BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL

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

FINAL EXHIBIT NOS. 209-234

25 of 29

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050257-TL

REDACTED

CONFIDENTIAL

Information Systems / Telecommunications
MIAMI-DADE AVIATION DEPARTMENT

STS Customer Name
[redacted]

CONFIDENTIAL

Final Exhibit
No. 209

Prepared by: NextiraOne, LLC

CONFIDENTIAL

6/19/2006

DOCUMENT NUMBER-DATE
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MIAMI INTERNATIONAL AIRPORT

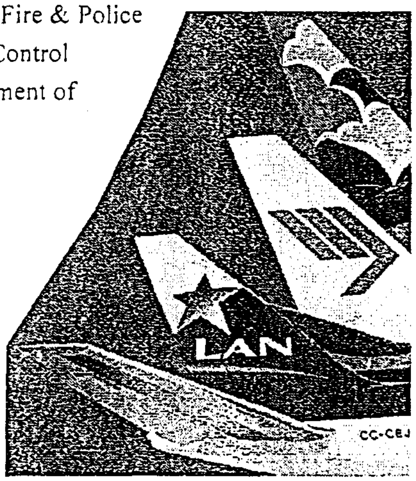
nextiraOne

Miami International Airport
Shared Airport Tenant Services

The Miami International Airport (MIA) Communications Infrastructure comprises voice and data network equipment, cabling, and all the related infrastructure systems to provide telecommunication and other services to tenants of MIA. As part of this infrastructure, the Miami Dade Aviation Department (MDAD) in conjunction with NextiraOne, manages a "State-of-the-Art" fiber optic based Enterprise Network at MIA, supporting systems like: Airport Operations Information System (AOIS), Common Use Terminal Equipment (CUTE), the Flight Information Display System (FIDS), and the Public Announcement System (PAS). This fiber optic network spans approximately twenty-five square miles within the MIA campus with a network of eight million feet of fiber optic cabling providing the technologically advanced data, video, and voice applications required for the safe and efficient operation of the Airport.

Over sixty tenants at the Airport subscribe to Shared Airport Tenant Services (SATS) offered by MDAD. The following is a partial list of those subscribers:

Miami-Dade County Fire & Police
Centers for Disease Control
United States Department of Agriculture - APHIS
Continental Airlines
American Airlines
United Airlines
Mexicana
British Airways
Air Jamaica
TACA Airlines
Host Marriott



SATS subscribers have the option of selecting from a wide array of offerings that benefit their operations at MIA, including:

- Telephone services,
- Long distance services,
- Voice mail,
- Local area network (LAN) connectivity,
- LAN management,
- Back-office additional CUTE installations,
- Fiber optic and copper cables,
- Paging systems,
- Design, engineering and installation of communications conduit and telephone systems
- Maintenance and support for all products and services.

Examples of services frequently provided to SATS customers are:

- High-speed data links for the FAA, MIA Hotel, Continental Airlines, Money Exchange, United Airlines, and MDAD;
- Fiber optic and high speed data cabling for American Airlines, Continental Airlines, and British Airways;
- LAN hubs, routers, monitors, management, cabling, and maintenance for Ethernet LANs;
- Data connectivity for Honeywell environmental monitoring circuits;
- ADA compliant text to speech Flight Information Display System (FIDS);
- PC based Emergency Notification System for the MIA community;
- Digital telephone communications system serving approximately 8,000 phones that provides MIA with redundant fiber optic access to the telephone company central office and the public network.

SATS is available for all sizes of organizations, from one (1) telephone to a complex voice, video and data network.

SATS On-Site Service Excellence

To help operate, manage, engineer, program, install, maintain, and market the SATS system on a daily basis, NextiraOne with a staff of thirty-eight full-time on-site professionals at MIA, helps MDAD provide the ability to respond quickly to customer needs. MDAD and NextiraOne provide the people, the experience, and the capability to professionally meet the SATS staffing requirements. NextiraOne's diverse staff includes highly skilled technicians and engineers from all sectors of the Miami-Dade County Community. From an operational and technological standpoint the existing SATS system meets Transportation Security Agency (TSA), MDAD's and the MIA tenant's advanced communications requirements.

All communications systems from SATS come with the expertise and dedication of the SATS on-site team of business communications professionals – the people who stand behind your system. Our support team also evaluates your system to ensure it meets your changing business needs and recommends ongoing strategies and enhancements to ensure that your organization is well positioned to achieve your overall business objectives.

Call 305-876-7905 today to see how MDAD can provide reliable communications to your organization.

Final Exhibit
No. 210

NEXTIRAONE, LLC.
(FORMERLY WILLIAMS COMMUNICATIONS SOLUTIONS, LLC. OR CENTEL COMMUNICATIONS COMPANY)

SCHEDULES OF GROSS REVENUE AND GROSS PROFITS FOR THE PERIOD FROM FEBRUARY 7, 2001 THROUGH FEBRUARY 6, 2002

TOGETHER WITH REPORT OF INDEPENDENT AUDITORS

Final Exhibit No. 211

McKean
Paul, Chrycy
Fletcher & Co.
certified public accountants

McKean
Paul, Chrycy
Fletcher & Co.
certified public accountants

6401 Southwest 87th Avenue
Suite 210
Miami, Florida 33173
Dade (305) 270-0880
Fax (305) 598-1011

2 South University Drive
Suite 240
Plantation, Florida 33324
Broward (954) 723-0212
Fax (954) 723-0929

REPORT OF INDEPENDENT AUDITORS

To the Management of
NextiraOne, LLC. (formerly Williams Communications Solutions, LLC.
or Centel Communications Company):

We have audited the accompanying schedules of gross revenue and gross profits for shared airport tenant services (as defined in the Shared Airport Tenants Service ("SATS") Agreement dated July 24, 1990, retroactive to February 7, 1988, between NextiraOne, LLC., formerly Williams Communications Solutions, LLC. or Centel ("Nextira"), and Metropolitan Dade County) of Nextira, for the period from February 7, 2001 to February 6, 2002. These schedules are the responsibility of Nextira's management. Our responsibility is to express an opinion on these schedules based on our audit.

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

The accompanying schedules of gross revenue and gross profits for shared airport tenant services were prepared for the purpose of complying with the SATS Agreement as described in Note 1 and are not intended to be a complete presentation of Nextira's revenue and profits.

In our opinion, the schedule of gross revenue for shared airport tenant services referred to above presents fairly, in all material respects, the gross revenue of Nextira for the period from February 7, 2001 to February 6, 2002, as defined in the SATS Agreement referred to in the first paragraph.

As more fully discussed in Note 2, in the reported calculation of gross profits, Nextira has not deducted from gross revenue any of the costs incurred to provide the shared airport tenant services, as allowed under the SATS Agreement.

In our opinion, because of the effect of not deducting any costs related to providing services in connection with the SATS Agreement as discussed in the preceding paragraph, the schedule of gross profits for shared airport tenant services referred to above, in contrast to the schedule of gross revenue for shared airport tenant services, does not present fairly, the gross profits of Nextira for the period from February 7, 2001 to February 6, 2002, as defined in the SATS Agreement referred to in the first paragraph.

This report is intended solely for the information and use of the management of Nextira and Metropolitan Dade County and is not intended to be and should not be used by anyone other than these specified parties.

McKEAN, PAUL, CHRYCY, FLETCHER & CO.

Miami, Florida,
July 10, 2002.

NEXTIRAONE, LLC.
(FORMERLY WILLIAMS COMMUNICATIONS SOLUTIONS, LLC.
OR CENTEL COMMUNICATIONS COMPANY)

SCHEDULE OF GROSS REVENUE FOR SHARED AIRPORT TENANT SERVICES

FOR THE PERIOD FROM FEBRUARY 7, 2001 THROUGH FEBRUARY 6, 2002

Invoice	Period	Gross Revenue
March 2001	February 7 - March 6, 2001	$ 170,581
April 2001	March 7 – April 6, 2001	185,167
May 2001	April 7 - May 6, 2001	182,504
June 2001	May 7 – June 6, 2001	187,391
July 2001	June 7 – July 6, 2001	193,003
August 2001	July 7 – August 6, 2001	211,762
September 2001	August 7 – September 6, 2001	196,397
October 2001	September 7 – October 6, 2001	277,034
November 2001	October 7 – November 6, 2001	197,990
December 2001	November 7 – December 6, 2001	215,147
January 2002	December 7, 2001 – January 6, 2002	194,525
February 2002	January 7 – February 6, 2002	218,054
Total		$2,429,555

The accompanying notes to schedules of gross revenue and gross profits for shared airport tenant services are an integral part of this schedule.

NEXTIRAONE, LLC.
(FORMERLY WILLIAMS COMMUNICATIONS SOLUTIONS, LLC.
OR CENTEL COMMUNICATIONS COMPANY)

SCHEDULE OF GROSS PROFITS FOR SHARED AIRPORT TENANT SERVICES

FOR THE PERIOD FROM FEBRUARY 7, 2001 THROUGH FEBRUARY 6, 2002

Invoice	Period	Gross Profits
March 2001	February 7 - March 6, 2001	$ 170,581
April 2001	March 7 – April 6, 2001	185,167
May 2001	April 7 - May 6, 2001	182,504
June 2001	May 7 – June 6, 2001	187,391
July 2001	June 7 – July 6, 2001	193,003
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NEXTIRAONE, LLC.
(FORMERLY WILLIAMS COMMUNICATIONS SOLUTIONS, LLC.
OR CENTEL COMMUNICATIONS COMPANY)

NOTES TO SCHEDULES OF GROSS REVENUE AND GROSS PROFITS FOR SHARED AIRPORT TENANT SERVICES

1. GENERAL AND ACCOUNTING POLICIES

NextiraOne, LLC. (formerly Williams Communications Solutions, LLC. or Centel Communications Company) ("the Company") entered into the Shared Airport Tenants Service ("SATS") Agreement ("the Agreement") with Metropolitan Dade County ("the County") to provide shared airport tenant telecommunication service to airport tenants and users. The SATS concept resulted from airports in Florida needing a reliable internal telephone system that would allow emergency and security problems to be handled in a prompt and efficient manner without having to access off-site local telephone company equipment.

The Agreement dated July 24, 1990, and retroactive to February 7, 1988, had an initial term of four years, with five two-year extension options, and expired in February 2002. Pursuant to the Agreement, the County receives a percentage of gross revenues and gross profits from the telephone charges the Company is able to collect from airport tenants and users who sign up for the Company's shared airport tenant service, which is applied as a credit and deducted from the County's monthly rental payment pursuant to the Equipment Lease and Maintenance Agreement, also dated July 24, 1990 and retroactive to February 7, 1988.

Use of Estimates
The preparation of financial statements and schedules in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates.

Revenue Recognition
Revenues consist of charges for equipment rental and installation services. Revenues are recognized in the period the services are provided.

2. GROSS REVENUE AND GROSS PROFITS

Pursuant to the SATS agreement, the following are the definitions for Gross Revenue and Gross Profits.

Gross Revenue shall mean all monies paid or payable to, or considerations of determinable value received by the Company from Equipment Charges made to tenants and users of SATS provided at the Airport, for transactions had or services rendered in connection with such equipment regardless of when or where the order therefor is received, or the goods delivered, or services rendered, whether paid or unpaid, whether on a cash or credit basis, or in consideration of any other thing of value. Provided, however, that any taxes imposed by law which are separately stated to and paid by a customer and directly payable by the Company to a taxing authority, refunds provided customers in connection with equipment, and all monies collected from the County for equipment charges under the Lease Agreement with County shall be excluded therefrom.

Equipment Charges shall mean all charges, including flat rate local service, related to the rental, sale, or provided equipment serviced from the Airport System to Airport tenants or users, other than DCAD.

Gross Profits shall mean all gross revenues for calling services less the costs to the Company for all leased lines, circuits, trunks, and network usage charges paid to carriers (including, but not limited to, Common Carriers, Other Common Carriers, and Specific Common Carriers) associated with calls placed, any other non-overhead or non-administrative expenses incurred by the Company to the extent required to provide services called for herein, and taxes imposed by law which are separately stated to and paid by a customer and directly payable by the Company to a taxing authority, and refunds, regardless of when or where the request for such refund is received, or the goods delivered, or services rendered, whether paid or unpaid, whether on a cash or credit basis, or in consideration of any other thing of value.

For the period from February 7, 2001 through February 6, 2002, the Company did not deduct any costs related to leased lines, circuits, trunks, and network usage charges paid to carriers associated with calls placed, any other non-overhead or non-administrative expenses incurred by the Company to the extent required to provide services, in the calculation of Gross Profits, as defined pursuant to the SATS agreement.

3. MANAGEMENT AGREEMENT

On February 6, 2002, the County acquired title to all the telecommunications, data network and common use terminal equipment infrastructure, software, licenses, permits and other assets, used in connection with or to provide the services pursuant to the SATS agreement. The Company has agreed to become the interim telecommunications infrastructure manager, to provide for the design, installation, maintenance, repair, management, and operational support services for all voice and data network infrastructure for the County and the SATS customers, in order to assist the County until a new provider is selected.

Part A
Technical Proposal

Proposer: NextiraOne
2800 Post Oak Blvd
Houston, TX 77056
713-307-4000

RFP No: MDAD-04-01

Title: Non-Exclusive Telecommunications And Network Management Services Agreement for the Miami-Dade Aviation Department

Final Exhibit
No. 212

TECHNICAL PROPOSAL

NAME OF PROJECT: Non-Exclusive Telecommunications and Network Managed Services Agreement

NAME OF PROPOSER NextiraOne, LLC

CONTACT PERSON William McGlashan

BUSINESS ADDRESS 1005 W Stirling Ct. Hendersonville, TN 37075

BUSINESS TELEPHONE 615-264-6942

BUSINESS FAX NUMBER 305-675-7908

LOCAL ADDRESS (if different from above)
Perimeter Rd & NW 22nd St.

Miami, FL 33159

305-876-8410

Signature of Authorized Agent - Date

Mike Olson – Senior Vice President
Printed Name of Authorized Agent and Title

Technical Proposal (Part A)
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Executive Summary

EXECUTIVE SUMMARY

Thank you for giving NextiraOne, LLC ("NextiraOne") the opportunity to extend and modify its current Managed Services solution to Miami-Dade Aviation Department (MDAD). We welcome the opportunity and are pleased to be a participant.

NextiraOne, the largest vendor-independent solutions provider in the world, offers a comprehensive portfolio of voice, data, and converged solutions and services. We leverage relationships with Cisco Systems, Nortel Networks and a diverse range of other leading technology companies globally to tailor solutions that meet the specific business requirements at Miami International Airport and its Regional Airports.

Miami-Dade County is seeking a vendor for the provision of Telecommunications and Network Management Services. NextiraOne responds to the RFP as your **Partner.** Our experienced in-house staff portrays an image on being an <u>extension</u> of MDAD.

NextiraOne has been providing the Telecommunications and Network Management Services since the 1980s based upon the traditions of quality, excellence and pride in workmanship and offers these standards, along with our experience while being onsite at Miami International Airport. As a distinctive ~~communication systems~~ integrator and managed services provider, we at NextiraOne provide a reputation of experience in the industry and extend our standards of excellence to our clients. It is NextiraOne's objective to tailor a Managed Services solution that satisfies the RFP specifications.

NextiraOne offers many <u>proven</u> advantages to MDAD:

1. NextiraOne employees that are currently on-site providing Managed Services for MDAD average 8 years experience at MIA, with an average telecommunications industry experience of over 18 years. Refer to Appendix D for our commendation letters
2. NextiraOne has proven to be a valued partner in offering cost effective communications solutions for several MIA Projects.
3. As per the RFP, NextiraOne will provide 46 dedicated employees for all the voice, data, and cable infrastructure needs at MIA. NextiraOne will enhance the current staff with additional employees, exclusively for the Help Desk and Network Operations Center.
4. Current Shared Tenant Services customers responded to a quality survey with an average rating of 4.6 out of a top rating of 5. <u>All</u> customers stated they would recommend NextiraOne.
5. In addition to the MIA staff, NextiraOne as a company offers:
   - Over 580 Nortel Networks Certifications
   - Over 337 Cisco System Certifications (28 CCIEs)
   - 8 RCDD Certifications – more scheduled
   - Over 1.000 Employees Trained in Nortel/Cisco IP Telephony
   - Over 50 Microsoft MCSE's
   - 12 PMI Certified Project Managers

NextiraOne has proven to be the right technology services partner that can be the critical link to a balanced budget, providing a platform for a multitude of applications, integrating voice and data which increases the productivity of daily operations and improve customer satisfaction. We assure you that on the pages to follow, you will find a solution that caters to the specific needs of MDAD and illustrates a creative "out of the box" thinking approach.

Making the right choice. Making the right choice encompasses more than lowest price or even meeting current requirements. As part of the selection criteria, evaluating a potential vendors ability to evolve and grow with MDAD is essential. To be right for you today, your service partner must also be right for you tomorrow, next year, or five years from now.

Partnering for success. It is not easy to anticipate the direction MDAD may take in the future, but that is where NextiraOne can help. We will work with you to plan your future, utilizing what we already know about your business environment—and what you tell us—to provide answers to questions before they are asked.

By selecting NextiraOne to provide your Telecommunications and Network Management Services, you protect your future with an investment in tomorrow's technology. Designed to achieve operational flexibility, NextiraOne will continue to work as an agent on behalf of MDAD. With a solid reputation of outstanding customer service, you can begin to see why companies nationwide are taking advantage of the partnership benefits offered by NextiraOne.

Key points of interest during the evaluation of our proposed solution:

1. NextiraOne's response offers an easy transition plan with ensured business continuity.
2. With our long-term experience supporting MDAD, NextiraOne has in depth knowledge of the policies, procedures and physical plant layout at MIA and its Regional Airports.
3. NextiraOne is committed to continuing education for our employees at MIA. As MDAD selects equipment, NextiraOne will continue to enhance our employees' knowledge.
4. Technology services are our core business.
5. NextiraOne is a Cisco Gold Certified and Professional Services Partner.
6. NextiraOne has demonstrated its knowledge of new technologies such as wireless, Optical, and VoIP Convergence.

It is the team of professionals assigned to your account that serve as the greatest differentiator between NextiraOne and other vendors. MDAD may find it reassuring to know that the existing Account Team retains *total* account ownership and will continue to be involved with all functional aspects of services provided to you.

NextiraOne's team of professionals is delighted to present our voice, data, and converged solutions and services offering to you. We thank you for your interest in doing business with us. We look forward to the continuance and further expansion of our mutually beneficial PARTNERSHIP and being selected to begin contract negotiations.

Minimum Qualifications

MINIMUM QUALIFICATIONS REQUIREMENT AFFIDAVIT
EXPERIENCE QUALIFICATIONS

The following statements as to experience qualifications of Proposer are submitted with the proposal, as part thereof, and the truthfulness and accuracy of the information are guaranteed by the Proposer.

Proposer guarantees it has the required minimum of five years of providing Voice and Data Desk management services as described in this RFP, for at least three (3) major airports and or large government facilities in North America, meeting or exceeding size and complexities of the voice and data support requirements at MIA. References to demonstrate compliance with this requirement are:

Reference #1:	California Department of Corrections
List Types of Services/ Scope of Work:	Install, support and maintain 32 Meridian 1 switches, with Several public safety sub-systems integrated with switch.
Date of Agreement:	1992
Annual Dollar Amount of Agreement:	Maintenance: $2.1M New Telecom infrastructure: $6-$12M/year.
Number of Voice Circuits:	Approximately 38,000 lines.
Number of Data Circuits:	Approximately 650.
Software provided, if applicable:	SIMS
Number of Employees on-site:	Two on-site resident technicians. Remainder are roving Maintenance/Repair technicians.
Contact Name, Position, Address:	Kathryn Manzer-Matsuo. Chief, Telecom Division 501 J. Street, Sacramento, CA 94283
Telephone Number:	916-445-3724

Reference #2:	Maricopa County, Arizona
List Types of Services/ Scope of Work:	SL-100, 28 Marconi / FORE ATM Switches and 7 Nortel OPtera Optical Metro units - full Service
Date of Agreement:	1st was in 1997, last/current July 1, 2002
Annual Dollar Amount of Agreement:	Maintenance is $357,000 plus $160,000 each year for S/W upgrades
Number of Voice Ports:	14,000
Number of Data Ports:	28 Marconi/FORE ATM with 2 OC-3 ports and 10 T-1's each and 7 OPtera Optical Metro with 1 OC-3 port and 140 DS-0's.
Software provided, if applicable:	SIMS
Number of Employees on-site:	1
Contact Name, Position, Address:	Nancy Bozich – Director of Communications
Telephone Number:	602-506-1109

Reference #3:	**State of Montana**
List Types of Services/ Scope of Work:	**34 Meridian PBX systems totaling 32,000 ports across Montana. Also 65 Norstar Key systems across the state.**
Date of Agreement:	**PBX contract-1983. Norstar Key contract- 1998.**
Annual Dollar Amount of Agreement:	**$2,000,000 per year**
Number of Voice Circuits:	**5,000**
Number of Data Circuits:	**0**
Software provided, if applicable:	**SIMS**
Number of Employees on-site:	**7**
Contact Name, Position, Address:	**Carl Hotvedt, Bureau Chief, State of Montana ITSD, Mitchell Bldg., Helena, MT 59620**
Telephone Number:	**406-444-1780**

Proposer guarantees it has the required minimum of five years of providing On-Site Help Desk and NOC Services and associated software meeting or exceeding the requirements described in this RFP, for at least three (3) major airports and or large government facilities in North America. References to demonstrate this requirement are:

Reference #1:	Social Security Administration Headquarters
List Type of Services:	NextiraOne has provided maintenance services for the Social Security Administration (SSA) Headquarters in Baltimore, MD, for the past 12 years that includes one of Nortel's largest switch systems in the U.S.
On-Site Help Desk (Y/N).	Y
On-Site NOC (Y/N):	Y
Date of Agreement:	March 2002-March 2003, Renewed Annually
Annual Dollar Value of Agreement:	$1,700,000
Number of Users:	25,000
Number of Monitored Points:	28,000 ports
Software Provided (Y/N):	N
If yes, Name of Software:	
Is Operation 24x7x365:	Yes
Number of Employees on-site:	17
Contact Name, Position, Address:	Mark Riley, Telecom Specialist 6201 Security Blvd, NCC, Rm 270, Baltimore, MD 21235
Telephone Number:	410-965-1966

Reference #2:	Lockheed Martin SSC,
List Type of Services:	NextiraOne is responsible for support and installation of all voice, data, and video networks, including the administration of a warehouse facility and other non-technical services. Part of the contract includes support of astronautics facilities in Courtland, AL, Vandenburg AFB, Harlingen, TX, and Cape Canaveral, FL. The astronautics voice network includes a Nortel MSL-100 with 24 RLCM's; an Option 61 with Meridian Mail; two Option 11s with Meridian Mail; an Octel 250 and Octel 350's. The data network includes products from Cisco, Marconi, SMC, Nortel Networks, and a host of other manufacturers and vendors. The network supports advanced technologies such as SONET, FDDI, Frame Relay, ATM and Gigabit Ethernet.
On-Site Help Desk (Y/N):	Yes.
On-Site NOC (Y/N):	Yes.
Date of Agreement:	Current Contract- March 1993 and on-site since 1982.

Annual Dollar Value of Agreement:	$4 Million
Number of Users:	6500 +/-
Number of Monitored Points:	15,000 +/-
Software Provided (Y/N):	Licensed by Lockheed and we ride their license.
If yes, Name of Software:	
Is Operation 24x7x365:	6:00 AM to 8:00 PM Monday thru Friday.
Number of Employees on-site:	35 full time employees and subcontractors as required.
Contact Name, Position, Address:	Bob Hein, Lockheed EIS Telecom Manager 12257 State Hwy 121, Littleton, CO 80125-8500, MS 1084
Telephone Number:	303 977-9997

Reference #3:	Miami-Dade County Aviation Department
List Type of Services:	NextiraOne is responsible for support and installation of all voice and data networks, all cable plant and administration of a warehouse facility and other non-technical services. The contract includes support of remote airports as well. The voice network includes 2 Opt. 81C's, Meridian Mail, Norstar's, PE Remotes and an Opt. 11C. The data network includes products from Nortel Networks, Newbridge and a host of other manufacturers and vendors. The network supports advanced technologies such as FDDI, ATM and Gigabit Ethernet and standard Ethernet. NextiraOne also supports the existing C.U.T.E equipment and Network.
On-Site Help Desk (Y/N):	Yes
On-Site NOC (Y/N):	Yes
Date of Agreement:	Current Contract – February 2002 and on-site since 1982.
Annual Dollar Value of Agreement:	$6,480,000 per year
Number of Users:	6,000
Number of Monitored Points:	10,000
Software Provided (Y/N):	N
If yes, Name of Software:	
Is Operation 24x7x365:	Y
Number of Employees on-site:	38
Contact Name, Position, Address:	Pedro Garcia, Chief Telecommunications PO Box 592075, Miami Fl 33159
Telephone Number:	305-869-1413

REDACTED

MIAMI-DADE COUNTY BUILDING CODE COMPLIANCE OFFICE
140 W FLAGLER ST
MIAMI FL 33130

BUSINESS
CERTIFICATE OF COMPETENCY
EXPIRES ON 09/30/2003
NEXTIRAONE LLC

C.C. NO.: EL 000547
Q.A.: WELL TONY
S.S. NO.:

QUALIFYING AGENT (Q.A.) MUST SUPERVISE, DIRECT AND CONTROL ALL WORK

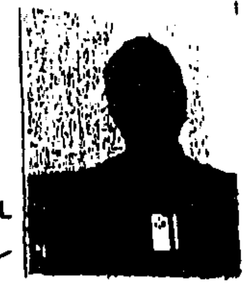
FOLD HERE

CONTRACTOR
TRADE:
ELECTRICAL
CATEGORY(S)
ELECTRICAL
BURGLAR ALARM
FIRE ALARM SPECL

Tony Well

Signature of Qualifying Agent

FRANCISCO J. QUINTANA, R.A.



INSTRUCTIONS

1. SIGN CERTIFICATE - ATTACH PICTURE - FOLD - LAMINATE
2. NOTIFY CONTRACTOR SECTION OF ANY CHANGE OF ADDRESS.
3. ABIDE BY THE RULES AND REGULATIONS OF CHAPTER 10 OF THE CODE OF MIAMI-DADE COUNTY.

NEXTIRAONE LLC
P O BOX 661627
MIAMI FL 33266

STATE OF FLORIDA

DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION

ELECTRICAL CONTRACTORS LICENSING BOARD (850) 487-1395
1940 NORTH MONROE STREET
TALLAHASSEE FL 32399-0783

WELL, TONY
NEXTIRAONE LLC
61 SW 52 COURT
MIAMI FL 33134

STATE OF FLORIDA AC# 0520081

DEPARTMENT OF BUSINESS AND
PROFESSIONAL REGULATION

EC13001181 08/06/02 273530569

CERTIFIED ELECTRICAL CONTRACTOR
WELL, TONY
NEXTIRAONE LLC

IS CERTIFIED under the provisions of Ch.489 FS.

Expiration date: AUG 31, 2004 SEQ # L02080800964

DETACH HERE

509855

STATE OF FLORIDA

DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
ELECTRICAL CONTRACTORS LICENSING BOARD

SEQ#L0207300079

ATE	BATCH NUMBER	LICENSE NBR
0/2002	673590503	EC0002132

ELECTRICAL CONTRACTOR
ied below IS CERTIFIED
ler the provisions of Chapter 489 FS.
iration date: AUG 31, 2004

LGREN, ARTHUR
D ELECTRIC, INC.
BOX 99-8766
MI FL 33299-8766

EB BUSH
OVERNOR

DISPLAY AS REQUIRED BY LAW

KIM BINKLEY-SEYER
SECRETARY

Proposer guarantees it current has the ability to provide for both the off-site and on-site support and maintenance required by this solicitation

(Signature of Authorized Representative)

Title Sr. Vice President

Date April 8, 2003

STATE OF: Texas

COUNTY OF: Harris

The above instrument was acknowledged before me this 8th day of April, 2003

by Mike Olson,
(Authorized Representative)

of NextiraOne,
(Name of Corporation, Partnership, etc.)

who is personally known to me or has produced as ____________ identification and ~~who did/did not take an oath.~~

Karen M. Webb
(Signature of Notary)

Karen M. Webb
(Print Name)

Notary Commission Number: ____________

My Commission Expires: 9/27/04

Notary Stamp or Seal:

KAREN M. WEBB
NOTARY PUBLIC STATE OF TEXAS
COMMISSION EXPIRES:
SEPTEMBER 27, 2004

Company Qualifications

Company Qualifications

1. Experience

NextiraOne, LLC ("NextiraOne") is founded upon the traditions of quality, excellence, and pride in workmanship. In March of 2001, Williams Communications Solutions was purchased by Platinum Equity and integrated with another Platinum Equity company – Milgo Solutions, forming NextiraOne, LLC. This newly founded company focuses on providing leading integration solutions for businesses' voice, data, and video requirements. As a distinctive communication systems integrator, we at NextiraOne offer a reputation of experience in the industry and extend our standards of excellence to all of our customers. It is NextiraOne's objective to continue providing the quality Managed Services MDAD has come to expect over the years.

Telecommunications Business History

1967	Williams Telecommunications Systems, Inc. - original date of incorporation under the laws of the state of Delaware (formerly Centel Service Company)
1970	Northern Telecom was a direct distributor/manufacturer
1977	Milgo Solutions, Inc. - original date of incorporation under the laws of the state of Delaware (formerly Racal-Datacom, Inc.)
1990	Northern Telecom and NYNEX formed a distributor joint venture Nynex Meridian Systems
1991	The Williams Companies purchased Centel Communications Systems, which began business in 1967
1991	WilTel Communications Systems, Inc. (March 28th)
1993	Nortel Communications Systems, Inc (NCS) was formed and joint venture dissolved
1995	Williams Telecommunications Systems, Inc. (February 1st)
1997	Williams purchased the following Nortel Networks' companies: Bell Atlantic Meridian Systems and Nortel Communications Systems, Inc to form Williams Communications Solutions
1998	Milgo Solutions established by combining two (2) companies: Racal Datacom and the TimePlex Group, each with a 40-year history of success in communications systems
2001	Platinum Equity purchased Williams Communications Solutions and integrated it with Milgo Solutions to form NextiraOne, LLC (March 30th)
2001	Staples Communications is integrated into NextiraOne
2002	NextiraOne acquires Alcatel's European Enterprise Distribution and Service Business, which operates as NextiraOne Europe

NextiraOne is a powerful technology resource in today's enterprise network environment with both a North American reach and an extensive local presence. NextiraOne is a Cisco Gold Certified and Professional Services Partner, providing design, sales, and service of the entire Cisco product line. The company's diverse product offerings also include full-service data, voice, and video products from Nortel Networks, Cisco and Alcatel among others. NextiraOne serves more than 50,000 customer sites. By supporting our customer's changing business requirements with responsive and insightful business communications solutions, we maintain a powerful focus on their success.

With NextiraOne, you have access to data, voice, video, multimedia and IP products from more than 40 leading manufacturers and strategic partners. Our product portfolio includes:

Data - Campus LAN/HUB, Switching, Access and Routers, Gigabit Switch/Routers, ATM/Broadband, Multimedia WAN, Bandwidth Management, Security, Firewall, Wireless LAN

Voice – PBX Systems, PC Attendant Console, Wireless Systems, Telephone Sets, Key Systems, Private 911 Solutions, Conference Bridge, Telemanagement, Messaging Systems, Speech Recognition, Remote Solutions, On-hold Recording

Contact Center – Platforms, Reporting, Applications, Interactive Voice Response Systems, Computer Telephony Integration, Call Logging and Quality Assurance

In North America alone, NextiraOne has a direct service presence of 1,900 field engineers, technicians, and network consultants as well as 80 parts depots in North America. With over 337 Cisco Certifications, over 50 Microsoft Certifications, and an average of 18 years industry experience, NextiraOne has world-class technical talent to suit the needs of MDAD's network. Extensive coverage throughout North America to ensure personnel backup capabilities and specific special services for MDAD, combined with a strong focus on quality and excellence makes NextiraOne the preferred communications partner.

<u>NextiraOne Core Competencies</u>

<u>Planning.</u> Customized planning provides cost-effective solutions that blend knowledge of business requirements and complex networking expertise. Service offerings include:

- *Strategic planning*
- *Infrastructure assessment*
- *Performance and capacity planning*
- *Network architecture definition*
- *Technology services and recommendations*
- *Business case development*
- *Implementation planning*

<u>Design.</u> NextiraOne's network design and engineering solutions fit seamlessly into large, medium and small business environments. Service offerings include:

- *Detailed requirements definition*
- *Solution design*
- *Design documentation*

<u>Implementation.</u> NextiraOne's project managers and implementation specialists take networks from concept to completion. Our project management team plans, organizes, and controls project resources to meet the customer's performance schedule and budget. Service offerings include:

- *Project management*
- *Site survey*
- *Site preparations*
- *Staging*
- *Installation*
- *Configuration*
- *Customer premise network management implementation*
- *Application integration*
- *Documentation*
- *Acceptance testing*

Support. NextiraOne provides both remote and on-site maintenance support. Furthermore, first and second level technical support is available through our Technical Assistance Center (TAC). Services include:

- *A comprehensive suite of flexible maintenance plans*
- *Up to 24 x 7 x 2 service coverage (regionally dependant)*
- *Remote engineering services*
- *Parts and labor*
- *On-site hardware replacement*
- *Software patches*
- *Access to software updates*
- *Escalation management until problem resolution*

Management. NextiraOne can monitor a customer's network 24 hours a day from our Network Management Center, looking for alarms, performing remote configuration management, assessing performance, and performing unique functions such as periodically checking your web site for broken links. These services include:

- *Performance/Alarm Monitoring*
- *Diagnose and remotely solve network problems*
- *Outsourcing on a 24x7 basis*
- *Web Based Reporting*
- *Configuration/Application Management*

Vendor Independence. As a Cisco Gold Certified Partner, Nortel Professional Services Partner, Alcatel Partner, and an authorized Avaya distributor, NextiraOne brings together the most proven solutions in data/voice network integration. Our vendor independence allows us to take an independent consultative approach so we can design and recommend the best overall solution for your situation, rather than force fit a preferred brand.

Converged Capabilities and Experience

As a Cisco Gold Certified Partner, NextiraOne has developed expertise in virtually every aspect of Cisco's business—including planning, network design, network management, support, and global networking—so we can serve you effectively at every stage of your network's development. Gold Certification status provides strong recognition of NextiraOne's continuous investment in Cisco Systems and leading internetworking technology for its customers.

To meet Cisco's stringent guidelines, we maintain a staff of experts with the numerous Cisco Certifications. In addition, Cisco Gold Certified partners must possess the following capabilities:

- 24x7 Technical Support
- Computer-based Call Tracking
- Automated Call Alert, With 1 Hour Callback
- $100,000 Spent Yearly on Lab Equipment

Gold Partners provide the highest level of product knowledge, technical expertise, and service capabilities—along with industry-leading networking products and solutions. Specific services provided by NextiraOne include complex network design and implementation, product testing facilities, remote diagnostics and on-site troubleshooting. As one of only 37 Gold Partners in the United States, NextiraOne is an extension of Cisco's support team, providing customer support 24 hours a day, 365 days a year, giving you the assurance that technical assistance is only a phone call away.

By combining our dedicated team of field engineers with 24x7 TAC support, remote network operations and Cisco's Professional Services Partner certification, NextiraOne is capable of delivering a superior network for the ultimate return on investment. NextiraOne provides the total solution for your entire network by wrapping our complete suite of services around Cisco's tightly integrated product line.

Summary of NextiraOne Core Competencies

NextiraOne's strength is the employees. All of the above competencies have been in use at Miami International Airport and its Regional Airports for many years.

NextiraOne has the trained employees to accomplish virtually any task involving voice, data, VOIP, convergence and cable plant infrastructure. NextiraOne will procure equipment for MDAD as requested to solve business problems. NextiraOne will design, install, and maintain that equipment for the life of the product. NextiraOne offers a reputation of experience in the industry and extends our standards of excellence to all of our customers.

Company Qualifications

2. Specific Project Experience

AT&T/AT&T Solutions

Over the years, NextiraOne and its predecessors have provided many customers with Managed Services. Perhaps the largest is the agreement with AT&T. The AT&T relationship began in 1997 and has continued to expand in scope and opportunity. Both of our former organizations, Williams Communications Solutions (WCS) and Milgo Solutions began a relationship that together represent NextiraOne's largest alliance.

- From our WCS background the landmark agreement provided for the very first time in AT&T history, non-Avaya (formerly AT&T) CPE for AT&T employees. This contract, still in existence today, provides managed voice services for over forty three thousand (43,000) lines to AT&T's internal AT&T end-users via two (2) Nortel MSL-100 SuperNodes, located in New Jersey and the Atlanta area. There are also an additional forty seven hundred (4,700) lines being served by two hundred and thirty-four (234) Norstar/BCM's. This represents approximately one third of all AT&T internal lines across the United States. The managed voice services are administered by the AT&T ITS organization and delivered by the approximately forty (40) NextiraOne employees located in Wethersfield CT, Atlanta GA, and Northern NJ.

- From our Milgo Solutions background the landmark agreement provided the use of our field services personnel to install and maintain DSU/CSU equipment,and install demarc extension material to support AT&T's Frame Plus commercial services offering.

NextiraOne began expanding our relationship to AT&T Solutions approximately forty-eight (48) months ago. During the first twelve (12) months, the relationship moved along at a slow pace. Opportunities were brought to NextiraOne's attention to bid on by a deal-by-deal basis. The opportunities presented were mainly centered on NextiraOne providing voice maintenance services and enhanced Service Level Agreement (SLA) reporting & program management.

The deal-by-deal opportunities were, in most cases, to provide these services and program management to prospective AT&T Solutions customers. Some were opportunities in the existing AT&T Solutions customer base. Services opportunity sizes ranged from eight (8) to ten (10) PBX/Key systems, to over one thousand (1,000) PBX/Key System customers. Typically the services proposed have been for Nortel Networks Enterprise CPE, NEC CPE or Avaya Octel Messaging Division CPE. AT&T Solutions has at every turn continued to ask our willingness and ability to provide Move, Add, Change and Disconnect (MACD) activities and maintain other manufacturers equipment such as Avaya, Siemens, and Ericson.

AT&T is but one example of our partnerships with customers for Managed Services. With the Strategic Accounts Group of NextiraOne there are multiple Managed Service Accounts. Each Managed Service Account has different business requirements, and each has agreements structured to their needs. The current Miami Dade Agreement is another example of an agreement customized to the needs of you, the customer. In addition to the organizations named in the reference section and the AT&T relationship described above, we offer the following companies and government agencies as examples of specific managed services project experience.

BASF
BASF is a multinational chemical company that utilizes NextiraOne's implementation, monitoring, and maintenance services for their voice and data equipment as well as their networks. This agreement covers more than 30 sites.

Services provided by NextiraOne include:
- Maintenance of Meridian 1 Option 81C and Call Pilot Unified Messaging located at the Mt. Olive, NJ Campus for over 3,000 users
- Moves, Adds, and Changes for all locations
- Equipment Inventory
- Coordination of telco installations for BASF external Business Services, Home Office lines and ISDN Services
- Review, verify and submit to accounts payable telecom invoices

Hewlett Packard
This client is managed from the NextiraOne Centralized Service Center in Naperville, IL, with a dedicated Project Manager located at a Hewlett Packard facility in Atlanta, GA. The agreement calls for service and MAC on 44,000 Nortel ports along with approximately 12,000 Octel voice mail boxes.

Services provided by NextiraOne include:

- Customized Billing	- Customized Reporting	- Dispatch
- Enforce Corp Standards	- Engineering Support	- MAC Activity
- Multi Vender Coordination	- Order Entry	- Remote Diagnostics
- Remote Repair		

In the Field NextiraOne Provides:

- Customer Interface	- Database Collection	- Installations
- MAC Activity	- Move Coordination	- Upgrades

Bank of America
NextiraOne has two contracts to support the Bank of America. The first one provides maintenance support for 1,629 branch and field offices locations (1629) covering 7 states. This encompasses 48,299 ports of Nortel Key and PBX systems.

Secondly, NextiraOne manages Bank of America's Chicago facility, which is comprised of 10,000 Centrex lines with a NextiraOne -owned Octel Voice Mail. NextiraOne's support center is on-site at the customer's location.

Services provided by NextiraOne include:

- Audio conferencing	- Calling Card Coordination	- CDR Processing
- Cellular Phone Coordination	- Corporate Directory Updates	- Customized Billing

- Customized Reporting
- Dispatch
- Maintain Centrex Inventory
- Remote Diagnostics
- Customized Telemanagement
- Electronic Feed to Bank's GL
- Operator Services
- Remote MAC
- Disaster Recover Support
- Engineering Support
- Order Entry
- Remote Repair

In the Field NextiraOne Provides:

- Audio Set-Up
- Database Collection
- Move Coordination
- Support Trading Turrets
- CDR Verification
- Installations
- Multi-Vendor Coordination
- Upgrades
- Customer Interface
- MAC Activity

Dow Jones

Dow Jones awarded NextiraOne a contract that is valued at approximately $20 million for 5 years for equipment rental of new communications equipment to be engineered, furnished and installed at 22 locations. The contract also calls for on-going service for all locations.

Services provided by NextiraOne include:

- Consolidated Invoicing
- Inventory Management
- Performance Reporting
- Customer Satisfaction Surveys
- MAC Activity
- Software Technology Refresh
- Directory Updates
- Maintenance
- System monitoring

Other Managed Services accounts include Aetna, Agilent, Motorola, Owens Corning, and many others. The list above is merely a representative sample of some Managed Service Accounts. Each account has different requirements, and NextiraOne has successfully fulfilled each customer's business needs.

NextiraOne's business is service; whether it is at the customer's location performing installation or maintenance, in the operations center managing networks, or in the office responding to customer requests and administering the company's business. From top to bottom and throughout the company, we recognize that our competitive advantage lies in our ability to deliver excellence and quality in all facets of our work.

COMPANY QUALIFICATIONS

3. Additional Experience

NextiraOne is responsible for a life cycle of services for over 50,000 customer locations in North America. Among these agreements are Managed Services accounts and contracts supporting both voice and data.

In addition to the accounts previously mentioned in the references section, we offer the following companies and government agencies as examples of additional general experience.

Deloitte & Touche
Deloitte has been a NextiraOne customer for over 12 years. We maintain and monitor over 90 sites for voice. NextiraOne also monitors and maintains Nortel Passport ATM switches, Nortel 8600 edge switches and various Cisco equipment components.

Sarasota County, Fl
NextiraOne's agreement called for the design, installation and ongoing maintenance of optical, data and voice systems for the County.

Pfizer - Groton Research and Development
NextiraOne manages this account with an on-site team, which includes a dedicated Program Manager and administrative and technical staff. This contract supports approximately 17,500 ports of Nortel Networks and Avaya equipment.

PPL Montana
NextiraOne has a contract to supply and service multiple Nortel Meridian systems using a converged network with BCM's throughout the state of Montana.

Computer Sciences Corp (CSC)
CSC awarded NextiraOne a contract that is valued at approximately $50 million for 7 years for buyback of their existing telecommunications assets and for new systems to be engineered, furnished and installed at 204 locations across the United States. We also provide ongoing service for all locations under a separate maintenance agreement.

Additional Experience
Other NextiraOne well known customers include The City of New York, Marriott Hotels, Dillards, Bear Stearns, Price Waterhouse Coppers, Countrywide Loans, Prudential Securities, Viacom, New York Life, Kemper Insurance, HBO and Comcast Cable, to name a few.

Some of the local South Florida customers that NextiraOne provides sales, implementation, monitoring, and services for are City of Fort Lauderdale, Vista Healthcare, Mercy Hospital, Debt Management Associates, and Service America.

In addition to the customers previously mentioned, NextiraOne has received accolades from the many customers we supported during the September 11, 2001 attacks in New York. NextiraOne, within 24 hours, had the Port Authority of New York/New Jersey up and running at alternate locations. Mentioning some of the larger client sites, NextiraOne restored services for employees of Merrill Lynch, Deloitte & Touche, and American Express. We also restored service for over 45 smaller customer locations.

NextiraOne accomplished this overwhelming task by first dedicating an Executive Sponsor and Vice President of Operations to establish and monitor a 24x7 disaster recovery center. The team had full access to the entire company's employees, logistics and inventories. Our normal processes were escalated in order to expedite equipment from manufacturers. NextiraOne also setup liaison groups for every manufacturer to track orders and ensure fulfillment. Thus illustrating how dynamic and flexible NextiraOne can and will be for MDAD.

COMPANY QUALIFICATIONS

4. Past Performance with the County

To the best of our knowledge, the only contracts NextiraOne or its predecessors had with Miami-Dade County have been with the Aviation Department. Following is a list of those contracts with DCAD (currently MDAD):

1) DCAD Contract # 6-T-600 – Master Agreement Lease
   a. 4 Year agreement after cutover
   b. Extended on a month to month basis after Feb. 6, 1988

   DCAD Representative – John Van Wezel, Jim Nabors
   Contract Date: 1982

   Description – This was a rental agreement with DCAD to provide voice communications equipment for DCAD. This contract included all installation, designing, MAC, and on-going service.

2) DCAD – Master Agreement Lease
   a. 7 Year agreement after cutover
   b. Extended on multiple agreements until Feb. 6, 2002

   DCAD Representative – John Van Wezel, Jim Nabors
   Contract Date: 1990

   Description – This was an extension of the previous rental agreement with DCAD to provide voice communications equipment for DCAD. This contract included all installation, designing, MAC, and on-going service. In approximately 1992, it was expanded to include fiber optical cabling, copper cabling, and data equipment. Everything was under a rental agreement with ownership of all equipment and infrastructure residing with Cantle.

3) Metropolitan Dade County Bid 730-650-90-1 – Equipment Dropship
   a. June 1992 until completion

   Representative – Ramon T.; Dade County Clerk of the Courts
   Contract Date: July 14, 1992

   Description – This was a purchase request covering specific Northern Telecom new parts.

4) Metropolitan Dade County Bid GS00K94AG516 – Equipment Dropship
   a. 6 Month extension to a 3 Year agreement

   Representative: Hal Johnson; O.C.S.I.S
   Contract Date: April 28, 1994

   Description – This was a purchase request covering specific Northern Telecom new parts.

5) Metropolitan Dade County Bid 5441-2/00– Equipment Dropship
   a. 3 Year agreement
   Representative: Ramon Royos; Information Technology Department
   Contract Date: December 17, 1996

Description - This is a blanket purchase request covering Northern Telecom new arts and repair equipment deliveries.

6) MDAD Contract - Equipment Purchase and Managed Services Agreement
   a. 2 Year agreement
   MDAD Representative - Susan Pascul (305) 876-7815
   Contract Date: February 7, 2002

Description - This is the current Telecommunications and Network Management Services Agreement. This contract transferred ownership of all equipment and infrastructure to MDAD. The contract also provides for NextiraOne to employ a staff of 38 to perform all services related to the Agreement.

