) activities for United Telephone Company of Florida for 1993.

Beginning with the first quarterly report in 1994, the information for both United and Centel will be provide in a format similar to that of BellSouth.

If we can be of further assistance, please advise.

Sincerely,

A handwritten signature in cursive script, appearing to read "P. J. Merkle", written over the typed name.

P. J. Merkle

KH/ab

Enclosure

UNITED TELEPHONE OF FLORIDA
CONTRACT SERVICE ARRANGEMENT

1. Customer Case Number: 92-123
2. Location: Multiple Locations
3. Description of CSA: Centrex
4. Reason for Offering CSA: Customer was considering VSAT as a replacement for approximately 57% of their business lines.

5. Contract Rates and Charges

Nonrecurring	Monthly	Contract Period
\$8867.20	\$10,356.17	60 months

6. Comparable Tariff Rates and Charges:

Nonrecurring	Monthly	Contract Period
\$447.20	\$15,734.99	monthly

7. Difference (6-5)

Nonrecurring	Monthly
\$580.00	\$5378.82

UNITED TELEPHONE OF FLORIDA
CONTRACT SERVICE ARRANGEMENT

1. Customer Case Number: 93-008
2. Location: Multiple Locations
3. Description of CSA: DigiLink and FlexLink
4. Reason for Offering CSA: Customer was under pressure from its national headquarters to convert its network to a satellite configuration

5. Contract Rates and Charges

Nonrecurring	Monthly	Contract Period
waived	tariff rates	60 months

6. Comparable Tariff Rates and Charges:

Nonrecurring	Monthly	Contract Period
\$5286.00	tariff rates	60 months

7. Difference (6-5)

Nonrecurring	Monthly
\$5286.00	0

UNITED TELEPHONE OF FLORIDA
CONTRACT SERVICE ARRANGEMENT

1. Customer Case Number: 93-007
2. Location: Multiple locations
3. Description of CSA: Private Line
4. Reason for Offering CSA: Customer was considering using infrared short range signalling or VSAT unless we could offer rate stabilization for a 5-7 year contract period.

5. Contract Rates and Charges

Nonrecurring	Monthly	Contract Period
Tariff	Tariff P/L	60 months

Comparable Tariff Rates and Charges:

Nonrecurring	Monthly	Contract Period
Tariff	Tariff P/L	60 months

7. Difference (6-5)

Nonrecurring	Monthly
0	0

*This CSA did not offer special rates, it only guarantees existing rates for the next 60 months.