Prior to February 7, 2002, NextiraOne owned and operated a "State-of-the-Art" fiber optic based Shared Airport Tenant Service's (SATS) Enterprise Network at Miami International Airport (MIA). SATS's fiber optic network spans the approximately 25 square mile MIA complex and the network's 19.4 million feet of fiber optic cable provides the only fiber optic network dedicated solely to the MIA tenants. NextiraOne's fiber based high-speed digital backbone provides the technologically advanced network data, video, and voice applications, required for the safe and efficient operation of the Airport. Over eighty tenants at the Airport have subscribed to NextiraOne's services.

Those subscribers had the option of selecting from a wide array of SAT's offerings that benefit their operations at MIA. An overview of the available SATS services include LAN connectivity between locations, subscribers, and software applications, high and low speed digital data links, software for network applications, fiber optic and data cables, ADA compliant systems, paging systems, voice mail, and telephone service. Common Use Terminal Equipment (CUTE) is a server based system that allows airlines to share NextiraOne's passenger check-in equipment including workstations, printers (boarding pass, bag tag, & document), and boarding gate readers to process their passengers prior to boarding a flight. CUTE maximizes the airport's gate and check-in facilities, and the SITA CUTE software is used at airports throughout the world.

To operate, manage, engineer, program, install, maintain, and market the SATS system requires, on a daily basis, a staff of 38 persons. NextiraOne's diverse staff includes highly skilled technicians and engineers from all sectors of the Miami-Dade County Community. From an operational and technological standpoint, the existing SATS meets MDAD's and the MIA tenant's advanced communications requirements.

Enterprise Network Scope

- Voice	8,000 Ports (2 Meridian Opt. 81 PBX's at MIA & 2 Opt. 11 PBX's at Regional Airports)
- LAN/WAN	2,000 Ports (Nortel LAN with ATM Backbone & Newbridge T-1 WAN)
- Copper Cable	45.7 Million Pair Feet (Spans the Terminal and the Outlying Buildings)
- Fiber Cable	19.4 Million Strand Feet (Spans the Terminal and the Outlying Buildings)
- CUTE	300 Workstations
- Support	Millions Invested in Staff & Spare Parts Inventory (20 Trucks, $2 Million in Spare Parts and Test Equipment, and existing dedicated NextiraOne staff of 38)

As of February 7, 2002, MDAD received control of the total operations. MDAD, with NextiraOne as their agent, provides the sales and support for all SATS functions and provides internal services to the employees at Miami International and its Regional Airports

COMPANY QUALIFICATIONS

5. Resource Availability & Capability

NextiraOne currently provides 38 dedicated employees with skill sets ranging from consultative, administrative, technical/engineering and managerial to support the Miami International, Tamiami, Opa-Locka, Homestead Air Force and Homestead General Airports. This dedicated staff has an average of 8 years on-site experience and over 18 years industry experience, covering a broad spectrum of services and equipment required to support the complex and dynamic telecommunications infrastructure of MDAD. NextiraOne also employs the expertise in the creation, update and cross references of CAD drawings of the network topology, providing up-to-the-minute CAD prints and electronic files on demand.

The dedicated team supporting MDAD utilizes state-of-the-art test equipment and tools (ie: Fluke LAN meters, LAN analyzers, Network Sniffers, OTDR and T-Bird) providing mission critical troubleshooting and installation of equipment and services. NextiraOne maintains its own fiber-optics splicing trailer, including all the tools and instruments necessary to support the cable infrastructure for MDAD.

In addition to resources and tools, we have a dedicated fleet of Vehicles (Vans, station-wagons and a heavy-duty truck with power lifts) to be used exclusively in support of the existing MDAD Services Agreement.

NextiraOne has its Eastern Distribution Center and National Repair Center in Broward County (Sunrise, FL). The Distribution Center maintains and distributes a complete supply of frequently used parts for the NextiraOne Maintenance network and our inventory is in excess of $40 million. Furthermore, NextiraOne maintains over 102 parts depots in the United States and Canada staffed 24x7x365.

NextiraOne maintains a fully equipped remote diagnostics and software center in Sunrise, FL, staffed 24 hours a day, seven (7) days a week, 365 days a year. The Sunrise facility incorporates the following with a highly skilled staff with full knowledge and complements of certifications of all industry wide telecommunications equipment:

- Sales/Service/Network Consulting/Administrative functions;
- Field Engineers/Technicians (Voice & Data expertise);
- A remote secondary Technical Assistance Center;
- Equipment labs;
- Remote Network Managed Services (NMS) capability.

Beyond the support structure dedicated to the MDAD account, NextiraOne employs over 300 personnel throughout Dade and Broward Counties, supporting various functions and technical skill sets in the communications sector.

In an attempt to establish and enhance employee motivation, we empower our employees to pursue their personal career goals through career development programs, certification training and career counseling. In addition, NextiraOne offers a competitive flexible benefits package for employees and their families. The plan includes the following:

401(k) Savings and Investment Program	Domestic Partners Benefits	Paid Jury Duty
401(k) Profit Share Contribution	Drug-Free Workplace Benefit	Prescription Drugs
Adoption Assistance	Employee Assistance Program (EAP)	Short/Long-Term Disability Coverage
Basic Accidental Death & Dismemberment Insurance	Flex Reimbursement	Sick/Personal Time
Business Travel Accident Insurance	Health Enhancement	Training
Community Activity Benefit	Holidays (ten paid)	Tuition Assistance
Dental Insurance	Leave of Absence Benefit	Vacation
Dependent Life Insurance	Life Insurance	Vision
Dependent AD&D Insurance	Medical Insurance	Workers Compensation Insurance
Disability Coverage	Paid Bereavement Leave	

The NextiraOne Human Resources Policy and Procedures serves as guidelines for all our employees describing the company's general philosophy concerning subject matter listed below:

Access to Personnel File	Employee Referral Program	Salary Administration
Adoption Assistance	Employment of Relatives	Service Bridging
Anti-Harassment Policy	Gift Policy	Short/Long Term Disability
Attendance & Punctuality	Hiring Process	Sick/Personal Time
At Will Employment	Holiday Policy	Solicitation
Bereavement	Internal Placement	Telecommuting
Company Property	Jury Duty	Termination
Complaint Resolution	Leave of Absence	Time Reporting
Confidentiality of Information	Media Communications	Travel and Entertainment
Conflicts of Interest	Military Leave of Absence	Tuition Assistance Program
Department Paid Meals	Pay: Call Out and On Call	Vacation

Disciplinary Action	Pay: Lead Time	Verification of Employment & Requests for Information
Dress Code/Personal Appearance	Pay: Overtime	Voice Services
Drug & Alcohol	Pay: Shift Differential	Voice Services: Audio Conferencing
Equal Employment Opportunity	Pay: Travel Time	Voice Services: Calling Card
Electronic Communications	Post-Accident Drug Testing	Voice Services: Cell Phone
Employee Classifications (FLSA)	Reasonable Accommodation	Voice Services: Pager
Employee Conduct	Remote Access	Volunteerism

In keeping with our EEO policy, all personnel actions with respect to employment, recruiting, hiring, promotions, transfers and compensation are done without regard to race, color, religion, sex, sexual orientation, national origin, age, disability, veteran status or marital status.

The ~~details for Affirmative Action (which is on file with the County),~~ At ~~Will~~ Employment and Equal Opportunity Employment are attached. If other policy details are requested, NextiraOne will furnish promptly.

At Will Employment Policy

Effective: January 1, 2002

1.0 PURPOSE

To define the Company's position on At Will employment

2.0 SCOPE

All employees

3.0 LIST OF RESPONSIBILITIES

3.1 All Employees
3.2 Management
3.2 Human Resources

4.0 REQUIREMENTS

4.1 All employees are considered "at will" employees. The employment relationship can be terminated at any time, by either the company or the employee, for any reason or no reason.

4.2 No representative of the company, other than the Chief Executive Officer (CEO) of NextiraOne, LLC may enter into any agreement to the contrary, whether verbal or written, with any employee. If the CEO should choose to enter into an agreement to the contrary, it must be a written agreement signed by the CEO to be valid.

Equal Employment Opportunity Policy

Effective: January 1, 2002

1.0 PURPOSE

To define the Company's position on Equal Employment Opportunity

2.0 SCOPE

It is the policy of the Company to ensure that all personnel actions with respect to employment, recruiting, hiring, training, promotions, transfers, compensation, benefits, layoffs, and recalls from layoff, are done without regard to race, color, religion, sex, sexual orientation, national origin, age, disability, veteran status, or marital status. This policy is consistent with Presidential Executive Order No. 11246, as amended, Section 503 of the Rehabilitation Act of 1973, Title VII of the Civil Rights act of 1964, as amended, the Americans with Disabilities Act, the Vietnam Era Veterans' Readjustment Act, and the Age Discrimination in Employment Act, as amended, and seeks to comply with applicable state and local laws.

3.0 LIST OF RESPONSIBILITIES

3.1 All Employees
3.2 Management
3 3 Human Resources
3.4 Human Resources Management

4.0 REQUIREMENTS

4.1 All applicants and employees shall be offered employment, placement, training, promotional opportunity, pay and benefits without illegal discrimination. This same instruction applies to working conditions, use and enjoyment of company facilities, and all other aspects of the Company's personnel policies.

4.2 The Company's objective is to obtain individuals qualified or trainable for available positions by virtue of job related standards of education, training, experience, or personal qualifications. It is the policy of this corporation in accomplishing this objective to offer equal opportunity to all qualified employees and applicants for employment without regard to race, religion, color, sex, sexual orientation, national origin, age, disability, veteran status or marital status.

4 3 Positive action will be taken to ensure the fulfillment of this policy, including:

4.3.1 Recruiting, hiring, training and promoting persons in all job titles without regard to race, color, religion, sex, sexual orientation, national origin, age, disability, veteran status or marital status.

4.3.2 Basing decisions on employment so as to further the principle of equal employment opportunity.

4.3.3 Ensuring that promotion decisions are in accord with the principles of equal employment opportunity by imposing only valid requirements for promotional opportunities.

4.3.4 Ensuring that all personnel actions such as compensation, benefits, transfers, layoffs, recalls from layoff, Company-sponsored training, education, tuition assistance, social and recreation programs will be administered without regard to race, color, religion, sex, sexual orientation, national origin, age, disability, veteran status or marital status.

4.4 Human Resources Management is responsible for ensuring compliance, periodic monitoring, and continued implementation of this policy.

NextiraOne, LLC

Affirmative Action Compliance Plan for Minorities, Women and Veterans

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I. Contact Sheet

Affirmative Action Compliance Plan
For Minorities, Women and Veterans

Period: 2002 to 2003

Plan Completed by : Joe Valdes
Affirmative Action Officer
Glenn Ogden
EEO Administrator

Plan Approved by: Robert Wentworth
President/CEO

Phone Number: (713) 307-4373

NextiraOne, LLC
Firm's Name

2800 Post Oak Boulevard, Houston TX 77056
Corporate Headquarters Address

76-0534950
Firm's EEO-1 Identification Number

II. Memorandum

Date: October 2002
To. Miami/Ft. Lauderdale – Employees
CC: Officers, Senior Vice Presidents, Vice Presidents
From: Robert Wentworth, President/Chief Executive Officer

Declaration of Policy

It is the policy of NextiraOne, LLC not to discriminate against minorities or women in all job levels with respect to recruitment, hiring, training, promotion, and other terms and conditions of employment, provided the individual is qualified to perform the essential functions of the work available. Further, it is the policy of NextiraOne, LLC to comply voluntarily with the concepts and practices of affirmative action.

Furthermore, it is the policy of NextiraOne, LLC to ensure that all employees are guaranteed a work environment free of intimidation and harassment. Harassment of any kind is prohibited including sexual, racial, physical, verbal, as well as insulting and provocative behavior. Disciplinary measures up to and including termination will be applied when deemed necessary.

The attached AAP affirms our commitment to maintain equal employment and promotional opportunities for minorities and females and the utilization of minority and female professional firms, consultants and/or suppliers. Accordingly, all employment decisions shall be consistent with the principle of equal employment opportunity (EEO).

Any employee or job applicant who has questions regarding his policy or believes that he or she has been harassed or discriminated against based on disability or otherwise, may notify Human Resources. All such inquiries or complaints will be treated as confidential and will only be disclosed on a need-to-know basis.

The continued success of this plan depends upon maximum cooperation from all levels of management. We encourage all employees to participate and to provide input. This policy has the support of all levels of management beginning from the highest.

All other personnel actions or programs such as compensation, benefits, promotions, transfers, layoffs, recalls, firm-sponsored training, education, tuition assistance, and social and recreational programs will be administered without regard to race, color, age, religion, disability, military status, gender, or national origin.

Pursuant thereto, this policy establishes -- effective immediately and in compliance with regulations provided by the Secretary of Labor in 41 C.F.R. Chapter 60 -- an affirmative action compliance program composed of specific steps that will be undertaken in order to implement this policy.

Jose Valdes, Vice President Human Resources, has been appointed the Affirmative Action Officer. He will work closely with the EEO Administrator. Mr. Valdes is designated to monitor the NextiraOne, LLC Affirmative Action program and will generate reports on a periodic and continuing basis to senior management.

Mr. Valdes is located at the following address:
1619 N. Harrison Parkway
Sunrise, FL 33323
Phone: (954) 846-5415.

Glenn Ogden, Manager, Human Resource, has been appointed EEO Administrator. He will have the day-to-day responsibility to implement, review and ensure full compliance. The Affirmative Action Plan is available for review by appointment, Monday – Friday, 9 a.m. – 12 p m (EST). To schedule an appointment for the review of the AAP, please contact:
Glenn Ogden
1619 N. Harrison Parkway
Sunrise, FL 33323
Phone: (954) 846-5935

Robert Wentworth President/CEO, NextiraOne, LLC	Date
Joe Valdes Affirmative Action Officer	Date
Miami-Dade County, Department of Business Development	Date

III. General Policy

NextiraOne, LLC is fully committed to the concept and practice of equal opportunity and affirmative action in all aspects of employment. The management of NextiraOne, LLC has voluntarily prepared this written Affirmative Action Compliance Plan (AACP) in conformity with E. O. 11246 and the implementing regulations of OFCCP, 41 CFR Part 60-1 & 60-2 (amended December 13, 2000).

In addition to the General Policy statement above, NextiraOne, LLC affirms commitment to affirmative action in accordance with Miami-Dade County Ordinances 82-37 and 98-30. The purpose of this plan is to maintain equal employment and promotional opportunity with particular emphasis on improving Black workforce population and utilization of Black professional firms, consultants and/or suppliers.

The implementation of the AACP follows the requirements of the regulations issued by OFCCP, specifically Government contractors, Affirmative Action requirements, and Final Rule. With respect to the requirement that NextiraOne, LLC designate an individual responsible for implementation of the AACP, NextiraOne, LLC has appointed a specific firm executive with that responsibility. Further, NextiraOne, LLC has made known to each level of supervision that its work performance will be evaluated, in part, on the basis of its efforts to assure the success of the EEO objectives. Actions by supervisory personnel inconsistent with this policy and with the AACP will not be tolerated.

Jose Valdes, Vice President Human Resources, has been appointed the Affirmative Action Officer. He will work closely with the EEO Administrator. Mr. Valdes is designated to monitor the NextiraOne, LLC Affirmative Action program and will generate reports on a periodic and continuing basis to senior management.
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To schedule an appointment for the review of the AAP, please contact:
Glenn Ogden
1619 N. Harrison Parkway
Sunrise, FL 33323
Phone: (954) 846-3128

IV. <u>The Responsibilities of NextiraOne, LLC Management to Ensure Implementation of the AACP (41 CFR 60-2.17(a))</u>

In implementing this written Affirmative Action Compliance Plan, the responsibilities of NextiraOne, LLC supervisors and other management people working with the EEO Administrator include, but are not necessarily limited to, the following:

- Helping evaluate EEO progress and develop alternative approaches, including the establishment of department or other unit goals, where applicable.
- Periodically auditing training programs and hiring and promotion patterns in an effort to ensure that any impediments to achieving the goals are removed.
- Selectively reviewing the qualifications of employees who are transferred or promoted, to ensure that minorities and women are being given full opportunity with respect to such personnel actions.
- Providing career counseling for employees who request it.
- Periodically making audits to ensure that NextiraOne, LLC continues to comply in such EEO areas as the proper display of posters, provision of desegregated facilities, provision of comparable facilities for both genders, and encouragement of full participation by minority and women employees in all firm-sponsored educational, training, recreational, and social activities.
- Communicating with supervisors and other management employees in order to apprise them that their work performance is being evaluated, in part, on the basis of their Affirmative Action Progress.

V. <u>Internal Dissemination</u>

NextiraOne, LLC has brought and will continue to bring its equal employment opportunity policy to the attention of its employees, using, where applicable and appropriate.

Thus, all necessary steps will be taken to assure that NextiraOne, LLC personnel, management, and other appropriate individuals are fully apprised of the firm's EEO policy and the existence of the AACP. The plan will be discussed and reviewed in management, supervisor, and employee meetings when applicable. Further, periodic reviews with NextiraOne, LLC supervisory, managerial, and other employees as appropriate will be conducted to determine the effectiveness of various aspects of the AACP. EEO posters will remain placed in conspicuous locations.

The following methods of internal dissemination relevant to the firm have been and will be used:

- The EEO policy will be included in NextiraOne, LLC Personnel Policy Manual.
- The EEO policy is publicized in NextiraOne, LLC printed materials where appropriate.
- NextiraOne, LLC has previously posted its equal employment opportunity policy on company bulletin boards, and will continue to do so in the future.
- NextiraOne, LLC communicates the existence of its AACP and makes available such elements of the plan as will enable employees to know what is available to themselves of its benefits.
- The EEO policy and the affirmative action plan will be discussed in company and training programs for new employees.
- Employees are encouraged to bring questions, comments, or complaints with respect to the firm's EEO/affirmative action policy, or the implementation and administration of that policy, to the Human Resources Department.
- NextiraOne, LLC has informed and continues to inform its employees, both management and other, that is does not tolerate or sanction harassment of any employee because of race, color, age, religion, disability, military status, gender, or national origin.

VI. External Dissemination

The EEO policy of NextiraOne, LLC is disseminated externally as follows:

- NextiraOne, LLC informs all recruitment sources, both orally and in writing, of its commitment to EEO and affirmative action. In doing so, the firm makes clear that all applicants will be treated without regard to race, color, age, religion, disability, military status, gender, or national origin. Further, these recruitment sources are informed that the firm actively seeks qualified women and minorities for employment.
- NextiraOne, LLC will communicate to prospective employees the existence of its written Affirmative Action Compliance Plan and will make available such elements as will enable such prospective employees to know of the availability of its benefits.
- When and where NextiraOne, LLC advertises its job openings, the advertisement will include the EEO solicitation: "We are an Equal Opportunity Employer."
- Should employees be pictured in any employment advertisement, both minority and non-minority men and women will be shown.

- The Equal Opportunity clause will be included in all purchase orders, leases, contracts, etc., covered by E.O. 11246, as amended, with implementing regulations.
- Annual notifications of the EEO policy to training institutions having a predominately minority or female enrollment in addition to the local training institutions and community agencies will be done.
- Annual written notification of NextiraOne, LLC EEO policy to vendors, contractors, sub-contractors, and suppliers and requesting appropriate actions on their part regarding EEO practices will be administered.
- NextiraOne, LLC currently utilizes and will continue to utilize minorities and non-minorities, male and female persons, in traditional and nontraditional job categories in company media presentations featuring company personnel.

VII. Narrative of Programmatic Activities

It is NextiraOne, LLC attempt to continue to provide equal employment opportunity to all qualified persons, and to continue to recruit, hire, train, promote, and compensate persons in all jobs without regard to race, color, age, religion, disability, military status, gender, or national origin.

To identify and analyze on a continuing basis all areas of its employment process so as to further the principles of equal employment opportunity. Employment decisions in all areas will be made on the basis of furthering the objective of equal employment. Specific examples include:

Recruitment and Selection -- The recruitment and hiring of all personnel will be without discrimination against any individual with regard to race, color, age, religion, disability, military status, gender, or national origin. Employee selection criteria used by NextiraOne, LLC when validated, will conform to the Uniform Guidelines on Employee Selection Procedures, 41 C.F.R. Part 60-3 (1978). Attempts will be made to contact known sources of minority and women potential applicants so as to maximize the participation of such applicants.

Promotion -- Individuals will continue to be upgraded and promoted on the basis of their abilities, skills, and experience. NextiraOne, LLC will ensure that minority and women employees who are qualified are considered for promotion. In making promotion decisions, the supervisor directly involved and other appropriate firm personnel will ensure that promotions are based on valid occupational qualifications.

- Special effort is taken to encourage all employees including minorities and women to quality and compete for advancement.
- Available positions are posted on the employee bulletin board to keep all employees informed as to what opportunities are available within the company.

Transfers -- When vacancies occur, the supervisor directly involved and other appropriate management personnel will make good faith efforts to effect transfers of minority and women employees whenever such transfers will increase the likelihood of greater job opportunity in areas where minority and female employees may have been or may now be underutilized.

Training – NextiraOne, LLC provides a tuition assistance program without discrimination against any individual with regard to race, color, age, religion, disability, military status, gender, or national origin.

Publicity – NextiraOne, LLC will include the use of Affirmative Action statement in both external and internal publicity to ensure that both the public and our employees are aware that NextiraOne, LLC is an "Equal Opportunity Employer." NextiraOne, LLC currently advertises in the following:

American Minority Review
National Black Review
Miami Herald
Sun Sentinal

Workforce Reductions -- Should reductions in NextiraOne, LLC workforce become necessary, they will be based on nondiscriminatory policies. NextiraOne, LLC will review those persons scheduled to be affected to assure compliance with this policy, and will make every good faith effort to ensure that minorities and women are treated in a nondiscriminatory manner with respect to reductions and recalls.

The EEO Administrator will meet periodically with appropriate management persons to review the progress made and to develop alternatives, should they be required. The AACP in its entirety will be reviewed and updated annually. At that time the total plan will be reviewed with appropriate management personnel, including the following:

- To make promotion decisions in accordance with the policies and principles embodied in this AACP.
- To administer personnel actions affecting employees in areas such as compensation, benefits, transfers, workforce reductions, recalls, firm-sponsored training, education, tuition assistance, and social and recreational programs without regard to race, color, age, religion, disability, military status, gender, or national origin. NextiraOne, LLC will periodically review personnel actions for the purpose of monitoring.
- To promulgate and administer NextiraOne, LLC employee benefit plans, including retirement, pension, disability and insurance benefits, in conformity with the regulations of the OFCCP, to the extent that such regulations are applicable and consistent with federal equal employment laws.

VIII. Utilization of Local Minority Businesses

It is NextiraOne, LLC expectation to identify and seek out minority and female owned businesses in the South Florida area. NextiraOne, LLC notifies outside sources such as recruiters, subcontractors, vendors, and suppliers in writing of our AAP.

The Utilization Form is attached hereto.

IX. Grievance Procedure

NextiraOne, LLC policy is to provide equitable, confidential, nondiscriminatory method to expeditiously address and expeditiously resolve an employee's work related problems within the Company procedures. This policy is intended to promote professional, receptive work environment, which encourages two-way communication between employees and management and assures that job related questions, concerns, or problems are addressed with respect and consideration.

Procedure -- The following procedure has been established to afford prompt and fair treatment of an employee's problem:

1) The employee shall request a meeting with their immediate supervisor and present the question, suggestion or problem and provide supportive and factual information. The supervisor will discuss the issue fully and conduct an investigation as appropriate. The supervisor shall notify the employee of the action to be taken to correct the situation. If no action is warranted or possible, the employee shall receive an explanation as the reason of such decision.

2) If the issue is not resolved satisfactorily on a timely basis, or the issue is inappropriate to discuss with the immediate supervisor, the employee may request a meeting with the next level of supervision to present the issue and why the employee believes the issue was not addressed or satisfactorily resolved with the immediate supervisor.

   If the issue is discussed with successive levels of management beyond the employee's immediate supervisor the employee shall notify the employee's immediate supervisor and each successive level of management of the employee's decision to progress to the next level.

3) The employee may also consult with Human Resources at <u>any</u> point in the problem solving process. If requested, the Human Resources Representative may be in attendance at the meetings with the immediate supervisor or successive levels of management to present and discuss the problem. Employees may contact Jose Valdes, Vice President of Human Resources at 954-846-5415 at any point of the procedure mentioned above.

X. <u>NextiraOne, LLC Affirmative Action Goals</u>

Where problem areas are identified in any job group, placement goals are developed (see 41 CFR 60-2.16(a)), and goals have been established. NextiraOne, LLC has set goals when current utilization is less than 80% of the total weighted availability in a job group, and the underutilization is greater than or equal to one whole person. The appropriate procedure for determining whether underutilization exists in any job group is to determine if there are any statistically significant differences between the actual number of minorities or females in a particular job group and the number theoretically expected from availability analysis. NextiraOne, LLC believes it is reasonable that no goal is necessary where underutilization is less than one whole person.

NextiraOne, LLC will make good faith efforts in the future to remove identified barriers, expand employment opportunities, and, produce measurable results dependent upon the business conditions and number of placement opportunities which may occur.

XI. Program Reporting

All employment and other related statistical records, relative to Metro-Dade County projects, reflecting progress under the Affirmative Action Plan will be available for inspection during normal working hours to appropriate County government representatives.

Jose Valdes, Vice President Human Resources, has been appointed the Affirmative Action Officer. He will work closely with the EEO Administrator. Mr. Valdes is designated to monitor the NextiraOne, LLC Affirmative Action program and will generate reports on a periodic and continuing basis to senior management.
Mr. Valdes is located at the following address:
1619 N. Harrison Parkway
Sunrise, FL 33323
Phone: (954) 846-5415.

Glenn Ogden, Manager Human Resource, has been appointed EEO Administrator. He will have ~~the day-to-day responsibility to implement, review and ensure full compliance.~~ The Affirmative Action Plan is available for review by appointment, Monday – Friday, 9 a m. – 12 p.m. (EST).
To schedule an appointment for the review of the AAP, please contact:
Glenn Ogden
1619 N. Harrison Parkway
Sunrise, FL 33323
Phone: (954) 846-3128

XII. Veterans and Disabled Veterans

Purpose and Scope

Equal Employment Opportunity for all employees will best be achieved by a single Affirmative Action Program. As provided in 41 CFR 60-250.5, the required policies, practices, and procedures are integrated into the overall Affirmative Action Program for NextiraOne, LLC LLC.

Definitions

The term "disabled veteran" means a person entitled to disability compensation under laws administered by the Veterans Administration for disability at 30 percent or more, or a person whose discharge or release from active duty was for a disability incurred or aggravated in the line of duty.

"Qualified disabled veteran" means a disabled veteran as defined in 60-250.2 who is capable of performing a particular job, with reasonable accommodation to his or her disability.

"Veteran" means persons who are: Special disabled veterans, veterans of the Vietnam era, or other veterans who served on active duty during a war or in a campaign or expedition for which a campaign badge has been authorized. Campaigns and expeditions included: Korea, Persian Gulf, Panama, Grenada, Haiti and Somalia, etc.

Disabled and Veterans Policy and Dissemination

Policy

NextiraOne, LLC will not discriminate against any employee or applicant for employment in regard to any position for which the employee or applicant is qualified. We will take affirmative action to employ and advance in employment, qualified veterans and disabled veterans at all levels of employment, including the executive level. Employment practices such as the following: hiring and selection, promotion or transfer, recruitment advertising, layoff or termination, rate of pay, or other forms of compensation and training will be administered in a non-discriminatory manner.

Policy Dissemination

This policy will be disseminated to all supervisors, managers, and directors. Copies of the affirmative action policy are posted on all employee bulletin boards. This policy is discussed in related training programs. Employment sources and vendors have been notified of the affirmative action commitment.

Plan Implementation Responsibilities:

Supervision Responsibilities

Each supervisor is responsible for fulfilling the spirit and intent of the disabled and Vietnam era veteran affirmative action program.

Management Responsibilities

Glenn Ogden, Manager Human Resources, is responsible for the overall execution and implementation of the affirmative action plan for the disabled and Vietnam era veterans with the support of all management. The responsibility for monitoring the Affirmative Action Program is assigned to Glenn Ogden. Those responsibilities shall include, but not be limited to, the following:

a. Informing management of all new developments and opportunities affecting veterans' employment.

b Assisting top management in arriving at solutions to problems involving disabled and Vietnam era veterans.

c. Serving as a liaison with federal, state, or local agencies, and national disabled and Vietnam era veteran's organizations.

d. Insuring that disabled and Vietnam era veteran employees are afforded full opportunity and encouraged to participate in all firm educational, training, and career opportunity programs.

e. Conducting regular discussions with local managers, supervisors, and employees to assure that NextiraOne, LLC policies are fair and consistent.

XIII. Minority Vendor Compliance/Procurement

Purpose

To assure opportunity is afforded minority and women owned businesses to participate in Company procurement.

Scope

These guidelines apply to all Purchasing personnel involved in procurement for the Company. NextiraOne, LLC will:

- Solicit bids from all qualified firms, regardless of ownership, including the utilization of lists of qualified vendors maintained by the Department of Business Development.
- Evaluate all bids so as to further the principles of non-discrimination and equal opportunity
- Insure that final purchases are in accordance with the principals of equal opportunity.
- Insure that all procurement actions such as repeat purchases, extensions, change orders, acceptance policy, etc. will be administered without regard to race, age, sex, religion, and status as a veteran or national origin.

Requirements

- Company requires EEO (Equal Employment Opportunity) Compliance of all new vendors as well as current active vendors
- Purchasing system input is made via the Vendor Information form (MAFM-056) which is submitted to Accounts Payable.

Status codes are as follows:

- If the vendor employs over 500 employees, it is a Large Business and the Code is "A".
- If the vendor employs less than 500 employees, then it is a Small Business and the Code is "B".
- If the vendor is at least 51% owned, controlled and operated by a woman or women, the Code is "C".
- If the vendor is a minority business, (disadvantaged business), you would use Code "D". A Minority Business Enterprise means that a business is at least 50% owned by minority group members, or in the case of a publicly owned company, at least 51% of the stock is owned by minority group members. For the purposes of this definition, minority groups are Black, Spanish Speaking American persons, American-Orientals, American Indian, American Eskimos, and American Aleuts. Contractors may rely on written representation by subcontractors regarding their status as a Minority Business Enterprise in lieu of an independent investigation.
- A Non-Profit Organization is Code "E"
- A Labor Surplus Area (9% or more unemployment) is Code "L".
- A Foreign Vendor (Direct Purchase Only) is Code "S".
- Only one code may be used for a vendor.

Responsibility

- Each Buyer is required to notify Accounts Payable of the Status Code via the Vendor Information Form.
- Accounts Payable shall enter the Status Codes in the CAP Module.
- By Period, Company wide Purchase Statistics, including the dollars spent with each category of vendors, will be submitted to the Purchasing Manager.

Company Qualifications

6. Financial Viability

Please refer to Appendix B for the required tax returns.

Please refer to Appendix C for the required Financial Statements.

COMPANY QUALIFICATIONS

7. References

Following are the names, titles and phone numbers of the companies named in the section titled Company Qualifications 2. Specific Project Experience:

AT&T Solutions
Theana Randall – District Manager
407-805-1771

BASF
Richard Meadows – Communications Manager
973-426-6332

Hewlett Packard
Vicki Young – Supplier Manager
404-648-7774

Bank of America
Jim Ford – Vice President
704-386-5409

Dow Jones
Marco Vietti, Director of Enterprise Infrastructure Services
609-520-5359

Company Qualifications

8. Convictions, Indictments or Investigations

The entity now known as NextiraOne was acquired from the Williams Communications Group in April, 2001. Since the time of the acquisition, the following has occurred:

> *FCC/Universal Services Administration Corporation ("USAC")/Schools and Libraries Division ("SLD"), aka e-rate program*
>
> *The Department of Justice and the FCC are conducting an audit of vendors and customers of the e-rate program. The e-rate program is administered by USAC, for the benefit of schools, kindergarten through 12th grade, and libraries that need financial assistance to add modern technology. The issue for NextiraOne is whether items may have been miscategorized. NextiraOne has undertaken an internal audit of our participation in the program to insure compliance, and to make corrections if non-compliance issues are uncovered.*

No other events have occurred in response to this request and no such events are known prior to the acquisition.

COMPANY QUALIFICATIONS

9. Prior or Pending Litigations

The entity now known as NextiraOne was acquired from the Williams Communications Group in April, 2001. A listing of litigation is attached hereto as Exhibit "A".

Exhibit "A"
NextiraOne Litigation Disclosures

A NextiraOne as Defendant – Personal Injury/Personal Torts Cases

George and Joanne Temmel vs. 1515 Broadway Assoc. and Viacom vs. WilTel; Case No. 122132/97; Supreme Court of the State of New York, County of New York

Benker, Stephen L. vs. Williams Telecommunications Systems, Inc., Supreme Court for the State of Tennessee from the Circuit Court of Sevier County, No. E1999-01967-WC-R3-CV

Jalbert, Mathew vs. Sean Rogers, Haverhill District Court, Small Claims Division, Docket #2000 38 SC 0556

Lawrenceville Preparatory School & Santa Raschella-Karabets

Prudente, Ruth vs. Jackson Voice Data, New York Telephone Company, and NYNEX Corp., Supreme Court of the State of New York, County of Suffolk, Index No. 96-10284

Roland, Paul vs. Wheels, Inc. and Kenneth Gratto, Bronx County Supreme Court

Neihart, Tina/Johnson Jordan vs. Billy Marcus Brown

Kamavoha, Laakea

Shimp, Jean vs. David Rutledge, Court of Common Pleas of Allegheny County, PA, GD 99-9788

Stafford, John vs. Viacom, 1515 Broadway Associates, Supreme Court of the State of New York, County of Queens, Index #4691/96

Viquez, Ricardo v. Miami-Dade County, DATO Electric, Marks Brothers, Inc., and WilTel Communications Systems, Inc.; In the Circuit Court for Dade County, FL, Case No. 99-25740 CA 21

Watts, Sandra vs. WilTel Communications, LLC, Lucent Technologies & Summit Bank Corporations, Superior Court of the State of New Jersey, Middlesex County, Docket No. L-3922-99

Wershay, David & Andrew Radalet vs. Williams Communications Solutions, LLC; In the District Court of Tarrant County, TX, 348 Judicial District Case No. 348-184687-00 Filed 9/22/2000

Williamson, Ben vs. Colina, San Francisco Supreme Court Case No. 183511

Wilshire, Taylor vs. Williams & Williams vs. Chrostowski, San Diego County Superior Court

Uribe, Jose vs. Christopher Sell and Williams Communications Solutions, Superior Court of the State of Arizona, County of Maricopa, No. CV2001-008336

Sheppard, Paul vs. Williams Communications Solutions

Dhutia-Kapadia, Meena vs. Williams Communications Solutions

Watts vs. WilTel

Finucane vs. Williams Communications Solutions

Lap vs. Williams Communications Solutions

Temmel vs. WilTel

Viquez v. WilTel

Fowler vs. National Union

Viacom et al vs. WilTel

Jalbert vs. Rogers

Garcia, Carolina vs. WCS/Wheels
Coffer, William vs. WCS
D'Elis, Joseph vs. Blaha, Wheels Inc., Bates and Cook
Carr, Maryann vs. WCS

B <u>Claims in Bankruptcy/Trustee Claims</u>
In Re: Bridge Information Systems-Voice
In Re: Bridge Information Systems – Data
William F. Perkins, Ch. 7 Trustee of Rapid Link USA, Inc. and Rapid Link, Inc. vs. NextiraOne, LLC; Case No. 01-63272; In the United States Bankruptcy Court – District of Georgia
BroadBand Office, Inc.
Case No. 01-1720, District of Delaware
Americomm Direct Marketing (a/k/a Transkrit) vs. Williams Communications Solutions; Bankr. CT. Del. Adv. Pro. No. 01-9006
In Re: Owens Corning, et al., Debtors, Owens Corning vs. NextiraOne, LLC and Williams Communications, LLC; Case No. 00-3837, Adv. Proceeding No. 02-5817
PSINet Liquidating, LLC vs. NextiraOne, LLC; Adv. Proc. No. 02-03995
AHERF Bankruptcy (Pennsylvania)
Marketing Enterprises International (MEI) Bankruptcy
Owens Corning

C <u>Contract Claims</u>
NextiraOne vs. Forsythe McArthur Associates, Inc.
No. 2002-57570; In the 165th Judicial District Court, Harris County, Texas – Lease issues
Williams Communications Solutions vs. Genesys Telecommunications Laboratories, Inc. – Service issues
General Accident Insurance Company of America vs. Williams Communications Solutions, Inc., United States District Court, Eastern District of New York, Case No. CV 005169 – Installation issues
Surgicenter vs. Williams Communications Solutions – Equipment issues
Dukes Memorial Hospital vs. Williams Communications Solutions – Installation issues
Sitel – Equipment issues
NTFC vs. Parker v. Williams Communications Solutions – Lease issues
Warranty & Financial Products, Inc. vs. Williams Communications Solutions – Equipment Issues
Information Transport Design v. Williams Communications Solutions
General Accident Insurance vs. Williams Communications Solutions – Installation/Design Issues

D <u>Other – Real Estate</u>
General Motors Corporation vs. NextiraOne, LLC, et al.
Case No. 49d130201PL134; In the Marion County Circuit/Superior Court, Indiana
- Quiet Title

Company Qualifications

10. Events Surrounding Termination, Default, or Notice of Default

Following is a sample list of items that may cause a Customer to issue a notice of default to a NextiraOne:

- Failure to perform services in a good and workmanlike manner in accordance with standards generally accepted in the industry
- NextiraOne materially breaches any of its obligations
- Failure to comply with federal, state or local laws pertaining to the work performed
- Physical damage to the Premises caused by negligence or willful misconduct

After notification of default, NextiraOne has thirty (30) days, after written notification, to remedy the cause of the default. If, after thirty days, NextiraOne has not remedied the issue, the Customer may terminate the agreement.

The company has had no terminations as a result of default other than:

- *Shearman & Sterling issued a notice of termination on 9.5.01 asserting service related issues. NextiraOne has made demand for outstanding fees owed.*

Except with regard to the foregoing, there are no specific notices of default known, nor any record kept regarding same, but the issues raised in any such notices were satisfactorily resolved, unless it involves a claim referenced in the litigation disclosures.

Qualifications of Individuals

1. Organization Chart and Key Individual Resumes

NextiraOne has included an Organizational Chart of the proposed MDAD support organization on the following page. This organizational chart identifies all the key individuals as well as positions that are to be filled during the Transition Period.

The Key Individuals identified, are those specific technical or professional personnel that are deemed critical for NextiraOne to perform the Services under this Agreement. NextiraOne has taken the necessary measures to ensure the retention of these Key Individuals.

The Resumes of NextiraOne Key Individuals are located in Appendix E.

RFP: MDAD-04-01 NextiraOne – Proposed Organizational Chart

- **Pedro de Camillo Jr** — *Servicve Manager
  - **Holly Klaily** — *SATS Technical Specialist Sr.
    - Ana Rodriguez — SATS Technical Specialist
  - **Ray Dolarme** — *Supervisor, Cable Planning and Special Projects
    - Azina Driver — Cable Management Data Entry Clerk
    - Alfredo Guerra — Cable Management Field QA
    - Lloyd Simmon — CAD Operator
    - Carlo Perozo — Facilities Engineer - PM
    - Jesus Cabrera — Facilities Engineer - PM
    - Henry Shelfield — Fiber and Copper Cable Technician
    - Floyd Lindo — Fiber and Copper Cable Technician
    - TBD — Fiber and Copper Cable Technician
  - **Julio Onhuela** — *Supervisor, Data
    - Ramon Alonso — *Network Engineer
    - Sean Chris Vadnais — Network Engineer
    - Juan Roman — Network Technician
    - Andrew Flynn — Network Technician
  - **Miguel Palmero** — *Supervisor, Help Desk and NOC
    - TBD — Level 1 Support Tech
    - TBD — Level 1 Support Tech
    - TBD — NOCT Technician
    - TBD — NOCT Technician
    - TBD — NOCT Technician
    - TBD — Help Desk Customer Service Rep
    - TBD — Help Desk Customer Service Rep
    - TBD — Help Desk Customer Service Rep
    - TBD — Help Desk Customer Service Rep
    - TBD — Help Desk Customer Service Rep
    - TBD — Help Desk Customer Service Rep
    - Karina Albano — NOCT-Technician Senior
    - TBD — NOCT-Technician Senior
    - Sherri Johnson — *NOC OpenView- NetView Config. Specialist Admin.
  - **Michelle Washington** — Supervisor, Office Administrative
    - Linet Perez — Administrative Assistant
    - Barbara Blanco — Dispatcher/Scheduler Specialist
    - Tracy Dennis Zamora — Billing Specialist
    - Roy Sledge — Purchasing Administrator
  - **Ben Tevis** — *Supervisor, Voice
    - William Linvill — PBX Programmer Administrator
    - David Tam — PBX Engineer
    - Denis Rochester — Senior Voice Technicn-Lead
    - Ralph Daniele — Senior Voice Technician
    - Eric Colon — Senior Voice Technician
    - Rodger Barnes — Voice Technician
    - Cliff Marr — Voice Technician
    - Errol Francis — Voice Technician

* Key individuals

Qualifications of Individuals

QUALIFICATIONS OF INDIVIDUALS

2. Describe the experience, qualifications and other vital information, including relevant experience on previous similar projects for all key individuals who will be assigned to this project.

NextiraOne will continue to provide MDAD with the expertise and knowledge of the existing individuals currently managing and running the network.

This group of highly skilled individuals are comprised of a staff of 38 NextiraOne employees dedicated to support the Miami International Airport, Tamiami, Opa-Locka and Homestead General airports. This dedicated staff has an average of 8 years on-site at MIA; their experience covers a broad spectrum of expertise in the telecommunications industry. The following are a synopsis of the experience and qualifications of key individuals that are and will continue to be assigned to MDAD:

- Pedro de Camillo Jr – Service Manager
  - Pedro has been in the information systems industry since 1986. Dedicated on-site at MIA since 1998. Pedro brings a broad range of experiences from the telecommunications industry. Having worked as an applications/systems programmer, systems-analyst with emphasis on systems implementation and applications life-cycle/procedures; LAN/WAN design methodologies with hands-on experience in systems deployments and on-going support; disaster recovery procedures/methodologies/tests; extensive customer focus with high motivational skills; strong managerial background with focus on customer support/service; people building skills; vendor relationships; effective/efficient leadership skills with a calm and controlled ability to deal with customers at all levels, during any types of situations; calm and collective when dealing and working thru problems during any type of stressful situation. Full resume included.
- Julio Orihuela – Data Supervisor
  - Julio has been in the information systems industry since 1979. Dedicated on-site at MIA since 1997. Julio brings the highest level of customer focus and commitment to MDAD, with broad experiences in the area of general telecommunications and strong emphasis on LAN/WAN equipment and services. Julio has a large spectrum of knowledge on a diverse arsenal of applications, from back-office to specialized mission critical software products. Julio also brings strong supervisory skills with people building methodologies and strong project management foundation. Full resume included.
- Ben Tevis – Voice Supervisor
  - Ben has been in the telecommunications industry since 1986. Dedicated on-site at MIA since 1990. Ben brings complete and extensive knowledge of the existing MIA voice infrastructure and PBX systems. Several years of experience as a hands-on PBX technician/programmer. High level of customer focus with emphasis on customer satisfaction and on-time completion of projects. Hands-on knowledge of

PBXs and Key-Systems, LAN/WAN, bandwidth management with specialized Newbridge systems, Fiber and Copper cable plant facilities knowledge with complete adherence to BICSI standards. High sensitivity to customer's needs and MAC priorities. Disaster recovery and hurricane readiness. Strong supervisory skills with focus on customer support/service. Full resume included.

- Mike Palmero – NOC/Help Desk Supervisor
  - Mike has been in the information systems industry since 1991. Dedicated on-site at MIA since 1997. Mike brings strong telecommunications knowledge. Having worked in the PBX arena as an installation in the data department as a PC/LAN technician; Mike was subsequently promoted to CUTE/LAN Systems engineer, and currently holds the position of CUTE Supervisor. Mike focuses on providing a high-availability CUTE system to MIA's airlines. His high level of help-desk support with a less then 30 minutes response time and dynamic CUTE systems monitoring via HP-OpenView and SITA Scope, Mike has been able to maintain a very high level of airline satisfaction since CUTE was implemented at MIA in 1998. Mike is the key team member to oversee disaster recovery procedures during hurricane readiness and is always the supervisor in charge, on-site, during several hurricanes threats at MIA. Mike's diverse background and high level of customer commitment with emphasis on the urgency of getting problems fixed fast, makes him the ideal person to supervise MIA's NOC/Help-Desk. Full resûme included.

- Rainaldo Delerme – Cable Planning and Special Project Supervisor
  - Ray has been in the telecommunications/cable-plant industry since 1989. Dedicate on-site at MIA since 1994. Ray brings a wide array of knowledge to the project. With a background as a voice/data technician/installer, subsequently promoted to work in the cable-plant engineering department as a fiber-optics installer/specialist, then as a facilities engineer, and since 2000 running as the Supervisor/Engineer of the cable-plant and facilities department. Ray brings BICSI industry knowledge and practices to MIA. Ray has successfully project managed several large cable-plant (fiber and copper) infrastructures at MIA and together with a team of 7 direct reports keeps the CIP cable-facilities related projects on track and on budget. Full resume included.

- Ramon Alonso – Network Engineer
  - Ramon has been in the information systems industry since 1983. Dedicated on-site at MIA since 1998. Ramon brings the highest level of expertise on network equipment and server operating system. Ramon has been involved in the successful implementation of various networks and server based operating systems; his complete knowledge of both hardware and software at the network and client/server level makes him a most valuable engineer with complete knowledge of the existing systems and networks at MIA. Ramon has been instrumental in the stabilization and critical enhancements of the existing Nortel Networks LAN; Ramon is equally instrumental in the design and current deployment of the CISCO network being expanded throughout MIA for the full support of New CUTE, AOIS and security expansion, this new LAN will eventually replace the existing Nortel Network with a

super-high speed Gig backbone. Ramon is focused on customer support, on-time project delivery and high-availability/reliability of mission critical network/systems. Full resume included.

- Holly Klaity – SATS Technical Specialist
  - Holly has been in the telecommunications/customer service industry since 1987. Dedicated on-site at MIA since 1993. Holly brings full knowledge of the existing MIA's SATS customer base, and the products and services offered by MIA to SATS. Holly has been instrumental in the expansion of SATS at MIA. She is fully knowledgeable of all services and products that MIA provides to SATS, with knowledge and understanding of the telecommunications industry and the SATS customers' needs, she has developed a reputation of reliability and customer focus. Full resume included.

- Sherri Johnson – NOC OpenView/NetView Configuration Specialist Administrator.
  - Sherri has been in the information systems industry since 1985. Dedicate on-site at MIA since 1998. Sherri brings a broad and diverse knowledge with hands-on experience in the telecommunications industry. While working at Delta Airlines in Atlanta, Sherri performed research, testing, and certification of operating systems, software, and hardware for use in an airport environment. Sherri was assigned as the Team Lead for the "Airport of the Future" initiative which called for the replacement of all outdated systems with current hardware and operating system technology taking into consideration the compatibility requirements for custom Delta applications and other specialized airport applications and peripherals; Sherri also provided third level support for deployed systems and worked directly with manufacturers to resolve issues; worked with software representatives in having off-the-shelf applications modified to meet the requirements of Delta's specialized needs; the supported user base consisted of approximately 20,000 workstations worldwide. Full resume included.

QUALIFICATIONS OF INDIVIDUALS

3. Describe the qualifications of Subcontractors

NextiraOne does not use Subcontractors to fulfill the service requirements of the current Managed Services Agreement. With the new proposed Non-Exclusive Telecommunications and Managed Services Agreement, NextiraOne will continue to use its own employees on-site at Miami International Airport and Regional Airports, supplemented with new hires to meet the expanded obligations. No Subcontract labor will be needed for the prescribed Scope of Services.

Service Requirements

Service Requirements

A. Technical and Service Specifications

NextiraOne proposes to MDAD a continuance, utilizing NextiraOne's industry leading resources solutions, techniques, policies, procedures and plans. The proposed resources have been on-site successfully exceeding MDAD's expectations for many years. Below you will find our proposed solution, fully described (as they pertain to MDAD) in order to meet the requirements of the Scope of Services described in Section 2.

Network Solutions

The current MDAD Network Solutions group consists of a dynamic team of multi-talented voice and data telecommunications specialists. Working directly with our sales force and MDAD, our single aim is to assist in the development of practical, affordable solutions that meet each of your unique needs. From concept to implementation (or 'thought to finish'), our engineers work with you to provide focus and vision for cost-effective networking strategies. Once these are defined, our team of Project Managers and engineers deliver turnkey implementations to integrate these new technologies into your environment.

Network Solutions is comprised of the following key areas:

Enterprise Engineers – Enterprise Engineering provides networking (voice and data) support for MDAD in the areas of technical proposals, network engineering, presentations and solutions development. This team continually analyzes your network environment, utilization and growth capacity to develop a worthy and cost-effective solution. Our current staff of four Enterprise Engineers have an average of 8 years on-site at MDAD and if needed can draw upon our tremendous local and remote resources. The goal of the Enterprise Engineering team is to maintain a strong working relationship with you to collaboratively develop solutions, ideal for your voice and data needs.

Project Managers – At MDAD, the Project Management Organization (PMO) takes their roles very seriously. The Project Manager (PM) can mean the difference between a successful project implementation and a bad experience for MDAD. Our on-site project management team coordinates our internal resources, vendors and carriers to deliver their respective products and services in order to meet MDAD's project schedules, budgets, and expectations.

> *Project Coordination* - The Network Specialists deliver project coordination in four (4) strategic phases: planning and scheduling, dispatch, installation and maintenance. The planning and scheduling phase initiates strategic project kickoff meetings with account executives, local engineers, project coordinators, project managers and remote engineers. The network specialists establish a project team to provide MDAD the assistance that is needed for specific tasks. This project team reviews the project scope, design and timelines to create a customized rollout plan. The network specialists then coordinate all major network implementation activities with the Engineering group, the carriers (IXC's and LEC's), and the customer to ensure seamless network integration. Technicians are

dispatched according to the project plan, which is modified when necessary. The network specialists take full responsibility for all phases of the network deployment and are the central point of contact for multi-vendor projects. They verify that MDAD receives the equipment, set up the installation date and time, order circuit test assistance with the carrier, check on the installation status, review open issues and database updates.

Network Implementation Engineers - Our implementation engineers build the solutions defined by the enterprise engineering team. They deliver turnkey solutions including staging, installation, commissioning and acceptance of our solution within the MDAD environment.

Technician Support – Technician support is offered 24x7 for MDAD and our engineers, who will manage the existing and future voice and data network infrastructure. The technicians will install and program new telephone stations, LAN equpment, disconnect old service and update records accordingly.

Preventative Maintenance - This team will perform industry standard and/or vendor recommended preventative maintenance on all voice, data network equipment and other systems (ie: UPS) in an effort to prevent malfunctions. The services shall include, but is not limited to: visually inpsect battery condition and voltages; check power supply voltage; routine replacement of indicators, protectors and other components; inspect cabinets, perform database dumps and provide periodic cleaning of filters.

Disaster Recovery – NextiraOne shall follow the MDAD plan for disaster recovery and develop contingency plans for major outages as required to mitigate the problem.

Network Operations Center (NOC)/Help Desk

As part of the scope of services, NextiraOne will be staffing a 24x7 Network Operations Center (NOC). NextiraOne will ensure that our current and future resources maintain the appropriate level of training and knowledge base to ensure maximum efficiency and customer satisfaction. The NOC provides for the centralization of voice and data network monitoring, management and reporting with MDAD's specific escalation procedures on a 24x7 basis. NextiraOne strategic services portfolio is targeted to address MDAD's mission-critical network management needs as follows:

- Network Monitoring with 24x7 coverage
- Monitoring and Outage Tracking/Management
- Reporting

Network Monitoring with 24x7 coverage - With the planned Monitoring Service, NextiraOne will have the expertise to utilize sophisticated networking equipment and to provide 24x7 monitoring. Our Services deliver network monitoring and surveillance for active nodes, traffic, outages, reboot detection, status changes, excessive errors, private virtual circuit status, interface status and line status on all required equipment. Upon receipt of an alarm, the on-site NOC/Help Desk will immediately try to clear the problem. If the problem requires a technician, NextiraOne will immediately dispatch a technician to work the problem as per specified SLA's and escalation procedures.

Monitoring and Outage Tracking/Management - The Monitoring and Outage Tracking service provides network monitoring and problem detection on data and voice equipment. Our expertise, in conjunction with MDAD's NOC system, monitors active nodes, traffic, outages, reboot-detection, status-changes, excessive-errors, private-virtual- circuit-status, interface-status and line-status. This team will provide dispatching, fault detection and logging, fault isolation and failure identification. Each site on the campus will be monitored. Upon receipt of an alarm, our staff will alert the technician/engineer of the problem(s) on the network via pager, two-way-radios, telephone, or e-mail. Trouble ticketing is utilized to input and track outages and keep a history of trouble reports to assist in case of future outages. MDAD will receive an electronic copy of detailed trouble tickets at the end of each month.

Reporting - Basic and Advanced Reporting provides network health reports through the collection of information across the network. We will provide an integrated, correlated view of network elements from end-to-end, enabling us to measure the effectiveness of MDAD's networking investment. NextiraOne's comprehensive reports, combined with MDAD's NOC system, show how individual elements relate to each other in the networking infrastructure. MDAD will receive reports via brief, one-page, executive summaries and/or detailed reports on networking elements or groups of elements. NextiraOne will consult with MDAD to determine the number of elements to be reported on, the type of events to report and to establish thresholds for the router, switch and private virtual circuits. The events to report on would include bur are not limited to LAN/WAN, Frame Relay, Router/Switch, ATM, Service Level Reports, Trunk Traffic Studie and Voice Mail Port Utilizations. NextiraOne will jointly develop the appropriate network health report configuration based on this information.

MDAD can elect to receive customized hard copy service reports. These reports, written for non-technical audiences, include MDAD's specific information of service history, monitoring statistics and problem ticket reports. Visually illustrated with clear, easy-to-read graphs, these reports provide information needed to identify and isolate network problem areas.

All Network Management Services enable NextiraOne to proactively isolate existing and future network problems, reduce risks, market available hardware/network resources, optimize return on investments and economically plan for future investments.

Help Desk – NextiraOne will operate and manage, on-site, a Help Desk available 24x7, that users can access to report troubles associated with their voice, data and network services. Access to the Help Desk can be by telephone, e-mail or any other oral or written request. We will be responsible for receiving work orders and to coordinate and perform move, add and change services. NextiraOne will be responsible for scheduling all work directly with MDAD or a SATS customer, under the direction of MDAD.

Cable Management

NextiraOne will manage the extensive cable plant spanning across the entire MDAD campus. This cable plant includes over 8 million feet of fiber and 10 million feet of copper cable. The cable management group engineers, designs, installs and maintains the fiber/copper cable plant facilities. As part of on-going maintenance, NextiraOne will update CAD drawings and keep an extensive cable record database as required.

Cable Records Management (CRM) – Our Cable Management Specialists provides vital information to our engineers and technicians. They are responsible for the maintenance and accuracy of the Cable Management System (CMS) provided by MDAD to NextiraOne. The CMS will document the physical connections for access to existing systems and the wide area network. This enables accurate information on the utilization of essential areas that may need additional facilities.

Fiber Technicians – Our technicians possess the latest skill sets, following BICSI standards, and state-of-the-art test equipment and tools. Utilizing advanced techniques in fusing, terminating and fiber maintenance. Our technicians are industry leaders.

Administration

Knowledge of the customer's policies and procedures is essential in the success of any vendor supporting a complex campus environment such as MDAD. Our administrative staff has perfected procedural knowledge and has developed relationships with pivotal individuals within the MDAD community.

Agreements with Vendors – NextiraOne will maintain and manage technical support agreements with vendors as required per MDAD.

Billing – Over the years, MDAD's and NextiraOne's staff have been able to effectively create, customize and maintain exclusive tools to maximize efficiencies: Pricing Database; Schedule E; MDAD-SATS Billing Summary; NextiraOne Billing Summary; Schedules B, C, N, S, BR; MGMT Firm Workbook; Material Purchase Workbook.

Management Reviews – NextiraOne will attend periodic meetings as required by MDAD to inform the Department on service issues and the status of projects.

Purchasing/Warehouse – Utilizing a customized database for MDAD, NextiraOne will be responsible for inventory control and asset management associated with shipping, receiving, storing and distribution of materials, parts, supplies and equipment. We will maintain a MDAD provided spare parts inventory designated in a secured area to support both scheduled and non-scheduled maintenance and repair to ensure prompt repair of equipment and for MAC services.

Shared Airport Tenant Service (SATS) – NextiraOne will use its best efforts to market and expand SATS for MDAD.

Technical Assistance Center (TAC)

Additionally the Technical Assistance Center, located in Houston TX, is a centralized call/support center that provides an additional comprehensive suite of customer maintenance services for local and wide area networks. These services are available 24-hours per day, 7 days per week. Our state-of-the-art service center offers industry leading diagnostic equipment.

Remote Engineering Services also provides our voice and data technicians additional support on the following products: Nortel Meridian PBX's; Cisco AVVID converged products; Cisco and Nortel Networks routers, hubs and switches; Adtran and Digital Link CSUs/DSUs; and ATM products such as Nortel Network Passport. Our remote engineering group maintains high-level, strategic relationships with our industry-leading product vendors.

Summary

One of the biggest challenges that NextiraOne customers face today is the ability to effectively link technology initiatives to the business' key strategic imperatives and ultimately drive value for their customers. As technology pressures have increased, our customers' ability to address these demands has decreased, resulting in a significant gap. NextiraOne is uniquely qualified to apply its experience, expertise and strategic thinking to fill this gap. Through the deployment of a value-based consulting methodology, the NextiraOne team of highly skilled project managers, engineers and technicians deliver strategic recommendations that positively impact an enterprise's profitability and productivity through improved network and application optimization. By bridging the gap between strategic management consulting and tactical technology implementation, NextiraOne serves as the catalyst to drive customer value across the entire Life-Cycle (plan, design, implement, manage and support). NextiraOne provides economic value for clients while helping them meet their strategic business objectives through their network infrastructures and applications.

SERVICES REQUIREMENTS

B. Quality and effectiveness of support systems to provide required services.

NextiraOne currently manages a powerful suite of tools specifically developed to meet Miami Dade Aviation Department's (MDAD) extensive telecommunications needs. Below please find a brief description of the current and newly proposed systems.

Work Order System:
The **Infortel** System, owned by MDAD, has been in place for over five years. NextiraOne has installed, operated, managed and maintained this System and anticipates using the same moving forward. This product includes a Work Order system used for receipt and maintenance of customer service orders, a/k/a Telecommunication Service Requests; a Call Accounting System, which is used for telephone/call accounting records (supported by ISI Infortel) that processes the Nortel Meridian OPT 81 PBX switch call records. This System allows us to monitor, track and bill local and long distance calls for MDAD. Our staff is extensively trained and experienced in the operation, system administration and maintenance of this product.

As an alternative, NextiraOne uses the Service Information Management System (SIMS) to internally control, monitor, track and report all contract and project activities. This is a fully automated Order Management system that provides services such as:

- Contract Milestone Notification Processing
- Trouble Ticket Reporting
- Move, Add or Change (MAC) Request Scheduling
- Technician Dispatch
- Subcontractor Orders and Progress Reports
- Contract Billing
- Parts Ordering
- Inventory Control

SIMS is accessed via a LAN connection within the NextiraOne/MDAD offices and via dial up connection for remote access. SIMS contains modules to support services for technicians, engineers, Project Managers and subcontractors and is available 24 hours a day, 365 days a year.

Billing System:
Over the years, MDAD's and NextiraOne's staff have been able to effectively create, customize and maintain exclusive tools to maximize efficiencies.

Pricing Database- A customized database created with FileMaker Pro that is used for developing parts pricing based on contract guidelines. This database also maintains information used for generating price lists and is updated with new parts as required for projects at MDAD.

Schedule E- A highly customized Microsoft Excel workbook is used to maintain SATS customer rental information. This includes long distance call detail and monthly MAC activity.

MDAD-SATS Billing Summary- A database used to maintain SATS monthly billing information. The format, approved by MDAD, provides a break down of charges required to generate an invoice from Schedule E. This summary is also used for providing monthly SATS reports to MDAD, as requested.

NextiraOne Billing Summary- A standard template used to describe all charges for services provided to MDAD. This includes all support documentation required.

Schedules B, C, N, S, BR- A highly customized Microsoft Excel workbook with detailed data of weekly/monthly billing to MDAD, that includes a breakdown of each invoice by type of charges and billing totals.

MGMT Firm Workbook- Used to maintain equipment rental information for the MDAD Management Firms.

Material Purchase Workbook- Used for continuous tracking and log of all equipment purchased by MDAD. This workbook has the ability to be tracked by item, IPON, service order number or price.

Cable Plant Inventory System:
NextiraOne maintains an internally created database containing detailed information regarding the installed fiber and copper plant at MIA. This database includes such information as location and usage and has the capability to generate various capacity reports. This database has direct ties to the cable plant CAD drawings that are also maintained by NextiraOne.

Inventory Management System:
The Inventory Tracking Database is maintained for all telecommunications materials, represented with an MDAD asset tag, issued by NextiraOne. With this database, NextiraOne tracks movement of materials in and out of the on-site warehouse, and is an information venue for MDAD's fixed assets and inventory.

Network Operations Center (NOC):
NextiraOne currently operates a NOC at MIA using various hardware and software platforms that are owned by MDAD. NextiraOne will continue to operate the NOC using hardware and software as provided by MDAD. We will be staffing the NOC 24 x 7 x 365. NextiraOne has identified key individuals with extensive service backgrounds to effectively manage the NOC to its full capabilities.

In addition, the on-site staff will have access to our off-site Solutions and Support Center (SSC) utilizing some of the most advanced tools available in the industry. The SSC is the nerve center for its extraordinary data and voice support infrastructure. Our highly skilled technical engineers have a wealth of industry knowledge and are equipped with the latest in technology to address virtually every aspect of supporting our customers' complex networking environments.

Help Desk:

The Help Desk software proposed will be procured from Blue Ocean. The specific product, known as "Track-It", can accommodate all the functions necessary to support the scope of services required at MDAD:

- Automatically assign service ticket numbers in the order they were received.
- Continuously alert help desk operator for service ticket escalation. Alert thresholds can be customized to meet MDAD's needs.
- Notify service requestors of open/closed tickets via e-mail (MS Outlook) This feature greatly enhances customer satisfaction.
- Advises Help Desk Operator of technician availability. This product also has the capability of notifying technicians of service tickets via e-mail, pager or text-message, either real-time or delayed.
- Provide a complete history of any specific service ticket by equipment, requestor, priority, type, department, SATS, dates, technician, etc.
- Capability of producing a summary report that can be customized to MDAD's needs with a powerful report writer for creating unique reports.
- Search service tickets by any text string, combination of words, filters, or groupings.
- Customizable 3D graphs.
- Fully customizable text and grid layouts.
- Data in ODBC format for easy import and export to any industry standard database.
- Fully Web enabled, with add-on modules if desired.
- Supports all major networks.

Trouble Reporting and Tracking Software:

Trouble Reporting and Tracking Software - For a description and specifics on this software, please refer to the "Help Desk" section above.

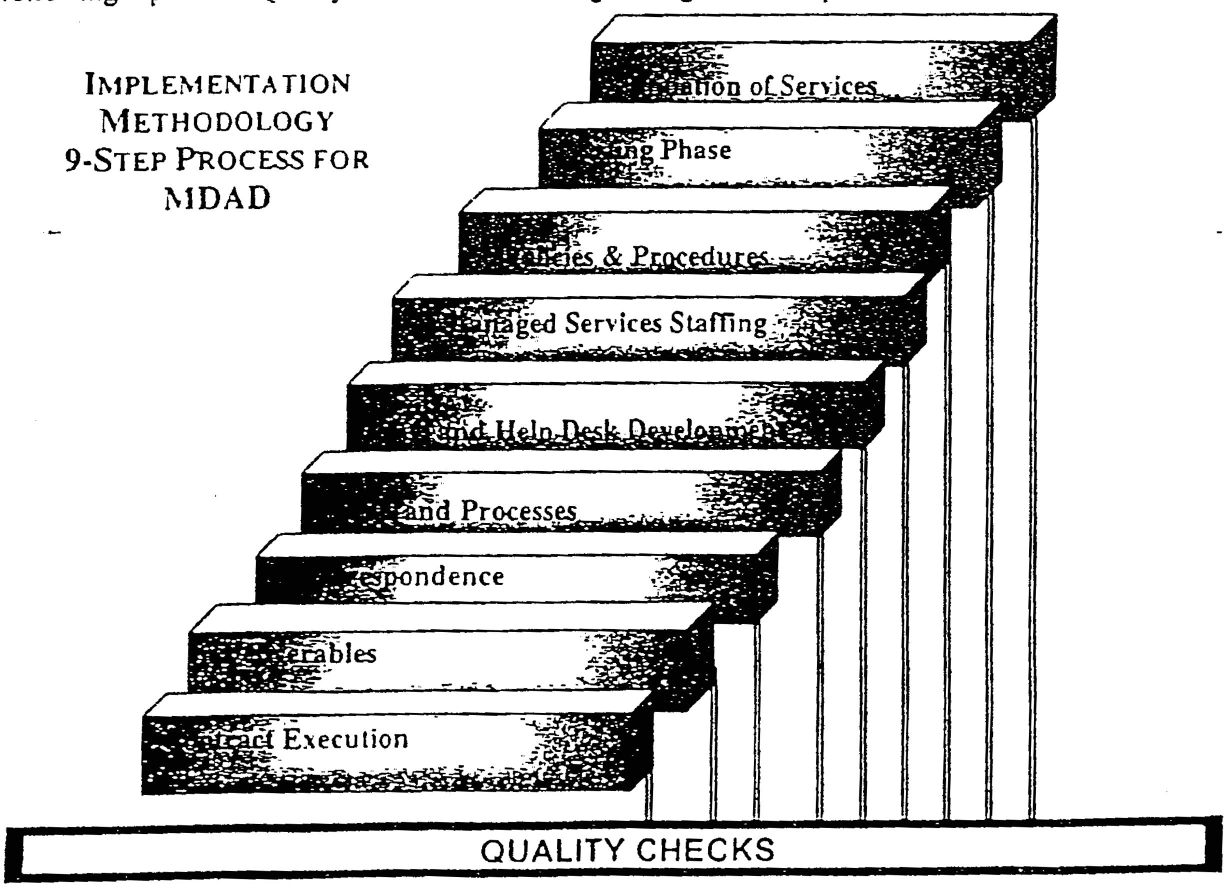
SERVICES REQUIREMENTS

C. Transition Plan

Over time, the partnership between MDAD and NextiraOne has developed into a trusting relationship. Our familiarity with the complex telecommunications infrastructure at the airports in Miami-Dade County is second to none.

NextiraOne's experience supporting MDAD affords us the ability to provide continuous service as we migrate from the current agreement to the new scope of services. We will retain a vast majority of the current staff, in their respective skill sets, to ensure this continuity. This will include all key positions that have been identified by MDAD. As we move towards new services (Help Desk and NOC), our staff will evolve to meet these changes.

NextiraOne possesses a methodology that includes a 9-step process that will be used to ensure the smooth transition of the new services. This methodology contains quality control milestones that are designed to keep the project on track even if there are unexpected events. In response to the RFP, our staff will focus on the migration of existing on-site NextiraOne personnel to new positions if/as required and the recruiting, hiring and training of an additional employees, to develop a robust 24-hour on-site Network Operations Center (NOC) and Help Desk. The following represents Quality Control Checks designed to guide the implementation:



Accountability and ownership of a project is critical Our staff will be responsible for overall ownership of this project for any and all issues related to the ramp-up and initiation of services. This includes any additional resources needed to our current systems, new employee staffing, site audit procedures, development of an on-site NOC and Help Desk, and development of customized Policies and Procedures.

Our staff will be responsible for procedures and training of:

- NOC Technician;
- NOC Senior Technician;
- NOC Openview/Netview Configuration Administrator;
- Cable Management QA;
- Help Desk Customer Service Representative;
- Level 1 Support Technicians.

Based on a proposed 120-day transition period with a 90-day target date for completion of the Help Desk and NOC, NextiraOne can identify key areas of focus:

I. Help Desk Staffing and Training
   A. Recruiting for New Personnel
   B. Hiring Personnel
   C. Training Personnel on Systems and Processes
II. Development of On-Site NOC
   A Re-allocation of existing Personnel
   B. Training Personnel on Systems and Processes
   C. Establishing Procedures for Call Receipt and Dispatch
   D. Establishing Event and Alarm Measurements
   E. Establishing Target SLA's
III. Escalation and After-hours dispatching procedures

<u>New Employee Recruiting</u>

Strategic Recruiting Team

Working with the existing Management staff, the NextiraOne Strategic Recruiting Team (SRT) will be committed to source and attract diverse, top-quality talent in a timely manner. Aligned with company business units, members of the Strategic Recruiting Team serve as the subject matter expert on everything related to recruitment and staffing.

In keeping with our EEO policy, all personnel actions with respect to employment, recruiting, hiring, promotions, transfers and compensation are done without regard to race, color, religion, sex, sexual orientation, national origin, age, disability, veteran status or marital status.

Services

- Candidate sourcing

- Prescreening and interviewing
- Counsel management on hiring process
- Serve as contact for third party employment agencies
- Sell NextiraOne to candidates
- Extend job offers

Competencies

- Business acumen
- Negotiating
- Employment law expertise
- Managing diversity
- Networking

New Employee Training

NextiraOne is dedicated to analyzing and identifying the business needs to support the technology or product. We will work in conjunction with our training department to outline training curriculum. The targeted employees will master the training identified. Certification test results are tracked in our training database. Reports are provided to management, who will then re-analyze and/or re-identify any gaps between skills needed to support the new scope of services.

Synopsis of the 9 Quality Control Checks:

1. CONTRACT EXECUTION

The overall scope of work will be defined in the contract phase. Our staff's responsibility is to carry the project forward through the cutover or "Initiation of Services" phase.

2. DELIVERABLES

Planning is the critical first step to any successful implementation. The planning effort includes the following:

- Project Team Member list:
  MDAD and NextiraOne name and contact information, noting the roles and responsibilities of all parties throughout the project.
- Escalation procedures and contact list:
  MDAD and NextiraOne names and contact information.
- Microsoft Project:
  This tool is used to develop and manage Gantt charts, timelines and delivery dates.

3. CUSTOMER CORRESPONDENCE

Keeping MDAD informed of the status of the project at all times is a key element to ensure a successful implementation. Weekly progress meetings will be held for the purpose of providing updates and subsequent revisions to the project implementation plan.

4. Integration of Tools and Processes

A key ingredient in the successful post-implementation support of a project is the thorough integration of the tools and processes. We will identify and collect the key informational components required establishing these processes within NextiraOne.

5. NOC and Help Desk Development

This will include the allocation of personnel, the installation and testing of event correlation software, and the development of operational policies and procedures.

6. Staffing Resource Support

During this phase, NextiraOne staff will work with recruiting team and other resources to procure and train the new personnel required.

7. Policies and Procedures

Policies and procedures will be developed and continuously reviewed, outlining the day-to-day operation, process flows, escalations, billing requirements, report generation and other areas as needed.

8. Testing of Applications and Processes

NextiraOne will conduct a physical test of all applications (such as Help Desk) and processes that have been implemented, to ensure proper performance as specified.

9. Initiation of Services

NextiraOne will take an active part in ensuring the services are being provided and meeting the requirements of the end-users. In the event any dynamic changes need to be made or modified, a support staff will be designated to oversee the initiation of services.

As part of the 9-Step Process a Microsoft Project Gantt chart will be developed. Below, please find a sample converted into an Excel worksheet:

Tasks and Titles	Start Date	Stop Date
Personnel	1-Oct-2003	31-Oct-2003
Identify employees to reassign		
Positions for Hire		
Identify New Positions		
Recruit New Employees		
Security Background Checks		
Hire New Employees		
Procedures	1-Oct-2003	15-Nov-2003
Standard Operating Procedures (SOP)		
Help Desk		
Shift Hours		
Acquiring Service Ticket Information		
SLA's		
Dispatching Technicians		
Escalations		
Generating Reports		
NOC		
Shift Hours		
Alarm Reporting		
Service Ticket Reporting		
Help Desk Operation		
Dispatching Technicians		
SLA's		
Escalations		
Availability Reports		
MAC Procedures		
Trouble Reporting Procedures for MDAD and SATS		

(Continued on next page)

Tasks and Titles	Start Date	Stop Date
Training	1-Nov-2003	15-Dec-2003
Help Desk		
Help Desk Operator		
Help Desk Software		
SOP's		
Facilities		
NextiraOne Policies		
Level 1 Support Technician		
MS Office		
SOP's		
Facilities		
NextiraOne Policies		
NOC		
HP Openview		
SOP's		
Facilities		
NextiraOne Policies		
CMS		
CMS Software		
SOP's		
Facilities		
NextiraOne Policies		
Training for Reassigned Personnel		
Implementation	15-Nov-2003	31-Dec-2003
Install and Configure Help Desk Software		
Test Application and Processes		
Re-evaluation		
Initiation of Services	6-Feb-2004	

Appendix

Appendix A

APPENDIX B
Registration for Oral Presentation

APPENDIX B

AFFIDAVIT OF MIAMI-DADE COUNTY LOBBYIST REGISTRATION FOR ORAL PRESENTATION

(1) Project Title: Non-Exclusive Telecommunications Project No.: MDAD-04-01
(2) Department: Miami-Dade Aviation Department
(3) Firm/Proposer's Name: NextiraOne, LLC
Address: 2800 Post Oak Blvd., Houston, TX Zip: 77056
Business Telephone: (713) 307-4000

(4) List All Members of the Presentation Team Who Will Be Participating in the Oral Presentation:

NAME	TITLE	EMPLOYED BY	TEL. NO.
Mark Davis	Vice President	NextiraOne, LLC	713-307-7201
Barrie Whitlow	Exec. Director	NextiraOne, LLC	804-627-6550
Scott Drury	Exec. Director	NextiraOne, LLC	615-794-6525
Todd Merk	Director	NextiraOne, LLC	804-627-6505
Jeannine Egdorf	Bus.Dev. Mgr	NextiraOne, LLC	203-845-9521
Pedro De Camillo	Project Mgr.	NextiraOne, LLC	305-869-3528
Brent Linkous	Account Mgr.	NextiraOne, LLC	248-676-0960
Bill McGlashan	Account Mgr.	NextiraOne, LLC	305-876-8410

(ATTACH ADDITIONAL SHEET IF NECESSARY)

The individuals named above are Registered and the Registration Fee is not required for the Oral Presentation ONLY

Proposers are advised that any individual substituted for or added to the presentation team after submittal of the proposal and filling by staff, MUST register with the Clerk of the Board and pay all applicable fees.

Other than for the oral presentation, Proposers who wish to address the county commission, a county board or county committee concerning any action, decision or recommendation of county personnel regarding this solicitation MUST register with the Clerk of the Board (Form BCCFORM12DOC) and pay all applicable fees.

I do solemnly swear that all the foregoing facts are true and correct and I have read or am familiar with the provisions of Section 2-11.1(s) of the Code of Miami-Dade County as amended.

Signature of Authorized Representative: [signature]
Title: Sr. Vice President
STATE OF Texas
COUNTY OF Harris

The foregoing instrument was acknowledged before me this
8th April 2003, by Mike Olson, a
__________, who is personally known
(Individual, Officer, Partner or Agent) (Sole Proprietor, Corporation or Partnership)
to me or who has produced __________ as identification and who did/did not take an oath.

Karen M. Webb
Signature of person taking acknowledgement)
Karen M. Webb
(Name of Acknowledger typed, printed or stamped)

KAREN M. WEBB
NOTARY PUBLIC STATE OF TEXAS
COMMISSION EXPIRES:
SEPTEMBER 27, 2004

__________ __________
(Title or Rank) (Serial Number, if any)

APPENDIX C
Acknowledgment of Addenda

APPENDIX C

ACKNOWLEDGEMENT OF ADDENDA

RFP TITLE NON-EXCLUSIVE TELECOMMUNICATIONS AND NETWORK MANAGEMENT SERVICES AGREEMENT RFP NO. MDAD-04-01

Directions: Complete Part I or Part II, Whichever Applies

Part I: Listed below are the dates of issue for each addendum received in connection with this RFP:

Addendum # 1 Date APRIL 4, 2003

Addendum # 2 Date APRIL 11, 2003

Addendum # 3 Date APRIL 15, 2003

Addendum # 4 Date ________, 200__

Addendum # 5 Date ________, 200__

Addendum # 6 Date ________, 200__

Addendum # 7 Date ________, 200__

Addendum # 8 Date ________, 200__

Addendum # 9 Date ________, 200__

Part II ________ No Addendum was received in connection with this RFP

________ Date

Proposer (Name) NEXTIRAONE, LLC

Proposer (Signature ________

APPENDIX E
Local Preference

LOCAL BUSINESS PREFERENCE

Proposals submitted for this solicitation will be reviewed by the Evaluation/Selection Committee for a local business preference in accordance with Miami-Dade County Ordinance No. 01-21 defining local business preference and Resolution No. R-514-02 (authorizing execution of interlocal agreement with Broward County for reciprocity in the extension of local preference.) Local business means the proposer, as of the proposal due date, has a valid occupational license issued by Miami-Dade or Broward County to do business in Miami-Dade or Broward County that authorizes the business to provide the goods, services or construction to be purchased, and a physical business address located within the limits of Miami-Dade or Broward County from which the proposer operates or performs business. Post Office Boxes are not verifiable and shall not be used for the purpose of establishing said physical address.

In order for Proposers to be considered for local preference, the proposal submission must present all information requested by the County in this Form.

Place of Business (Local Office)
Proposers claiming a local office in Miami-Dade or Broward County must complete all pages of this form, attach applicable documents, appropriately sign and notarize this Form, and include this completed Form with applicable documents in their proposal submission.

Response to Miami-Dade or Broward County Request for Local Business Preference

The following information is required from the Proposer (prime contractor or prime consultant) in order to be considered for local preference:

1. Does the Proposer have a Miami-Dade or Broward County Occupational License that authorizes the business to provide the goods, services or construction to be purchased? (Check one)

   __X__ Yes Miami-Dade - Broward (Circle the applicable County)

   _____No

If "Yes", proceed to item 2 below. If "No," please go to item 6 below.

2. Does the Proposer have a physical business address located within the limits of Miami-Dade or Broward County, Florida from which the Proposer operates or performs business? (Check one)

   __X__ Yes _____No

If "Yes", proceed to item 3 below. If "No," please go to item 6 below.

3. If the answer to Question 2 is "Yes", state the physical business address, city and zip below. Post Office Boxes are not verifiable and shall not be used for the purpose of establishing said physical address.

LOCAL BUSINESS PREFERENCE

Proposals submitted for this solicitation will be reviewed by the Evaluation/Selection Committee for a local business preference in accordance with Miami-Dade County Ordinance No. 01-21 defining local business preference and Resolution No. R-514-02 (authorizing execution of interlocal agreement with Broward County for reciprocity in the extension of local preference.) Local business means the proposer, as of the proposal due date, has a valid occupational license issued by Miami-Dade or Broward County to do business in Miami-Dade or Broward County that authorizes the business to provide the goods, services or construction to be purchased, and a physical business address located within the limits of Miami-Dade or Broward County from which the proposer operates or performs business. Post Office Boxes are not verifiable and shall not be used for the purpose of establishing said physical address.

In order for Proposers to be considered for local preference, the proposal submission must present all information requested by the County in this Form.

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Proposers claiming a local office in Miami-Dade or Broward County must complete all pages of this form, attach applicable documents, appropriately sign and notarize this Form, and include this completed Form with applicable documents in their proposal submission.

Response to Miami-Dade or Broward County Request for Local Business Preference

The following information is required from the Proposer (prime contractor or prime consultant) in order to be considered for local preference:

1. Does the Proposer have a Miami-Dade or Broward County Occupational License that authorizes the business to provide the goods, services or construction to be purchased? (Check one)

   _X_ Yes Miami-Dade – Broward (Circle the applicable County)

   ____ No

If "Yes", proceed to item 2 below. If "No," please go to item 6 below.

2. Does the Proposer have a physical business address located within the limits of Miami-Dade or Broward County, Florida from which the Proposer operates or performs business? (Check one)

   _X_ Yes ____ No

If "Yes", proceed to item 3 below. If "No," please go to item 6 below.

3. If the answer to Question 2 is "Yes", state the physical business address, city and zip below. Post Office Boxes are not verifiable and shall not be used for the purpose of establishing said physical address.

Local Office in Miami-Dade

NextiraOne, LLC
Perimeter Rd & NW 22nd ST
Miami, Florida 33159

STATEMENT 12 - SCH L, OTHER CUR LIABILITIES (END)

17 OTHER CURRENT LIABILITIES	Wiltel Com LLC 76-0534950	Williams Comm 73-1349451	Acctl (WC LLC) 04-2498332
Accr Taxes - Property Taxes	1,533,205		
Accr Taxes - Franchise Taxes	23,323		
Accr Taxes - Sales & Use Tax	14,775,671		
Accr Taxes - Federal Income	(419)		
Accr Taxes - State Income	(537,923)		
Accr Taxes - Foreign Income	2,016,930		
Accr Taxes - Other	521,647		
Accr Int - Other	1,821,506		
Accr Emp Incentive Plan Exp	0		
Accr Medical Plan Liab	42,686		
Accr Vacation	23,358,579		
Accr Workmen's Comp	1,789,451		
FAS 112 - Post Emp Ben - Curr	0		
Accrued PTO (Paid Time Off)	0		
Accrued Commissions	3,202,874		
Accrued Bonus Plan - All Employees	1,200,000		
Payroll Tax Withholding	5,052,088		
Other Accr Employee Benefits	19,445,954		
Accr Auditing Expense	163,200		
Accr Legal Expense	52,831		
Accr Liab - Warranty Work	14,939,212		
Accrued Acquisition Costs - JVD	916,633		
Accrued Relocation	(112,225)		
Other Accrued Liabilities	13,859,880		
Def Revenue - Other	38,820,750		
Contracts In Progress	47,143,684		
Other Accrued Liabilities	1,936,883		
Def Inc Taxes - Fed Curr Liability	0		
TOTAL	191,966,420		

	Wiltel Com LLC 76-0534950	Williams Comm 73-1349451	Nortl (WC LLC) 04-2486332

STATEMENT 13 - SCH L, OTHER LIABILITIES (END)

20 OTHER LIABILITIES	
Def Inc Taxes - Fed NonCurr Liab	0
Def Inc Taxes - State/City NCurr Lia	(53,900)
Minority Interest in Subsidiaries	0
FAS 106 - Post Ret Ben - All - NCurr	0
FAS 87 - Pension - SERP - NCurr	0
Deferred Stock Compensation	0
Other NonCurrent Liabilities	1,965,184
TOTAL	1,911,284

	Wiltel Com LLC 76-0534950	Williams Comm 73-1349451	Nortl (WC LLC) 04-2486332

STATEMENT 14 - SCH M-1, INC ON K-1 NOT ON BOOKS

2 INCOME INCL IN SCH K-1 BUT NOT RECORDED ON BOOKS			
Tax Gain/Loss - Sale of Assets	(56,052)		
Other Book/Tax PP&E Differences	(20,167)		
Deferred Revenue - Other	6,372,707		
TOTAL	6,296,488		

STATEMENT 15 - SCH M-1, EXP ON BOOKS NOT ON K-1

	Wiltel Com LLC 76-0534950	Williams Comm 73-1349451	Nortel (WC LLC) 01-2486332
4 EXPENSES RECORDED ON BOOKS BUT NOT INCL IN K-1			
Book Goodwill Amortization	11,642,640		
1065 Only - Nondeductible Expense	93,194		
Reserve Uncollectible A/R - Cur	11,257,703		
Sec 263A Inventory Adjustment	(506,855)		
Prior Year Inventory Reserve	1,904,461		
Goodwill Amortization	(3,259,833)		
Accrued Vacation/PTO	46,779		
(FAS87) Accrued Pension - Curr	3,580,771		
Accrued Legal Expense	2,831		
Accr Liab - Consultant Fees	163,220		
Accrued Acquisition Costs - BCS	(197,665)		
Accrued Acquisition Costs - JVD	(399,772)		
Accrued Acquisition Costs - Comlnk	(89,378)		
President's Club Accrual	(659,054)		
Reserve - Reorg Costs	(7,783,934)		
Restructuring Reserve	1,514,247		
Accr Liab - Warranty Work	846,794		
Reserve to Complete Code 1 Costs	33,240		
Accrued Other Liabs/Exp	(789,500)		
Self-Insurance Liability - NCurr	508,050		
Bonus Accrual - NCurr	66,553		
Deferred Comp - Special	1,398,035		
Reserve - General	(750,000)		
TOTAL	18,422,767		

	Wiltel Com LLC 76-0534950	Williams Comm 73-1349451	Nortl (WC LLC) 04-2188332

STATEMENT 16 - SCH M-1, INC ON BOOKS NOT IN K-1

	Wiltel Com LLC	Williams Comm	Nortl (WC LLC)
6 INCOME RECORDED ON BOOKS BUT NOT INCL ON K-1			
Foreign Income	2,730,002		

06/09/2000 - 09:19:02 AM

Williams Communications Solutions, LLC
Year: 1999

U.S. PARTNERSHIP RETURN OF INCOME
76-0534950

	Wiltel Com LLC 76-0534950	Williams Comm 73-1349451	Nortl (WC LLC) 04-2486332

STATEMENT 17 - SCH M-1, DED ON SCH K NOT ON BOOKS

7 DEDUCTIONS INCL ON SCH K BUT NOT ON BOOKS			
Prepaid Insurance	(227,737)		
Prepaid Commissions	(4,024,927)		
Prepaid Other	(50,495)		
WIP Est Earnings on Open Jobs	(5,620,739)		
Property Retirement Costs	5,559,832		
TOTAL	(4,364,065)		

STATEMENT 18 - SCH M-2, OTHER DECREASES

	Wiltel Com LLC 76-0534950	Williams Comm 73-1349451	Nortl (WC LLC) 04-2486332
4 OTHER DECREASES			
Unreal Loss on Forgn Trans - Curr Yr			
Reclass Partner's Capital Accts	(2,172,604)		

WILLIAMS COMMUNICATIONS SOLUTIONS, LLC.
FEIN 76-0534950
TAX YEAR 1999

ELECTION TO AMORTIZE START-UP COSTS

Pursuant to Internal Revenue Code Section 195(b), Wiltel Communication, LLC on its U.S. Partnership Return of Income, elects to amortize start-up costs incurred as deferred expenses. The deduction such of the deferred expenses is computed ratably over a 60 month period beginning with the month in which the active trade or business begins.

WILLIAMS COMMUNICATIONS SOLUTIONS, LLC.
FEIN 76-0534950
TAX YEAR 1999

Wiltel Communication, LLC hereby elects to adopt:

Pursuant to Regulation Section 1.461-5(d), the recurring item exception of the Internal Revenue Code Section 461(h) (3), with respect to all qualifying types of items for its first taxable year beginning in 1999.

WILLIAMS COMMUNICATIONS SOLUTIONS, LLC.
FEIN 76-0534950
TAX YEAR 1999

ELECTION TO RATABLY ACCRUE PROPERTY TAXES

Pursuant to Internal Revenue Code Section 461(c), Wiltel Communication, LLC elects to ratably accrue property taxes during the year for all activity relating to its business activities.

WILTEL COMMUNICATIONS, LLC.
FEIN 76-0534950
TAX YEAR 1999

ELECTION TO DEDUCT RESEARCH AND EXPERIMENTAL EXPENSES

Pursuant to Internal Revenue Code Section 174(a), Wiltel Communication, LLC on its U.S. Partnership Return of Income elects to deduct currently all research and experimental costs incurred in Tax Year 1999.

WILLIAMS COMMUNICATIONS SOLUTIONS, LLC.
FEIN 76-0534950
CALENDAR YEAR 1999

Statement Pursuant to Regulation Sec. 1.708-1(b)(1)(iv) Technical Termination

This partnership is a deemed "NEW" partnership pursuant to regulation Section 1.708-1(b)(1)(iv), effective January 1, 1999, and will be continuing the operations of the "OLD" partnership Williams Communication Solutions, LLC. (FEIN 76-0534950). The "OLD" partnership was deemed to have a technical termination effective December 31, 1998 under IRC Section 708(b)(1)(B).

WILLIAMS COMMUNICATIONS SOLUTIONS, LLC
FEIN 76-0534950
CALENDAR YEAR 1999

FORM 5471 STATEMENT

All form 5471's were filed on behalf of Williams Communications Solutions, LLC by WCS, Inc., FEIN 47-0660168.

Form **1065** Department of the Treasury Internal Revenue Service

U.S. Return of Partnership Income

For calendar year 2000, or tax year beginning ...., 2000, and ending ...., 20 ...

▶ See separate instructions.

OMB No. 1545-0099

2000

A Principal business activity SELL/SRV PHONE EQUIP	Name of partnership, address, city or town, state, and ZIP code Williams Communications Solutions, LLC	D Employer identification number 76-0534950
B Principal product or service PHONE EQUIP	2800 Post Oak Blvd PO Box 3568; MD 24- TAX DEPT.	E Date business started 04/11/1997
C Business code number 513300	Houston TX 77253-3568	F Total assets (see page 13 of the instructions) $ 946,462,502

G Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Change in address (4) ☐ Amended return

H Check accounting method: (1) ☐ Cash (2) ☒ Accrual (3) ☐ Other (specify) ▶

I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ▶ 2

Caution: Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Income	1a Gross receipts or sales	1a	1,278,265,748		
	b Less returns and allowances	1b	0	1c	1,278,265,748
	2 Cost of goods sold (Schedule A, line 8)			2	798,855,175
	3 Gross profit. Subtract line 2 from line 1c			3	479,410,573
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach schedule)			4	0
	5 Net farm profit (loss) (attach Schedule F (Form 1040))			5	0
	6 Net gain (loss) from Form 4797, Part II, line 18			6	0
	7 Other income (loss) (attach schedule) STATEMENT 1			7	209,454
	8 **Total income (loss).** Combine lines 3 through 7			8	479,620,027
Deductions (see instructions for limitations)	9 Salaries and wages (other than to partners) (less employment credits)			9	148,312,558
	10 Guaranteed payments to partners			10	0
	11 Repairs and maintenance			11	1,107,722
	12 Bad debts			12	3,959,269
	13 Rent			13	30,884,686
	14 Taxes and licenses			14	30,489,070
	15 Interest			15	46,221,482
	16a Depreciation (if required, attach Form 4562)	16a	34,732,550		
	b Less depreciation reported on Schedule A and elsewhere on return	16b	0	16c	34,732,550
	17 Depletion (Do not deduct oil and gas depletion.)			17	0
	18 Retirement plans, etc.			18	3,009,752
	19 Employee benefit programs			19	52,080,205
	20 Other deductions (attach schedule) STATEMENT 2			20	168,581,158
	21 **Total deductions.** Add the amounts shown in the far right column for lines 9 through 20			21	519,378,482
	22 **Ordinary income (loss)** from trade or business activities. Subtract line 21 from line 8			22	-39,758,455

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member) is based on all information of which preparer has any knowledge.

▶ Gordon E Schaechterle ▶ 8/3/01

Signature of general partner or limited liability company member Date

Paid Preparer's Use Only

Preparer's signature ▶ Date Check if self-employed ▶ ☐ Preparer's SSN or PTIN

Firm's name (or yours if self-employed), address, and zip code ▶ EIN ▶ Phone no. ▶

For Paperwork Reduction Act Notice, see separate instructions. Form 1065 (2000)

MCFPAA00

ERF

Schedule A: Cost of Goods Sold (see page 17 of the instructions)

1	Inventory at beginning of year	1	84,301,248
2	Purchases less cost of items withdrawn for personal use	2	356,562,653
3	Cost of labor	3	404,990,255
4	Additional section 263A costs (attach schedule) STATEMENT 3	4	-5,861,182
5	Other costs (attach schedule) STATEMENT 4	5	23,042,324
6	Total. Add lines 1 through 5	6	863,035,298
7	Inventory at end of year	7	64,180,123
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	798,855,175

9a Check all methods used for valuing closing inventory:
- (i) [X] Cost as described in Regulations section 1.471-3
- (ii) [ ] Lower of cost or market as described in Regulations section 1.471-4
- (iii) [ ] Other (specify method used and attach explanation) ▶

b Check this box if there was a write down of "subnormal" goods as described in Regulations section 1.471-2(c) ▶ [ ]

c Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶ [ ]

d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? [X] Yes [ ] No

e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? [ ] Yes [X] No
If "Yes," attach explanation.

Schedule B: Other Information

		Yes	No
1	What type of entity is filing this return? Check the applicable box: a [ ] Domestic general partnership; b [ ] Domestic limited partnership; c [X] Domestic limited liability company; d [ ] Domestic limited liability partnership; e [ ] Foreign partnership; f [ ] Other ▶		
2	Are any partners in this partnership also partnerships?		X
3	During the partnership's tax year, did the partnership own any interest in another partnership or in any foreign entity that was disregarded as an entity separate from its owner under Regulations sections 301.7701-2 and 301.7701-3? If yes, see instructions for required attachment		X
4	Is this partnership subject to the consolidated audit procedures of sections 6221 through 6233? If "Yes," see Designation of Tax Matters Partner below		
5	Does this partnership meet ALL THREE of the following requirements? a The partnership's total receipts for the tax year were less than $250,000; b The partnership's total assets at the end of the tax year were less than $600,000; AND c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return. If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item J on Schedule K-1		X
6	Does this partnership have any foreign partners?		X
7	Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		X
8	Has this partnership filed, or is it required to file, Form 8264, Application for Registration of a Tax Shelter?		X
9	At any time during calendar year 2000, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See page 18 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶		X
10	During the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520. See page 19 of the instructions		X
11	Was there a distribution of property or a transfer (e.g., by sale or death) of a partnership interest during the tax year? If "Yes," you may elect to adjust the basis of the partnership's assets under section 754 by attaching the statement described under Elections Made By the Partnership on page 7 of the instructions		X
12	Enter the number of Forms 8865 attached to this return ▶ 0		

Designation of Tax Matters Partner (see page 19 of the instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP ▶ Identifying number of TMP ▶

Address of designated TMP ▶

Schedule K Partners' Shares of Income, Credits, Deductions, etc.

	(a) Distributive share items		(b) Total amount
Income (Loss)	1 Ordinary income (loss) from trade or business activities (page 1, line 22)	1	-39,758,455
	2 Net income (loss) from rental real estate activities (attach Form 8825)	2	0
	3a Gross income from other rental activities — 3a: 0		
	b Expenses from other rental activities (attach schedule) — 3b: 0		
	c Net income (loss) from other rental activities. Subtract line 3b from line 3a	3c	0
	4 Portfolio income (loss): a Interest income	4a	0
	b Ordinary dividends	4b	0
	c Royalty income	4c	0
	d Net short-term capital gain (loss) (attach Schedule D (Form 1065))	4d	0
	e Net long-term capital gain (loss) (attach Schedule D (Form 1065)) (1) 28% rate gain (loss) ▶ 0 (2) Total for year	4e(2)	0
	f Other portfolio income (loss) (attach schedule) ▶	4f	0
	5 Guaranteed payments to partners	5	0
	6 Net section 1231 gain (loss) (other than due to casualty or theft) (attach Form 4797)	6	0
	7 Other income (loss) (attach schedule)	7	0
Deductions	8 Charitable contributions (attach schedule) STATEMENT 5	8	94,150
	9 Section 179 expense deduction (attach Form 4562)	9	0
	10 Deductions related to portfolio income (itemize)	10	0
	11 Other deductions (attach schedule)	11	0
Credits	12a Low-income housing credit: (1) From partnerships to which section 42(j)(5) applies for property placed in service before 1990	12a(1)	0
	(2) Other than on line 12a(1) for property placed in service before 1990	12a(2)	0
	(3) From partnerships to which section 42(j)(5) applies for property placed in service after 1989	12a(3)	0
	(4) Other than on line 12a(3) for property placed in service after 1989	12a(4)	0
	b Qualified rehabilitation expenditures related to rental real estate activities (attach Form 3468)	12b	0
	c Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities	12c	0
	d Credits related to other rental activities	12d	0
	13 Other credits	13	45,048
Investment Interest	14a Interest expense on investment debts	14a	0
	b (1) Investment income included on lines 4a, 4b, 4c, and 4f above	14b(1)	0
	(2) Investment expenses included on line 10 above	14b(2)	0
Self-Employment	15a Net earnings (loss) from self-employment	15a	0
	b Gross farming or fishing income	15b	0
	c Gross nonfarm income	15c	0
Adjustments and Tax Preference Items	16a Depreciation adjustment on property placed in service after 1986	16a	5,462,575
	b Adjusted gain or loss	16b	0
	c Depletion (other than oil and gas)	16c	0
	d (1) Gross income from oil, gas, and geothermal properties	16d(1)	0
	(2) Deductions allocable to oil, gas, and geothermal properties	16d(2)	0
	e Other adjustments and tax preference items (attach schedule)	16e	0
Foreign Taxes	17a Name of foreign country or U.S. possession ▶		
	b Gross income sourced at partner level	17b	0
	c Foreign gross income sourced at partnership level: (1) Passive ▶ 0 (2) Listed categories (attach schedule) ▶ 0 (3) General limitation ▶	17c(3)	0
	d Deductions allocated and apportioned at partner level (1) Interest expense ▶ 0 (2) Other	17d(2)	0
	e Deductions allocated and apportioned at partnership level to foreign source income: (1) Passive ▶ 0 (2) Listed categories (attach schedule) ▶ 0 (3) General limitation ▶	17e(3)	0
	f Total foreign taxes (check one): ▶ Paid ☐ Accrued ☒	17f	0
	g Reduction in taxes available for credit and gross income from all sources (attach schedule)	17g	0
Other	18 Section 59(e)(2) expenditures: a Type ▶ b Amount ▶	18b	0
	19 Tax-exempt interest income	19	0
	20 Other tax-exempt income	20	0
	21 Nondeductible expenses	21	2,007,642
	22 Distributions of money (cash and marketable securities)	22	0
	23 Distributions of property other than money	23	0
	24 Other items and amounts required to be reported separately to partners (attach schedule)		

Analysis of Net Income (Loss)

1 Net income (loss). Combine Schedule K, lines 1 through 7 in column (b). From the result, subtract the sum of Schedule K, lines 8 through 11, 14a, 17f and 18b ... 1 -39,852,605

2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other
a General partners	0	0	0	0	0	0
b Limited partners	-39,852,605	0	0	0	0	0

Schedule L — Balance Sheets per Books (Not required if Question 5 on Schedule B is answered "Yes.")

Assets	Beginning of tax year (a)	Beginning of tax year (b)	End of tax year (c)	End of tax year (d)
1 Cash		786,192		12,011,551
2a Trade notes and accounts receivable	663,838,295		567,566,938	
b Less allowance for bad debts	0	663,838,295	63,731,916	503,835,022
3 Inventories		84,301,248		64,180,123
4 U.S. government obligations		0		0
5 Tax-exempt securities		0		0
6 Other current assets (attach schedule) STATEMENT 6		12,401,515	STATEMENT 10	18,755,113
7 Mortgage and real estate loans		0		0
8 Other investments (attach schedule)		0		49,089,078
9a Buildings and other depreciable assets	213,591,344		231,036,751	
b Less accumulated depreciation	114,971,770	98,619,574	126,723,643	104,313,108
10a Depletable assets	0		0	
b Less accumulated depletion	0	0	0	0
11 Land (net of any amortization)		0		0
12a Intangible assets (amortizable only)	312,267,353		279,228,461	
b Less accumulated amortization	73,028,440	239,238,913	84,991,348	194,237,113
13 Other assets (attach schedule) STATEMENT 7		72,223	STATEMENT 11	41,394
14 Total assets		1,099,257,960		946,462,502
Liabilities and Capital				
15 Accounts payable		93,409,406		84,606,354
16 Mortgages, notes, bonds payable in less than 1 year		85,785,867		25,072,042
17 Other current liabilities (attach schedule) STATEMENT 8		191,966,420	STATEMENT 12	189,861,955
18 All nonrecourse loans		0		0
19 Mortgages, notes, bonds payable in 1 year or more		438,920,277		571,049,066
20 Other liabilities (attach schedule) STATEMENT 9		1,911,284	STATEMENT 13	1,926,100
21 Partners' capital accounts		287,264,706		73,946,985
22 Total liabilities and capital		1,099,257,960		946,462,502

Schedule M-1 — Reconciliation of Income (Loss) per Books With Income (Loss) per Return (Not required if Question 5 on Schedule B is answered "Yes." See page 29 of the instructions.)

1 Net income (loss) per books	-211,414,321	6 Income recorded on books this year not included on Schedule K, lines 1 through 7 (itemize): a Tax-exempt interest $ 0 STATEMENT 17 -394,562	-394,562
2 Income included on Schedule K, lines 1 through 4, 6, and 7, not recorded on books this year (itemize): STATEMENT 14	-5,274,566	7 Deductions included on Schedule K, lines 1 through 11, 14a, 17f, and 18b, not charged against book income this year (itemize): a Depreciation $ 34,732,550 STATEMENT 18 -5,585,001	29,147,549
3 Guaranteed payments (other than health insurance)	0	8 Add lines 6 and 7	28,752,987
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 11, 14a, 17f, and 18b (itemize): a Depreciation $ 34,749,140 b Travel and entertainment $ 1,650,730 STATEMENT 15 168,929,799	205,329,669	9 Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	-39,852,605
5 Add lines 1 through 4	-11,359,218		

Schedule M-2 — Analysis of Partners' Capital Accounts (Not required if Question 5 on Schedule B is answered "Yes.")

1 Balance at beginning of year	287,264,706	6 Distributions: a Cash	0
2 Capital contributed during year	0	b Property	0
3 Net income (loss) per books	-211,414,321	7 Other decreases (itemize): STATEMENT 16	1,903,400
4 Other increases (itemize):	0	8 Add lines 6 and 7	1,903,400
5 Add lines 1 through 4	75,850,385	9 Balance at end of year. Subtract line 8 from line 5	73,946,985

Form **8800**
(Rev September 2000)
Department of the Treasury
Internal Revenue Service

Application for Additional Extension of Time To File U.S. Return for a Partnership, REMIC, or for Certain Trusts

OMB No. 1545-1057

▶ File a separate application for each return.

Please type or print. File the original and one copy by the due date for filing the return for which an extension is requested. See instructions.

Name: WILLIAMS COMMUNICATIONS SOLUTIONS LLC	Employer identification number: 76-0534950
Number, street, and room or suite no. (If a P.O. box, see instructions.): 2800 POST OAK BLVD, PO BOX 3568 MD 26-22	
City or town, state, and ZIP code. If a foreign address, enter city, province or state, and country. Follow the country's practice for entering the postal code.: HOUSTON, TX 77253-3568	

1 I request an additional extension of time until OCTOBER 15, 2001, to file (check only one):
☐ Form 1041 ☐ Form 1041-QFT ☒ Form 1065 ☐ Form 1065-B ☐ Form 1066

2 If the entity does not have an office or place of business in the United States, check this box . . . . ▶ ☐

3a For calendar year 20 00, or other tax year beginning ________, 20 ____, and ending ________, 20 ____

b If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

4 Explain why the entity needs an extension. All entities filing this form must give an adequate explanation.
ADDITIONAL TIME IS REQUIRED TO GATHER INFORMATION NEEDED IN ORDER TO FILE AN ADEQUATE TAX RETURN.

5 Has the entity filed Form 8736 to request an extension of time to file for this tax year? ☒ Yes ☐ No
If you checked "No," we will grant an extension only for undue hardship. Fully explain the hardship on line 4.

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete; and that I am authorized to prepare this form.

Signature ▶ Gordon E Schoeckterle Title ▶ Assistant Treasurer Date ▶ 7/6/01

File original and one copy. The IRS will show below whether or not your application is approved and will return the copy.

Notice to Applicant — To Be Completed by the IRS.

☐ We HAVE approved this application. Please attach this form to the entity's return

☐ We HAVE NOT approved this application.
However, we have granted a 10-day grace period to ____________. This grace period is considered a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the entity's return.

☐ We HAVE NOT approved this application. After considering the reasons stated in item 4 above, we cannot grant this request for an extension of time to file. We are not granting a 10-day grace period.

☐ We cannot consider this application because it was filed after the due date of the return for which an extension was requested.

☐ Other: ____________

____________ By: ____________ ____________
Director Date

If you want a copy of this form to be returned to an address other than that shown above, please enter the address to which the copy should be sent.

Please Type or Print

Name: WILLIAMS COMMUNICATIONS FEDERAL TAX MD 17-7
Number, street, and room or suite no. (If a P.O. box, see instructions.): ONE WILLIAMS CENTER
City or town, state, and ZIP code. If a foreign address, enter city, province or state, and country. Follow the country's practice for entering the postal code.: TULSA, OK 74172

Form **8736** (Rev. October 2000)

Department of the Treasury Internal Revenue Service

Application for Automatic Extension of Time To File U.S. Return for a Partnership, REMIC, or for Certain Trusts

▶ File a separate application for each return.

OMB No. 1545-1054

Please type or print. File by the due date for filing the return for which an extension is requested. See instructions.

Name	Employer identification number
WILLIAMS COMMUNICATIONS SOLUTIONS LLC	76-0534950
Number, street, and room or suite no. If a P.O. box, see instructions.	
2800 POST OAK BLD, PO BOX 3568 MD 26-22	
City or town, state, and ZIP code. If a foreign address, enter city, province or state, and country. Follow the country's practice for entering the postal code.	
HOUSTON, TX 77253-3568	

1 I request an automatic 3-month extension of time to file (check only one):
☐ Form 1041 ☐ Form 1041-QFT ☒ Form 1065 ☐ Form 1065-B ☐ Form 1066

2 If the entity does not have an office or place of business in the United States, check this box . . . . ▶ ☐

3a For calendar year 20 00 , or other tax year beginning ____________, 20 ____, and ending ____________, 20 ____.

b If this tax year is for less than 12 months, check reason:
☐ Initial return ☐ Final return ☐ Change in accounting period

4 If this extension is requested for Form 1041, Form 1041-QFT, Form 1065-B, or Form 1066, enter the following amounts:

a Tentative total tax from Form 1041, Form 1041-QFT, Form 1065-B, or Form 1066 (see instructions) . . . $ 0

b Refundable credits and estimated tax payments, including any prior year overpayment allowed as a credit, from Form 1041, Form 1041-QFT, or Form 1065-B (see instructions). REMICs, enter -0- . . . . $ ________

c Balance due Subtract line 4b from line 4a. If zero or less, enter -0-. Enclose payment, if any, with Form 8736 (see instructions) . . . . ▶ $ 0

Caution: *Interest will be charged on any tax not paid by the regular due date of Forms 1041, 1041-QFT, 1065-B, and 1066 from the due date until the tax is paid.*

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

Use Form 8736 to request an automatic 3-month extension of time to file a return for:

- Trusts filing Form 1041, U.S. Income Tax Return for Estates and Trusts, or Form 1041-QFT, U.S. Income Tax Return for Qualified Funeral Trusts.
- Partnerships filing Form 1065, U.S. Return of Partnership Income, or Form 1065-B, U.S. Return of Income for Electing Large Partnerships.
- Real estate mortgage investment conduits filing Form 1066, U.S. Real Estate Mortgage Investment Conduit (REMIC) Income Tax Return.

If allowed, the automatic extension will extend the due date of the return to the 15th day of the 3rd month following the month in which the regular due date falls. The automatic 3-month extension period includes any 2-month extension granted under Regulations section 1.6081-5 to certain foreign partnerships.

Note: *An estate filing Form 1041 should not file this form. Instead, it should request an extension using Form 2758, Application for Extension of Time To File Certain Excise, Income, Information, and Other Returns.*

The extension will be allowed if you complete Form 8736 properly, make a proper estimate of the tax on line 4a (if applicable), and file the form on time. We will notify you only if your request for an extension is not allowed.

For most partnerships, trusts, and REMICs, an automatic extension will extend the due date of the return to July 15th of the year following the close of the calendar year.

When To File

File Form 8736 by the regular due date of the return for which an extension is requested (or, in the case of certain foreign partnerships, by the expiration date of any extension of time to file granted under Regulations section 1.6081-5). The regular due date is generally the 15th day of the 4th month following the close of the entity's tax year.

Additional Extension of Time To File

If Form 8736 has already been filed but more time is needed, file Form 8800, Application for Additional Extension of Time To File U.S. Return for a Partnership, REMIC, or for Certain Trusts. Except in cases of undue hardship, do not file Form 8800 unless Form 8736 has already been filed. Before an additional extension can be granted, the entity must show reasonable cause for the additional time needed to file.

Ask for the additional extension early so that if it is denied the return can still be filed on time.

Where To File

File Form 8736 with the Internal Revenue Service Center where the entity will file its return.

No Blanket Requests

File a separate Form 8736 for each return for which you are requesting an extension of time to file. This extension will apply only to the specific return checked on line 1. It does not extend the time for filing any related returns. For example, an automatic extension of time to file Form 1065 will not apply to the income tax returns of the partners of the partnership.

INTERNAL REVENUE SERVICE
RECEIVED

APR 13 2001

DISTRICT DIRECTOR
Arkansas-Oklahoma District #73-031

Form **4562**

Department of the Treasury Internal Revenue Service (99)

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach this form to your return

OMB No. 1545-0172

2000

Attachment Sequence No. 67

Name(s) shown on return	Business or activity to which this form relates	Identifying number
Williams Communications Solutions, LLC	SELL/SRV PHONE EQUIP	76-0534950

Part I Election To Expense Certain Tangible Property (Section 179)

If you have any "listed property", complete Part V before you complete Part I.)

1	Maximum dollar limitation. If an enterprise zone business, see page 2 of the instructions	1	$20,000
2	Total cost of section 179 property placed in service. See page 2 of the instructions	2	0
3	Threshold cost of section 179 property before reduction in limitation	3	$200,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	0
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see page 2 of the instructions	5	20,000

	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
6		0	0
		0	0

7	Listed property. Enter amount from line 27	7	0
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	0
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	0
10	Carryover of disallowed deduction from 1999. See page 3 of the instructions	10	0
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	20,000
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	0
13	Carryover of disallowed deduction to 2001. Add lines 9 and 10, less line 12 ▶	13	0

Note. Do not use Part II or Part III below for listed property (automobiles, certain other vehicles, cellular telephones, certain computers, or property used for entertainment, recreation, or amusement). Instead, use Part V for listed property.

Part II MACRS Depreciation For Assets Placed in Service Only During Your 2000 Tax Year (Do Not Include listed property.)

Section A—General Asset Account Election

14 If you are making the election under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check this box. See page 3 of the instructions ▶ ☐

Section B—General Depreciation System (GDS) (See page 3 of the instructions.)

	(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
15a	3-year property		0				0
b	5-year property		35,057,969	5yr	HY	200DB	7,011,594
c	7-year property		7,371,996	7yr	HY	200DB	1,053,143
d	10-year property		0				0
e	15-year property		0				0
f	20-year property		0				0
g	25-year property		0	25 yrs.		S/L	0
h	Residential rental property		0	27.5 yrs	MM	S/L	0
			0	27.5 yrs.	MM	S/L	0
i	Nonresidential real property		0	39 yrs.	MM	S/L	0
			0		MM	S/L	0

Section C--Alternative Depreciation System (ADS) (See page 5 of the instructions.)

16a	Class life		0			S/L	0
b	12-year		0	12 yrs.		S/L	0
c	40-year		0	40 yrs.	MM	S/L	0

Part III Other Depreciation (Do Not Include Listed Property.) (See page 6 of the instructions.)

17	GDS and ADS deductions for assets placed in service in tax years beginning before 2000	17	26,667,813
18	Property subject to section 168(f)(1) election	18	0
19	ACRS and other depreciation	19	0

Part IV Summary (See page 6 of the instructions.)

20	Listed property. Enter amount from line 26	20	0
21	Total. Add deductions on line 12, lines 15 and 16 in column (g), and lines 17 through 20. Enter here and on the appropriate lines of your return. Partnerships and S corporations — see instructions	21	34,732,550
22	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	22	0

For Paperwork Reduction Act Notice, see page 9 of the instructions.

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 23a, 23b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A — Depreciation and Other Information (Caution: See page 7 of the instructions for limits for passenger automobiles.)

23a Do you have evidence to support the business/investment use claimed? Yes No 23b If "Yes," is the evidence written? Yes No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
24 Property used more than 50% in a qualified business use (See page 6 of the instructions.):								
		%	0	0			0	0
		%	0	0			0	0
		%	0	0			0	0
25 Property used 50% or less in a qualified business use (See page 6 of the instructions.):								
		%	0	0		S/L —	0	
		%	0	0		S/L —	0	
		%	0	0		S/L —	0	
26 Add amounts in column (h). Enter the total here and on line 20, page 1						26	0	
27 Add amounts in column (i). Enter the total here and on line 7, page 1							27	0

Section B — Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
28 Total business/investment miles driven during the year (do not include commuting miles — see page 1 of the instructions)	0		0		0		0		0		0	
29 Total commuting miles driven during the year	0		0		0		0		0		0	
30 Total other personal (noncommuting) miles driven	0		0		0		0		0		0	
31 Total miles driven during the year Add lines 28 through 30	0		0		0		0		0		0	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
32 Was the vehicle available for personal use during off-duty hours?												
33 Was the vehicle used primarily by a more than 5% owner or related person?												
34 Is another vehicle available for personal use?												

Section C — Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons See page 8 of the instructions

	Yes	No
35 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
36 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See page 8 of the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
37 Do you treat all use of vehicles by employees as personal use?		
38 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
39 Do you meet the requirements concerning qualified automobile demonstration use? See page 8 of the instructions		

Note: If your answer to 35, 36, 37, 38, or 39 is "Yes," you do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
40 Amortization of costs that begins during your 2000 tax year (See page 8 of the instructions.):					
		0			0
		0			0
41 Amortization of costs that began before 2000				41	3,251,466
42 Total. Add amounts in column (f). See page 9 of the instructions for where to report				42	3,251,466

SCHEDULE K-1 (Form 1065)
Department of the Treasury Internal Revenue Service

Partner's Share of Income, Credits, Deductions, etc.

▶ See separate instructions.

For calendar year 2000 or tax year beginning , 2000, and ending

OMB No. 1545-0099

2000

Partner's identifying number ▶ 73-1349451

Partnership's identifying number ▶ 76-0534950

Partner's name, address, and ZIP code
Williams Communications, Inc.
PO Box 22067-Tax Dept
Tulsa OK 74121

Partnership's name, address, and ZIP code
Williams Comm Solutions, LLC
2800 Post Oak Blvd.
Houston TX 77253-3568

A This partner is a ☐ general partner ☐ limited partner ☒ limited liability company member

B What type of entity is this partner? ▶ Corporation

C Is this partner a ☒ domestic or a ☐ foreign partner?

D Enter partner's percentage of: (i) Before change or termination / (ii) End of year

	(i) Before change or termination	(ii) End of year
Profit sharing	70.000000 %	70.000000 %
Loss sharing	70.000000 %	70.000000 %
Ownership of capital	70.000000 %	70.000000 %

E IRS Center where partnership filed return: TX

F Partner's share of liabilities (see instructions):
Nonrecourse $ 0
Qualified nonrecourse financing $ 0
Other $ 610,760,862

G Tax shelter registration number ▶

H Check here if this partnership is a publicly traded partnership as defined in section 469(k)(2) ☐

I Check applicable boxes: (1) ☐ Final K-1 (2) ☐ Amended K-1

J Analysis of partner's capital account:

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of lines 3, 4, and 7, Form 1065, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year (combine columns (a) through (d))
201,085,238	0	-149,322,405	(0)	51,762,833

		(a) Distributive share item		(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Income (Loss)	1	Ordinary income (loss) from trade or business activities	1	-27,830,918	See page 6 of Partner's Instructions for Schedule K-1 (Form 1065).
	2	Net income (loss) from rental real estate activities	2	0	
	3	Net income (loss) from other rental activities	3	0	
	4	Portfolio income (loss):			
	a	Interest	4a	0	Sch. B, Part I, line 1
	b	Ordinary dividends	4b	0	Sch. B, Part II, line 5
	c	Royalties	4c	0	Sch. E, Part I, line 4
	d	Net short-term capital gain (loss)	4d	0	Sch. D, line 5, col. (f)
	e	Net long-term capital gain (loss):			
		(1) 28% rate gain (loss)	e(1)	0	Sch. D, line 12, col. (g)
		(2) Total for year	e(2)	0	Sch. D, line 12, col. (f)
	f	Other portfolio income (loss) (attach schedule)	4f	0	Enter on applicable line of your return.
	5	Guaranteed payments to partner	5	0	See page 6 of Partner's Instructions for Schedule K-1 (Form 1065).
	6	Net section 1231 gain (loss) (other than due to casualty or theft)	6	0	
	7	Other income (loss) (attach schedule)	7	0	Enter on applicable line of your return.
Deductions	8	Charitable contributions (see instructions) (attach schedule)	8	65,905	Sch. A, line 15 or 16
	9	Section 179 expense deduction	9	0	See pages 7 and 8 of Partner's Instructions for Schedule K-1 (Form 1065).
	10	Deductions related to portfolio income (attach schedule)	10	0	
	11	Other deductions (attach schedule)	11	0	
Credits	12a	Low-income housing credit:			
		(1) From section 42(j)(5) partnerships for property placed in service before 1990	a(1)	0	Form 8586, line 5
		(2) Other than on line 12a(1) for property placed in service before 1990	a(2)	0	
		(3) From section 42(j)(5) partnerships for property placed in service after 1989	a(3)	0	
		(4) Other than on line 12a(3) for property placed in service after 1989	a(4)	0	
	b	Qualified rehabilitation expenditures related to rental real estate activities	12b	0	See page 8 of Partner's Instructions for Schedule K-1 (Form 1065).
	c	Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities	12c	0	
	d	Credits related to other rental activities	12d	0	
	13	Other credits	13	32,178	

For Paperwork Reduction Act Notice, see Instructions for Form 1065.

Schedule K-1 (Form 1065) 2000

MCFPAE00

EOC

	(a) Distributive share item		(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Invest Interest	14a Interest expense on investment debts	14a	0	Form 4952, line 1
	b (1) Investment income included on lines 4a, 4b, 4c, and 4f	b(1)	0	See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).
	(2) Investment expenses included on line 10	b(2)	0	
Self-employment	15a Net earnings (loss) from self-employment	15a	0	Sch. SE, Section A or B
	b Gross farming or fishing income	15b	0	See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).
	c Gross nonfarm income	15c	0	
Adjustments and Tax Preference Items	16a Depreciation adjustment on property placed in service after 1986	16a	3,823,816	See page 9 of Partner's Instructions for Schedule K-1 (Form 1065) and Instructions for Form 6251.
	b Adjusted gain or loss	16b	0	
	c Depletion (other than oil and gas)	16c	0	
	d (1) Gross income from oil, gas, and geothermal properties	d(1)	0	
	(2) Deductions allocable to oil, gas, and geothermal properties	d(2)	0	
	e Other adjustments and tax preference items (attach schedule)	16e	0	
Foreign Taxes	17 a Name of foreign country or U.S. possession ▶			Form 1116, Part I
	b Gross income sourced at partner level ▶	17b	0	
	c Foreign gross income sourced at partnership level:			
	(1) Passive	17c(1)	0	
	(2) Listed categories (attach schedule)	17c(2)	0	
	(3) General limitation	17c(3)	0	
	d Deductions allocated and apportioned at partner level:			
	(1) Interest expense	17d(1)	0	
	(2) Other	17d(2)	0	
	e Deductions allocated and apportioned at partnership level to foreign source income:			
	(1) Passive	17e(1)	0	
	(2) Listed categories (attach schedule)	17e(2)	0	
	(3) General limitation	17e(3)	0	
	f Total foreign taxes (check one): ▶ ☐ Paid ☐ Accrued	17f	0	Form 1116, Part II
	g Reduction in taxes available for credit and gross income from all sources (attach schedule)	17g	0	Form 1116, Part III and Instructions for Form 1116.
Other	18 Section 59(e)(2) expenditures: a Type ▶			See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).
	b Amount	18b	0	
	19 Tax-exempt interest income	19	0	Form 1040, line 8b
	20 Other tax-exempt income	20	0	See pages 9 and 10 of Partner's Instructions for Schedule K-1 (Form 1065).
	21 Nondeductible expenses	21	1,405,349	
	22 Distributions of money (cash and marketable securities)	22	0	
	23 Distributions of property other than money	23	0	
	24 Recapture of low-income housing credit:			
	a From section 42(j)(5) partnerships	24a	0	Form 8611, line 8
	b Other than on line 24a	24b	0	

Supplemental Information

25 Supplemental information required to be reported separately to each partner (attach additional schedules if more space is needed):

Line 13: Federal Income Tax Withheld on Form 1099 $32,178

Line 21: Nondeductible expenses

Meals and Entertainment	$1,155,511
Club Dues	231,386
Penalties	18,452
Total	$1,405,349

SCHEDULE K-1 (Form 1065)
Department of the Treasury
Internal Revenue Service

Partner's Share of Income, Credits, Deductions, etc.

▶ See separate instructions.

For calendar year 2000 or tax year beginning , 2000, and ending ,

OMB No. 1545-0099

2000

Partner's identifying number ▶ 04-2486332

Partnership's identifying number ▶ 76-0534950

Partner's name, address, and ZIP code
Nortel Networks, Inc.
200 Athens Way
Nashville TN 37228

Partnership's name, address, and ZIP code
Williams Comm Solutions LLC
2800 Post Oak Blvd.
PO Box 3568: MD 24- TAX DEPT.
Houston TX 77253-3568

A This partner is a ☐ general partner ☐ limited partner ☒ limited liability company member

B What type of entity is this partner? ▶ CORPORATION

C Is this partner a ☒ domestic or a ☐ foreign partner?

D Enter partner's percentage of:

	(i) Before change or termination	(ii) End of year
Profit sharing	30.000000 %	30.000000 %
Loss sharing	30.000000 %	30.000000 %
Ownership of capital	30.000000 %	30.000000 %

E IRS Center where partnership filed return:

F Partner's share of liabilities (see instructions):

Nonrecourse $ 0

Qualified nonrecourse financing $ 0

Other $ 261,754,655

G Tax shelter registration number ▶

H Check here if this partnership is a publicly traded partnership as defined in section 469(k)(2) ☐

I Check applicable boxes: (1) ☐ Final K-1 (2) ☐ Amended K-1

J Analysis of partner's capital account:

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of lines 3, 4, and 7, Form 1065, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year (combine columns (a) through (d))
86,179,468	0	-63,995,316	(0)	22,184,152

	(a) Distributive share item		(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Income (Loss)	1 Ordinary income (loss) from trade or business activities	1	-11,927,537	See page 6 of Partner's Instructions for Schedule K-1 (Form 1065).
	2 Net income (loss) from rental real estate activities	2	0	
	3 Net income (loss) from other rental activities	3	0	
	4 Portfolio income (loss):			
	a Interest	4a	0	Sch. B, Part I, line 1
	b Ordinary dividends	4b	0	Sch. B, Part II, line 5
	c Royalties	4c	0	Sch. E, Part I, line 4
	d Net short-term capital gain (loss)	4d	0	Sch. D, line 5, col. (f)
	e Net long-term capital gain (loss):			
	(1) 28% rate gain (loss)	e(1)	0	Sch. D, line 12, col. (g)
	(2) Total for year	e(2)	0	Sch. D, line 12, col. (f)
	f Other portfolio income (loss) (attach schedule)	4f	0	Enter on applicable line of your return.
	5 Guaranteed payments to partner	5	0	See page 6 of Partner's Instructions for Schedule K-1 (Form 1065).
	6 Net section 1231 gain (loss) (other than due to casualty or theft)	6	0	
	7 Other income (loss) (attach schedule)	7	0	Enter on applicable line of your return.
Deductions	8 Charitable contributions (see instructions) (attach schedule)	8	28,245	Sch. A, line 15 or 16
	9 Section 179 expense deduction	9	0	See pages 7 and 8 of Partner's Instructions for Schedule K-1 (Form 1065).
	10 Deductions related to portfolio income (attach schedule)	10	0	
	11 Other deductions (attach schedule)	11	0	
Credits	12a Low-income housing credit:			
	(1) From section 42(j)(5) partnerships for property placed in service before 1990	a(1)	0	Form 8586, line 5
	(2) Other than on line 12a(1) for property placed in service before 1990	a(2)	0	
	(3) From section 42(j)(5) partnerships for property placed in service after 1989	a(3)	0	
	(4) Other than on line 12a(3) for property placed in service after 1989	a(4)	0	
	b Qualified rehabilitation expenditures related to rental real estate activities	12b	0	See page 8 of Partner's Instructions for Schedule K-1 (Form 1065).
	c Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities	12c	0	
	d Credits related to other rental activities	12d	0	
	13 Other credits	13	13,790	

For Paperwork Reduction Act Notice, see Instructions for Form 1065.

Schedule K-1 (Form 1065) 2000

MCFPAE00

ERF

		(a) Distributive share item		(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Invest. Interest	14a	Interest expense on investment debts	14a	0	Form 4952, line 1
	b	(1) Investment income included on lines 4a, 4b, 4c, and 4f	b(1)	0	See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).
		(2) Investment expenses included on line 10	b(2)	0	
Self-employment	15a	Net earnings (loss) from self-employment	15a	0	Sch. SE, Section A or B
	b	Gross farming or fishing income	15b	0	See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).
	c	Gross nonfarm income	15c	0	
Adjustments and Tax Preference Items	16a	Depreciation adjustment on property placed in service after 1986	16a	1,638,779	See page 9 of Partner's Instructions for Schedule K-1 (Form 1065) and Instructions for Form 6251
	b	Adjusted gain or loss	16b	0	
	c	Depletion (other than oil and gas)	16c	0	
	d	(1) Gross income from oil, gas, and geothermal properties	d(1)	0	
		(2) Deductions allocable to oil, gas, and geothermal properties	d(2)	0	
	e	Other adjustments and tax preference items (attach schedule)	16e	0	
Foreign Taxes	17 a	Name of foreign country or U.S. possession ▶			Form 1116, Part I
	b	Gross income sourced at partner level ▶	17b	0	
	c	Foreign gross income sourced at partnership level:			
		(1) Passive	17c(1)	0	
		(2) Listed Categories (attach schedule)	17c(2)	0	
		(3) General limitation	17c(3)	0	
	d	Deductions allocated and apportioned at partner level:			
		(1) Interest expense	17d(1)	0	
		(2) Other	17d(2)	0	
	e	Deductions allocated and apportioned at partnership level to foreign source income:			
		(1) Passive	17e(1)	0	
		(2) Listed Categories (attach schedule)	17e(2)	0	
		(3) General limitation	17e(3)	0	
	f	Total foreign taxes (check one): ▶ ☐ Paid ☐ Accrued	17f	0	Form 1116, Part II
	g	Reduction in taxes available for credit and gross income from all sources (attach schedule)	17g	0	Form 1116, Part III and Instructions for Form 1116.
Other	18	Section 59(e)(2) expenditures: a Type ▶			See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).
	b	Amount	18b	0	
	19	Tax-exempt interest income	19	0	Form 1040, line 8b
	20	Other tax-exempt income	20	0	See pages 9 and 10 of Partner's Instructions for Schedule K-1 (Form 1065).
	21	Nondeductible expenses	21	602,293	
	22	Distributions of money (cash and marketable securities)	22	0	
	23	Distributions of property other than money	23	0	
	24	Recapture of low-income housing credit:			
	a	From section 42(j)(5) partnerships	24a	0	Form 8611, line 8
	b	Other than on line 24a	24b	0	

Supplemental Information

25 Supplemental information required to be reported separately to each partner (attach additional schedules if more space is needed).

Line 13: Federal Income Tax Withheld on Form 1099 $13,790

Line 21: Nondeductible expenses

Meals and Entertainment	$ 495,219
Club Dues	99,166
Penalties	7,908
Total	$ 602,293

Williams Communications Solutions, LLC 76-0534950
Year: 2000

STATEMENT 1 - OTHER INCOME

7 OTHER INCOME	
Other Interest Income	22,021
Other Miscellaneous Income	187,433
TOTAL	209,454

Williams Communications Solutions, LLC 76-0534950
Year: 2000

STATEMENT 2 - OTHER DEDUCTIONS

20 OTHER DEDUCTIONS	
Advertising	5,039,047
Advertising - Event & Trade Shows	1,528,282
Nondeductible Bus Meals & Entertain	1,650,722
Business Gifts	32,289
Dues & Subscriptions	5,614
Supervision and Clerical	915,751
Freight & Postage	15,846,483
Intercompany Expenses	6,872,855
Outside Security	295,097
Telephone & Communication Expense	18,203,601
Transportation Expense	27,822,115
Utilities	1,368,634
Other Office Expenses	39,050
Computer Software Expense	47,672
Computer Supplies & Maintenance	116,764
Data Processing	2,677,870
Office Supplies & Expense	25,519,345
Other Supplies & Materials	758,502
Legal Fees - P/S	3,311,000
Prior Years Amort - Form 4562	3,251,466
Sales Commissions	504,099
Bank Service Charges	264,842
Research and Development Expenditure	27
Professional Fees	27,952,397
Permits	981,919
Employee Expenses	13,174,625
Insurance Expense	2,669,671
Restructuring Charges	1,216,045
Other Miscellaneous Deductions	6,513,374
TOTAL	168,581,158

STATEMENT 3 - SCH A, ADD'L SECT 263A COSTS

4 ADDITIONAL SECTION 263A COSTS	
Inventory - Sec 263A Adj	(5,861,182)

U.S. PARTNERSHIP RETURN OF INCOME

Williams Communications Solutions, LLC 76-0534950

Year: 2000

STATEMENT 4 - SCH A, OTHER COSTS

5 OTHER COSTS	
Operation Expense	23,042,324

STATEMENT 5 - SCH K, CHARITABLE CONTRIBUTIONS

8	CHARITABLE CONTRIBUTIONS	
	Contributions - Current Year Expense	94,150

Williams Communications Solutions, LLC 76-0534950
Year: 2000

STATEMENT 6 - SCH L, OTHER CURRENT ASSETS (BEG)

6 OTHER CURRENT ASSETS	
Prepaid Rent	1,700,985
Prepaid Insurance - General	164,555
Prepaid Commisions	4,467,350
Other Prepaid Assets	6,068,625
TOTAL	12,401,515

STATEMENT 7 - SCH L, OTHER ASSETS (BEG)

13 OTHER ASSETS	
Deposits	72,223

STATEMENT 8 - SCH L, OTHER CUR LIABILITIES (BEG)

17 OTHER CURRENT LIABILITIES	
Accr Taxes - Property Taxes	1,533,205
Accr Taxes - Franchise Taxes	23,323
Accr Taxes - Sales & Use Tax	14,775,671
Accr Taxes - Federal Income	(419)
Accr Taxes - State Income	(537,923)
Accr Taxes - Foreign Income	2,016,930
Accr Taxes - Other	521,647
Accr Int - Other	1,821,506
Accr Medical Plan Liab	42,686
Accr Vacation	23,358,579
Accr Workmen's Comp	1,789,451
Accrued Commissions	3,202,874
Accrued Bonus Plan - All Employees	1,200,000
Payroll Tax Withholding	5,052,088
Other Accr Employee Benefits	19,445,954
Accr Auditing Expense	163,200
Accr Legal Expense	52,831
Accr Liab - Warranty Work	14,939,212
Accrued Acquisition Costs - JVD	916,633
Accrued Relocation	(112,225)
Other Accrued Liabilities	13,859,880
Def Revenue - Other	38,820,750
Contracts In Progress	47,143,684
Other Accrued Liabilities	1,936,883
TOTAL	191,966,420

STATEMENT 9 - SCH L, OTHER LIABILITIES (BEG)

20 OTHER LIABILITIES	
Def Inc Taxes - State/City NCurr Lia	(53,900)
Other NonCurrent Liabilities	1,965,184
TOTAL	1,911,284

STATEMENT 10 - SCH L, OTHER CURRENT ASSETS (END)

6 OTHER CURRENT ASSETS	
Prepaid Rent	1,942,183
Prepaid Insurance - General	272,631
Prepaid Maintenance	43,206
Prepaid Commisions	7,885,463
Other Prepaid Assets	8,611,630
TOTAL	18,755,113

U.S. PARTNERSHIP RETURN OF INCOME

Williams Communications Solutions, LLC 76-0534950

Year: 2000

STATEMENT 11 - SCH L, OTHER ASSETS (END)

13 OTHER ASSETS	
Deposits	41,394

STATEMENT 12 - SCH L, OTHER CUR LIABILITIES (END)

17 OTHER CURRENT LIABILITIES	
Accr Taxes - FICA	1,375,628
Accr Taxes - Unemployment	37,060
Accr Taxes - Property Taxes	1,411,977
Accr Taxes - Franchise Taxes	61,048
Accr Taxes - Sales & Use Tax	1,241,956
Accr Taxes - Federal Income	(334)
Accr Taxes - State Income	(90,000)
Accr Taxes - Other	356,738
Accr Int - Other	1,571,433
Accr Dental/Vision Plan Liab	(10)
Accr LTD Plan Liab	3,789,389
Accr Medical Plan Liab	(80)
Accr Vacation	27,323,252
Accr Workmen's Comp	2,070,117
Accrued Commissions	6,977,832
Accrued Bonus Plan - All Employees	1,587,309
Payroll Tax Withholding	3,379,447
Other Accr Employee Benefits	18,615,426
Accr Auditing Expense	400,200
Accr Legal Expense	250,135
Accr Liab - Warranty Work	14,514,697
Accrued Acquisition Costs - JVD	553,108
Accrued Relocation	(65,759)
Other Accrued Liabilities	22,960,139
Def Revenue - Other	31,561,247
Contracts In Progress	50,000,000
TOTAL	189,861,955

STATEMENT 13 - SCH L, OTHER LIABILITIES (END)

20 OTHER LIABILITIES	
Def Inc Taxes - State/City NCurr Lia	(53,900)
Other NonCurrent Liabilities	1,980,000
TOTAL	1,926,100

Williams Communications Solutions, LLC 76-0534950
Year: 2000

STATEMENT 14 - SCH M-1, INC ON K-1 NOT ON BOOKS

2	INCOME INCL IN SCH K-1 BUT NOT RECORDED ON BOOKS	
	Deferred Revenue - Other	(5,014,966)

Williams Communications Solutions, LLC 76-0534950
Year: 2000

STATEMENT 15 - SCH M-1, EXP ON BOOKS NOT ON K-1

4 EXPENSES RECORDED ON BOOKS BUT NOT INCL IN K-1	
Club Dues	330,552
Fines and Penalties	26,360
Book Goodwill Amortization	14,986,403
Reserve Uncollectible A/R - Cur	28,843,272
Sec 263A Inventory Adjustment	5,861,182
Prior Year Inventory Reserve	4,097,558
Goodwill Amortization-Tax	(3,251,466)
Accrued Workmen's Comp	280,666
Accrued Vacation/PTO	4,275,720
Accrued Exec Incentive Plan Exp	383,796
Accrued Auditing Expense	237,000
Accrued Legal Expense	192,304
Accrued Acquisition Costs - JVD	(363,525)
Accrued Acquisition Costs - Comlnk	(47,782)
President's Club Accrual	(221,109)
Restructuring Reserve	(1,218,045)
Accr Liab - Warranty Work	705,622
Reserve to Complete Code 1 Costs	108,338,291
Accrued Other Liabs/Exp	5,473,000
TOTAL	168,929,799

STATEMENT 16 - SCH M-2, OTHER DECREASES

7 OTHER DECREASES	
Unreal Loss on Forgn Trans - Curr Yr	
Reclass Partner's Capital Accts	1,857,799
Partners Capital - Other Decreases	
Retained Earnings - Reclass	45,601
TOTAL	1,903,400

STATEMENT 17 - SCH M-1, INC ON BOOKS NOT IN K-1

6	INCOME RECORDED ON BOOKS BUT NOT INCL ON K-1	
	Equity in Earnings of Consol Subs	(394,562)

STATEMENT 18 - SCH M-1, DED ON SCH K NOT ON BOOKS

7 DEDUCTIONS INCL ON SCH K BUT NOT ON BOOKS	
WIP Est Earnings on Open Jobs	(5,585,001)

WILLIAMS COMMUNICATIONS SOLUTIONS, LLC
FEIN 76-0534950
CALENDAR YEAR 2000

FORM 5471 STATEMENT

All form 5471's were filed on behalf of Williams Communications Solutions, LLC by WCS, Inc., FEIN 47-0660168.

Technical Termination under IRC Sec :b)(1)(B)

Form **1065**
Department of the Treasury
Internal Revenue Service

U.S. Return of Partnership Income

For calendar year 2000, or tax year beginning 01 01 2001, and ending 03 31, 20 01

▶ See separate instructions.

OMB No 1545-0099

2000 1

A Principal business activity SELL/SRV PHONE EQUIP	Name of partnership, address, city or town, state, and Zip code Williams Communications Solutions, LLC	D Employer identification number 76-0534950
B Principal product or service PHONE EQUIP	2800 Post Oak Blvd	E Date business started 04/11/1997
C Business code number 513300	PO Box 3568; MD 27-21 TAX DEPT. Houston TX 77253-3568	F Total assets (see page 13 of the instructions) $ 879,365,421

G Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Change in address (4) ☐ Amended return

H Check accounting method (1) ☐ Cash (2) ☒ Accrual (3) ☐ Other (specify) ▶

I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ▶ 0

Caution: Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Income	1a Gross receipts or sales	1a	262,639,150		
	b Less returns and allowances	1b	0	1c	262,639,150
	2 Cost of goods sold (Schedule A, line 8)			2	160,397,517
	3 Gross profit. Subtract line 2 from line 1c			3	102,241,633
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach schedule)			4	0
	5 Net farm profit (loss) (attach Schedule F (Form 1040))			5	0
	6 Net gain (loss) from Form 4797, Part II, line 18			6	0
	7 Other income (loss) (attach schedule) STATEMENT 1			7	1,699,667
	8 Total income (loss). Combine lines 3 through 7			8	103,941,300
Deductions (see instructions for limitations)	9 Salaries and wages (other than to partners) (less employment credits)			9	33,489,864
	10 Guaranteed payments to partners			10	0
	11 Repairs and maintenance			11	318,609
	12 Bad debts			12	0
	13 Rent			13	7,601,511
	14 Taxes and licenses			14	8,850,340
	15 Interest			15	7,394,505
	16a Depreciation (if required, attach Form 4562)	16a	8,808,803		
	b Less depreciation reported on Schedule A and elsewhere on return	16b	0	16c	8,808,803
	17 Depletion (Do not deduct oil and gas depletion.)			17	0
	18 Retirement plans, etc.			18	749,673
	19 Employee benefit programs			19	11,733,232
	20 Other deductions (attach schedule) STATEMENT 2			20	33,552,895
	21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20			21	112,499,432
	22 Ordinary income (loss) from trade or business activities. Subtract line 21 from line 8			22	-8,558,132

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member) is based on all information of which preparer has any knowledge.

▶ Gordon E Schoonover ▶ 1/15/02

Signature of general partner or limited liability company member Date

Paid Preparer's Use Only	Preparer's signature ▶	Date	Check if self-employed ▶ ☐	Preparer's SSN or PTIN
	Firm's name (or yours if self-employed) address, and zip code ▶		EIN ▶	
			Phone no. ▶	

For Paperwork Reduction Act Notice, see separate instructions. Form 1065 (2000)

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Schedule A Cost of Goods Sold (see page 17 of the instructions)

1	Inventory at beginning of year	1	64,180,123
2	Purchases less cost of items withdrawn for personal use	2	80,552,53-
3	Cost of labor	3	69,690,182
4	Additional section 263A costs (attach schedule) STATEMENT 3	4	111,772
5	Other costs (attach schedule) STATEMENT 4	5	3,417,134
6	Total. Add lines 1 through 5	6	217,951,745
7	Inventory at end of year	7	57,554,228
8	Cost of goods sold Subtract line 7 from line 6. Enter here and on page 1, line 2	8	160,397,517

9a Check all methods used for valuing closing inventory

(i) [X] Cost as described in Regulations section 1.471-3

(ii) [ ] Lower of cost or market as described in Regulations section 1.471-4

(iii) [ ] Other (specify method used and attach explanation) ▶

b Check this box if there was a write down of "subnormal" goods as described in Regulations section 1.471-2(c) ▶ [ ]

c Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶ [ ]

d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? [X] Yes [ ] No

e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? [ ] Yes [X] No

If "Yes," attach explanation.

Schedule B Other Information

		Yes	No
1	What type of entity is filing this return? Check the applicable box: a [ ] Domestic general partnership b [ ] Domestic limited partnership c [X] Domestic limited liability company d [ ] Domestic limited liability partnership e [ ] Foreign partnership f [ ] Other ▶		
2	Are any partners in this partnership also partnerships?		X
3	During the partnership's tax year, did the partnership own any interest in another partnership or in any foreign entity that was disregarded as an entity separate from its owner under Regulations sections 301.7701-2 and 301.7701-3? If yes, see instructions for required attachment		X
4	Is this partnership subject to the consolidated audit procedures of sections 6221 through 6233? If "Yes," see Designation of Tax Matters Partner below		X
5	Does this partnership meet ALL THREE of the following requirements? a The partnership's total receipts for the tax year were less than $250,000, b The partnership's total assets at the end of the tax year were less than $600,000, AND c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return. If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065, or Item J on Schedule K-1		X
6	Does this partnership have any foreign partners?		X
7	Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		X
8	Has this partnership filed, or is it required to file, Form 8264, Application for Registration of a Tax Shelter?		X
9	At any time during calendar year 2000, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See page 18 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶		X
10	During the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520. See page 19 of the instructions		X
11	Was there a distribution of property or a transfer (e.g., by sale or death) of a partnership interest during the tax year? If "Yes," you may elect to adjust the basis of the partnership's assets under section 754 by attaching the statement described under Elections Made By the Partnership on page 7 of the instructions		X
12	Enter the number of Forms 8865 attached to this return ▶ 0		

Designation of Tax Matters Partner (see page 19 of the instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP ▶ Identifying number of TMP ▶

Address of designated TMP ▶

Schedule K Partners' Shares of Income, Credits, Deductions, etc.

	(a) Distributive share items		(b) Total amount
Income (Loss)	1 Ordinary income (loss) from trade or business activities (page 1, line 22)	1	-8,558,132
	2 Net income (loss) from rental real estate activities (attach Form 8825)	2	0
	3a Gross income from other rental activities — 3a: 0		
	b Expenses from other rental activities (attach schedule) — 3b: 0		
	c Net income (loss) from other rental activities. Subtract line 3b from line 3a	3c	0
	4 Portfolio income (loss): a Interest income	4a	0
	b Ordinary dividends	4b	0
	c Royalty income	4c	0
	d Net short-term capital gain (loss) (attach Schedule D (Form 1065))	4d	0
	e Net long-term capital gain (loss) (attach Schedule D (Form 1065)) (1) 28% rate gain (loss) ▶ 0 (2) Total for year	4e(2)	0
	f Other portfolio income (loss) (attach schedule) ▶	4f	0
	5 Guaranteed payments to partners	5	0
	6 Net section 1231 gain (loss) (other than due to casualty or theft) (attach Form 4797)	6	0
	7 Other income (loss) (attach schedule)	7	0
Deductions	8 Charitable contributions (attach schedule) STATEMENT 5	8	1,150
	9 Section 179 expense deduction (attach Form 4562)	9	0
	10 Deductions related to portfolio income (itemize)	10	0
	11 Other deductions (attach schedule)	11	0
Credits	12a Low-income housing credit:		
	(1) From partnerships to which section 42(j)(5) applies for property placed in service before 1990	12a(1)	0
	(2) Other than on line 12a(1) for property placed in service before 1990	12a(2)	0
	(3) From partnerships to which section 42(j)(5) applies for property placed in service after 1989	12a(3)	0
	(4) Other than on line 12a(3) for property placed in service after 1989	12a(4)	0
	b Qualified rehabilitation expenditures related to rental real estate activities (attach Form 3468)	12b	0
	c Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities	12c	0
	d Credits related to other rental activities	12d	0
	13 Other credits	13	0
Invest Int	14a Interest expense on investment debts	14a	0
	b (1) Investment income included on lines 4a, 4b, 4c, and 4f above	14b(1)	0
	(2) Investment expenses included on line 10 above	14b(2)	0
Self-Empl	15a Net earnings (loss) from self-employment	15a	0
	b Gross farming or fishing income	15b	0
	c Gross nonfarm income	15c	0
Adj & Tax Pref Items	16a Depreciation adjustment on property placed in service after 1986	16a	1,017,958
	b Adjusted gain or loss	16b	0
	c Depletion (other than oil and gas)	16c	0
	d (1) Gross income from oil, gas, and geothermal properties	16d(1)	0
	(2) Deductions allocable to oil, gas, and geothermal properties	16d(2)	0
	e Other adjustments and tax preference items (attach schedule)	16e	0
Foreign Taxes	17a Name of foreign country or U.S. possession ▶		
	b Gross income sourced at partner level	17b	0
	c Foreign gross income sourced at partnership level: (1) Passive ▶ 0 (2) Listed categories (attach schedule) ▶ 0 (3) General limitation ▶	17c(3)	0
	d Deductions allocated and apportioned at partner level: (1) Interest expense ▶ 0 (2) Other	17d(2)	0
	e Deductions allocated and apportioned at partnership level to foreign source income: (1) Passive ▶ 0 (2) Listed categories (attach schedule) ▶ 0 (3) General limitation ▶	17e(3)	0
	f Total foreign taxes (check one) ▶ Paid ☐ Accrued ☒	17f	0
	g Reduction in taxes available for credit and gross income from all sources (attach schedule)	17g	0
Other	18 Section 59(e)(2) expenditures: a Type ▶ b Amount ▶	18b	0
	19 Tax-exempt interest income	19	0
	20 Other tax-exempt income	20	0
	21 Nondeductible expenses	21	394,022
	22 Distributions of money (cash and marketable securities)	22	0
	23 Distributions of property other than money	23	0
	24 Other items and amounts required to be reported separately to partners (attach schedule)		

Analysis of Net Income (Loss)

1	Net income (loss). Combine Schedule K, lines 1 through 7 in column (b). From the result, subtract the sum of Schedule K, lines 8 through 11, 14a, 17f, and 18b ... 1	-8,559,282

2 Analysis by partner type	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other
a General partners	0	0	0	0	0	0
b Limited partners	-8,559,282	0	0	0	0	0

Schedule L Balance Sheets per Books (Not required if Question 5 on Schedule B is answered "Yes.")

Assets	Beginning of tax year (a)	(b)	End of tax year (c)	(d)
1 Cash		12,011,551		3,164,536
2a Trade notes and accounts receivable	567,566,938		535,299,673	
b Less allowance for bad debts	63,731,916	503,835,022	71,860,385	463,439,288
3 Inventories		64,180,123		57,554,228
4 U.S. government obligations		0		0
5 Tax-exempt securities		0		0
6 Other current assets (attach schedule) STATEMENT 6		18,755,113	STATEMENT 11	11,780,313
7 Mortgage and real estate loans		0		0
8 Other investments (attach schedule) STATEMENT 7		49,089,078	STATEMENT 12	42,826,753
9a Buildings and other depreciable assets	231,036,751		233,060,479	
b Less accumulated depreciation	126,723,643	104,313,108	126,723,643	106,336,836
10a Depletable assets	0		0	
b Less accumulated depletion	0	0	0	0
11 Land (net of any amortization)		0		0
12a Intangible assets (amortizable only)	279,228,461		279,228,461	
b Less accumulated amortization	84,991,348	194,237,113	84,991,348	194,237,113
13 Other assets (attach schedule) STATEMENT 8		41,394	STATEMENT 13	26,354
14 Total assets		946,462,502		879,365,421
Liabilities and Capital				
15 Accounts payable		84,606,354		51,372,453
16 Mortgages, notes, bonds payable in less than 1 year		25,072,042		30,328,593
17 Other current liabilities (attach schedule) STATEMENT 9		189,861,955	STATEMENT 14	194,090,513
18 All nonrecourse loans		0		0
19 Mortgages, notes, bonds payable in 1 year or more		571,049,066		550,041,798
20 Other liabilities (attach schedule) STATEMENT 10		1,926,100	STATEMENT 15	5,664,847
21 Partners' capital accounts		73,946,985		47,867,217
22 Total liabilities and capital		946,462,502		879,365,421

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

(Not required if Question 5 on Schedule B is answered "Yes." See page 29 of the instructions.)

1 Net income (loss) per books	-23,423,033	6 Income recorded on books this year not included on Schedule K, lines 1 through 7 (itemize):		
2 Income included on Schedule K, lines 1 through 4, 6, and 7, not recorded on books this year (itemize): STATEMENT 16	4,265,447	a Tax-exempt interest $ 0	STATEMENT 18 -9,185,599	-9,185,599
3 Guaranteed payments (other than health insurance)	0	7 Deductions included on Schedule K, lines 1 through 11, 14a, 17f, and 18b, not charged against book income this year (itemize):		
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 11, 14a, 17f, and 18b (itemize):		a Depreciation $ 8,808,803		
a Depreciation $ 0		STATEMENT 19 2,705,740		11,514,543
b Travel and entertainment $ 335,996		8 Add lines 6 and 7		2,328,944
STATEMENT 17 12,591,252	12,927,248	9 Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5		-8,559,282
5 Add lines 1 through 4	-6,230,338			

Schedule M-2 Analysis of Partners' Capital Accounts (Not required if Question 5 on Schedule B is answered "Yes.")

1 Balance at beginning of year	73,946,985	6 Distributions: a Cash	0
2 Capital contributed during year	0	b Property	0
3 Net income (loss) per books	-23,423,033	7 Other decreases (itemize): STATEMENT 20	2,656,735
4 Other increases (itemize):	0	8 Add lines 6 and 7	2,656,735
5 Add lines 1 through 4	50,523,952	9 Balance at end of year. Subtract line 8 from line 5	47,867,217

Form **8800** (Rev September 2000)
Department of the Treasury Internal Revenue Service

Application for Additional Extension of Time To File U.S. Return for a Partnership, REMIC, or for Certain Trusts

▶ File a separate application for each return.

OMB No 1545-1057

Please type or print. File the original and one copy by the due date for filing the return for which an extension is requested. See instructions.

Name: WILLIAMS COMMUNICATIONS SOLUTIONS LLC
Employer identification number: 76-0534950
Number, street, and room or suite no. (If a P.O. box, see instructions.): 2800 POST OAK BLVD, PO BOX 3568 MD 26-22
City or town, state, and ZIP code. If a foreign address, enter city, province or state and country. Follow the country's practice for entering the postal code.: HOUSTON TX 77253-3568

1 I request an additional extension of time until JANUARY 15, 2002, to file (check only one):
☐ Form 1041 ☐ Form 1041-QFT ☒ Form 1065 ☐ Form 1065-B ☐ Form 1066

2 If the entity does not have an office or place of business in the United States, check this box ▶ ☐

3a For calendar year 20____, or other tax year beginning JANUARY 01, 20 01, and ending MARCH 31, 20 01

b If this tax year is for less than 12 months, check reason. ☐ Initial return ☐ Final return ☐ Change in accounting period X OTHER

4 Explain why the entity needs an extension. All entities filing this form must give an adequate explanation.
ADDITIONAL TIME IS REQUIRED TO GATHER INFORMATION NEEDED IN ORDER TO FILE A COMPLETE AND ACCURATE TAX RETURN.

* TECHNICAL TERMINATION OF THE PARTNERSHIP OCCURRED 3/31/01

5 Has the entity filed Form 8736 to request an extension of time to file for this tax year? ☒ Yes ☐ No
If you checked "No," we will grant an extension only for undue hardship. Fully explain the hardship on line 4.

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ▶ [signature] ASSISTANT TREASURER Date ▶ 09/27/01

File original and one copy. The IRS will show below whether or not your application is approved and will return the copy.

Notice to Applicant — To Be Completed by the IRS.

☑ We HAVE approved this application. Please attach this form to the entity's return.

☐ We HAVE NOT approved this application.
However, we have granted a 10-day grace period to __________. This grace period is considered a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the entity's return.

☐ We HAVE NOT approved this application. After considering the reasons stated in item 4 above, we cannot grant this request for an extension of time to file. We are not granting a 10-day grace period.

☐ We cannot consider this application because it was filed after the due date of the return for which an extension was requested.

☐ Other __________

RECEIVED OCT 2 2001 AUSTIN, TEXAS

__________ By __________ __________
Director Date

If you want a copy of this form to be returned to an address other than that shown above, please enter the address to which the copy should be sent.

Please Type or Print

Name: WILLIAMS COMMUNICIATIONS FEDERAL TAX
Number, street, and room or suite no. (If a P.O. box, see instructions.): ONE TECHNOLOGY CENTER TC14F-200B
City or town, state, and ZIP code. If a foreign address, enter city, province or state, and country. Follow the country's practice for entering the postal code.: TULSA, OK 74103

Form **8736**
(Rev October 2000)
Department of the Treasury
Internal Revenue Service

Application for Automatic Extension of Time To File U.S. Return for a Partnership, REMIC, or for Certain Trusts

▶ File a separate application for each return.

OMB No. 1545-1054

Please type or print. File by the due date for filing the return for which an extension is requested. See instructions	Name: WILLIAMS COMMUNICATIONS SOLUTIONS LLC	Employer identification number: 76-0534950
	Number, street, and room or suite no. If a P.O. box, see instructions: 2800 POST OAK BLVD, PO BOX 3568 MD 26-22	
	City or town, state, and ZIP code. If a foreign address, enter city, province or state, and country. Follow the country's practice for entering the postal code: HOUSTON TX 77253-3568	

1 I request an automatic 3-month extension of time to file (check only one):
☐ Form 1041 ☐ Form 1041-QFT ☒ Form 1065 ☐ Form 1065-B ☐ Form 1066

2 If the entity does not have an office or place of business in the United States, check this box . . . . ▶ ☐

3a For calendar year 20 ____ , or other tax year beginning JANUARY 1 , 20 01 , and ending MARCH 31 , 20 01 .
b If this tax year is for less than 12 months, check reason:
☐ Initial return ☒ Final return ☐ Change in accounting period

4 If this extension is requested for Form 1041, Form 1041-QFT, Form 1065-B, or Form 1066, enter the following amounts

a Tentative total tax from Form 1041, Form 1041-QFT, Form 1065-B, or Form 1066 (see instructions) . . . $ NONE

b Refundable credits and estimated tax payments, including any prior year overpayment allowed as a credit, from Form 1041, Form 1041-QFT, or Form 1065-B (see instructions). REMICs, enter -0- . . . $ NONE

c Balance due. Subtract line 4b from line 4a. If zero or less, enter -0-. Enclose payment, if any, with Form 8736 (see instructions) . . . . . . ▶ $ NONE

RECEIVED
JUL 16 2001
Director
Investment
INTERNAL REVENUE SERVICE

Caution. *Interest will be charged on any tax not paid by the regular due date of Forms 1041, 1041-QFT, 1065-B, and 1066 from the due date until the tax is paid.*

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

Use Form 8736 to request an automatic 3-month extension of time to file a return for:

- Trusts filing Form 1041, U.S. Income Tax Return for Estates and Trusts, or Form 1041-QFT, U.S. Income Tax Return for Qualified Funeral Trusts.
- Partnerships filing Form 1065, U.S. Return of Partnership Income, or Form 1065-B, U.S. Return of Income for Electing Large Partnerships
- Real estate mortgage investment conduits filing Form 1066, U.S. Real Estate Mortgage Investment Conduit (REMIC) Income Tax Return.

If allowed, the automatic extension will extend the due date of the return to the 15th day of the 3rd month following the month in which the regular due date falls. The automatic 3-month extension period includes any 2-month extension granted under Regulations section 1.6081-5 to certain foreign partnerships.

Note: *An estate filing Form 1041 should not file this form. Instead, it should request an extension using Form 2758, Application for Extension of Time To File Certain Excise, Income, Information, and Other Returns.*

The extension will be allowed if you complete Form 8736 properly, make a proper estimate of the tax on line 4a (if applicable), and file the form on time. We will notify you only if your request for an extension is not allowed.

For most partnerships, trusts, and REMICs, an automatic extension will extend the due date of the return to July 15th of the year following the close of the calendar year.

When To File

File Form 8736 by the regular due date of the return for which an extension is requested (or, in the case of certain foreign partnerships, by the expiration date of any extension of time to file granted under Regulations section 1.6081-5). The regular due date is generally the 15th day of the 4th month following the close of the entity's tax year.

Additional Extension of Time To File

If Form 8736 has already been filed but more time is needed, file Form 8800, Application for Additional Extension of Time To File U.S. Return for a Partnership, REMIC, or for Certain Trusts.

Except in cases of undue hardship, do not file Form 8800 unless Form 8736 has already been filed. Before an additional extension can be granted, the entity must show reasonable cause for the additional time needed to file.

Ask for the additional extension early so that if it is denied the return can still be filed on time.

Where To File

File Form 8736 with the Internal Revenue Service Center where the entity will file its return.

No Blanket Requests

File a separate Form 8736 for each return for which you are requesting an extension of time to file. This extension will apply only to the specific return checked on line 1. It does not extend the time for filing any related returns. For example, an automatic extension of time to file Form 1065 will not apply to the income tax returns of the partners of the partnership.

SWORN STATEMENT UNDER SECTION 287.133(3)(a), FLORIDA STATUTES, ON PUBLIC ENTITY CRIMES (Cont'd)

_____There has been a p+roceeding concerning the conviction before a hearing officer of the State of Florida, Division of Administrative Hearings. The final order entered by the hearing officer did not place the person or affiliate on the convicted vendor list. **[Please attach a copy of the final order.]**

_____The person or affiliate was placed on the convicted vendor list. There has been a subsequent proceeding before a hearing officer of the State of Florida, Division of Administrative Hearings. The final order entered by the hearing officer determined that it was in the public interest to remove the person or affiliate from the convicted vendor list. **[Please attach a copy of the final order.]**

_____The person or affiliate has not been placed on convicted vendor list. **[Please describe any action taken by or pending with the Florida Department of General Services.]**

AFFIDAVIT NO. 2

MIAMI-DADE COUNTY DEBARMENT DISCLOSURE AFFIDAVIT PURSUANT TO ORDINANCE 93-129

Bidder or his agents, officers, principals, stockholders, subcontractors or their affiliates are not debarred by Miami- Dade County.

AFFIDAVIT NO. 3
CRIMINAL RECORD AFFIDAVIT

Above named proposer/bidder, as of the date of proposal/bid submission·

__X__ has not been convicted of a felony during the past ten (10) years, nor does it, as of the date of bid submission, have an officer, director or executive who has been convicted of a felony during the past ten (10) years.

______ has been convicted of a felony during the past ten (10) years, or as of the date of bid submission, has an officer, director or executive who has been convicted of a felony during the past ten (10) years.

This single execution shall have the same force and effect as if each of the above three affidavits had been individually executed.

(Signature of Authorized Representative)

Mike Olson

Title

Sr. Vice President

Date

STATE OF: Texas

COUNTY OF: Harris

The following instrument was acknowledged before me this 8th day of April, 2003

by Mike Olson,
(Authorized Representative)

of NextiraOne,
(Name of Corporation, Partnership, etc.)

who is personally known to me or has produced as ______________ identification and who did/did not take an oath.

(Signature of Notary) Karen M. Webb

(Print Name) Karen M. Webb

Notary Commission Number: ______________

My Commission Expires: 9/27/04

Notary Stamp or Seal:

KAREN M. WEBB
NOTARY PUBLIC STATE OF TEXAS
COMMISSION EXPIRES:
SEPTEMBER 27, 2004

F-5

AFFIDAVIT NO. 4

CURRENT IN OBLIGATIONS TO THE COUNTY AFFIDAVIT

Project No.: MDAD-04-01 Date.

Project Title: Non-Exclusive Telecommunications and Network Management Services

STATE OF ~~FLORIDA~~ TEXAS

ss

COUNTY OF ~~(MIAMI-DADE)~~ HARRIS

Before me, the undersigned authority, authorized to administer oaths and take acknowledgments, personally appeared: Mike Olson after being first dully sworn, upon oath deposes and says that he is an authorized representative of:

NextiraOne, LLC

(Legal name, Corporation, Partnership, Firm, Individual)

(hereinafter called Bidder) located at 2800 Post Oak Boulevard, Houston, TX 77056
(address, city, state)

Above named Bidder verifies that the individual or entity is current in its obligations to the County and is not otherwise in default of any County contract.

Witness: ______________ (Signature)   By ______________ (Signature)

Witness: ______________ (Signature)   Mike Olson, Sr. Vice President (Legal Name and Title)

The foregoing instrument was acknowledged before me this 8th day of April, 2003

FOR AN INDIVIDUAL ACTING IN HIS OWN RIGHT:

by: ______________

FOR A CORPORATION, PARTNERSHIP, OR JOINT VENTURE:

by: MIKE OLSON Having the title of

( )a ______________ corporation ( ) partnership ( ) joint venture

He/She is (X) personally known to me, or

( ) has produced ______________ As identification

Notary Seal: Notary Signature: Karen M. Webb Type or print name: Karen M. Webb

KAREN M. WEBB
NOTARY PUBLIC STATE OF TEXAS
COMMISSION EXPIRES:
SEPTEMBER 27, 2004

AFFIDAVIT NO. 5
CONTRACTOR'S DISCLOSURE AFFIDAVIT FOR MIAMI-DADE COUNTY

Project No.: MDAD-04-01 Date:

Project Title: Non-Exclusive Telecommunications and Network Management Services Agreement

STATE OF ~~FLORIDA~~ TEXAS

ss

COUNTY OF ~~MIAMI-DADE~~) HARRIS

Before me, the undersigned authority, authorized to administer oaths and take acknowledgments, personally appeared: Mike Olson after being first dully sworn, upon oath deposes and says that he is an authorized representative of:

NextiraOne, LLC

(Legal name, Corporation, Partnership, Firm, Individual)

(hereinafter called Bidder) located at 2800 Post Oak Boulevard, Houston, TX 77056
(address, city, state)

STATE OF FLORIDA)

ss

COUNTY OF MIAMI-DADE)

Before me, the undersigned authority, authorized to administer oaths and take acknowledgments, personally appeared: Mike Olson after being first dully sworn, upon oath deposes and says that he is an authorized representative of:

NextiraOne, LLC

(Legal name, Corporation, Partnership, Firm, Individual)

(hereinafter called Bidder) located at 2800 Post Oak VBlvd, Houston TX 77056
(address, city, state)

CONTRACTOR'S DISCLOSURE AFFIDAVIT FOR MIAMI-DADE COUNTY

PART I

That the information given herein and in the documents attached hereto is true and correct.

1. The full legal name and business address* of the person or entity (Contractor) contracting or transacting business with Miami-Dade County is:

NextiraOne, LLC

2800 Post Oak Boulevard, Suite 200

Houston, TX 77056

2. If the contract or business transaction is with a Corporation**, provide the full legal name and business address* and title for each officer.

See Attachement I

3. If the contract or business transaction is with a Corporation**, provide the full legal name and business address* for each director.

Corporation is a limited liability corporation, and its members are:

Williams Communications Solutions Acquisition Corporation and

Williams Communications Solutions Acquisition II. LLC, 2800 Post Oak Blvd., Suite 200, Houston, TX 77056

4. If the contract or business transaction is with a Corporation**, provide the full legal name and business address* for each stockholder who holds directly or indirectly five percent (5%) or more of the corporation's stock and state the percentage.

Williams Acquisition II. LLC has a 96% interest in NextiraOne, LLC

Attachment 1

Upon information and belief the predecessor entities have done business under the following names:

1. Wiltel Communications Systems, Inc.

2. Williams Communications Systems, Inc.

3. Wiltel Communications, LLC

4. Williams Communications Solutions, LLC

5. Nextira, LLC

As NextiraOne, LLC was an acquisition made April 2, 2001; we do not have detailed information about the predecessor entities.

CONTRACTOR'S DISCLOSURE AFFIDAVIT FOR MIAMI-DADE COUNTY
PART I (Cont'd)

5. If the contract or business transaction is with a Trust, provide the full legal name and address* for each trustee and each beneficiary. All such names and addresses are:

   N/A

6. The full legal name and business addresses* of any other individuals (other than subcontractors, materialmen, suppliers, laborers, or lenders) who have, or will have, any interest (legal, equitable, beneficial or otherwise) in the contract or business transaction with Miami-Dade County are:

   N/A

7. If a Corporate Joint Venture, list the names and titles of the Officers of the Corporate Members of the Joint Venture:

(a) President: N/A

Vice-Pres: ____________

Secretary: ____________

Treasurer: ____________

(b) President: ____________

Vice-Pres: ____________

Secretary:

Treasurer: ____________

8. If a Non-Corporate Partnership or Joint Venture, list the names of the Principals of the Non-Corporate Partnership or Joint Venture.

(c) – ____________ (Name)

(d) ____________ (Name)

(c) ____________ (Title)

(d) ____________ (Title)

9. State whether the person or entity (Contractor) contracting or transacting business with Miami-Dade County has a collective bargaining agreement with its employees (Yes/No)

10. Attach a list of the health care benefits to be paid to employees performing work under this Contract.

11. Attach a list reflecting the current breakdown of the Contractor's work force and ownership as to race, national origin, and gender.

(CONTRACTOR: ADD EXTRA SHEETS IF NEEDED

* Post Office Box addresses not acceptable.

** If a Joint Venture, list this information for each member of the Joint Venture

NextiraOne, LLC
Attachment of Single Execution Affidavits

Disclosure Affidavit – Addition to Question 9

Pursuant to Section 1.3(B)(5) of the ITB and as and to the extent set forth in Ordinance 90-133 (codified in Section 2-8.1(d) of the Miami-Dade County Code): (1) composition of the workforce is attached as Exhibit "1"; (2) health care benefits are provided (see also answer to Question 10); and, (3) there is no collective bargaining agreement.

Question 10

Section 2-8 9(B) provides that employers may pay a lower hourly wage if they provide a least $1.25 per hour towards provision of health care benefits. As the nature of the procurement is outside the scope of the Living Wage Ordinance, the provision concerning health benefits is also inapplicable. Notwithstanding the above explanation, any employee involved in the procurement will be provided health car benefits far in excess of the requirements of Section 2-8.9.

EXHIBIT 1

Breakdown of NextiraOne's
Workforce in Answer to Part I. No. 11

Ethnicity	Female	Male	Total Employees
White	788	2370	
Black	176	240	
Hispanic	114	202	
Asian/Pacific Islander	35	124	
American Indian	7	16	
			4072

CONTRACTOR'S DISCLOSURE AFFIDAVIT FOR MIAMI-DADE COUNTY
PART II

LIST ALL CONSTRUCTION CONTRACTS IN EFFECT WITH MIAMI DADE COUNTY DURING THE LAST FIVE (5) YEARS:

CONTRACT DATE	DOLLAR AMOUNT OF ORIG.CONTRACT	FINAL AMT. OF CONTRACT	PERCENTAGE DIFFERENTIAL

(1)

_______ $__________ $__________ _____%

Summary of Construction Work performed: NextiraOne has a management agreement for MDAD Telecommunications services since February 2002. This is not a constructions contract.

Litigation Arising out of Contract: ____________

(2)

_______ $__________ $__________ _____%

Summary of Construction Work performed: NextiraOne had an equipment lease and maintenance agreement from approximately 1988, but this is not deemed a construction contract.

Litigation Arising out of Contract: ____________

CONTRACTOR'S DISCLOSURE AFFIDAVIT FOR MIAMI-DADE COUNTY
PART II (Cont'd)

(3)

________ $____________ $____________ _____%

Summary of Construction Work performed: NextiraOne has a contract for purchasing Nortel Systems equipment since March, 2002. This is not a construction contract. No purchases have been made under the contract.

Litigation Arising out of Contract: ____________________

==

= (4)

________ $____________ $____________ _____%

Summary of Construction Work performed: ____________________

Litigation Arising out of Contract: ____________________

==

=

(CONTRACTOR: ADD EXTRA SHEET(S) IF NEEDED)

CONTRACTOR'S DISCLOSURE AFFIDAVIT FOR MIAMI-DADE COUNTY

PART III

A. How long has firm been in business? Upon Information and belief, the Predecessor entities have been in business since 1982

B. Has the firm, or the principals of the firm, ever done business under another name or with another firm? If so, attach separate sheet(s) listing same information as in parts I, II and III of this affidavit. See Attachment 1

C. List firm's private sector business for the last five (5) years:

	NAME OF CLIENT	DESCRIPTIVE TITLE OF PROJECT
(1)	HP	Communications Outsourcing
(2)	Agilent	Communications Outsourcing
(3)	Wells Fargo Bank	Communications Outsourcing
(4)	Lockheed-Martin	Communications Outsourcing
(5)	Marriott Corporation	Communications Outsourcing

(CONTRACTOR: ADD EXTRA SHEET(S) IF NEEDED.)

Witness ______________________ (Signature)   By ______________________ (Signature)

Witness: ______________________ (Signature)   ______________________ (Legal Name and Title)

The foregoing instrument was acknowledged before me this 8th day of Apr. 1, 20 03

FOR AN INDIVIDUAL ACTING IN HIS OWN RIGHT:

by: ______________________

FOR A CORPORATION, PARTNERSHIP, OR JOINT VENTURE:

by: MIKE OLSON ______________________ Having the title of

( )a ______________ corporation   ( ) partnership   ( ) joint venture

He/She is (X) personally known to me, or

( ) has produced ______________________ As identification.

Notary Seal: Notary Signature: Karen M. Webb Type or print name: Karen M. Webb

KAREN M. WEBB
NOTARY PUBLIC STATE OF TEXAS
COMMISSION EXPIRES:
SEPTEMBER 27, 2004

AFFIDAVIT NO. 6
CODE OF BUSINESS ETHICS AFFIDAVIT

Project No.: MDAD-04-01 Date:

Project Title: Non-Exclusive Telecommunications and Network Management Services Agreement

STATE OF FLORIDA)
ss
COUNTY OF MIAMI-DADE)

Before me, the undersigned authority, authorized to administer oaths and take acknowledgments, personally appeared: Mike Olson after being first dully sworn, upon oath deposes and says that he is an authorized representative of:
NextiraOne, LLC
(Legal name, Corporation, Partnership, Firm, Individual)

(hereinafter called Bidder) located at 2800 Post Oak Boulevard, Houston, TX 77056
(address, city, state)

The above named entity has adopted a Business Code of Ethics that complies with the requirements of Section 1 of Ordinance No. 01-96.

The above named entity hereby affirms its understanding that its failure comply with its Code of Business Ethics shall render any contract between it and the County voidable, and subject it to debarment from future County work pursuant to section 10-38(h)(2) of the Code of Miami-Dade County. The Inspector General shall be authorized to investigate any alleged violation by a contractor of its Code of Business Ethics. Nothing contained herein shall be construed to limit the powers and duties of the Inspector General as stated in other sections of the Code of Miami-Dade County.

Witness: ______________ (Signature) By ______________ (Signature)

Witness: ______________ (Signature) Mike Olson, Sr.Vice President (Legal Name and Title)

The foregoing instrument was acknowledged before me this 8th day of April, 2003

FOR AN INDIVIDUAL ACTING IN HIS OWN RIGHT:

by: ______________

FOR A CORPORATION, PARTNERSHIP, OR JOINT VENTURE:

by: MIKE OLSON Having the title of a
( ) ______________ corporation ( ) partnership ( ) joint venture

He/She is (X) personally known to me, or
( ) has produced ______________ As identification.

Notary Seal: Notary Signature: Karen M. Webb Type or print name: Karen M. Webb

KAREN M. WEBB
NOTARY PUBLIC STATE OF TEXAS
COMMISSION EXPIRES
SEPTEMBER 27, 2004

AFFIDAVIT NO. 7A

AFFIRMATIVE ACTION PLAN/PROCUREMENT POLICY AFFIDAVIT

Project No.: MDAD-04-01 Date:

Project Title: Non-Exclusive Telecommunications and Network Management Services Agreement

STATE OF FLORIDA)

ss

COUNTY OF MIAMI-DADE)

Before me, the undersigned authority, authorized to administer oaths and take acknowledgments, personally appeared: Mike Olson after being first dully sworn, upon oath deposes and says that he is an authorized representative of:

NextiraOne, LLC

(Legal name, Corporation, Partnership, Firm, Individual)

(hereinafter called Bidder) located at 2800 Post Oak Boulevard, Houston, TX 77056
(address, city, state)

and, that said bidder or respondent has a current Affirmative Action Plan and/or Procurement Policy as required by Ordinance 82-37 and/or 98-30, processed and approved for filing with Miami-Dade County Department of Business Development (DBD) under File No. 2002-0297 and the expiration date of 10/30/03

Witness: ____________ (Signature) By ____________ (Signature)

Witness: ____________ (Signature) Mike Olson, Sr. Vice President (Legal Name and Title)

The foregoing instrument was acknowledged before me this 8th day of April, 2003

FOR AN INDIVIDUAL ACTING IN HIS OWN RIGHT:

by: ____________

FOR A CORPORATION, PARTNERSHIP, OR JOINT VENTURE:

by: MIKE OLSON Having the title of
( )a ____________ corporation ( ) partnership ( ) joint venture

He/She is (X) personally known to me, or
( ) has produced ____________ As identification

Notary Seal: Notary Signature: Karen M. Webb Type or print name: Karen M. Webb

Please note:
Ordinance 82-37 requires that all properly licensed architectural, engineering, landscape architectural, and land surveyors have an affirmative action plan on file with the County.

Ordinance 98-30 requires firms with annual gross revenues in excess of five (5) million dollars have an affirmative action plan/procurement policy on file with the County. Firms that have Boards of Directors that are representative of the population make-up of the nation are exempt

For Questions regarding these requirements contact the Department of Business Development at (305) 523-2100
This affidavit must be properly executed by the bidder and included in the proposal/bid

KAREN M. WEBB
NOTARY PUBLIC STATE OF TEXAS
COMMISSION EXPIRES:
SEPTEMBER 27, 2004

PROOF OF AUTHORIZATION TO DO BUSINESS IN THE STATE OF FLORIDA

(Attach a copy of the Certificate of Status or Authorization per 607.00128 F.S.
and certificate evidencing compliance with the
Florida Fictitious Name Statue per 865.09 F.S., if applicable.)

State of Florida

Department of State

I certify from the records of this office that NEXTIRAONE, LLC is a Delaware limited liability company authorized to transact business in the State of Florida, qualified on March 6, 1998.

The document number of this limited liability company is M98000000221.

I further certify that said limited liability company has paid all fees due this office through December 31, 2003, that its most recent annual report was filed on February 21, 2003, and its status is active.

I further certify that said limited liability company has not filed a Certificate of Withdrawal.

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capitol, this the
Twenty-fourth day of March, 2003

Glenda E. Hood

Glenda E. Hood
Secretary of State

GREAT SEAL OF THE STATE OF FLORIDA
IN GOD WE TRUST

CR2EO22 (2-03)

Delaware

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "NEXTIRAONE, LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE TWENTY-FIRST DAY OF MARCH, A.D. 2003.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "NEXTIRAONE, LLC" WAS FORMED ON THE ELEVENTH DAY OF APRIL, A.D. 1997.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN PAID TO DATE.

Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

2739289 8300

030192478

AUTHENTICATION: 2324564

DATE: 03-21-03

MIAMI-DADE COUNTY

MIAMI-DADE AVIATION DEPARTMENT SINGLE EXECUTION CONDITION OF AWARD CERTIFICATIONS

This sworn statement is submitted for:

Project Title Non-Exclusive Telecommunications and Network Management Servic Agreement

Project Number MDAD04-01

COUNTY OF Miami-Dade

STATE OF Florida

Before me the undersigned authority appeared Mike Olson (Print Name),

who is personally known to me or who has provided

as identification and who did (did not) take an oath, and who stated:

That he is the duly authorized representative of

NextiraOne, LLC

(Name of Entity)

2800 Post Oak Boulevard, Houston, TX 77056

(Address of Entity)

7 / 6 - 0 / 5 / 3 / 4 / 9 / 5 / 0

Federal Employment Identification Number

hereinafter referred to as the contracting entity being its

other authorized officer - SR Vice President

(Sole Proprietor)(Partner)(President or Other Authorized Officer)

and as such has full authority to make these five certifications/verifications and say as follows.

DISABILITY NONDISCRIMINATION CERTIFICATION

That the above named entity is in compliance with and agrees to continue to comply with and assure that any subcontractor, or third party contractor under this project complies with all applicable requirements of the laws listed below including, but not limited to, those provisions pertaining to employment, provision of programs and services, transportation, communications, access to facilities, renovations, and new construction.

The Americans with Disabilities Act of 1990 (ADA), Pub. L. 101-336, 104 Stat 327, 42 U.S.C. 12101-12213 and 47 U.S.C. Sections 225 and 611 including Title I, Employment; Title II, Public Services; Title III, Public Accommodations and Services Operated by Private Entities; Title IV, Telecommunications; and Title V, Miscellaneous Provisions.

The Rehabilitation Act of 1973, 29 U.S.C. Section 794
The Federal Transit Act, as amended 49 U.S.C. Section 1612
The Fair Housing Act as amended, 42 U.S.C. Section 3601-3631
Miami-Dade County Resolution No R-385-95.

Any contract entered into based upon a false certification submitted pursuant to resolution No. R-385-95 shall be voidable by the County. If any attesting firm violates any of the Acts during the term of any contract such firm has with the County, such contract shall be voidable by the County, even if the attesting firm was not in violation at the time it submitted its certification.

FAMILY LEAVE PLAN CERTIFICATION

That in compliance with Ordinance #93-118 which amended Ordinance #91-142 of the Code of Miami Dade County, Florida, the above named entity provides the following information and is in compliance with all items in the aforementioned ordinance.

Employees as defined in Section 2, Ordinance# 93-118 and Chapter 11A of the Miami Dade County Code, shall be entitled to take leave on the same terms and conditions as are provided by Sections 102, 103, 104 and 108 of the Family and Medical Leave Act of 1993 (FMLA), Public Law No. 103-3, and any amendments thereto, with the exception of the following:

(a) An employee may also take leave under the ordinance to care for a grandparent with a serious health condition on the same terms and conditions as leave is permitted under the FMLA to care for a parent with a serious health condition.
(b) Employers are not required by the ordinance to maintain coverage under any group health plan for the duration of an employee's leave.
(c) Nothing in this ordinance shall be construed to affect any employee benefit plan that the employer may otherwise provide.

Pursuant to Ordinance # 93-118, and Section 102 (Leave Requirements), Entitlement to Leave-Subject to section 103, an eligible employee shall be entitled to a total of 12 workweeks of leave during any 12-month period for one or more of the following:

(a) Because of the birth of a son or daughter of the employee and in order to care for such son or daughter.
(b) Because of the placement of a son or daughter with the employee for adoption or foster care.
(c) In order to care for the spouse, or a son, daughter, or parent, of the employee, if such spouse, son, daughter, or parent has a serious health condition.
(d) Because of a serious health condition that makes the employee unable to perform the functions of the position of such employee.

DOMESTIC LEAVE CERTIFICATION

The entity named above certifies that the firm is in compliance with the Domestic Leave Ordinance. Ordinance 99-05.

MIAMI-DADE COUNTY REGARDING DELINQUENT AND CURRENTLY DUE FEES OR TAXES (Sec.2-8.1 (c) of the County Code)

Except for small purchase orders and sole source contracts. the above named entity verifies that all delinquent and currently due fees or taxes - including but not limited to real and property taxes. utility taxes and occupational licenses - which are collected in the normal course by the Miami-Dade County Tax Collector as well as Miami-Dade County issued parking tickets for vehicles registered in the name of the entity have been paid.

DRUG-FREE WORK PLACE CERTIFICATION

The entity named above certifies that the firm will provide a drug free workplace in compliance with Section 2-8.1.2 of the Code of Miami-Dade County as amended by Miami-Dade County Ordinance 00-30.

REDACTED

Form **1065** Department of the Treasury Internal Revenue Service

U.S. Partnership Return of Income

For calendar year 1999, or tax year beginning ...., 1999, and ending ....
▶ See separate instructions.

OMB No. 1545-0099

1999

A Principal business activity: SELL/SRV PHONE EQUIP	Name, address, city or town, state, and ZIP code	D Employer identification number: 76-0534950
B Principal product or service: Phone equip	Williams Communications Solutions, LLC	E Date business started: 5/1/97
C Business code number: 51300	2800 Post Oak Blvd PO Box 3568; MD 26-22 Houston TX 77253-3568	F Total assets (see page 10 of the instructions): $ 1,099,257,960

G Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Change in address (4) ☐ Amended return

H Check accounting method: (1) ☐ Cash (2) ☒ Accrual (3) ☐ Other (specify) ▶

I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ▶ 2

Caution: Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Income	1a	Gross receipts or sales	1a	1,307,061,145		
	b	Less returns and allowances	1b	0	1c	1,307,061,145
	2	Cost of goods sold (Schedule A, line 8)			2	799,089,701
	3	Gross profit. Subtract line 2 from line 1c			3	507,971,444
	4	Ordinary income (loss) from other partnerships, estates, and trusts (attach schedule)			4	0
	5	Net farm profit (loss) (attach Schedule F (Form 1040))			5	0
	6	Net gain (loss) from Form 4797, Part II, line 18			6	0
	7	Other income (loss) (attach schedule) STATEMENT 1			7	110,277
	8	Total income (loss). Combine lines 3 through 7			8	508,081,721
Deductions (see instructions for limitations)	9	Salaries and wages (other than to partners) (less employment credits)			9	185,897,995
	10	Guaranteed payments to partners			10	0
	11	Repairs and maintenance			11	0
	12	Bad debts			12	15,351,721
	13	Rent			13	28,602,256
	14	Taxes and licenses			14	31,935,255
	15	Interest			15	22,838,837
	16a	Depreciation (if required, attach Form 4562)	16a	16,350,591		
	b	Less depreciation reported on Schedule A and elsewhere on return	16b	0	16c	16,350,591
	17	Depletion (Do not deduct oil and gas depletion.)			17	0
	18	Retirement plans, etc.			18	759
	19	Employee benefit programs			19	50,697,178
	20	Other deductions (attach schedule) STATEMENT 2			20	197,850,036
	21	Total deductions. Add the amounts shown in the far right column for lines 9 through 20			21	549,524,628
	22	Ordinary income (loss) from trade or business activities. Subtract line 21 from line 8			22	-41,442,907

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member) is based on all information of which preparer has any knowledge.

Signature of general partner or limited liability company member ▶ Date 8/4/00

Paid Preparer's Use Only

Preparer's signature ▶ Date 7-10-2000 Check if self-employed ▶ ☐ Preparer's SSN or PTIN

Firm's name (or yours if self-employed) and address ▶ ERNST & YOUNG LLP 3900 One Williams Center, Tulsa, OK 74172 34-6565596 EIN ▶ ZIP code ▶

For Paperwork Reduction Act Notice, see separate instructions. Form 1065 (1999)

MCFPAA99

ERF

This single execution shall have the same force and effect as if each of the above five certifications/verifications had been individually executed.

(Signature of Authorized Representative)

Title Sr.Vice President

Date 4/8/03

STATE OF: Texas

COUNTY OF: Harris

The above instrument was acknowledged before me this 8th day of April, 2003

by Mike Olson, (Authorized Representative)

of NextiraOne, (Name of Corporation, Partnership, etc.)

who is personally known to me or has produced as identification and who did/did not take an oath.

Karen M. Webb
(Signature of Notary)

Karen M. Webb
(Print Name)

Notary Commission Number: __________

My Commission Expires: 9/27/04

Notary Stamp or Seal:

KAREN M. WEBB
NOTARY PUBLIC STATE OF TEXAS
COMMISSION EXPIRES:
SEPTEMBER 27, 2004

Schedule A Cost of Goods Sold (see page 14 of the instructions)

1	Inventory at beginning of year	1	65,055,225
2	Purchases less cost of items withdrawn for personal use	2	515,442,487
3	Cost of labor	3	176,820,525
4	Additional section 263A costs (attach schedule) STATEMENT 3	4	506,855
5	Other costs (attach schedule) STATEMENT 4	5	125,565,857
6	Total. Add lines 1 through 5	6	883,390,949
7	Inventory at end of year	7	84,301,248
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	799,089,701

9a Check all methods used for valuing closing inventory:

(i) [X] Cost as described in Regulations section 1.471-3

(ii) [ ] Lower of cost or market as described in Regulations section 1.471-4

(iii) [ ] Other (specify method used and attach explanation) ▶

b Check this box if there was a write down of "subnormal" goods as described in Regulations section 1.471-2(c) ▶ [ ]

c Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶ [ ]

d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? [X] Yes [ ] No

e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? [ ] Yes [X] No

If "Yes," attach explanation.

Schedule B Other Information

		Yes	No
1	What type of entity is filing this return? Check the applicable box: a [ ] General partnership b [ ] Limited partnership c [X] Limited liability company d [ ] Limited liability partnership e [ ] Other ▶		
2	Are any partners in this partnership also partnerships?		X
3	Is this partnership a partner in another partnership?		X
4	Is this partnership subject to the consolidated audit procedures of sections 6221 through 6233? If "Yes," see Designation of Tax Matters Partner below		X
5	Does this partnership meet ALL THREE of the following requirements? a The partnership's total receipts for the tax year were less than $250,000; b The partnership's total assets at the end of the tax year were less than $600,000; AND c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return. If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item J on Schedule K-1		X
6	Does this partnership have any foreign partners?		X
7	Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		X
8	Has this partnership filed, or is it required to file, Form 8264, Application for Registration of a Tax Shelter?		X
9	At any time during calendar year 1999, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See page 14 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶	X	
10	During the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520. See page 15 of the instructions		X
11	Was there a distribution of property or a transfer (e.g., by sale or death) of a partnership interest during the tax year? If "Yes," you may elect to adjust the basis of the partnership's assets under section 754 by attaching the statement described under Elections Made By the Partnership on page 6 of the instructions		X

Designation of Tax Matters Partner (see page 15 of the instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP ▶ Identifying number of TMP ▶

Address of designated TMP ▶

MCFPAB99

Schedule K: Partners' Shares of Income, Credits, Deductions, etc.

		(a) Distributive share items		(b) Total amount
Income (Loss)	1	Ordinary income (loss) from trade or business activities (page 1, line 22)	1	-41,442,907
	2	Net income (loss) from rental real estate activities (attach Form 8825)	2	0
	3a	Gross income from other rental activities — 3a: 0		
	b	Expenses from other rental activities (attach schedule) — 3b: 0		
	c	Net income (loss) from other rental activities. Subtract line 3b from line 3a	3c	0
	4	Portfolio income (loss):		
	a	Interest income	4a	106,784
	b	Ordinary dividends	4b	0
	c	Royalty income	4c	0
	d	Net short-term capital gain (loss) (attach Schedule D (Form 1065))	4d	0
	e	Net long-term capital gain (loss) (attach Schedule D (Form 1065))		
		(1) 28% rate gain (loss) ▶ 0 (2) Total for year ▶	4e(2)	0
	f	Other portfolio income (loss) (attach schedule)	4f	0
	5	Guaranteed payments to partners	5	0
	6	Net section 1231 gain (loss) (other than due to casualty or theft) (attach Form 4797)	6	-56,052
	7	Other income (loss) (attach schedule)	7	0
Deductions	8	Charitable contributions (attach schedule) STATEMENT 5	8	52,160
	9	Section 179 expense deduction (attach Form 4562)	9	0
	10	Deductions related to portfolio income (itemize)	10	0
	11	Other deductions (attach schedule)	11	0
Credits	12a	Low-income housing credit:		
		(1) From partnerships to which section 42(j)(5) applies for property placed in service before 1990	12a(1)	0
		(2) Other than on line 12a(1) for property placed in service before 1990	12a(2)	0
		(3) From partnerships to which section 42(j)(5) applies for property placed in service after 1989	12a(3)	0
		(4) Other than on line 12a(3) for property placed in service after 1989	12a(4)	0
	b	Qualified rehabilitation expenditures related to rental real estate activities (attach Form 3468)	12b	0
	c	Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities	12c	0
	d	Credits related to other rental activities	12d	0
	13	Other credits	13	0
Investment Interest	14a	Interest expense on investment debts	14a	0
	b	(1) Investment income included on lines 4a, 4b, 4c, and 4f above	14b(1)	106,784
		(2) Investment expenses included on line 10 above	14b(2)	0
Self-Employment	15a	Net earnings (loss) from self-employment	15a	0
	b	Gross farming or fishing income	15b	0
	c	Gross nonfarm income	15c	0
Adjustments and Tax Preference Items	16a	Depreciation adjustment on property placed in service after 1986	16a	2,531,697
	b	Adjusted gain or loss	16b	0
	c	Depletion (other than oil and gas)	16c	0
	d	(1) Gross income from oil, gas, and geothermal properties	16d(1)	0
		(2) Deductions allocable to oil, gas, and geothermal properties	16d(2)	0
	e	Other adjustments and tax preference items (attach schedule)	16e	0
Foreign Taxes	17a	Type of income ▶		
	b	Name of foreign country or U.S. possession ▶		
	c	Total gross income from sources outside the United States (attach schedule)	17c	0
	d	Total applicable deductions and losses (attach schedule)	17d	0
	e	Total foreign taxes (check one): ▶ ☐ Paid ☒ Accrued	17e	0
	f	Reduction in taxes available for credit (attach schedule)	17f	0
	g	Other foreign tax information (attach schedule)	17g	0
Other	18	Section 59(e)(2) expenditures: a Type ▶ b Amount ▶	18b	0
	19	Tax-exempt interest income	19	0
	20	Other tax-exempt income	20	0
	21	Nondeductible expenses	21	1,285,224
	22	Distributions of money (cash and marketable securities)	22	0
	23	Distributions of property other than money	23	0
	24	Other items and amounts required to be reported separately to partners (attach schedule)		

Williams Communications Solutions, LLC — 76-0534950

Analysis of Net Income (Loss)

1 Net income (loss). Combine Schedule K, lines 1 through 7 in column (b). From the result, subtract the sum of Schedule K, lines 8 through 11, 14a, 17e, and 18b ..... 1 -41,444,335

2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other
a General partners	-41,444,335	0	0	0	0	0
b Limited partners	0	0	0	0	0	0

Schedule L Balance Sheets per Books (Not required if Question 5 on Schedule B is answered "Yes.")

Assets	Beginning of tax year (a)	(b)	End of tax year (c)	(d)
1 Cash		5,194,150		786,192
2a Trade notes and accounts receivable	516,159,178		663,838,295	
b Less allowance for bad debts	0	516,159,178	0	663,838,295
3 Inventories		65,055,223		84,301,248
4 U.S. government obligations		0		0
5 Tax-exempt securities		0		0
6 Other current assets (attach schedule) STATEMENT 6		22,092,096	STATEMENT 10	12,401,515
7 Mortgage and real estate loans		0		0
8 Other investments (attach schedule)		0		0
9a Buildings and other depreciable assets	157,551,518		213,591,344	
b Less accumulated depreciation	66,705,126	90,846,392	114,971,770	98,619,574
10a Depletable assets	0		0	
b Less accumulated depletion	0	0	0	0
11 Land (net of any amortization)		0		0
12a Intangible assets (amortizable only)	310,350,681		312,267,353	
b Less accumulated amortization	55,965,604	254,385,077	73,028,440	239,238,913
13 Other assets (attach schedule) STATEMENT 7		3,706,048	STATEMENT 11	72,223
14 Total assets		957,438,164		1,099,257,960
Liabilities and Capital				
15 Accounts payable		86,749,480		93,409,406
16 Mortgages, notes, bonds payable in less than 1 year		20,536,143		85,785,867
17 Other current liabilities (attach schedule) STATEMENT 8		187,865,931	STATEMENT 12	191,966,420
18 All nonrecourse loans		0		0
19 Mortgages, notes, bonds payable in 1 year or more		284,772,167		438,920,277
20 Other liabilities (attach schedule) STATEMENT 9		10,463,827	STATEMENT 13	1,911,284
21 Partners' capital accounts		367,050,616		287,264,706
22 Total liabilities and capital		957,438,164		1,099,257,960

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return
(Not required if Question 5 on Schedule B is answered "Yes." See page 23 of the instructions.)

1 Net income (loss) per books	-81,958,514	6 Income recorded on books this year not included on Schedule K, lines 1 through 7 (itemize): a Tax-exempt interest $ 0 STATEMENT 16 2,730,002	2,730,002
2 Income included on Schedule K, lines 1 through 4, 6, and 7, not recorded on books this year (itemize): STATEMENT 14	6,296,488	7 Deductions included on Schedule K, lines 1 through 11, 14a, 17e, and 18b, not charged against book income this year (itemize): a Depreciation $ 16,350,591 translation -4,364,066	11,986,525
3 Guaranteed payments (other than health insurance)	0	8 Add lines 6 and 7	14,716,527
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 11, 14a, 17e, and 18b (itemize): a Depreciation $ 29,319,421 b Travel and entertainment $ 1,192,030 STATEMENT 15 18,422,767	48,934,218	9 Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	-41,444,335
5 Add lines 1 through 4	-26,727,808		

Schedule M-2 Analysis of Partners' Capital Accounts (Not required if Question 5 on Schedule B is answered "Yes.")

1 Balance at beginning of year	367,050,616	6 Distributions: a Cash	0
2 Capital contributed during year	0	b Property	0
3 Net income (loss) per books	-81,958,514	7 Other decreases (itemize): STATEMENT 18	-2,172,604
4 Other increases (itemize):	0	8 Add lines 6 and 7	-2,172,604
5 Add lines 1 through 4	285,092,102	9 Balance at end of year. Subtract line 8 from 5	287,264,706

Form **8800**
(Rev. September 1999)
Department of the Treasury
Internal Revenue Service

Application for Additional Extension of Time To File U.S. Return for a Partnership, REMIC, or for Certain Trusts

▶ File a separate application for each return.

OMB No. 1545-1057

Please type or print. File the original and one copy by the due date for filing the return for which an extension is requested. See instructions.

Name
Williams Communications Solutions, LLC

Number, street, and room or suite no. If a P.O. box, see instructions.
2800 Post Oak Blvd., P.O. Box 3568 MD2247

City or town, state, and ZIP code. If a foreign address, enter city, province or state, and country. Follow the country's practice for entering the postal code.
Houston, TX 77253-3568

Employer identification number
76-0534950

1 I request an additional extension of time until October 16, 2000, to file (check only one):
☐ Form 1041 ☐ Form 1041-QFT ☒ Form 1065 ☐ Form 1065-B ☐ Form 1066

2 If the entity does not have an office or place of business in the United States, check this box ▶ ☐

3a For calendar year 1999, or other tax year beginning ____, ____, and ending ____, ____

b If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

4 Explain why the entity needs an extension. All entities filing this form must give an adequate explanation All information is not available in order to prepare a complete and accurate tax return.

INTERNAL REVENUE SERVICE
RECEIVED
JUL 1 4 2000
DISTRICT DIRECTOR

5 Has the entity filed Form 8736 to request an extension of time to file for this tax year? ☒ Yes ☐ No
If you checked "No," we will grant an extension only for undue hardship. Fully explain the hardship on line 4.

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete; and that I am authorized to prepare this form.

Signature ▶ [signature] Title ▶ V.P. Finance + Admin Date ▶ 7-6-00

File original and one copy. The IRS will show below whether or not your application is approved and will return the copy.

Notice to Applicant — To Be Completed by the IRS.

☑ We HAVE approved this application. Please attach this form to the entity's return.

☐ We HAVE NOT approved this application.
However, we have granted a 10-day grace period to ____________. This grace period is considered a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the entity's return.

☐ We HAVE NOT approved this application. After considering the reasons stated in item 4 above, we cannot grant this request for an extension of time to file. We are not granting a 10-day grace period.

☐ We cannot consider this application because it was filed after the due date of the return for which an extension was requested.

☐ Other: ____________

Estelle L. Tunley
Director By ____________ Date ____________

If you want a copy of this form to be returned to an address other than that shown above, please enter the address to which the copy should be sent.

Please Type or Print

Name

Number, street, and room or suite no. (If a P.O. box, see instructions.)

City or town, state, and ZIP code. If a foreign address, enter city, province or state, and country. Follow the country's practice for entering the postal code.

Form **8800**
(Rev. September 1999)
Department of the Treasury
Internal Revenue Service

Application for Additional Extension of Time To File U.S. Return for a Partnership, REMIC, or for Certain Trusts

▶ File a separate application for each return.

OMB No. 1545-1057

Please type or print. File the original and one copy by the due date for filing the return for which an extension is requested. See instructions.

Name
Williams Communications Solutions, LLC

Employer identification number
76-0534950

Number, street, and room or suite no. If a P.O. box, see instructions.
2800 Post Oak Blvd., P.O. Box 3568 MD2247

City or town, state, and ZIP code. If a foreign address, enter city, province or state, and country. Follow the country's practice for entering the postal code.
Houston, TX 77253-3568

1 I request an additional extension of time until October 16, 2000, to file (check only one):
☐ Form 1041 ☐ Form 1041-QFT ☒ Form 1065 ☐ Form 1065-B ☐ Form 1066

2 If the entity does not have an office or place of business in the United States, check this box ▶ ☐

3a For calendar year 1999, or other tax year beginning ________, ____, and ending ________, ____

b If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

4 Explain why the entity needs an extension. All entities filing this form must give an adequate explanation. All information is not available in order to prepare a complete and accurate tax return.

FILE COPY

INTERNAL REVENUE SERVICE
RECEIVED
JUL 14 2000
DISTRICT DIRECTOR
Arkansas-Oklahoma

5 Has the entity filed Form 8736 to request an extension of time to file for this tax year? ☒ Yes ☐ No
If you checked "No," we will grant an extension only for undue hardship. Fully explain the hardship on line 4.

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete; and that I am authorized to prepare this form.

Signature ▶ [signature] Title ▶ V.P. Finance + Admin Date ▶ 7-6-00

File original and one copy. The IRS will show below whether or not your application is approved and will return the copy.

Notice to Applicant — To Be Completed by the IRS.

☐ We HAVE approved this application. Please attach this form to the entity's return.

☐ We HAVE NOT approved this application.
However, we have granted a 10-day grace period to ______________. This grace period is considered a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the entity's return.

☐ We HAVE NOT approved this application. After considering the reasons stated in item 4 above, we cannot grant this request for an extension of time to file. We are not granting a 10-day grace period.

☐ We cannot consider this application because it was filed after the due date of the return for which an extension was requested.

☐ Other: ______________

______________ By: ______________ ______________
Director Date

If you want a copy of this form to be returned to an address other than that shown above, please enter the address to which the copy should be sent.

Please Type or Print

Name

Number, street, and room or suite no. (If a P.O. box, see instructions.)

City or town, state, and ZIP code. If a foreign address, enter city, province or state, and country. Follow the country's practice for entering the postal code.

For Paperwork Reduction Act Notice, see back of form.

Form **8736**
(Rev. October 1998)
Department of the Treasury
Internal Revenue Service

Application for Automatic Extension of Time To File U.S. Return for a Partnership, REMIC, or for Certain Trusts

► File a separate application for each return.

OMB No. 1545-1054

Please type or print.	Name	Employer identification number
	Williams Communications Solutions, LLC.	76-0534550
File by the due date for filing the return for which an extension is requested. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 2800 Post Oak Blvd, P.O. Box 3568; MD 22-49	
	City or town, state, and ZIP code. If a foreign address, enter city, province or state, and country. Follow the country's practice for entering the postal code. Houston, Texas 77253-3568	

1 I request an automatic 3-month extension of time to file (check only one):
☐ Form 1041 ☐ Form 1041-QFT ☒ Form 1065 ☐ Form 1065-B ☐ Form 1066

2 If the entity does not have an office or place of business in the United States, check this box . . . . ► ☐

3a For calendar year 1999, or other tax year beginning ____________, ______, and ending ________________, ______.

b If this tax year is for less than 12 months, check reason:
☐ Initial return ☐ Final return ☐ Change in accounting period

4 If this extension is requested for Form 1041, Form 1041-QFT, Form 1065-B, or Form 1066, enter the following amounts:

a Tentative total tax from Form 1041, Form 1041-QFT, Form 1065-B, or Form 1066 (see instructions) . . . . -0-

b Refundable credits and estimated tax payments, including any prior year overpayment allowed as a credit, from Form 1041, Form 1041-QFT, or Form 1065-B (see instructions). REMICs, enter -0- . . . . -0-

c Balance due. Subtract line 4b from line 4a. If zero or less, enter -0-. Enclose payment, if any, with Form 8736 (see instructions) . . . . ► -0-

Caution: Interest will be charged on any tax not paid by the regular due date of Forms 1041, 1041-QFT, 1065-B, and 1066 from the due date until the tax is paid.

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

Use Form 8736 to request an automatic 3-month extension of time to file a return for:

Trusts filing Form 1041, U.S. Income Tax Return for Estates and Trusts, or Form 1041-QFT, U.S. Income Tax Return for Qualified Funeral Trusts.

Partnerships filing Form 1065, U.S. Partnership Return of Income, or Form 1065-B, U.S. Return of Income for Electing Large Partnerships.

Real estate mortgage investment conduits filing Form 1066, U.S. Real Estate Mortgage Investment Conduit (REMIC) Income Tax Return.

If allowed, the automatic extension will extend the due date of the return to the 15th day of the 3rd month following the month in which the regular due date falls. The automatic 3-month extension period includes any 2-month extension granted under Regulations section 1.6081-5 to certain foreign partnerships.

Note: An estate filing Form 1041 should not file this form. Instead, it should request an extension using Form 2758, Application for Extension of Time To File Certain Excise, Income, Information, and Other Returns.

The extension will be allowed if you complete Form 8736 properly, make a proper estimate of the tax on line 4a (if applicable), and file the form on time. We will notify you only if your request for an extension is not allowed.

For most partnerships, trusts, and REMICs, an automatic extension will extend the due date of the return to July 15th of the year following the close of the calendar year.

When To File

File Form 8736 by the regular due date of the return for which an extension is requested (or, in the case of certain foreign partnerships, by the expiration date of any extension of time to file granted under Regulations section 1.6081-5). The regular due date is generally the 15th day of the 4th month following the close of the entity's tax year. However, the regular due date for a partnership in which all partners are nonresident aliens is the 15th day of the 6th month following the close of the partnership's tax year.

Additional Extension of Time To File

If Form 8736 has already been filed but more time is needed, file Form 8800, Application for Additional Extension of Time To File U.S. Return for a Partnership, REMIC, or for Certain Trusts. Except in cases of undue hardship, do not file Form 8800 unless Form 8736 has already been filed. Before an additional extension can be granted, the entity must show reasonable cause for the additional time needed to file.

Ask for the additional extension early so that if it is denied the return can still be filed on time.

Where To File

Except for a charitable or split-interest trust described in section 4947(a), a pooled income fund defined in section 642(c)(5), or a qualified funeral trust, file Form 8736 at the applicable IRS address listed below.

If the entity's principal place of business or principal office or agency is located in	Use the following Internal Revenue Service Center address
New Jersey, New York (New York City and counties of Nassau, Rockland, Suffolk, and Westchester)	Holtsville, NY 00501

(continued on page 2)

Form **4562**

Department of the Treasury Internal Revenue Service (99)

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach this form to your return.

OMB No. 1545-0172

1999

Attachment Sequence No. 67

Name(s) shown on return	Business or activity to which this form relates	Identifying number
Williams Communications Solutions, LLC	SELL/SRV PHONE EQUIP	76-0534950

Part I Election To Expense Certain Tangible Property (Section 179) (Note: If you have any "listed property," complete Part V before you complete Part I.)

1	Maximum dollar limitation. If an enterprise zone business, see page 2 of the instructions	1	$19,000
2	Total cost of section 179 property placed in service. See page 2 of the instructions	2	0
3	Threshold cost of section 179 property before reduction in limitation	3	$200,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	0
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see page 2 of the instructions	5	19,000

	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
6		0	0
		0	0
7	Listed property. Enter amount from line 27	7	0

8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	0
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	0
10	Carryover of disallowed deduction from 1998. See page 3 of the instructions	10	0
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	19,000
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	0
13	Carryover of disallowed deduction to 2000. Add lines 9 and 10, less line 12 ▶	13	0

Note: Do not use Part II or Part III below for listed property (automobiles, certain other vehicles, cellular telephones, certain computers, or property used for entertainment, recreation, or amusement). Instead, use Part V for listed property.

Part II MACRS Depreciation For Assets Placed in Service ONLY During Your 1999 Tax Year (Do Not Include Listed Property.)

Section A—General Asset Account Election

14 If you are making the election under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check this box. See page 3 of the instructions ▶ ☐

Section B—General Depreciation System (GDS) (See page 3 of the instructions.)

	(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
15a	3-year property		0	3yr	monthy	s/l	5,882,836
b	5-year property		0	5yr	half-yr	DDB	7,022,994
c	7-year property		0	7yr	half yr	DDB	3,103,402
d	10-year property		0	10yr	half yr	db	394
e	15-year property		0				0
f	20-year property		0				0
g	25-year property		0	25 yrs		S/L	0
h	Residential rental property		0	27.5 yrs.	MM	S/L	0
			0	27.5 yrs.	MM	S/L	0
i	Nonresidential real property		0	39 yrs	MM	S/L	340,965
			0		MM	S/L	0

Section C--Alternative Depreciation System (ADS) (See page 5 of the instructions.)

16a	Class life		0			S/L	0
b	12-year		0	12 yrs.		S/L	0
c	40-year		0	40 yrs.	MM	S/L	0

Part III Other Depreciation (Do Not Include Listed Property.) (See page 6 of the instructions.)

17	GDS and ADS deductions for assets placed in service in tax years beginning before 1999	17	0
18	Property subject to section 168(f)(1) election	18	0
19	ACRS and other depreciation	19	0

Part IV Summary (See page 6 of the instructions.)

20	Listed property. Enter amount from line 26	20	0
21	Total. Add deductions on line 12, lines 15 and 16 in column (g), and lines 17 through 20. Enter here and on the appropriate lines of your return. Partnerships and S corporations — see instructions	21	16,350,591
22	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	22	0

For Paperwork Reduction Act Notice, see the separate instructions.

Form 4562 (1999)

Williams Communications Solutions, LLC

Part V Listed Property — Automobiles, Certain Other Vehicles, Cellular Telephones, Certain Computers, and Property Used for Entertainment, Recreation, or Amusement

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 23a, 23b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A — Depreciation and Other Information (Caution: See page 6 of the instructions for limits for passenger automobiles.)

23a Do you have evidence to support the business/investment use claimed? ☐ Yes ☐ No | 23b If "Yes," is the evidence written? ☐ Yes ☐ No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
24 Property used more than 50% in a qualified business use (See page 7 of the instructions.):								
		%	0	0			0	0
		%	0	0			0	0
		%	0	0			0	0
25 Property used 50% or less in a qualified business use (See page 7 of the instructions.):								
		%	0	0		S/L —	0	
		%	0	0		S/L —	0	
		%	0	0		S/L —	0	

26 Add amounts in column (h). Enter the total here and on line 20, page 1 .... 26 | 0

27 Add amounts in column (i). Enter the total here and on line 7, page 1 .... 27 | 0

Section B — Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
28 Total business/investment miles driven during the year (DO NOT include commuting miles)	0		0		0		0		0		0	
29 Total commuting miles driven during the year	0		0		0		0		0		0	
30 Total other personal (noncommuting) miles driven	0		0		0		0		0		0	
31 Total miles driven during the year Add lines 28 through 30	0		0		0		0		0		0	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
32 Was the vehicle available for personal use during off-duty hours?												
33 Was the vehicle used primarily by a more than 5% owner or related person?												
34 Is another vehicle available for personal use?												

Section C — Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons

	Yes	No
35 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
36 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See page 9 of the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
37 Do you treat all use of vehicles by employees as personal use?		
38 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
39 Do you meet the requirements concerning qualified automobile demonstration use? See page 9 of the instructions		

Note: If your answer to 35, 36, 37, 38, or 39 is "Yes," you need not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
40 Amortization of costs that begins during your 1999 tax year:					
		0			0
		0			0
41 Amortization of costs that began before 1999				41	3,259,833
42 Total. Enter here and on "Other Deductions" or "Other Expenses" line of your return				42	

Form **4797**

Department of the Treasury
Internal Revenue Service (99)

Sales of Business Property

(Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return. ▶ See separate instructions.

OMB No. 1545-0184

1999

Attachment Sequence No. 27

Name(s) shown on return: Williams Communications Solutions, LLC

Identifying number: 76-0534950

1 Enter here the gross proceeds from the sale or exchange of real estate reported to you for 1999 on Form(s) 1099-S (or a substitute statement) that you will be including on line 2, 10, or 20 ..... 1 | 0

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft — Property Held More Than 1 Year

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) GAIN or (LOSS) Subtract (f) from the sum of (d) and (e)
2			0	0	0	0
			0	0	0	0
			0	0	0	0
Detail in '	taxpayer	file	0	0	0	-56,052

3 Gain, if any, from Form 4684, line 39	3	0
4 Section 1231 gain from installment sales from Form 6252, line 26 or 37	4	0
5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824	5	0
6 Gain, if any, from line 32, from other than casualty or theft	6	0
7 Combine lines 2 through 6. Enter gain or (loss) here, and on the appropriate line as follows:	7	-56,052

Partnerships--Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 6. Skip lines 8, 9, 11, and 12 below.

S corporations--Report the gain or (loss) following the instructions for Form 1120S, Schedule K, lines 5 and 6. Skip lines 8, 9, 11, and 12 below, unless line 7 is a gain and the S corporation is subject to the capital gains tax.

All others--If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on Schedule D and skip lines 8, 9, and 12 below.

8 Nonrecaptured net section 1231 losses from prior years (see instructions)	8	
9 Subtract line 8 from line 7. If zero or less, enter -0-. Also enter on appropriate line(s) as follows (see instructions)	9	

S corporations--Enter any gain from line 9 on Schedule D (Form 1120S), line 14, and skip lines 11 and 12 below.

All others--If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below, and enter the gain from line 9 as a long-term capital gain on Schedule D.

Part II Ordinary Gains and Losses

10 Ordinary gains and losses not included on lines 11 through 17 (include property held 1 year or less):

			0	0	0	0
			0	0	0	0
			0	0	0	0
Detail in	taxpayer	file	0	0	0	0

11 Loss, if any, from line 7	11	( )
12 Gain, if any, from line 7 or amount from line 8, if applicable	12	
13 Gain, if any, from line 31	13	0
14 Net gain or (loss) from Form 4684, lines 31 and 38a	14	0
15 Ordinary gain from installment sales from Form 6252, line 25 or 36	15	0
16 Ordinary gain or (loss) from like-kind exchanges from Form 8824	16	0
17 Recapture of section 179 expense deduction for partners and S corporation shareholders from property dispositions by partnerships and S corporations (see instructions)	17	0
18 Combine lines 10 through 17. Enter gain or (loss) here, and on the appropriate line as follows:	18	0

a For all except individual returns: Enter the gain or (loss) from line 18 on the return being filed.

b For individual returns:

(1) If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 27, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 22. Identify as from "Form 4797, line 18b(1)." See instructions ..... 18b(1)

(2) Redetermine the gain or (loss) on line 18, excluding the loss, if any, on line 18b(1). Enter here and on Form 1040, line 14 ..... 18b(2)

For Paperwork Reduction Act Notice, see separate instructions. Form 4797 (1999)

MCFPAI99

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)
A		
B		
C		
D		

These columns relate to properties on lines 19A through 19D. ▶		Property A	Property B	Property C	Property D
20 Gross sales price (Note: See line 1 before completing.)	20	0	0	0	0
21 Cost or other basis plus expense of sale	21	0	0	0	0
22 Depreciation (or depletion) allowed or allowable	22	0	0	0	0
23 Adjusted basis. Subtract line 22 from line 21	23	0	0	0	0
24 Total gain. Subtract line 23 from line 20	24	0	0	0	0
25 If section 1245 property:					
a Depreciation allowed or allowable from line 22	25a	0	0	0	0
b Enter the smaller of line 24 or 25a	25b	0	0	0	0
26 If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.					
a Additional depreciation after 1975 (see instructions)	26a	0	0	0	0
b Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions)	26b	0	0	0	0
c Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e	26c	0	0	0	0
d Additional depreciation after 1969 and before 1976	26d	0	0	0	0
e Enter the smaller of line 26c or 26d	26e	0	0	0	0
f Section 291 amount (corporations only)	26f	0	0	0	0
g Add lines 26b, 26e, and 26f	26g	0	0	0	0
27 If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).					
a Soil, water, and land clearing expenses	27a	0	0	0	0
b Line 27a multiplied by applicable percentage (see instructions)	27b	0	0	0	0
c Enter the smaller of line 24 or 27b	27c	0	0	0	0
28 If section 1254 property:					
a Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs (see instructions)	28a	0	0	0	0
b Enter the smaller of line 24 or 28a	28b	0	0	0	0
29 If section 1255 property:					
a Applicable percentage of payments excluded from income under section 126 (see instructions)	29a	0	0	0	0
b Enter the smaller of line 24 or 29a (see instructions)	29b	0	0	0	0

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30 Total gains for all properties. Add property columns A through D, line 24	30	0
31 Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31	0
32 Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6	32	0

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less
(See instructions.)

		(a) Section 179	(b) Section 280F(b)(2)
33 Section 179 expense deduction or depreciation allowable in prior years	33	0	0
34 Recomputed depreciation. See instructions	34	0	0
35 Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	35	0	0

SCHEDULE K-1 (Form 1065)
Department of the Treasury Internal Revenue Service

Partner's Share of Income, Credits, Deductions, etc.

▶ See separate instructions.

For calendar year 1999 or tax year beginning , 1999, and ending ,

OMB No. 1545-0099

1999

Partner's identifying number ▶ 73-1349451

Partnership's identifying number ▶ 73-1462856

Partner's name, address, and ZIP code
Williams Communications Inc.
PO Box 22067-Tax Dept
Tulsa OK 74121

Partnership's name, address, and ZIP code
Williams Communications Solutions,
2800 Post Oak Blvd.
Houston TX 77253-3568

A This partner is a ☐ general partner ☐ limited partner
[x] limited liability company member

B What type of entity is this partner? ▶ Corporation

C Is this partner a [x] domestic or a ☐ foreign partner?

D Enter partner's percentage of:

	(i) Before change or termination	(ii) End of year
Profit sharing	70.00000 %	70.00000 %
Loss sharing	70.00000 %	70.00000 %
Ownership of capital	70.00000 %	70.00000 %

E IRS Center where partnership filed return: TX

F Partner's share of liabilities (see instructions).
Nonrecourse $ 0
Qualified nonrecourse financing $ 0
Other $ 568,395,278

G Tax shelter registration number ▶

H Check here if this partnership is a publicly traded partnership as defined in section 469(k)(2) ☐

I Check applicable boxes: (1) ☐ Final K-1 (2) ☐ Amended K-1

J Analysis of partner's capital account:

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of lines 3, 4, and 7, Form 1065, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year (combine columns (a) through (d))
256,935,375	0	-55,850,137	(0)	201,085,238

	(a) Distributive share item		(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Income (Loss)	1 Ordinary income (loss) from trade or business activities	1	-29,010,035	See page 6 of Partner's Instructions for Schedule K-1 (Form 1065).
	2 Net income (loss) from rental real estate activities	2	0	
	3 Net income (loss) from other rental activities	3	0	
	4 Portfolio income (loss):			
	a Interest	4a	74,749	Sch. B, Part I, line 1
	b Ordinary dividends	4b	0	Sch. B, Part II, line 5
	c Royalties	4c	0	Sch. E, Part I, line 4
	d Net short-term capital gain (loss)	4d	0	Sch. D, line 5, col. (f)
	e Net long-term capital gain (loss):			
	(1) 28% rate gain (loss)	e(1)	0	Sch. D, line 12, col. (g)
	(2) Total for year	e(2)	0	Sch. D, line 12, col. (f)
	f Other portfolio income (loss) (attach schedule)	4f	0	Enter on applicable line of your return.
	5 Guaranteed payments to partner	5	0	See page 6 of Partner's Instructions for Schedule K-1 (Form 1065).
	6 Net section 1231 gain (loss) (other than due to casualty or theft)	6	-39,236	
	7 Other income (loss) (attach schedule)	7	0	Enter on applicable line of your return
Deductions	8 Charitable contributions (see instructions) (attach schedule)	8	36,512	Sch. A, line 15 or 16
	9 Section 179 expense deduction	9	0	See pages 7 and 8 of Partner's Instructions for Schedule K-1 (Form 1065).
	10 Deductions related to portfolio income (attach schedule)	10	0	
	11 Other deductions (attach schedule)	11	0	
Credits	12a Low-income housing credit:			
	(1) From section 42(j)(5) partnerships for property placed in service before 1990	a(1)	0	Form 8586, line 5
	(2) Other than on line 12a(1) for property placed in service before 1990	a(2)	0	
	(3) From section 42(j)(5) partnerships for property placed in service after 1989	a(3)	0	
	(4) Other than on line 12a(3) for property placed in service after 1989	a(4)	0	
	b Qualified rehabilitation expenditures related to rental real estate activities	12b	0	
	c Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities	12c	0	See page 8 of Partner's Instructions for Schedule K-1 (Form 1065).
	d Credits related to other rental activities	12d	0	
	13 Other credits	13	0	

For Paperwork Reduction Act Notice, see Instructions for Form 1065.

Schedule K-1 (Form 1065) 1999

MCFPAE99

FBF

73-1462856

Williams Communications Solutions, Williams Communications Inc.

	(a) Distributive share item		(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Investment Interest	14a Interest expense on investment debts	14a	0	Form 4952, line 1
	b (1) Investment income included on lines 4a, 4b, 4c, and 4f	b(1)	74,749	See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).
	(2) Investment expenses included on line 10	b(2)	0	
Self-employment	15a Net earnings (loss) from self-employment	15a	0	Sch. SE, Section A or B
	b Gross farming or fishing income	15b	0	See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).
	c Gross nonfarm income	15c	0	
Adjustments and Tax Preference Items	16a Depreciation adjustment on property placed in service after 1986	16a	1,772,188	See page 9 of Partner's Instructions for Schedule K-1 (Form 1065) and Instructions for Form 6251.
	b Adjusted gain or loss	16b	0	
	c Depletion (other than oil and gas)	16c	0	
	d (1) Gross income from oil, gas, and geothermal properties	d(1)	0	
	(2) Deductions allocable to oil, gas, and geothermal properties	d(2)	0	
	e Other adjustments and tax preference items (attach schedule)	16e	0	
Foreign Taxes	17a Type of income ▶			Form 1116, check boxes
	b Name of foreign country or possession ▶			
	c Total gross income from sources outside the United States (attach schedule)	17c	0	Form 1116, Part I
	d Total applicable deductions and losses (attach schedule)	17d	0	
	e Total foreign taxes (check one): ▶ ☐ Paid ☐ Accrued	17e	0	Form 1116, Part II
	f Reduction in taxes available for credit (attach schedule)	17f	0	Form 1116, Part III
	g Other foreign tax information (attach schedule)	17g	0	See Instructions for Form 1116.
Other	18 Section 59(e)(2) expenditures: a Type ▶			See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).
	b Amount	18b	0	
	19 Tax-exempt interest income	19	0	Form 1040, line 8b
	20 Other tax-exempt income	20	0	See pages 9 and 10 of Partner's Instructions for Schedule K-1 (Form 1065).
	21 Nondeductible expenses	21	899,657	
	22 Distributions of money (cash and marketable securities)	22	0	
	23 Distributions of property other than money	23	0	
	24 Recapture of low-income housing credit:			
	a From section 42(j)(5) partnerships	24a	0	Form 8611, line 8
	b Other than on line 24a	24b	0	

Supplemental Information

25 Supplemental information required to be reported separately to each partner (attach additional schedules if more space is needed):

Line 21. Nondeductible expenses

Meals & Entertainment	834,421
Penalties	65,236
Total	899,657

SCHEDULE K-1 (Form 1065)
Department of the Treasury
Internal Revenue Service

Partner's Share of Income, Credits, Deductions, etc.

▶ See separate instructions.

For calendar year 1999 or tax year beginning , 1999, and ending

OMB No. 1545-0099

1999

Partner's identifying number ▶ 04-2486332

Partnership's identifying number ▶ 76-0534950

Partner's name, address, and ZIP code
Northern Telecom, Inc.
200 Athens Way
Memphis, Tenn.

Partnership's name, address, and ZIP code
Williams Communication Solution LLC
PO BOX 3568: MD 26-22
HOUSTON TX 77253-3568

A This partner is a ☐ general partner ☐ limited partner
☒ limited liability company member
B What type of entity is this partner? ▶ CORPORATION
C Is this partner a ☒ domestic or a ☐ foreign partner?
D Enter partner's percentage of: (i) Before change or termination (ii) End of year
Profit sharing 30.00000 % 30.00000 %
Loss sharing 30.00000 % 30.00000 %
Ownership of capital 30.00000 % 30.00000 %
E IRS Center where partnership filed return:

F Partner's share of liabilities (see instructions):
Nonrecourse $ 0
Qualified nonrecourse financing $ 0
Other $ 243,597,976
G Tax shelter registration number ▶
H Check here if this partnership is a publicly traded partnership as defined in section 469(k)(2) ☐
I Check applicable boxes: (1) ☐ Final K-1 (2) ☐ Amended K-1

J Analysis of partner's capital account:

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of lines 3, 4, and 7, Form 1065, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year (combine columns (a) through (d))
110,115,241	0	-23,935,773	(0)	86,179,468

		(a) Distributive share item		(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Income (Loss)	1	Ordinary income (loss) from trade or business activities	1	-12,432,872	See page 6 of Partner's Instructions for Schedule K-1 (Form 1065).
	2	Net income (loss) from rental real estate activities	2	0	
	3	Net income (loss) from other rental activities	3	0	
	4	Portfolio income (loss):			
	a	Interest	4a	32,035	Sch. B, Part I, line 1
	b	Ordinary dividends	4b	0	Sch. B, Part II, line 5
	c	Royalties	4c	0	Sch. E, Part I, line 4
	d	Net short-term capital gain (loss)	4d	0	Sch. D, line 5, col. (f)
	e	Net long-term capital gain (loss):			
		(1) 28% rate gain (loss)	e(1)	0	Sch. D, line 12, col. (g)
		(2) Total for year	e(2)	0	Sch. D, line 12, col. (f)
	f	Other portfolio income (loss) (attach schedule)	4f	0	Enter on applicable line of your return.
	5	Guaranteed payments to partner	5	0	See page 6 of Partner's Instructions for Schedule K-1 (Form 1065).
	6	Net section 1231 gain (loss) (other than due to casualty or theft)	6	-16,816	
	7	Other income (loss) (attach schedule)	7	0	Enter on applicable line of your return.
Deductions	8	Charitable contributions (see instructions) (attach schedule)	8	15,648	Sch. A, line 15 or 16
	9	Section 179 expense deduction	9	0	See pages 7 and 8 of Partner's Instructions for Schedule K-1 (Form 1065).
	10	Deductions related to portfolio income (attach schedule)	10	0	
	11	Other deductions (attach schedule)	11	0	
Credits	12a	Low-income housing credit:			
		(1) From section 42(j)(5) partnerships for property placed in service before 1990	a(1)	0	Form 8586, line 5
		(2) Other than on line 12a(1) for property placed in service before 1990	a(2)	0	
		(3) From section 42(j)(5) partnerships for property placed in service after 1989	a(3)	0	
		(4) Other than on line 12a(3) for property placed in service after 1989	a(4)	0	
	b	Qualified rehabilitation expenditures related to rental real estate activities	12b	0	See page 8 of Partner's Instructions for Schedule K-1 (Form 1065).
	c	Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities	12c	0	
	d	Credits related to other rental activities	12d	0	
	13	Other credits	13	0	

	(a) Distributive share item		(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Investment Interest	14a Interest expense on investment debts	14a	0	Form 4952, line 1
	b (1) Investment income included on lines 4a, 4b, 4c, and 4f	b(1)	32,035	See page 8 of Partner's Instructions for Schedule K-1 (Form 1065).
	(2) Investment expenses included on line 10	b(2)	0	
Self-employment	15a Net earnings (loss) from self-employment	15a	0	Sch. SE, Section A or B
	b Gross farming or fishing income	15b	0	See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).
	c Gross nonfarm income	15c	0	
Adjustments and Tax Preference Items	16a Depreciation adjustment on property placed in service after 1986	16a	759,509	See page 9 of Partner's Instructions for Schedule K-1 (Form 1065) and Instructions for Form 6251.
	b Adjusted gain or loss	16b	0	
	c Depletion (other than oil and gas)	16c	0	
	d (1) Gross income from oil, gas, and geothermal properties	d(1)	0	
	(2) Deductions allocable to oil, gas, and geothermal properties	d(2)	0	
	e Other adjustments and tax preference items (attach schedule)	16e	0	
Foreign Taxes	17a Type of income ▶			Form 1116, check boxes
	b Name of foreign country or possession ▶			
	c Total gross income from sources outside the United States (attach schedule)	17c	0	Form 1116, Part I
	d Total applicable deductions and losses (attach schedule)	17d	0	
	e Total foreign taxes (check one): ▶ ☐ Paid ☐ Accrued	17e	0	Form 1116, Part II
	f Reduction in taxes available for credit (attach schedule)	17f	0	Form 1116, Part III
	g Other foreign tax information (attach schedule)	17g	0	See Instructions for Form 1116.
Other	18 Section 59(e)(2) expenditures: a Type ▶			See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).
	b Amount	18b	0	
	19 Tax-exempt interest income	19	0	Form 1040, line 8b
	20 Other tax-exempt income	20	0	See pages 9 and 10 of Partner's Instructions for Schedule K-1 (Form 1065).
	21 Nondeductible expenses	21	385,567	
	22 Distributions of money (cash and marketable securities)	22	0	
	23 Distributions of property other than money	23	0	
	24 Recapture of low-income housing credit			
	a From section 42(j)(5) partnerships	24a	0	Form 8611, line 8
	b Other than on line 24a	24b	0	

Supplemental Information

25 Supplemental information required to be reported separately to each partner (attach additional schedules if more space is needed):

Line 21. Nondeductible Expenses

Meals & Entertainment	357,609
Fines & Penalties	27,958
Total	385,567

	Wiltel Com LLC 76-0534550	Williams Comm 73-1349451	Nortl (WC LLC) 04-2486332

STATEMENT 1 - OTHER INCOME

OTHER INCOME			
Other Interest Income	(3,560)		
Miscellaneous Nonoperating Income	(37)		
Other Miscellaneous Income	113,874		
TOTAL	110,277		

Williams Communications Solutions, LLC
Year: 1999

U S. PARTNERSHIP RETURN OF INCOME
76-0534950

STATEMENT 2 - OTHER DEDUCTIONS

	Wiltel Com LLC 76-0534950	Williams Comm 73-1349451	Nortl (WC LLC) 04-2486332
20 OTHER DEDUCTIONS			
Advertising	70,311		
Advertising - Event & Trade Shows	8,502,160		
Nondeductible Bus Meals & Entertain	(1,192,030)		
Dues & Subscriptions	721		
[illegible]	0		
Freight & Postage	12,577,731		
Intercompany Expenses	14,839,841		
Telephone & Communication Expense	20,284,422		
Transportation Expense	26,611,332		
Utilities	1,178,345		
Other Office Expenses	21,172,090		
Books & Subscriptions	0		
Computer Supplies & Maintenance	0		
Data Processing	5,601,624		
Office Supplies & Expense	26,936,526		
Other Supplies & Materials	798,694		
Current Years Amort - Form 4562	3,259,833		
Book Amortization	0		
Sales Commissions	479,851		
Industry Dues & Membership	0		
Dues & Memberships	0		
Research and Development Expenditure	0		
Professional Fees	32,111,337		
Employee Expenses	14,253,010		
Insurance Expense	1,925,692		
Restructuring Charges	6,269,687		
Other Miscellaneous Deductions	1,388,819		
Inter/Intra Co. Allocations/Expense	0		
Capital Charge Out	0		
Expenses AFE-Changes	0		
Expense Project Charge-Outs	0		
Job Cost Charge-Outs	0		
TOTAL	157,850,036		

	Wiltel Com LLC 76-0534950	Williams Comm 73-1349451	Nortl (WC LLC) 04-2486332

STATEMENT 3 - SCH A, ADD'L SECT 263A COSTS

4 ADDITIONAL SECTION 263A COSTS	
Inventory - Sec 263A Adj	506,855

Wiltel Com LLC 76-0524550	Williams Comm 73-1249451	Nortel (WC LLC) 04-2486332

STATEMENT 4 - SCH A, OTHER COSTS

5 OTHER COSTS	
Operation Expense	106,067,587
Maintenance Expense	0
Meals & Entertainment - 50% Deduct	2,381,060
Other Costs	17,116,810
TOTAL	125,565,857

Wiltel Com LLC	Williams Corp	Nortl (WC LLC)
76-0534950	73-1349451	04-2486332

STATEMENT 6 - SCH L, OTHER CURRENT ASSETS (BEG)

6 OTHER CURRENT ASSETS	
Def Inc Taxes - Fed Curr Asset	2,720,000
Prepaid Franchise Taxes	0
Prepaid Rent	1,598,733
Prepaid Insurance - General	392,291
Prepaid Commisions	8,492,275
Prepaid Transponder Expense	0
Other Prepaid Assets	9,523,712
Other Current Assets	(634,915)
TOTAL	22,092,096

	Wiltel Com LLC 76-0534950	Williams Comm 73-1345451	Nortel (WC LLC) 04-2486332

STATEMENT 7 - SCH L, OTHER ASSETS (BEG)

13 OTHER ASSETS	
Organization Expense	40,490
Deposits	1,902,218
Long-Term Notes Receivable	1,763,340
Amortization of Non-Comp - Cyclesat	0
Non-Compete Agreement - GATS	0
Amortization of Non-Comp - GATS	0
TOTAL	3,706,048

Wiltel Com LLC	Williams Comm	Nortl (WC LLC)
76-0534950	73-1345451	04-2486332

STATEMENT 8 - SCH L, OTHER CUR LIABILITIES (BEG)

17 OTHER CURRENT LIABILITIES	
Tax Collections Payable	211,080
Accr Taxes - Property Taxes	558,934
Accr Taxes - Franchise Taxes	100,194
Accr Taxes - Sales & Use Tax	2,224,546
Accr Taxes - State Income	(628,138)
Accr Taxes - Foreign Income	1,559,530
Accr Taxes - Other	0
Accr Emp Incentive Plan Exp	1,053,429
Accr Payroll	6,352,904
Accr Thrift Plan	(2,756,982)
Accr Vacation	21,355,552
Accr Workmen's Comp	117,813
FAS 112 - Post Emp Ben - Curr	0
FAS 87 - Accr Pension - Curr	2,809,532
Accrued Commissions	0
Accrued Bonus Plan - All Employees	0
Payroll Tax Withholding	5,661,704
Other Accr Employee Benefits	8,864,419
Accr Auditing Expense	188
Accr General Liability Insurance	58,787
Accr Legal Expense	1,306,361
Presidents Club Accrual	0
Other Accrued Liabilities	25,238,771
Def Revenue - Other	37,456,384
Contracts In Progress	49,433,583
Deferred Revenue	11,319,935
Other Accrued Liabilities	14,783,028
Def Inc Taxes - Fed Curr Liability	0
Def Inc Taxes - Foreign Curr Liab	386,377
TOTAL	187,865,931

Wiltel Com LLC 76-0534950 | Williams Comm 73-1349451 | Nortl (WC LLC) 04-2486332

STATEMENT 9 - SCH L, OTHER LIABILITIES (END)

20 OTHER LIABILITIES	
Def Inc Taxes - Fed NonCurr Liab	0
Def Inc Taxes - State/City NCurr Lia	(53,900)
Deferred Income - Other	4,150,727
FAS 106 - Post Ret Ben - All - NCurr	0
FAS 87 - Accr Pension - NCurr	0
Other NonCurrent Liabilities	6,367,000
TOTAL	10,463,827

	Wiltel Com LLC 76-0534550	Williams Comm 73-1349451	Nortl (WC LLC) 04-2486132

STATEMENT 10 - SCH L, OTHER CURRENT ASSETS (END)

6 OTHER CURRENT ASSETS			
Temporary Cash Investments	0		
Prepaid Rent	1,700,985		
Prepaid Insurance - General	164,555		
Prepaid Insurance - Property Casulty	0		
Prepaid Insurance - Executive Risk	0		
Prepaid Insurance - Liability	0		
Prepaid Insurance - Workmen's Comp	0		
Prepaid Commisions	0		
Other Prepaid Assets	4,467,350		
Assets Held For Sale	6,068,625		
Stock Option Clearning	0		
Miscellaneous Deferred	0		
Other Current Assets	0		
TOTAL	12,401,515		

Williams Communications Solutions, LLC
Year: 1999

	Wiltel Com LLC 76-0534950	Williams Comm 73-1245451	Nortl (WC LLC) 04-2486332

STATEMENT 11 - SCH L, OTHER ASSETS (END)

13 OTHER ASSETS	
Unamortized Debt Expense	0
Deposits	72,223
Long-Term Notes Receivable	0
TOTAL	72,223

4. List the total number of employees that are Miami-Dade and Broward County residents. The number of employees submitted is to be accurate as of the submittal date of your proposal.

266 employees.

5. Submit proof of occupancy of the Miami-Dade or Broward County location identified in item 3 above. If a proposer is leasing space from another company, a copy of the lease or an affidavit from the lessor must be submitted.

6. Submit a copy of the Miami-Dade or Broward County Occupational License that authorizes the business to provide the goods, services or construction to be purchased.

7. Complete the following:

Proposer: NextiraOne, LLC

Federal Employer Identification Number: 76-0534950

Address: 2800 Post Oak Boulevard

City/State/Zip: Houston, TX 77056,

Telephone: (713) 307-4000 Fax: (305) 675-7908

I hereby certify that to the best of my knowledge and belief all the foregoing facts are true and correct.

Signature of Authorized

Representative:

Sr. Vice President

Title:

Mike Olson

Date:

STATE OF Texas
COUNTY OF Harris

SUBSCRIBED AND SWORN TO (or affirmed) before me on
April 8, 2003,
(Date)

by M.Ke Olson . He/She is personally known to me or
(Affiant)

has presented ______________________ as identification.
(Type of Identification)

MIAMI-DADE COUNTY
TAX COLLECTOR
[illegible] FLAGLER ST
[illegible]
MIAMI FL 33130

2002 OCCUPATIONAL LICENSE TAX 2003
MIAMI-DADE COUNTY - STATE OF FLORIDA
EXPIRES SEPT 30, 2003
MUST BE DISPLAYED AT PLACE OF BUSINESS
PURSUANT TO COUNTY CODE CHAPTER 8A - ART. 9 & 10

FIRST-CLASS
U.S. POSTAGE
PAID
MIAMI, FL
PERMIT NO 231

505252-7

TRANSFER

LICENSE NO. 262375-0

BUSINESS NAME / LOCATION
NEXTIRAONE LLC
MIAD 3030
33122 UNIN DADE COUNTY

OWNER
NEXTIRAONE LLC

Sec. Type of Business
213 INSTALLATION SERV (NO CONTR)

EMPLOYEES
30

THIS IS AN OCCUPATIONAL TAX ONLY. IT DOES NOT PERMIT THE LICENSEE TO VIOLATE ANY EXISTING REGULATORY OR ZONING LAWS OF THE COUNTY OR CITIES. NOR DOES IT EXEMPT THE LICENSEE FROM ANY OTHER LICENSE OR PERMIT REQUIRED BY LAW. THIS IS NOT A CERTIFICATION OF THE LICENSEE'S QUALIFICATION.

DO NOT FORWARD

NEXTIRAONE LLC
ATTN TAX DEPT
P O BOX 998526
MIAMI FL 33299

PAYMENT RECEIVED
MIAMI-DADE COUNTY TAX COLLECTOR:
04/09/2003
02100017001
000022.50

SEE OTHER SIDE

[redacted]

FIRST-CLASS
U.S. POSTAGE
PAID
MIAMI, FL
PERMIT NO 231

250025-5
BUSINESS NAME / LOCATION

RENEWAL
LICENSE NO. 262375-0

NEXTIRA LLC
MIAD
33122 UNIN DADE COUNTY

3030

OWNER

NEXTIRA LLC

Sec Type of Business

213 INSTALLATION SERV (NO CONTR)

EMPLOYEES
30

THIS IS AN OCCUPATIONAL TAX ONLY. IT DOES NOT PERMIT THE LICENSEE TO VIOLATE ANY EXISTING REGULATORY OR ZONING LAWS OF THE COUNTY OR CITIES. NOR DOES IT EXEMPT THE LICENSEE FROM ANY OTHER LICENSE OR PERMIT REQUIRED BY LAW. THIS IS NOT A CERTIFICATION OF THE LICENSEE'S QUALIFICATION.

PAYMENT RECEIVED
MIAMI-DADE COUNTY TAX
COLLECTOR

03/28/2003
02010069001
00076250

SEE OTHER SIDE

DO NOT FORWARD

NEXTIRA LLC
ATTN TAX DEPT
P O BOX 998526
MIAMI FL 33299

NON-EXCLUSIVE TELECOMMUNICATIONS, DATA NETWORK, AND SHARED AIRPORT TENANT SERVICES MANAGEMENT AGREEMENT

made as of the 1st day of February in the year Two Thousand and Two.

Between the County: Miami-Dade County Florida, a political subdivision of the State of Florida, acting by and through its Board of County Commissioners, hereinafter called the "County", which shall include its officials, successors, legal representatives, and assigns.

AND THE CONTRACTOR: NEXTIRAONE, LLC
2800 Post Oak Boulevard
Suite 200
MD 25-12
Houston, Texas 77056

Which term shall include its officers, partners, employees, successors, legal representatives and assigns.

Description of the Project: Provides for the operations, management, maintenance, service; support and equipment and supplies of certain telecommunications and data network, infrastructure, hardware and software systems for Miami-Dade Aviation Department as more specifically herein.

upon being given one hundred and twenty (120) days notice of the termination from the Department. The purpose of the transition program is to ensure that either the new vendor or the Department's qualified operating and maintenance personnel are trained in all aspects of the System, provided that the Contractor's sole responsibility shall be to implement a program in good faith and in no event shall the Contractor have any liability or responsibility for whether the new vendor or the Department's qualified operations and maintenance personnel actually are competent to perform the Services to which they are assigned. As part of this transition plan, the Contractor will be required to ensure that all applicable equipment and systems are operational and installed in accordance with plans and specifications, and ensure that Documentation is submitted to the Department as stipulated in this Agreement, including, but not limited to, as-built/record documents and manufacturer's operations and maintenance manuals, and operational procedures specific to MDAD.

4 **Limited Transition Plan:** If the County desires to terminate and provide notice of less than one hundred and twenty (120) days, but in no event less than thirty (30) days, the Contractor will take all reasonable steps to assist the County in effecting a smooth transition to a new provider, such as the staffing overlap of managerial, administrative, or technical personnel from the Contractor, with the incoming new provider or the Department's personnel, to ensure that either the new vendor or the Department's qualified operating and maintenance personnel are trained in all aspects of the System. The support would be provided in the areas that pertain to the County, rather than internal Contractor operations. Any overtime work required to support such a transition overlap would be incurred by either the County or the new provider. In addition, the County may negotiate with the Contractor for a contract extension for such a transition program, which would include compensation to the Contractor, which may be paid by either the County or the new provider.

ARTICLE 5
OFFICE SPACE AND PARKING ARRANGEMENTS

A. **Existing Operations / Engineering Space**

1. Based on thirty-eight (38) assigned personnel, MDAD will provide to the Contractor its existing workspace as described in Exhibit 3 (the "Space"), plus loading dock access and storage space for cables, to the Contractor at no cost. No additional space will be provided by the Department in its facilities for the personnel of the Contractor or any of its subcontractors.

2. Custodial Service for Office Areas: MDAD will provide routine custodial service for the Contractor's offices and engineering area This service shall include cleaning of floors, and emptying of waste paper and recycled paper containers. This custodial service shall not include the routine cleaning of the two (2) Core Rooms These locations shall be cleaned and maintained by the Contractor.

29. Entirety of Agreement

The Parties hereto agree that this Agreement sets forth the entire agreement between the Parties, and there are no promises or understandings other than those stated herein. None of the provisions, terms and conditions contained in this Agreement may be added to, modified, superseded or otherwise altered, except as may be specifically authorized by subarticles 12 and 17 to this article of the Agreement, or by written instrument executed by the Parties hereto.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date first herein above set forth.

Contractor	Miami-Dade County
By:	By:
Name: David F. Gatto	Name: Steve Shiver
Title: Chief Operations Officer	Title: County Manager
Date: January 23, 2002	Date: Feb 1, 2002
Attest: Secretary	Attest: Clerk of the Board

NextiraOne, LLC LIMITED LIABILITY COMPANY SEAL April 11, 1997 DELAWARE

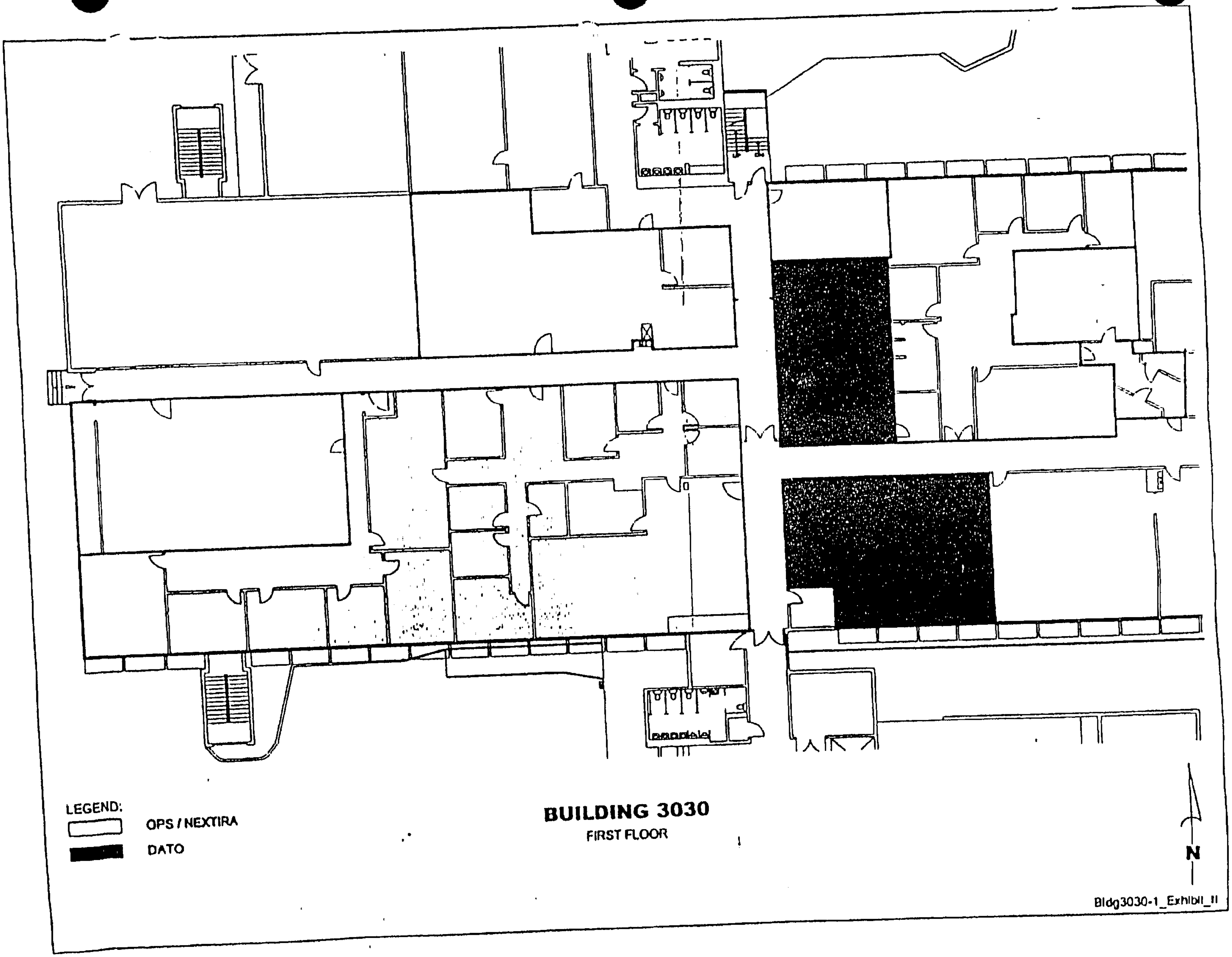
COUNTY COMMISSIONERS DADE COUNTY

Approved as to form and legal sufficiency

Assistant County Attorney

Dated 1/23/02

EXHIBIT 3



LEGEND:
OPS / NEXTIRA
DATO
BUILDING 3030
FIRST FLOOR
N
Bldg3030-1_Exhibit_II

APPENDIX F
Affidavits

APPENDIX F

MIAMI-DADE COUNTY

MIAMI-DADE AVIATION DEPARTMENT SINGLE EXECUTION AFFIDAVITS

(Submittal with Proposal Required)

This sworn statement is submitted with the Proposal/Bid for:

Project Title: Non-Exclusive Telecommunications and Network Management Service Agreement

Project Number MDAD-04-01

COUNTY OF Miami-Dade

STATE OF Florida

Before me the undersigned authority appeared, Mike Olson (Print Name)

who is personally known to me or who has provided Texas Drivers License

as identification and who did (did not) take an oath, and who stated:

That he is the duly authorized representative of

NextiraOne, LLC

(Name of Proposer/Bidder)

2800 Post Oak Boulevard, Houston, TX 77056

(Address of Proposer/Bidder)

hereinafter referred to as the contracting entity being its

Other Authorized Officer, SR Vice President

(Sole Proprietor)(Partner)(President or Other Authorized Officer)

and as such has full authority to make these three affidavits and say as follows.

AFFIDAVIT NO. 1
SWORN STATEMENT UNDER SECTION 287.133(3)(a), FLORIDA STATUTES, ON PUBLIC ENTITY CRIMES

1.. I understand that a "public entity crime" as defined in Paragraph 287.133(1) (g), Florida Statutes, means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or with the United States, including, but not limited to, any bid or contract for goods or services to be provided to any public entity or an agency or political subdivision of any other state or of the United States and involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.

2. I understand that "convicted" or "conviction" as defined in Paragraph 287.133 (1)(b), Florida Statutes, means a finding of guilt or a conviction of a public entity crime, with or without an adjudication of guilt, in any federal or state trial court of record relating to charges brought by indictment or information after July 1, 1989, as a result of a jury verdict, nonjury trial, or entry of a plea of guilty or nolo contendere.

3 I understand that an "affiliate" as defined in Paragraph 287.133(1)(a), Florida Statutes, means:

1 A predecessor or successor of a person convicted of a public entity crime: or

2. An entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public entity crime. The term "affiliate" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in the management of an affiliate. The ownership by one person of shares constituting a controlling interest in another person, or a pooling of equipment or income among persons when not for fair market value under an arm's length agreement, shall be a prima facie case that one person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding 36 months shall be considered an affiliate.

4. I understand that a "person" as defined in Paragraph 287.133(1)(e), Florida Statutes, means any natural person or entity organized under the laws of any state or of the United States with the legal power to enter into a binding contract and which bids or applies to bid on contracts for the provision of goods or services let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The term "person" includes those officers, directors, executives, partners, shareholders, employees, members and agents who are active in management of an entity.

5. Based on information and belief, the statement which I have marked below is true in relation to the entity submitting this sworn statement. **[Please indicate which statement applies.]**

_X_ Neither the entity submitting this sworn statement, nor any officers, directors, executives, partners shareholders, employees, members, or agents who are active in management of the entity, nor any affiliate of the entity have been charged with and convicted of a public entity crime subsequent to July 1, 1989.

_____ The entity submitting this sworn statement, or one or more of the officers, directors, executives, partners, shareholders, employees, members, or agents who are active in management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989, AND **[Please indicate which additional statement applies.]**

Form 4562 — Depreciation and Amortization (Including Information on Listed Property)

Department of the Treasury
Internal Revenue Service (99)

▶ See separate Instructions ▶ Attach this form to your return.

OMB No. 1545-0172

2000

Attachment Sequence No. 67

Name(s) shown on return	Business or activity to which this form relates	Identifying number
Williams Communications Solutions, LLC	SELL/SRV PHONE EQUIP	76-0534950

Part I Election To Expense Certain Tangible Property (Section 179)

If you have any "listed property", complete Part V before you complete Part I

1	Maximum dollar limitation. If an enterprise zone business, see page 2 of the instructions	1	$20 000
2	Total cost of section 179 property placed in service See page 2 of the instructions	2	0
3	Threshold cost of section 179 property before reduction in limitation	3	$200 000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	0
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see page 2 of the instructions	5	20,000

	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
6		0	0
		0	0
7	Listed property. Enter amount from line 27	7	0

8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	0
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	0
10	Carryover of disallowed deduction from 1999. See page 3 of the instructions	10	0
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	20,000
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	0
13	Carryover of disallowed deduction to 2001. Add lines 9 and 10, less line 12 ▶ 13	0	

Note: Do not use Part II or Part III below for listed property (automobiles, certain other vehicles, cellular telephones, certain computers, or property used for entertainment, recreation, or amusement). Instead, use Part V for listed property.

Part II MACRS Depreciation For Assets Placed in Service Only During Your 2000 Tax Year (Do Not include listed property)

Section A – General Asset Account Election

14 If you are making the election under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check this box. See page 3 of the instructions ▶ ☐

Section B— General Depreciation System (GDS) (See page 3 of the instructions)

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
15a 3-year property		0				0
b 5-year property		7,412,092	5yr	HY	200DB	370,605
c 7-year property		531,434	7yr	HY	200DB	18,980
d 10-year property		0				0
e 15-year property		0				0
f 20-year property		0				0
g 25-year property		0	25 yrs.		S/L	0
h Residential rental property		0	27.5 yrs.	MM	S/L	0
		0	27.5 yrs.	MM	S/L	0
i Nonresidential real property		0	39 yrs.	MM	S/L	0
		0		MM	S/L	0

Section C--Alternative Depreciation System (ADS) (See page 5 of the instructions.)

(a)	(b)	(c)	(d)	(e)	(f)	(g)
16a Class life		0			S/L	0
b 12-year		0	12 yrs.		S/L	0
c 40-year		0	40 yrs.	MM	S/L	0

Part III Other Depreciation (Do Not Include Listed Property.) (See page 6 of the instructions.)

17	GDS and ADS deductions for assets placed in service in tax years beginning before 2000	17	8,419,218
18	Property subject to section 168(f)(1) election	18	0
19	ACRS and other depreciation	19	0

Part IV Summary (See page 6 of the instructions.)

20	Listed property. Enter amount from line 26	20	0
21	Total. Add deductions on line 12, lines 15 and 16 in column (g), and lines 17 through 20. Enter here and on the appropriate lines of your return. Partnerships and S corporations — see instructions	21	8,808,803
22	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	22	0

For Paperwork Reduction Act Notice, see page 9 of the Instructions. Form 4562 (2000)

MCFPAG0

Williams Communications Solutio LLC

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 23a, 23b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable

Section A —Depreciation and Other Information (Caution: See page 7 of the instructions for limits for passenger automobiles.)

23a Do you have evidence to support the business/investment use claimed? Yes No 23b If "Yes," is the evidence written? Yes No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
24 Property used more than 50% in a qualified business use (See page 6 of the instructions.):								
		%	0	0			0	0
		%	0	0			0	0
		%	0	0			0	0
25 Property used 50% or less in a qualified business use (See page 6 of the instructions.):								
		%	0	0		S/L –	0	
		%	0	0		S/L –	0	
		%	0	0		S/L –	0	

26 Add amounts in column (h). Enter the total here and on line 20, page 1 .... 26 | 0

27 Add amounts in column (i). Enter the total here and on line 7, page 1 .... 27 | 0

Section B — Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
28 Total business/investment miles driven during the year (do not include commuting miles — see page 1 of the instructions)	0		0		0		0		0		0	
29 Total commuting miles driven during the year	0		0		0		0		0		0	
30 Total other personal (noncommuting) miles driven	0		0		0		0		0		0	
31 Total miles driven during the year Add lines 28 through 30	0		0		0		0		0		0	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
32 Was the vehicle available for personal use during off-duty hours?												
33 Was the vehicle used primarily by a more than 5% owner or related person?												
34 Is another vehicle available for personal use?												

Section C — Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons. See page 8 of the instructions

	Yes	No
35 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
36 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See page 8 of the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
37 Do you treat all use of vehicles by employees as personal use?		
38 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
39 Do you meet the requirements concerning qualified automobile demonstration use? See page 8 of the instructions		

Note: If your answer to 35, 36, 37, 38, or 39 is "Yes," you do not complete Section B for the covered vehicles

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
40 Amortization of costs that begins during your 2000 tax year (See page 8 of the instructions.):					
		0			0
		0			0

41 Amortization of costs that began before 2000 .... 41 | 812,867

42 Total. Add amounts in column (f). See page 9 of the instructions for where to report .... 42 | 812,867

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SCHEDULE K-1 (Form 1065)
Department of the Treasury Internal Revenue Service

Partner's Share of Income, Credits, Deductions, etc.

▶ See separate instructions.

For calendar year 2000 or tax year beginning 01 01 2000 and ending 03 31 2001

OMB No. 1545-0099

2000

Partner's identifying number ▶ 73-1349451

Partnership's identifying number ▶ 76-0534950

Partner's name, address, and ZIP code
Williams Communications, LLC
PO Box 22067-Tax Dept
Tulsa OK 74121

Partnership's name, address, and ZIP code
Williams Com Solutions, LLC
2800 Post Oak Blvd.
Houston TX 77253-3568

A This partner is a ☐ general partner ☐ limited partner ☒ limited liability company member

B What type of entity is this partner? ▶ Corporation

C Is this partner a ☒ domestic or a ☐ foreign partner?

D Enter partner's percentage of:

	(i) Before change or termination	(ii) End of year
Profit sharing	70.000000 %	70.000000 %
Loss sharing	70.000000 %	70.000000 %
Ownership of capital	70.000000 %	70.000000 %

E IRS Center where partnership filed return: TX

F Partner's share of liabilities (see instructions):
Nonrecourse $ 0
Qualified nonrecourse financing $ 0
Other $ 582,048,743

G Tax shelter registration number ▶

H Check here if this partnership is a publicly traded partnership as defined in section 469(k)(2) ☐

I Check applicable boxes: (1) ☒ Final K-1 (2) ☐ Amended K-1

J Analysis of partner's capital account:

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of lines 3, 4, and 7, Form 1065, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year (combine columns (a) through (d))
51,762,833	0	-18,255,838	(0)	33,506,995

	(a) Distributive share item		(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Income (Loss)	1 Ordinary income (loss) from trade or business activities	1	-5,990,692	See page 6 of Partner's Instructions for Schedule K-1 (Form 1065).
	2 Net income (loss) from rental real estate activities	2	0	
	3 Net income (loss) from other rental activities	3	0	
	4 Portfolio income (loss):			
	a Interest	4a	0	Sch. E, Part I, line 1
	b Ordinary dividends	4b	0	Sch. B, Part II, line 5
	c Royalties	4c	0	Sch. E, Part I, line 4
	d Net short-term capital gain (loss)	4d	0	Sch. D, line 5, col. (f)
	e Net long-term capital gain (loss):			
	(1) 28% rate gain (loss)	e(1)	0	Sch. D, line 12, col. (g)
	(2) Total for year	e(2)	0	Sch. D, line 12, col. (f)
	f Other portfolio income (loss) (attach schedule)	4f	0	Enter on applicable line of your re
	5 Guaranteed payments to partner	5	0	See page 6 of Partner's Instructions for Schedule K-1 (Form 1065).
	6 Net section 1231 gain (loss) (other than due to casualty or theft)	6	0	
	7 Other income (loss) (attach schedule)	7	0	Enter on applicable line of your ret
Deductions	8 Charitable contributions (see instructions) (attach schedule)	8	805	Sch. A, line 15 or 16
	9 Section 179 expense deduction	9	0	See pages 7 and 8 of Partner's Instructions for Schedule K-1 (Form 1065).
	10 Deductions related to portfolio income (attach schedule)	10	0	
	11 Other deductions (attach schedule)	11	0	
Credits	12a Low-income housing credit:			
	(1) From section 42(j)(5) partnerships for property placed in service before 1990	a(1)	0	Form 8586, line 5
	(2) Other than on line 12a(1) for property placed in service before 1990	a(2)	0	
	(3) From section 42(j)(5) partnerships for property placed in service after 1989	a(3)	0	
	(4) Other than on line 12a(3) for property placed in service after 1989	a(4)	0	
	b Qualified rehabilitation expenditures related to rental real estate activities	12b	0	See page 8 of Partner's Instructions for Schedule K-1 (Form 1065).
	c Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities	12c	0	
	d Credits related to other rental activities	12d	0	
	13 Other credits	13	0	

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	(a) Distributive share item		(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Invest. Interest	14a Interest expense on investment debts	14a	0	Form 4952, line 1
	b (1) Investment income included on lines 4a, 4b, 4c, and 4f	b(1)	0	See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).
	(2) Investment expenses included on line 10	b(2)	0	
Self-employment	15a Net earnings (loss) from self-employment	15a	0	Sch. SE, Section A or B
	b Gross farming or fishing income	15b	0	See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).
	c Gross nonfarm income	15c	0	
Adjustments & Tax Preference Items	16a Depreciation adjustment on property placed in service after 1986	16a	712,571	See page 9 of Partner's Instructions for Schedule K-1 (Form 1065) and Instructions for Form 6251.
	b Adjusted gain or loss	16b	0	
	c Depletion (other than oil and gas)	16c	0	
	d (1) Gross income from oil, gas, and geothermal properties	d(1)	0	
	(2) Deductions allocable to oil, gas, and geothermal properties	d(2)	0	
	e Other adjustments and tax preference items (attach schedule)	16e	0	
Foreign Taxes	17 a Name of foreign country or U.S. possession ▶			Form 1116, Part I
	b Gross income sourced at partner level ▶	17b	0	
	c Foreign gross income sourced at partnership level:			
	(1) Passive	17c(1)	0	
	(2) Listed Categories (attach schedule)	17c(2)	0	
	(3) General limitation	17c(3)	0	
	d Deductions allocated and apportioned at partner level:			
	(1) Interest expense	17d(1)	0	
	(2) Other	17d(2)	0	
	e Deductions allocated and apportioned at partnership level to foreign source income			
	(1) Passive	17e(1)	0	
	(2) Listed Categories (attach schedule)	17e(2)	0	
	(3) General limitation	17e(3)	0	
	f Total foreign taxes (check one): ▶ ☐ Paid ☐ Accrued	17f	0	Form 1116, Part II
	g Reduction in taxes available for credit and gross income from all sources (attach schedule)	17g	0	Form 1116, Part III and Instructions for Form 1116.
Other	18 Section 59(e)(2) expenditures: a Type ▶			See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).
	b Amount	18b	0	
	19 Tax-exempt interest income	19	0	Form 1040, line 8b
	20 Other tax-exempt income	20	0	See pages 5 and 10 of Partner's Instructions for Schedule K-1 (Form 1065).
	21 Nondeductible expenses	21	275,815	
	22 Distributions of money (cash and marketable securities)	22	0	
	23 Distributions of property other than money	23	0	
	24 Recapture of low-income housing credit:			
	a From section 42(j)(5) partnerships	24a	0	Form 8611, line 8
	b Other than on line 24a	24b	0	

Supplemental Information

25 Supplemental information required to be reported separately to each partner (attach additional schedules if more space is needed)

Line 21: Nondeductible expenses

Meals and Entertainment	$ 235,197
Club Dues	29,103
Penalties	11,515
Total	$ 275,815

SCHEDULE K-1 (Form 1065)
Department of the Treasury Internal Revenue Service

Partner's Share of Income, Credits, Deductions, etc.

▶ See separate instructions.

For calendar year 2000 or tax year beginning 01 01 2000 and ending 03 31 2001

OMB No. 1545-0099

2000

Partner's identifying number ▶ 04-2486332

Partnership's identifying number ▶ 76-0534950

Partner's name, address, and ZIP code
Nortel Networks, Inc.
200 Athens Way
Nashville TN 37228

Partnership's name, address, and ZIP code
Williams Comm Solutions, LLC
2800 Post Oak Blvd.
PO Box 3568: MD 24- TAX DEPT.
Houston TX 77253-3568

A This partner is a ☐ general partner ☐ limited partner ☒ limited liability company member

B What type of entity is this partner? ▶ CORPORATION

C Is this partner a ☒ domestic or a ☐ foreign partner?

D Enter partner's percentage of: (i) Before change or termination (ii) End of year

	(i) Before change or termination	(ii) End of year
Profit sharing	30.000000 %	30.000000 %
Loss sharing	30.000000 %	30.000000 %
Ownership of capital	30.000000 %	30.000000 %

E IRS Center where partnership filed return

F Partner's share of liabilities (see instructions):
Nonrecourse $ 0
Qualified nonrecourse financing $ 0
Other $ 249,449,461

G Tax shelter registration number ▶

H Check here if this partnership is a publicly traded partnership as defined in section 469(k)(2) ☐

I Check applicable boxes (1) ☒ Final K-1 (2) ☐ Amended K-1

J Analysis of partner's capital account:

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of lines 3, 4, and 7, Form 1065, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year (combine columns (a) through (d))
22,184,152	0	-7,823,930	(0)	14,360,222

		(a) Distributive share item		(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Income (Loss)	1	Ordinary income (loss) from trade or business activities	1	-2,567,440	See page 6 of Partner's Instructions for Schedule K-1 (Form 1065).
	2	Net income (loss) from rental real estate activities	2	0	
	3	Net income (loss) from other rental activities	3	0	
	4	Portfolio income (loss):			
	a	Interest	4a	0	Sch. B, Part I, line 1
	b	Ordinary dividends	4b	0	Sch. B, Part II, line 5
	c	Royalties	4c	0	Sch. E, Part I, line 4
	d	Net short-term capital gain (loss)	4d	0	Sch. D, line 5, col. (f)
	e	Net long-term capital gain (loss):			
		(1) 28% rate gain (loss)	e(1)	0	Sch. D, line 12, col. (g)
		(2) Total for year	e(2)	0	Sch. D, line 12, col. (f)
	f	Other portfolio income (loss) (attach schedule)	4f	0	Enter on applicable line of your re
	5	Guaranteed payments to partner	5	0	See page 6 of Partner's Instructions for Schedule K-1 (Form 1065).
	6	Net section 1231 gain (loss) (other than due to casualty or theft)	6	0	
	7	Other income (loss) (attach schedule)	7	0	Enter on applicable line of your re
Deductions	8	Charitable contributions (see instructions) (attach schedule)	8	345	Sch. A, line 15 or 16
	9	Section 179 expense deduction	9	0	See pages 7 and 8 of Partner's Instructions for Schedule K-1 (Form 1065).
	10	Deductions related to portfolio income (attach schedule)	10	0	
	11	Other deductions (attach schedule)	11	0	
Credits	12a	Low-income housing credit			
		(1) From section 42(j)(5) partnerships for property placed in service before 1990	a(1)	0	Form 8586, line 5
		(2) Other than on line 12a(1) for property placed in service before 1990	a(2)	0	
		(3) From section 42(j)(5) partnerships for property placed in service after 1989	a(3)	0	
		(4) Other than on line 12a(3) for property placed in service after 1989	a(4)	0	
	b	Qualified rehabilitation expenditures related to rental real estate activities	12b	0	See page 8 of Partner's Instructions for Schedule K-1 (Form 1065).
	c	Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities	12c	0	
	d	Credits related to other rental activities	12d	0	
	13	Other credits	13	0	

For Paperwork Reduction Act Notice, see Instructions for Form 1065.

Schedule K-1 (Form 1065) 2000

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		(a) Distributive share item		(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Inv. Int.	14a	Interest expense on investment debts	14a	0	Form 4952, line 1
	b	(1) Investment income included on lines 4a, 4b, 4c, and 4f	b(1)	0	See page 9 of Partner's Instructions for Schedule K-1 (Form 1065)
		(2) Investment expenses included on line 10	b(2)	0	
Self-employment	15a	Net earnings (loss) from self-employment	15a	0	Sch. SE, Section A or B
	b	Gross farming or fishing income	15b	0	See page 9 of Partner's Instructions for Schedule K-1 (Form 1065)
	c	Gross nonfarm income	15c	0	
Adjustments and Tax Preference Items	16a	Depreciation adjustment on property placed in service after 1986	16a	305,387	See page 9 of Partner's Instructions for Schedule K-1 (Form 1065) and Instructions for Form 6251.
	b	Adjusted gain or loss	16b	0	
	c	Depletion (other than oil and gas)	16c	0	
	d	(1) Gross income from oil, gas, and geothermal properties	d(1)	0	
		(2) Deductions allocable to oil, gas, and geothermal properties	d(2)	0	
	e	Other adjustments and tax preference items (attach schedule)	16e	0	
Foreign Taxes	17 a	Name of foreign country or U.S. possession ▶			Form 1116, Part I
	b	Gross income sourced at partner level ▶	17b	0	
	c	Foreign gross income sourced at partnership level:			
		(1) Passive	17c(1)	0	
		(2) Listed Categories (attach schedule)	17c(2)	0	
		(3) General limitation	17c(3)	0	
	d	Deductions allocated and apportioned at partner level:			
		(1) Interest expense	17d(1)	0	
		(2) Other	17d(2)	0	
	e	Deductions allocated and apportioned at partnership level to foreign source income:			
		(1) Passive	17e(1)	0	
		(2) Listed Categories (attach schedule)	17e(2)	0	
		(3) General limitation	17e(3)	0	
	f	Total foreign taxes (check one): ▶ ☐ Paid ☐ Accrued	17f	0	Form 1116, Part II
	g	Reduction in taxes available for credit and gross income from all sources (attach schedule)	17g	0	Form 1116, Part III and Instructions for Form 1116.
Other	18	Section 59(e)(2) expenditures: a Type ▶			See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).
	b	Amount	18b	0	
	19	Tax-exempt interest income	19	0	Form 1040, line 8b
	20	Other tax-exempt income	20	0	See pages 9 and 10 of Partner's Instructions for Schedule K-1 (Form 1065).
	21	Nondeductible expenses	21	118,207	
	22	Distributions of money (cash and marketable securities)	22	0	
	23	Distributions of property other than money	23	0	
	24	Recapture of low-income housing credit:			
	a	From section 42(j)(5) partnerships	24a	0	Form 8611, line 8
	b	Other than on line 24a	24b	0	

Supplemental Information

25 Supplemental information required to be reported separately to each partner (attach additional schedules if more space is needed):

Line 21: Nondeductible expenses

Meals and Entertainment	$ 100,799
Club Dues	12,473
Penalties	4,935
Total	$ 118,207

WILLIAMS COMMUNICATIONS SOLUTIONS, LLC
FEIN 76-0534950
TAX YEAR 1/1 – 3/31/01

Statement Pursuant to Regulation Sec. 1.708-1(b)(1)(iv) Technical Termination

This partnership is a deemed "NEW" partnership pursuant to regulation Section 1.708-1(b)(1)(iv), effective April 1, 2001, and will be continuing operations under the name of NextiraOne, LLC (FEIN 76-0534950). The "OLD" partnership was deemed to have a technical termination effective March 31, 2001 under IRC Section 708(b)(1)(B).

01/10/2002 - 12:17:04 PM

U.S. PARTNERSHIP RETURN OF INCOME

Williams Communications Solutions, LLC 76-0534950

Year: 2001

STATEMENT 1 - OTHER INCOME

7 OTHER INCOME	
Bad Debt Recovery	1,633,469
Other Interest Income	12,888
Other Miscellaneous Income	53,310
TOTAL	1,699,667

STATEMENT 2 - OTHER DEDUCTIONS

20 OTHER DEDUCTIONS	
Advertising	147,288
Advertising - Event & Trade Shows	142,332
Nondeductible Bus Meals & Entertain	335,995
Business Gifts	12,541
Dues & Subscriptions	8,323
Supervision and Clerical	276,527
Freight & Postage	3,611,077
Intercompany Expenses	1,485,875
Outside Security	50,251
Telephone & Communication Expense	4,330,376
Transportation Expense	6,373,662
Utilities	435,050
Other Office Expenses	2,373,454
Computer Software Expense	15,404
Computer Supplies & Maintenance	15,252
Data Processing	159,161
Office Supplies & Expense	6,022,430
Other Supplies & Materials	133,981
Prior Years Amort - Form 4562	812,867
Sales Commissions	7,577
Bank Service Charges	17,398
Professional Fees	2,365,246
Permits	519,560
Employee Expenses	2,555,143
Insurance Expense	376,913
Other Miscellaneous Deductions	969,212
TOTAL	33,552,895

Williams Communications Solutions, LLC 76-0534950
Year: 2001

STATEMENT 3 - SCH A, ADD'L SECT 263A COSTS

4 ADDITIONAL SECTION 263A COSTS	
Inventory - Sec 263A Adj	111,772

U.S. PARTNERSHIP RETURN OF INCOME

Williams Communications Solutions, LLC 76-0534950

Year: 2001

STATEMENT 4 - SCH A, OTHER COSTS

5 OTHER COSTS	
Operation Expense	3,417,134

STATEMENT 5 - SCH K, CHARITABLE CONTRIBUTIONS

8	CHARITABLE CONTRIBUTIONS	
	Contributions - Current Year Expense	1,150

STATEMENT 6 - SCH L, OTHER CURRENT ASSETS (BEG)

6 OTHER CURRENT ASSETS	
Prepaid Rent	1,942,183
Prepaid Insurance - General	272,631
Prepaid Maintenance	43,206
Prepaid Commisions	7,885,463
Other Prepaid Assets	8,611,630
TOTAL	18,755,113

U.S. PARTNERSHIP RETURN OF INCOME

Williams Communications Solutions, LLC 76-0534950

Year: 2001

STATEMENT 7 - SCH L, OTHER INVESTMENTS (BEG)

8 OTHER INVESTMENTS	
Investments in Consolidated Subs	49,089,078

STATEMENT 8 - SCH L, OTHER ASSETS (BEG)

13 OTHER ASSETS	
Deposits	41,394

U.S. PARTNERSHIP RETURN OF INCOME

Williams Communications Solutions, LLC 76-0534950

Year: 2001

STATEMENT 9 - SCH L, OTHER CUR LIABILITIES (BEG)

17 OTHER CURRENT LIABILITIES	
Accr Taxes - FICA	1,375,628
Accr Taxes - Unemployment	37,060
Accr Taxes - Property Taxes	1,411,977
Accr Taxes - Franchise Taxes	61,048
Accr Taxes - Sales & Use Tax	1,241,956
Accr Taxes - Federal Income	(334)
Accr Taxes - State Income	(90,000)
Accr Taxes - Other	356,738
Accr Int - Other	1,571,433
Accr Dental/Vision Plan Liab	(10)
Accr LTD Plan Liab	3,789,389
Accr Medical Plan Liab	(80)
Accr Vacation	27,323,252
Accr Workmen's Comp	2,070,117
Accrued Commissions	6,977,832
Accrued Bonus Plan - All Employees	1,587,309
Payroll Tax Withholding	3,379,447
Other Accr Employee Benefits	18,615,426
Accr Auditing Expense	400,200
Accr Legal Expense	250,135
Accr Liab - Warranty Work	14,514,697
Accrued Acquisition Costs - JVD	553,108
Accrued Relocation	(85,759)
Other Accrued Liabilities	22,960,139
Def Revenue - Other	31,561,247
Contracts In Progress	50,000,000
TOTAL	189,861,955

U.S. PARTNERSHIP RETURN OF INCOME

Williams Communications Solutions, LLC 76-0534950

Year: 2001

STATEMENT 10 - SCH L, OTHER LIABILITIES (BEG)

20 OTHER LIABILITIES	
Def Inc Taxes - State/City NCurr Lia	(53,900)
Other NonCurrent Liabilities	1,980,000
TOTAL	1,926,100

U.S. PARTNERSHIP RETURN OF INCOME

Williams Communications Solutions, LLC 76-0534950

Year: 2001

STATEMENT 11 - SCH L, OTHER CURRENT ASSETS (END)

6 OTHER CURRENT ASSETS	
Prepaid Rent	2,084,212
Prepaid Insurance - General	110,377
Prepaid Maintenance	21,603
Prepaid Commisions	9,191,491
Other Prepaid Assets	8,872,630
WIP Est Earnings	(8,500,000)
TOTAL	11,780,313

STATEMENT 12 - SCH L, OTHER INVESTMENTS (END)

8 OTHER INVESTMENTS	
Investments in Controlled Forgn Subs	42,826,753

STATEMENT 13 - SCH L, OTHER ASSETS (END)

13 OTHER ASSETS	
Deposits	26,354

STATEMENT 14 - SCH L, OTHER CUR LIABILITIES (END)

17 OTHER CURRENT LIABILITIES	
Accr Taxes - Unemployment	1,265,753
Accr Taxes - Property Taxes	663,050
Accr Taxes - Franchise Taxes	65,967
Accr Taxes - Sales & Use Tax	1,022,638
Accr Taxes - Federal Income	(398)
Accr Taxes - State Income	(2,915)
Accr Taxes - Other	941,300
Accr LTD Plan Liab	3,416,920
Accr Vacation	25,788,252
Accr Workmen's Comp	2,053,322
Accrued Commissions	5,171,832
Accrued Bonus Plan - All Employees	232,000
Payroll Tax Withholding	659,917
Other Accr Employee Benefits	25,361,025
Accr Auditing Expense	100,000
Accr Legal Expense	325,000
Accr Liab - Warranty Work	12,258,456
Accrued Acquisition Costs - JVD	377,718
Accrued Relocation	(63,996)
Other Accrued Liabilities	14,849,977
Def Revenue - Other	36,604,695
Contracts In Progress	63,000,000
TOTAL	194,090,513

STATEMENT 15 - SCH L, OTHER LIABILITIES (END)

20 OTHER LIABILITIES	
Other NonCurrent Liabilities	5,664,847

U.S. PARTNERSHIP RETURN OF INCOME

Williams Communications Solutions, LLC 76-0534950

Year: 2001

STATEMENT 16 - SCH M-1, INC ON K-1 NOT ON BOOKS

2	INCOME INCL IN SCH K-1 BUT NOT RECORDED ON BOOKS	
	Deferred Revenue - Other	4,265,447

U.S. PARTNERSHIP RETURN OF INCOME

Williams Communications Solutions, LLC 76-0534950

Year: 2001

STATEMENT 17 - SCH M-1, EXP ON BOOKS NOT ON K-1

4 EXPENSES RECORDED ON BOOKS BUT NOT INCL IN K-1	
Club Dues	41,576
Fines and Penalties	16,450
Reserve Uncollectible A/R - Cur	1,033,469
Sec 263A Inventory Adjustment	(111,772)
Prior Year Inventory Reserve	(1,203,423)
Goodwill Amortization-Tax	(812,867)
Accrued Workmen's Comp	(16,795)
Accrued Vacation/PTO	1,140,807
Accrued Exec Incentive Plan Exp	(458,461)
Accrued Auditing Expense	(300,200)
Accrued Legal Expense	45,748
Accrued Acquisition Costs - JVD	(175,390)
Accrued Acquisition Costs - Comlnk	(491,981)
Restructuring Reserve	53,543
Accr Liab - Warranty Work	(2,256,241)
Reserve to Complete Code 1 Costs	16,173,789
Accrued Other Liabs/Exp	(87,000)
TOTAL	12,591,252

STATEMENT 18 - SCH M-1, INC ON BOOKS NOT IN K-1

6	INCOME RECORDED ON BOOKS BUT NOT INCL ON K-1	
	Equity in Earnings of Consol Subs	(9,185,599)

REDACTED

Form **1065**
Department of the Treasury
Internal Revenue Service

SHORT YEAR INITIAL RETURN

U.S. Return of Partnership Income

For calendar year 2001, or tax year beginning 04/01, 2001, and ending 12/31/2001

▶ See separate instructions.

OMB No. 1545-0099

2001

A Principal business activity: SELL/SRV PHONE EQUIPMENT	Name of partnership: NEXTIRAONE, LLC	D Employer identification number: 76-0534950
B Principal product or service: COMMUNICATIONS EQUIPMENT	Number, street, and room or suite no. If a P.O. box, see page 13 of the instructions: 2049 CENTURY PARK EAST, SUITE 2700	E Date business started: 04/11/1997
C Business code number: 513300	City or town, state, and ZIP code: LOS ANGELES CA 90067	F Total assets (see page 14 of the instructions): $ 700,719,820.

G Check applicable boxes: (1) [X] Initial return (2) [ ] Final return (3) [ ] Name change (4) [ ] Address change (5) [ ] Amended return

H Check accounting method: (1) [ ] Cash (2) [X] Accrual (3) [ ] Other (specify) ▶

I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ▶ 2

Caution: Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Income	1a Gross receipts or sales	1a	795,871,301.		
	b Less returns and allowances	1b		1c	795,871,301.
	2 Cost of goods sold (Schedule A, line 8)			2	566,968,964.
	3 Gross profit. Subtract line 2 from line 1c			3	228,902,337.
	4 Ordinary income (loss) from other partnerships, estates, and trusts *(attach schedule)*			4	
	5 Net farm profit (loss) *(attach Schedule F (Form 1040))*			5	
	6 Net gain (loss) from Form 4797, Part II, line 18			6	-780,274.
	7 Other income (loss) *(attach schedule)* SEE STATEMENT 1			7	8,020,365.
	8 **Total income (loss).** Combine lines 3 through 7			8	236,142,428.
Deductions (see page 14 of the instructions for limitations)	9 Salaries and wages (other than to partners) (less employment credits)			9	64,085,815.
	10 Guaranteed payments to partners			10	
	11 Repairs and maintenance			11	1,459,373.
	12 Bad debts			12	2,442,964.
	13 Rent			13	5,087,822.
	14 Taxes and licenses SEE STATEMENT 1			14	1,557,842.
	15 Interest SEE STATEMENT 1			15	17,805,318.
	16a Depreciation (if required, attach Form 4562)	16a	27,980,622.		
	b Less depreciation reported on Schedule A and elsewhere on return	16b	6,575,172.	16c	18,031,835.
	17 Depletion (Do not deduct oil and gas depletion.)			17	
	18 Retirement plans, etc.			18	
	19 Employee benefit programs			19	27,331.
	20 Other deductions *(attach schedule)* SEE STATEMENT 1			20	254,723,264.
	21 **Total deductions.** Add the amounts shown in the far right column for lines 9 through 20			21	365,221,564.
	22 **Ordinary income (loss)** from trade or business activities. Subtract line 21 from line 8			22	-129,079,136.

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member) is based on all information of which preparer has any knowledge.

May the IRS discuss this return with the preparer shown below (see instructions)? [ ] Yes [X] No

▶ Signature of general partner or limited liability company member ▶ Date

Paid Preparer's Use Only

Preparer's signature ▶	Date	Check if self-employed ▶ [ ]	Preparer's SSN or PTIN
Firm's name (or yours if self-employed), address, and ZIP code ▶	ERNST & YOUNG LLP 725 SOUTH FIGUEROA STREET LOS ANGELES, CA 90017		EIN ▶ 34-6565596 Phone no. 213 977-3200

For Paperwork Reduction Act Notice, see separate instructions.

Form 1065 (2001)

JSA
1P1010 4.000

U.S. PARTNERSHIP RETURN OF INCOME

Williams Communications Solutions, LLC 76-0534950

Year: 2001

STATEMENT 19 - SCH M-1, DED ON SCH K NOT ON BOOKS

7	DEDUCTIONS INCL ON SCH K BUT NOT ON BOOKS	
	WIP Est Earnings on Open Jobs	2,705,740

U.S. PARTNERSHIP RETURN OF INCOME

Williams Communications Solutions, LLC 76-0534950

Year: 2001

STATEMENT 20 - SCH M-2, OTHER DECREASES

7 OTHER DECREASES	
Unreal Loss on Forgn Trans - Curr Yr	
Reclass Partner's Capital Accts	2,656,735

Schedule A Cost of Goods Sold (see page 18 of the instructions)

1	Inventory at beginning of year	1	8,482,618.
2	Purchases less cost of items withdrawn for personal use	2	95,672,162.
3	Cost of labor	3	
4	Additional section 263A costs *(attach schedule)*	4	
5	Other costs *(attach schedule)* SEE STATEMENT 2	5	558,691,587.
6	Total. Add lines 1 through 5	6	662,846,367.
7	Inventory at end of year	7	95,877,403.
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	566,968,964.

9 a Check all methods used for valuing closing inventory:
- (i) [X] Cost as described in Regulations section 1.471-3
- (ii) [ ] Lower of cost or market as described in Regulations section 1.471-4
- (iii) [ ] Other (specify method used and attach explanation) ▶

b Check this box if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c) ▶ [ ]

c Check this box if the LIFO inventory method was adopted this tax year for any goods *(if checked, attach Form 970)* ▶ [ ]

d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? [X] Yes [ ] No

e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? [ ] Yes [X] No
If "Yes," attach explanation.

Schedule B Other Information

		Yes	No
1	What type of entity is filing this return? Check the applicable box: a [ ] Domestic general partnership b [ ] Domestic limited partnership c [X] Domestic limited liability company d [ ] Domestic limited liability partnership e [ ] Foreign partnership f [ ] Other ▶		
2	Are any partners in this partnership also partnerships?	X	
3	During the partnership's tax year, did the partnership own any interest in another partnership or in any foreign entity that was disregarded as an entity separate from its owner under Regulations sections 301.7701-2 and 301.7701-3? If yes, see instructions for required attachment	X	
4	Is this partnership subject to the consolidated audit procedures of sections 6221 through 6233? If "Yes," see **Designation of Tax Matters Partner** below	X	
5	Does this partnership meet **all three** of the following requirements? a The partnership's total receipts for the tax year were less than $250,000; b The partnership's total assets at the end of the tax year were less than $600,000; and c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return. If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065, or Item J on Schedule K-1		X
6	Does this partnership have any foreign partners? If "Yes," the partnership may have to file Forms 8804, 8805 and 8813. See page 20 of the instructions		X
7	Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		X
8	Has this partnership filed, or is it required to file, **Form 8264**, Application for Registration of a Tax Shelter?		X
9	At any time during calendar year 2001, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country. ▶ CANADA	X	
10	During the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520. See page 20 of the instructions		X
11	Was there a distribution of property or a transfer (e.g., by sale or death) of a partnership interest during the tax year? If "Yes," you may elect to adjust the basis of the partnership's assets under section 754 by attaching the statement described under **Elections Made By the Partnership** on page 8 of the instructions		X
12	Enter the number of Forms 8865 attached to this return ▶		

Designation of Tax Matters Partner (see page 20 of the instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP ▶ MILGO HOLDINGS II, LLC
Identifying number of TMP ▶ 95-4805628

Address of designated TMP ▶ 2049 CENTURY PARK EAST, SUITE 2700
LOS ANGELES CA 90067

Schedule K Partners' Shares of Income, Credits, Deductions, etc

Section		(a) Distributive share items		(b) Total amount
Income (Loss)	1	Ordinary income (loss) from trade or business activities (page 1, line 22)	1	-129,079,136.
	2	Net income (loss) from rental real estate activities (attach Form 8825)	2	
	3a	Gross income from other rental activities ... 3a		
	b	Expenses from other rental activities (attach schedule) ... 3b		
	c	Net income (loss) from other rental activities. Subtract line 3b from line 3a	3c	5,930,059.
	4	Portfolio income (loss): a Interest income SEE STATEMENT 2	4a	621,108.
	b	Ordinary dividends SEE STATEMENT 2	4b	738,991.
	c	Royalty income	4c	
	d	Net short-term capital gain (loss) (attach Schedule D (Form 1065))	4d	
	e	(1) Net long-term capital gain (loss) (attach Schedule D (Form 1065))	4e(1)	
		(2) 28% rate gain (loss) ▶ (3) Qualified 5-year gain ▶		
	f	Other portfolio income (loss) (attach schedule)	4f	
	5	Guaranteed payments to partners	5	
	6	Net section 1231 gain (loss) (other than due to casualty or theft) (attach Form 4797)	6	NONE
	7	Other income (loss) (attach schedule)	7	
Deductions	8	Charitable contributions (attach schedule)	8	13,350.
	9	Section 179 expense deduction (attach Form 4562)	9	
	10	Deductions related to portfolio income (itemize)	10	
	11	Other deductions (attach schedule)	11	
Credits	12a	Low-income housing credit.		
		(1) From partnerships to which section 42(j)(5) applies	12a(1)	
		(2) Other than on line 12a(1)	12a(2)	
	b	Qualified rehabilitation expenditures related to rental real estate activities (attach Form 3468)	12b	
	c	Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities	12c	
	d	Credits related to other rental activities	12d	
	13	Other credits	13	
Investment Interest	14a	Interest expense on investment debts	14a	
	b	(1) Investment income included on lines 4a, 4b, 4c, and 4f above STMT 3	14b(1)	1,360,099.
		(2) Investment expenses included on line 10 above	14b(2)	
Self-Employment	15a	Net earnings (loss) from self-employment	15a	
	b	Gross farming or fishing income	15b	
	c	Gross nonfarm income	15c	
Adjustments and Tax Preference Items	16a	Depreciation adjustment on property placed in service after 1986	16a	
	b	Adjusted gain or loss SEE STATEMENT 3	16b	NONE
	c	Depletion (other than oil and gas)	16c	
	d	(1) Gross income from oil, gas, and geothermal properties	16d(1)	
		(2) Deductions allocable to oil, gas, and geothermal properties	16d(2)	
	e	Other adjustments and tax preference items (attach schedule)	16e	
Foreign Taxes	17a	Name of foreign country or U.S possession ▶ CANADA		
	b	Gross income from all sources	17b	985,331.
	c	Gross income sourced at partner level	17c	
	d	Foreign gross income sourced at partnership level: (1) Passive ▶ (2) Listed categories (attach schedule) ▶ (3) General limitation ▶	17d(3)	
	e	Deductions allocated and apportioned at partner level: (1) Interest expense ▶ (2) Other ▶	17e(2)	
	f	Deductions allocated and apportioned at partnership level to foreign source income: (1) Passive ▶ (2) Listed categories (attach schedule) ▶ (3) General limitation ▶	17f(3)	
	g	Total foreign taxes (check one): ▶ Paid [X] Accrued [ ]	17g	246,330.
	h	Reduction in taxes available for credit (attach schedule)	17h	
Other	18	Section 59(e)(2) expenditures: a Type ▶ b Amount ▶	18b	
	19	Tax-exempt interest income	19	
	20	Other tax-exempt income	20	
	21	Nondeductible expenses SEE STATEMENT 3	21	934,230.
	22	Distributions of money (cash and marketable securities)	22	4,426,752.
	23	Distributions of property other than money	23	
	24	Other items and amounts required to be reported separately to partners (attach schedule)		

Analysis of Net Income (Loss)

1 Net income (loss) Combine Schedule K, lines 1 through 7 in column (b). From the result, subtract the sum of Schedule K, lines 8 through 11, 14a, 17g, and 18b . . . 1 -122,048,658.

2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other
a General partners						
b Limited partners	-1940574.			-120108084		

Schedule L Balance Sheets per Books (Not required if Question 5 on Schedule B is answered "Yes.")

Assets	Beginning of tax year (a)	Beginning of tax year (b)	End of tax year (c)	End of tax year (d)
1 Cash		NONE		21,174,718.
2a Trade notes and accounts receivable	NONE		206,003,973.	
b Less allowance for bad debts	NONE	NONE	36,705,565.	169,298,408.
3 Inventories		NONE		97,719,194.
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets (attach schedule)	STMT 4	NONE		167,604,443.
7 Mortgage and real estate loans				
8 Other investments (attach schedule)	STMT 4	NONE		88,188,939.
9a Buildings and other depreciable assets	NONE		130,939,867.	
b Less accumulated depreciation	NONE	NONE	70,042,175.	60,897,692.
10a Depletable assets				
b Less accumulated depletion				
11 Land (net of any amortization)				
12a Intangible assets (amortizable only)	NONE		59,043,068.	
b Less accumulated amortization	NONE	NONE	5,591,000.	53,452,068.
13 Other assets (attach schedule)	STMT 4	NONE		42,384,358.
14 Total assets		NONE		700,719,820.
Liabilities and Capital				
15 Accounts payable		NONE		79,560,386.
16 Mortgages, notes, bonds payable in less than 1 year		NONE		8,568,800.
17 Other current liabilities (attach schedule)	STMT 4	NONE		346,768,208.
18 All nonrecourse loans				
19 Mortgages, notes, bonds payable in 1 year or more		NONE		40,390,137.
20 Other liabilities (attach schedule)	STMT 5	NONE		18,967,583.
21 Partners' capital accounts		NONE		206,464,706.
22 Total liabilities and capital		NONE		700,719,820.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return (Not required if Question 5 on Schedule B is answered "Yes.")

1 Net income (loss) per books	-14,149,005.	6 Income recorded on books this year not included on Schedule K, lines 1 through 7 (itemize):	
2 Income included on Schedule K, lines 1 through 4, 6, and 7, not recorded on books this year (itemize): STMT 5	9,667,742.	a Tax-exempt interest $ SEE STATEMENT 6	3,969,360.
3 Guaranteed payments (other than health insurance)		7 Deductions included on Schedule K, lines 1 through 11, 14a, 17g and 18b, not charged against book income this year (itemize):	
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 11, 14a, 17g and 18b (itemize):		a Depreciation $	1,324,628.
		SEE STATEMENT 6	147,770,258.
a Depreciation $	4,911,912.		
b Travel and entertainment $	934,230.	8 Add lines 6 and 7	153,064,246.
SEE STATEMENT 5	29,650,709.	9 Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	-122,048,658.
5 Add lines 1 through 4	31,015,588.		

Schedule M-2 Analysis of Partners' Capital Accounts (Not required if Question 5 on Schedule B is answered "Yes.")

1 Balance at beginning of year		6 Distributions: a Cash STMT 7	4,426,752.
2 Capital contributed during year	225,733,340.	b Property	
3 Net income (loss) per books	-14,149,005.	7 Other decreases (itemize):	
4 Other increases (itemize):		SEE STATEMENT 7	1,800,043.
SEE STATEMENT 7	1,107,166.	8 Add lines 6 and 7	6,226,795.
5 Add lines 1 through 4	212,691,501.	9 Balance at end of year. Subtract line 8 from line 5	206,464,706.

Form **4562** (Rev. March 2002) Department of the Treasury Internal Revenue Service

ELECTION PURSUANT TO NOTICE 2001-70

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No. 1545-0172

2001

Attachment Sequence No. 67

Name(s) shown on return: NEXTIRAONE, LLC

Identifying number: 76-0534950

Business or activity to which this form relates: NEXTIRAONE, LLC

Part I Election To Expense Certain Tangible Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I

1	Maximum amount. See page 2 of the instructions for a higher limit for certain businesses	1	24,000.
2	Total cost of section 179 property placed in service (see page 3 of the instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	200,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see page 3 of the instructions	5	

	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
6			

7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2000 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2002. Add lines 9 and 10, less line 12 ▶	13	

Note: *Do not use Part II or Part III below for listed property. Instead, use Part V.*

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14	Special depreciation allowance for certain property (other than listed property) acquired after September 10, 2001 (see page 3 of the instructions)	14	1,162,088.
15	Property subject to section 168(f)(1) election (see page 4 of the instructions)	15	
16	Other depreciation (including ACRS) (see page 4 of the instructions)	16	3,045,536.

Part III MACRS Depreciation (Do not include listed property.) (See page 4 of the instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2001	17	8,121,366.
18	If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶ ☐		

Section B - Assets Placed in Service During 2001 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property		81,927,059.	5.000	HY	200DB	13,932,851.
c 7-year property		16,035,251.	7.000	HY	200DB	1,718,579.
d 10-year property		2,696.	10.000	HY	200DB	202.
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	
				MM	S/L	

Section C - Assets Placed in Service During 2001 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

Part IV Summary (See page 6 of the instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	27,980,622.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: *For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.*

Section A - Depreciation and Other Information (Caution: *See page 8 of the instructions for limits for passenger automobiles.*)

24a Do you have evidence to support the business/investment use claimed? Yes ☐ No ☐ 24b If "Yes," is the evidence written? Yes ☐ No ☐

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for listed property acquired after September 10, 2001, and used more than 50% in a qualified business use (see page 7 of the instructions)						25		
26 Property used more than 50% in a qualified business use (see page 7 of the instructions):								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use (see page 7 of the instructions):								
		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1						28		
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1							29	

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.
If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30 Total business/investment miles driven during the year (do not include commuting miles - see page 2 of the instructions)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see page 8 of the instructions).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See page 8 of the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See page 9 of the instructions.)		

Note: *If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.*

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2001 tax year (see page 9 of the instructions):					
43 Amortization of costs that began before your 2001 tax year				43	957,337.
44 Total. Add amounts in column (f). See page 9 of the instructions for where to report				44	957,337.

Form **4797**

Department of the Treasury
Internal Revenue Service (99)

Sales of Business Property

(Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return. ▶ See separate instructions.

OMB No 1545-0184

2001

Attachment Sequence No 27

Name(s) shown on return: NEXTIRAONE, LLC

Identifying number: 76-0534950

1 Enter the gross proceeds from sales or exchanges reported to you for 2001 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions) 1

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Most Property Held More Than 1 Year (See instructions.)

	(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
2							

3	Gain, if any, from Form 4684, line 39	3	
4	Section 1231 gain from installment sales from Form 6252, line 26 or 37	4	
5	Section 1231 gain or (loss) from like-kind exchanges from Form 8824	5	
6	Gain, if any, from line 32, from other than casualty or theft	6	
7	Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows:	7	

Partnerships (except electing large partnerships). Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 6. Skip lines 8, 9, 11, and 12 below.

S corporations. Report the gain or (loss) following the instructions for Form 1120S, Schedule K, lines 5 and 6. Skip lines 8, 9, 11, and 12 below, unless line 7 is a gain and the S corporation is subject to the capital gains tax.

All others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on Schedule D and skip lines 8, 9, 11, and 12 below.

8	Nonrecaptured net section 1231 losses from prior years (see instructions)	8	
9	Subtract line 8 from line 7. If zero or less, enter -0-. Also enter on the appropriate line as follows (see instructions):	9	

S corporations. Enter any gain from line 9 on Schedule D (Form 1120S), line 15, and skip lines 11 and 12 below.

All others. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below, and enter the gain from line 9 as a long-term capital gain on Schedule D.

Part II Ordinary Gains and Losses

10 Ordinary gains and losses not included on lines 11 through 17 (include property held 1 year or less):

SEE STATEMENT 8						-780,274.

11	Loss, if any, from line 7	11	( )
12	Gain, if any, from line 7 or amount from line 8, if applicable	12	
13	Gain, if any, from line 31	13	
14	Net gain or (loss) from Form 4684, lines 31 and 38a	14	
15	Ordinary gain from installment sales from Form 6252, line 25 or 36	15	
16	Ordinary gain or (loss) from like-kind exchanges from Form 8824	16	
17	Recapture of section 179 expense deduction for partners and S corporation shareholders from property dispositions by partnerships and S corporations (see instructions)	17	
18	Combine lines 10 through 17. Enter the gain or (loss) here and on the appropriate line as follows:	18	-780,274.

a **For all except individual returns.** Enter the gain or (loss) from line 18 on the return being filed.

b **For individual returns:**

(1) If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 27, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 22. Identify as from "Form 4797, line 18b(1)." See instructions . . . . 18b(1)

(2) Redetermine the gain or (loss) on line 18 excluding the loss, if any, on line 18b(1). Enter here and on Form 1040, line 14 . . . . 18b(2)

For Paperwork Reduction Act Notice, see page 7 of the instructions.

Form 4797 (2001)

JSA
1X2610 2.000

RX6666 2060 CONSOLIDATING 8

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)
A		
B		
C		
D		

These columns relate to the properties on lines 19A through 19D. ▶		Property A	Property B	Property C	Property D
20 Gross sales price (Note: *See line 1 before completing.*)	20				
21 Cost or other basis plus expense of sale	21				
22 Depreciation (or depletion) allowed or allowable	22				
23 Adjusted basis. Subtract line 22 from line 21	23				
24 Total gain. Subtract line 23 from line 20	24				
25 **If section 1245 property:**					
a Depreciation allowed or allowable from line 22	25a				
b Enter the smaller of line 24 or 25a	25b				
26 If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.					
a Additional depreciation after 1975 (see instructions)	26a				
b Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions)	26b				
c Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e	26c				
d Additional depreciation after 1969 and before 1976	26d				
e Enter the smaller of line 26c or 26d	26e				
f Section 291 amount (corporations only)	26f				
g Add lines 26b, 26e, and 26f	26g				
27 If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership)					
a Soil, water, and land clearing expenses	27a				
b Line 27a multiplied by applicable percentage (see instructions)	27b				
c Enter the smaller of line 24 or 27b	27c				
28 **If section 1254 property:**					
a Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs (see instructions)	28a				
b Enter the smaller of line 24 or 28a	28b				
29 **If section 1255 property:**					
a Applicable percentage of payments excluded from income under section 126 (see instructions)	29a				
b Enter the smaller of line 24 or 29a (see instructions)	29b				

Summary of Part III Gains Complete property columns A through D through line 29b before going to line 30.

30 Total gains for all properties. Add property columns A through D, line 24	30	
31 Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31	
32 Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6	32	

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less (See instructions.)

		(a) Section 179	(b) Section 280F(b)(2)
33 Section 179 expense deduction or depreciation allowable in prior years	33		
34 Recomputed depreciation. See instructions	34		
35 Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	35		

Form **4797**

Department of the Treasury
Internal Revenue Service (99)

Sales of Business Property

(Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return. ▶ See separate instructions.

OMB No. 1545-0184

2001

Attachment Sequence No. 27

Name(s) shown on return: ALTERNATIVE MINIMUM TAX

NEXTIRAONE, LLC

Identifying number: 76-0534950

1 Enter the gross proceeds from sales or exchanges reported to you for 2001 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10 or 20 (see instructions) 1

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Most Property Held More Than 1 Year (See instructions.)

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
2						

3	Gain, if any, from Form 4684, line 39	3	
4	Section 1231 gain from installment sales from Form 6252, line 26 or 37	4	
5	Section 1231 gain or (loss) from like-kind exchanges from Form 8824	5	
6	Gain, if any, from line 32, from other than casualty or theft	6	
7	Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows:	7	

Partnerships (except electing large partnerships). Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 6. Skip lines 8, 9, 11, and 12 below.

S corporations. Report the gain or (loss) following the instructions for Form 1120S, Schedule K, lines 5 and 6. Skip lines 8, 9, 11, and 12 below, unless line 7 is a gain and the S corporation is subject to the capital gains tax.

All others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on Schedule D and skip lines 8, 9, 11, and 12 below.

8	Nonrecaptured net section 1231 losses from prior years (see instructions)	8	
9	Subtract line 8 from line 7. If zero or less, enter -0-. Also enter on the appropriate line as follows (see instructions):	9	

S corporations. Enter any gain from line 9 on Schedule D (Form 1120S), line 15, and skip lines 11 and 12 below.

All others. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below, and enter the gain from line 9 as a long-term capital gain on Schedule D.

Part II Ordinary Gains and Losses

10 Ordinary gains and losses not included on lines 11 through 17 (include property held 1 year or less):

SEE STATEMENT 9						-780,274.

11	Loss, if any, from line 7	11	( )
12	Gain, if any, from line 7 or amount from line 8, if applicable	12	
13	Gain, if any, from line 31	13	
14	Net gain or (loss) from Form 4684, lines 31 and 38a	14	
15	Ordinary gain from installment sales from Form 6252, line 25 or 36	15	
16	Ordinary gain or (loss) from like-kind exchanges from Form 8824	16	
17	Recapture of section 179 expense deduction for partners and S corporation shareholders from property dispositions by partnerships and S corporations (see instructions)	17	
18	Combine lines 10 through 17. Enter the gain or (loss) here and on the appropriate line as follows:	18	-780,274.

a **For all except individual returns.** Enter the gain or (loss) from line 18 on the return being filed.

b **For individual returns:**

(1) If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 27, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 22. Identify as from "Form 4797, line 18b(1)." See instructions . . . . . 18b(1)

(2) Redetermine the gain or (loss) on line 18 excluding the loss, if any, on line 18b(1). Enter here and on Form 1040, line 14 . . . . . 18b(2)

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)
A		
B		
C		
D		

These columns relate to the properties on lines 19A through 19D ▶		Property A	Property B	Property C	Property D
20 Gross sales price (Note: See line 1 before completing.)	20				
21 Cost or other basis plus expense of sale	21				
22 Depreciation (or depletion) allowed or allowable	22				
23 Adjusted basis. Subtract line 22 from line 21	23				
24 Total gain. Subtract line 23 from line 20	24				
25 If section 1245 property:					
a Depreciation allowed or allowable from line 22	25a				
b Enter the smaller of line 24 or 25a	25b				
26 If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291					
a Additional depreciation after 1975 (see instructions)	26a				
b Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions)	26b				
c Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e	26c				
d Additional depreciation after 1969 and before 1976	26d				--
e Enter the smaller of line 26c or 26d	26e				
f Section 291 amount (corporations only)	26f	--			
g Add lines 26b, 26e, and 26f	26g				
27 If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).					
a Soil, water, and land clearing expenses	27a				
b Line 27a multiplied by applicable percentage (see instructions)	27b				
c Enter the smaller of line 24 or 27b	27c				
28 If section 1254 property:					
a Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs (see instructions)	28a				
b Enter the smaller of line 24 or 28a	28b				
29 If section 1255 property:					
a Applicable percentage of payments excluded from income under section 126 (see instructions)	29a				
b Enter the smaller of line 24 or 29a (see instructions)	29b				

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30 Total gains for all properties. Add property columns A through D, line 24	30	
31 Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31	
32 Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6	32	

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less (See instructions.)

		(a) Section 179	(b) Section 280F(b)(2)
33 Section 179 expense deduction or depreciation allowable in prior years	33		
34 Recomputed depreciation. See instructions	34		
35 Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	35		

EXTIRAONE, LLC 76-0534950

ORM 1065 SUPPORTING SCHEDULES

LINE 7 - PAGE 1 - OTHER INCOME

OTHER INCOME	695,177.
AUTO LEASE INCLUSION	410.
MAINTENANCE INCOME	3,266,418.
LABOR AND OVERHEAD APPLIED	4,058,360.
TOTAL OTHER INCOME	8,020,365.

LINE 14 - PAGE 1 - TAXES

OTHER TAXES / LICENSES	220,054.
PROVISION FOR STATE INCOME TAX	32,366.
FRANCHISE TAX	94,817.
PAYROLL TAXES	1,148,210.
REAL ESTATE TAXES	62,395.
TOTAL TAXES	1,557,842.

LINE 15 - PAGE 1 - DEDUCTIBLE INTEREST EXPENSE NOT CLAIMED ELSEWHERE

INTEREST EXPENSE	17,805,318.
TOTAL DEDUCTIBLE INTEREST EXPENSE	17,805,318.

LINE 20 - PAGE 1 - OTHER DEDUCTIONS

AMORTIZATION	957,337.
TRAVEL & ENTERTAINMENT EXPENSES	934,495.
OTHER TRAVEL	1,758,430.
OTHER EMPLOYMENT	632,615.
UTILITIES AND TELECOMMUNICATIONS	2,891,827.
AUTO EXPENSE	967,780.
INSURANCE	233,213.
MARKETING	620,871.
SUPPLIES AND EQUIPMENT	630,982.
OUTSIDE SERVICES	679,765.
MANAGEMENT AND ADMINISTRATIVE FEES	6,873,250.
PROFESSIONAL FEES	585,973.
FREIGHT	1,619,405.
MISCELLANEOUS	1,482,274.
OTHER DEDUCTIONS	3,066,656.
OFFICE SUPPLIES	82,414.
VAR PEH/TIMEPLEX EXPENSES	325,699.
RESTRUCTURE EXPENSE	17,208,079.
OPERATIONS EXPENSE	69,876,346.
SELLING EXPENSE	71,382,143.
GENERAL & ADMINISTRATIVE	49,678,037.
MISC SALARIES AND WAGES	111,517.

CONTINUED ON NEXT PAGE STATEMENT #1

NEXTIRAONE, LLC 76-0534950
FORM 1065 SUPPORTING SCHEDULES

LINE 20 - PAGE 1 - OTHER DEDUCTIONS (CONT'D)

SEVERANCE	10,625,450.
CLOSED FACILITIES	1,982,669.
MANAGEMENT FEES	9,000,000.
INVENTORY RESERVE	16,288.
TRAINING EXPENSE	16,639.
SEMINAR AND CONFERENCE	21,256.
EQUIPMENT EXPENSE	8,996.
POSTAGE AND FREIGHT	47,682.
DUES & SUBSCRIPTIONS	23,428.
BANK CHARGES	25,032.
RECRUITING FEES	104,325.
ADVERTISING	252,391.
TOTAL OTHER DEDUCTIONS	254,723,264.

SCHEDULE A, COST OF GOODS SOLD AND/OR OPERATIONS-OTHER COSTS

COST OF GOODS SOLD EXCLUDING DEPRECIATION AND AMORTIZATION	552,116,415.
COST OF GOODS SOLD - DEPRECIATION AND AMORTIZATION	6,575,172.
TOTAL COST OF GOODS SOLD AND/OR OPERATIONS - OTHER COSTS	558,691,587.

SCHEDULE K - LINE 4A - INTEREST INCOME

OTHER INTEREST INCOME	621,108.
TOTAL INTEREST INCOME	621,108.

SCHEDULE K - LINE 4B - DIVIDEND INCOME

DIVIDEND INCOME	738,991.
TOTAL DIVIDEND INCOME	738,991.

SCHEDULE K LINE 6 - NET GAIN/LOSS UNDER SECTION 1231

TRADE/BUSINESS ACTIVITIES	NONE
TOTAL NET GAIN/LOSS UNDER SECTION 1231	NONE

STATEMENT #2

NEXTIRAONE, LLC 76-0534950
FORM 1065 SUPPORTING SCHEDULES

SCHEDULE K - LINE 14B(1) - INVESTMENT INCOME

INTEREST INCOME	621,108.
DIVIDEND INCOME	738,991.
TOTAL INVESTMENT INCOME, SCHEDULE K, LINE 14B(1)	1,360,099.

AMT BASIS ADJUSTMENT IN DETERMINING GAIN/(LOSS)

OTHER (GENERAL BUSINESS)	NONE
TOTAL BASIS ADJUSTMENT IN DETERMINING GAIN/(LOSS)	NONE

SCHEDULE K - LINE 21 - NONDEDUCTIBLE EXPENSES

TRAVEL AND ENTERTAINMENT EXPENSES - NONDEDUCTIBLE PORTION	934,230.
TOTAL NONDEDUCTIBLE EXPENSES	934,230.

SCHEDULE K - LINE 24 - OTHER

OTHER ITEMS CARRYING TO SCHEDULE M-1, LINE 4:

PENALTIES	172.
TRAVEL AND ENTERTAINMENT	934,231.

STATEMENT #3

SCHEDULE L - LINE 6 - OTHER CURRENT ASSETS	BEGINNING	ENDING
INTERCOMPANY	NONE	136,471,909.
PREPAIDS	NONE	11,225,821.
DEFERRED REVENUE	NONE	325,079.
CURRENT PORTION CAPITAL LEASE	NONE	2,927,984.
TEMPORARY ADVANCE	NONE	87,370.
OTHER CURRENT ASSETS	NONE	806,410.
DEPOSITS	NONE	121,074.
COST IN EXCESS OF BILLINGS	NONE	2,747,000.
RECEIVABLES FROM AFFILIATES	NONE	12,891,796.
TOTAL OTHER CURRENT ASSETS	NONE	167,604,443.

SCHEDULE L - LINE 8 - OTHER INVESTMENTS	BEGINNING	ENDING
INVESTMENT IN SALES TYPE LEASE	NONE	1,898,666.
INVESTMENT IN SUBSIDIARIES	NONE	85,868,273.
OTHER INVESTMENTS	NONE	422,000.
TOTAL OTHER INVESTMENTS	NONE	88,188,939.

SCHEDULE L - LINE 13 - OTHER ASSETS	BEGINNING	ENDING
INTERCOMPANY	NONE	27,175,334.
DEFERRED INCOME	NONE	15,121,168.
DEPOSITS	NONE	44,856.
OTHER ASSETS	NONE	43,000.
TOTAL OTHER ASSETS	NONE	42,384,358.

SCHEDULE L - LINE 17 - OTHER CURRENT LIABILITIES	BEGINNING	ENDING
ACCOUNTS PAYABLE INTERCOMPANY	NONE	98,310,486.
OTHER ACCRUED LIABILITIES	NONE	48,081,155.
DEFERRED REVENUE	NONE	43,142,899.
OTHER CURRENT LIABILITIES	NONE	77,885,347.
ACCRUED SALARIES	NONE	448,836.
ACCRUED TAXES	NONE	7,750,119.
ACCRUED PROFESSIONAL	NONE	111,000.
RESTRUCTURING RESERVE	NONE	9,704,121.
RESERVES	NONE	6,897,812.
ACCRUED EXPENSE	NONE	34,604,560.
CURRENT PORTION OF LONG TERM	NONE	16,584,333.
ACCRUED PAYROLL	NONE	154,076.
ACCRUED COMMISSION	NONE	319,146.
ACCRUED VACATION	NONE	183,588.
BILLINGS IN EXCESS OF COST	NONE	2,544,000.
INTERCOMPANY	NONE	46,730.

CONTINUED ON NEXT PAGE STATEMENT #4

	BEGINNING (CONT'D)	ENDING
TOTAL OTHER CURRENT LIABILITIES	NONE	346,768,208.

SCHEDULE L - LINE 20 - OTHER LIABILITIES

	BEGINNING	ENDING
WARRANTY RESERVE	NONE	31,000.
DEFERRED REVENUE	NONE	1,533,894.
OTHER NONCURRENT LIABILITIES	NONE	17,402,689.
TOTAL OTHER LIABILITIES	NONE	18,967,583.

SCHEDULE M-1 - LINE 2 - INCOME SUBJ. TO TAX NOT RECORDED ON BOOKS

RENTAL INCOME	5,661,923.
AUTO LEASE INCLUSION	410.
FOREIGN DIVIDEND INCOME	738,991.
DEFERRED REVENUE ON MAINTENANCE CONTRACT	3,266,418.
TOTAL INCOME SUBJECT TO TAX NOT RECORDED ON BOOKS	9,667,742.

SCHEDULE M-1 - LINE 4B - EXPENSES RECORDED ON BOOKS BUT NOT DEDUCTED

CAPITAL LEASE COST OF SALES	768,923.
BOOK STATE INCOME TAX	157,865.
WARRANTY RESERVE	113,250.
NONDEDUCTIBLE EXPENSES	73,917.
STATE INCOME TAX	126,022.
AMORTIZATION	5,516,000.
BAD DEBT	13,365,092.
PREPAID EXPENSES	2,057,094.
PREPAID INSURANCE	162,254.
PREPAID COMMISSIONS	6,171,491.
DEFERRED COMPENSATION	825,375.
ACCRUED BONUS	149,675.
PENALTIES	37,504.
ACCRUED EXPENSES	102,651.
INVENTORY RESERVE	1,096.
MISCELLANEOUS EXPENSE	22,500.
TOTAL OTHER EXPENSES RECORDED ON BOOKS BUT NOT DEDUCTED	29,650,709.

STATEMENT #5

NEXTIRAONE, LLC 76-0534950

FORM 1065, SCHEDULE M-1, SUPPORTING SCHEDULES

SCHEDULE M-1 - LINE 6 - INCOME RECORDED
ON BOOKS NOT INCLUDED ON SCHEDULE K

GROSS CAPITAL LEASE REVENUE	996,975.
CAPITAL LEASE INTEREST INCOME	897,777.
UNREALIZED FOREIGN EXCHANGE GAIN	76,115.
DEFERRED REVENUE	1,924,792.
BOOK/TAX GAIN/LOSS ON F/A DISPOSITION	73,701.
TOTAL INCOME RECORDED ON BOOKS BUT NOT INCLUDED ON SCHEDULE K	3,969,360.

SCHEDULE M-1 - LINE 7A - OTHER DEDUCTIONS IN RETURN NOT ON BOOKS

AMORTIZATION	957,337.
PRIOR YEAR STATE INCOME TAXES	32,366.
INTEREST EXPENSE ON CIT LOAN	109,102.
ACCRUED VACATION	18,300,876.
ACCOUNT SERVICE FEE - SOLD CAPITAL LEASE	86,400.
OTHER ACCRUALS AND RESERVES	7,284,263.
MISCELLANEOUS RESERVES	259,207.
UNICAP	1,651,447.
LOSS FROM DISPOSITION OF FIXED ASSETS	719,845.
BAD DEBTS	250,885.
RESTRUCTURE RESERVE	17,830,358.
INVENTORY RESERVE	9,393,244.
BOOK/TAX DIFF ON ACCOUNTS RECEIVABLE	1,949,044.
WARRANTY RESERVE	4,560,643.
WORK IN PROGRESS RESERVE	8,375,044.
DEFERRED LOAN COSTS	306,818.
AUDIT FEES	100,000.
BOOK/TAX DIFFERENCE ON ACCOUNTS PAYABLE	10,723,426.
BOOK/TAX DIFFERENCE ON CONTRACTS	64,095,468.
MISCELLANEOUS EXPENSE	164,250.
ACCRUED SALARIES	620,235.
TOTAL DEDUCTIONS ON TAX RETURN NOT CHARGED AGAINST BOOK INCOME	147,770,258.

SCHEDULE M-2 - LINE 2 - CAPITAL CONTRIBUTED DURING YEAR

CAPITAL CONTRIBUTED DURING THE YEAR	225,733,340.
TOTAL CAPITAL CONTRIBUTED DURING THE YEAR	225,733,340.

STATEMENT #6

NEXTIRAONE, LLC 76-0534950

FORM 1065, SCHEDULE M-2, SUPPORTING SCHEDULES

SCHEDULE M-2 - LINE 4 - OTHER INCREASES

PRIOR PERIOD ADJUSTMENT	1,107,166.
TOTAL OTHER INCREASES	1,107,166.

SCHEDULE M-2 - LINE 6A - CASH DISTRIBUTIONS

CASH DISTRIBUTIONS	4,426,752.
TOTAL CASH DISTRIBUTIONS	4,426,752.

SCHEDULE M-2 - LINE 7 - OTHER DECREASES

CURRENCY EXCHANGE	43.
ELIMINATE CHG	1,800,000.
TOTAL OTHER DECREASES	1,800,043.

NEXTIRAONE, LLC 76-0534950

FORM 4797 PAGE 1 SUPPORTING SCHEDULES

OTHER ORDINARY GAINS AND LOSSES

DESCRIP. OF PROPERTY	DATE ACQUIRED	DATE SOLD	GROSS SALES PRICE	ALLOWABLE DEPRECIATION	COST/BASIS	LOSS	GAIN
VARIOUS	VARIOUS	VARIOUS			780,274.	780,274.	NONE
TOTAL OTHER ORDINARY GAINS AND LOSSES						780,274.	NONE

NEXTIRAONE, LLC 76-0534950

FORM 4797 PAGE 1 SUPPORTING SCHEDULES

OTHER ORDINARY GAINS AND LOSSES - AMT

DESCRIP. OF PROPERTY	DATE ACQUIRED	DATE SOLD	GROSS SALES PRICE	ALLOWABLE DEPRECIATION	COST/BASIS	LOSS	GAIN
VARIOUS	VARIOUS	VARIOUS			780,274.	780,274.	
TOTAL OTHER ORDINARY GAINS AND LOSSES - AMT						780,274.	

NEXTIRAONE, LLC 76-0534950
FORM 1065 FOOTNOTES

DISCLOSURE PURSUANT TO TREAS. REGS. SEC. 1.451-5 ADVANCE PMT

THE TAXPAYER HAS ELECTED TO RECOGNIZE ADVANCE PAYMENTS FOR GOODS AND LONG-TERM CONTRACTS PURSUANT TO TREAS. REGS. SEC. 1.451-5. THE FOLLOWING INFORMATION IS PROVIDED PURSUANT TO TREAS. REGS. SEC. 1.451-5(D):

TOTAL AMOUNT OF ADVANCE PAYMENTS RECEIVED DURING THE TAX YEAR ENDED 12/31/01	37806695.
TOTAL AMOUNT OF ADVANCE PAYMENTS RECEIVED IN PRIOR TAXABLE YEARS WHICH HAS NOT BEEN INCLUDED IN GROSS INCOME BEFORE THE CURRENT TAXABLE YEAR	
TOTAL AMOUNT OF ADVANCE PAYMENTS RECEIVED IN PRIOR TAXABLE YEARS WHICH HAS BEEN INCLUDED IN GROSS INCOME FOR THE CURRENT TAXABLE YEAR	
TOTAL AMOUNT OF FOOTNOTE	37806695.

STATEMENT #10

Schedule K-1, Item J - Analysis of Partners Capital Accounts

Partner Number	A. Capital Account at Beginning of Year	B. Capital Contributed During Year	C. Partners' Shares of Sch. M-2, Lines 3, 4, and 7	D. Withdrawals and Distributions	E. Capital Account at End of Year
1		222,144,180.	-14,605,896.	4,356,367.	203,181,917.
2		3,589,160.	-235,986.	70,385.	3,282,789.
TOTALS		225,733,340.	-14,841,882.	4,426,752.	206,464,706.

SHORT YEAR INITIAL RETURN

SCHEDULE K-1 (Form 1065)
Department of the Treasury Internal Revenue Service

Partner's Share of Income, Credits, Deductions, etc.

▶ See separate instructions.

OMB No 1545-0099

2001

For calendar year 2001 or tax year beginning 04/01, 2001, and ending 12/31/2001

Partner's identifying number ▶ 95-4805628

Partnership's identifying number ▶ 76-0534950

Partner's name, address and ZIP code PARTNER # 1
MILGO HOLDINGS II, LLC
2049 CENTURY PARK EAST, SUITE 2700
LOS ANGELES, CA 90067

Partnership's name, address, and ZIP code
NEXTIRAONE, LLC
2049 CENTURY PARK EAST, SUITE 2700
LOS ANGELES, CA 90067

A This partner is a [ ] general partner [ ] limited partner [X] limited liability company member

B What type of entity is this partner? ▶ LIMITED LIAB CO

C Is this partner a [X] domestic or a [ ] foreign partner?

D Enter partner's percentage of: (i) Before change or termination / (ii) End of year

	(i) Before change or termination	(ii) End of year
Profit sharing	%	98.410000 %
Loss sharing	%	98.410000 %
Ownership of capital	%	98.410000 %

E IRS Center where partnership filed return OGDEN

F Partner's share of liabilities (see instructions):
Nonrecourse .... 46,258,392.
Qualified nonrecourse financing
Other .... 441,291,786.

G Tax shelter registration number ▶

H Check here if this partnership is a publicly traded partnership as defined in section 469(k)(2) .... [ ]

I Check applicable boxes: (1) [ ] Final K-1 (2) [ ] Amended K-1

J Analysis of partner's capital account

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of lines 3, 4, and 7, Form 1065, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year (combine columns (a) through (d))
	222,144,180.	-14,605,896.	(4,356,367.)	203,181,917.

		(a) Distributive share item		(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Income (Loss)	1	Ordinary income (loss) from trade or business activities	1	-127,026,778.	See page 6 of Partner's Instructions for Schedule K-1 (Form 1065)
	2	Net income (loss) from rental real estate activities	2		
	3	Net income (loss) from other rental activities	3	5,835,771.	
	4	Portfolio income (loss):			
	a	Interest	4a	611,232.	Sch. B, Part I, line 1
	b	Ordinary dividends STMT. 2.	4b	727,241.	Sch. B, Part II, line 5
	c	Royalties	4c		Sch. E, Part I, line 4
	d	Net short-term capital gain (loss)	4d		Sch. D, line 5, col. (f)
	e	(1) Net long-term capital gain (loss)	4e(1)		Sch. D, line 12, col. (f)
		(2) 28% rate gain (loss)	4e(2)		Sch. D, line 12, col. (g)
		(3) Qualified 5-year gain	4e(3)		Line 4 of worksheet for Sch. D, line 29
	f	Other portfolio income (loss) (attach schedule)	4f		Enter on applicable line of your return.
	5	Guaranteed payments to partner	5		See page 6 of Partner's Instructions for Schedule K-1 (Form 1065).
	6	Net section 1231 gain (loss) (other than due to casualty or theft)	6		
	7	Other income (loss) (attach schedule)	7		Enter on applicable line of your return.
Deductions	8	Charitable contributions (see instructions) (attach schedule)	8	13,138.	Sch. A, line 15 or 16
	9	Section 179 expense deduction	9		See pages 7 and 8 of Partner's Instructions for Schedule K-1 (Form 1065)
	10	Deductions related to portfolio income (attach schedule)	10		
	11	Other deductions (attach schedule)	11		
Credits	12a	Low-income housing credit:			
		(1) From section 42(j)(5) partnerships	12a(1)		Form 8586, line 5
		(2) Other than on line 12a(1)	12a(2)		
	b	Qualified rehabilitation expenditures related to rental real estate activities	12b		See page 8 of Partner's Instructions for Schedule K-1 (Form 1065)
	c	Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities	12c		
	d	Credits related to other rental activities	12d		
	13	Other credits	13		

For Paperwork Reduction Act Notice, see Instructions for Form 1065.

Schedule K-1 (Form 1065) 2001

JSA 1P1200 2.000

RX6666 2060 CONSOLIDATING

		(a) Distributive share item		(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Investment Interest	14 a	Interest expense on investment debts	14a		Form 4952, line 1
	b	(1) Investment income included on lines 4a, 4b, 4c, and 4f	14b(1)	1,338,473.	See page 9 of Partner's Instructions for Schedule K-1 (Form 1065)
		(2) Investment expenses included on line 10	14b(2)		
Self-employment	15 a	Net earnings (loss) from self-employment	15a		Sch. SE, Section A or B
	b	Gross farming or fishing income	15b		See page 9 of Partner's Instructions for Schedule K-1 (Form 1065)
	c	Gross nonfarm income	15c		
Adjustments and Tax Preference Items	16 a	Depreciation adjustment on property placed in service after 1986	16a		See page 9 of Partner's Instructions for Schedule K-1 (Form 1065) and Instructions for Form 6251
	b	Adjusted gain or loss	16b		
	c	Depletion (other than oil and gas)	16c		
	d	(1) Gross income from oil, gas, and geothermal properties	16d(1)		
		(2) Deductions allocable to oil, gas, and geothermal properties	16d(2)		
	e	Other adjustments and tax preference items (attach schedule)	16e		
Foreign Taxes	17 a	Name of foreign country or U.S. possession ▶ STMT 2			Form 1116, Part I
	b	Gross income from all sources	17b	969,664.	
	c	Gross income sourced at partner level	17c		
	d	Foreign gross income sourced at partnership level:			
		(1) Passive	17d(1)		
		(2) Listed categories (attach schedule)	17d(2)		
		(3) General limitation	17d(3)		
	e	Deductions allocated and apportioned at partner level			
		(1) Interest expense	17e(1)		
		(2) Other	17e(2)		
	f	Deductions allocated and apportioned at partnership level to foreign source income:			
		(1) Passive	17f(1)		
		(2) Listed categories (attach schedule)	17f(2)		
		(3) General limitation	17f(3)		
	g	Total foreign taxes (check one): ▶ [X] Paid [ ] Accrued	17g	242,412.	Form 1116, Part II
	h	Reduction in taxes available for credit (attach schedule)	17h		Form 1116, line 12
Other	18	Section 59(e)(2) expenditures: a Type ▶			See page 9 of Partner's Instructions for Schedule K-1 (Form 1065)
	b	Amount	18b		
	19	Tax-exempt interest income	19		Form 1040, line 8b
	20	Other tax-exempt income	20		See pages 9 and 10 of Partner's Instructions for Schedule K-1 (Form 1065)
	21	Nondeductible expenses STMT. 2.	21	919,376.	
	22	Distributions of money (cash and marketable securities)	22	4,356,367.	
	23	Distributions of property other than money	23		
	24	Recapture of low-income housing credit:			
	a	From section 42(j)(5) partnerships	24a		Form 8611, line 8
	b	Other than on line 24a	24b		

Supplemental Information

25 Supplemental information required to be reported separately to each partner (attach additional schedules if more space is needed):

NEXTIRAONE, LLC 76-0534950
SCH K-1 SUPPORTING SCHEDULES PARTNER # 1 MILGO HOLDINGS II, LLC

ITEM J, COLUMN(C) - RECONCILIATION OF INCOME

INCOME (LOSS) FROM SCH. K-1, LINES 1 - 7	-119,852,534.
LESS: DEDUCTIONS FROM SCH. K-1, LINES 8 - 11, 14A, 17G & 18B	255,550.
TOTAL INCOME PER SCHEDULE K-1	-120,108,084.
LESS: INCOME INCLUDED ON SCH. K-1, NOT RECORDED ON BOOKS:	
RENTAL INCOME	5,571,898.
AUTO LEASE INCLUSION	403.
FOREIGN DIVIDEND INCOME	727,241.
DEFERRED REVENUE ON MAINTENANCE CONTRACT	3,214,482.
LESS: EXPENSES RECORDED ON BOOKS, NOT INCLUDED ON SCH. K-1:	
DEPRECIATION	4,833,813.
TRAVEL AND ENTERTAINMENT	919,376.
OTHER ITEMS INCLUDED IN ITEM J, COLUMN(C):	
PENALTIES	169.
TRAVEL AND ENTERTAINMENT	919,377.
CAPITAL LEASE COST OF SALES	756,697.
BOOK STATE INCOME TAX	155,355.
WARRANTY RESERVE	111,449.
NONDEDUCTIBLE EXPENSES	72,742.
STATE INCOME TAX	124,018.
AMORTIZATION	5,428,296.
BAD DEBT	13,152,587.
PREPAID EXPENSES	2,024,386.
PREPAID INSURANCE	159,674.
PREPAID COMMISSIONS	6,073,364.
DEFERRED COMPENSATION	812,252.
ACCRUED BONUS	147,295.
PENALTIES	36,908.
ACCRUED EXPENSES	101,019.
INVENTORY RESERVE	1,079.
MISCELLANEOUS EXPENSE	22,142.
PLUS: INCOME RECORDED ON BOOKS, NOT INCL. ON SCH. K-1:	
GROSS CAPITAL LEASE REVENUE	981,123.
CAPITAL LEASE INTEREST INCOME	883,502.
UNREALIZED FOREIGN EXCHANGE GAIN	74,905.
DEFERRED REVENUE	1,894,188.
BOOK/TAX GAIN/LOSS ON F/A DISPOSITION	72,529.
PLUS: DEDUCTIONS ON SCH. K-1, NOT CHARGED AGAINST BOOKS:	
DEPRECIATION	1,303,566.
AMORTIZATION	942,116.
PRIOR YEAR STATE INCOME TAXES	31,852.
INTEREST EXPENSE ON CIT LOAN	107,367.
ACCRUED VACATION	18,009,892.
ACCOUNT SERVICE FEE - SOLD CAPITAL LEASE	85,026.
OTHER ACCRUALS AND RESERVES	7,168,443.
MISCELLANEOUS RESERVES	255,086.
UNICAP	1,625,189.
LOSS FROM DISPOSITION OF FIXED ASSETS	708,399.
BAD DEBTS	246,896.
RESTRUCTURE RESERVE	17,546,855.

CONTINUED ON NEXT PAGE STATEMENT #1

ITEM J, COLUMN(C) - RECONCILIATION OF INCOME (CONT'D)

INVENTORY RESERVE	9,243,891.
BOOK/TAX DIFF ON ACCOUNTS RECEIVABLE	1,918,054.
WARRANTY RESERVE	4,488,129.
WORK IN PROGRESS RESERVE	8,241,881.
DEFERRED LOAN COSTS	301,940.
AUDIT FEES	98,410.
BOOK/TAX DIFFERENCE ON ACCOUNTS PAYABLE	10,552,924.
BOOK/TAX DIFFERENCE ON CONTRACTS	63,076,350.
MISCELLANEOUS EXPENSE	161,638.
ACCRUED SALARIES	610,373.
PLUS: OTHER INCREASES TO PARTNER'S CAPITAL	
PRIOR PERIOD ADJUSTMENT	1,089,562.
LESS: OTHER DECREASES TO PARTNER'S CAPITAL	
CURRENCY EXCHANGE	42.
ELIMINATE CHG	1,771,380.
TOTAL INCOME PER ITEM J, COLUMN(C)	-14,605,896.

LINE 4B - DIVIDENDS

DIVIDEND INCOME	727,241.
TOTAL DIVIDENDS	727,241.

LINE 17A - NAME OF FOREIGN COUNTRY OR U.S. POSSESSION

CANADA

LINE 21 - NONDEDUCTIBLE EXPENSES

TRAVEL AND ENTERTAINMENT EXPENSE NONDEDUCTIBLE	919,376.
TOTAL NONDEDUCTIBLE EXPENSES	919,376.

LINE 25 - SUPPLEMENTAL ITEMS

OTHER ITEMS DECREASING ITEM J, COLUMN(C):

PENALTIES	169.
TRAVEL AND ENTERTAINMENT	919,377.

SHORT YEAR INITIAL RETURN

SCHEDULE K-1 (Form 1065)
Department of the Treasury Internal Revenue Service

Partner's Share of Income, Credits, Deductions, etc.

▶ See separate instructions.

OMB No. 1545-0099

2001

For calendar year 2001 or tax year beginning 04/01, 2001, and ending 12/31/2001

Partner's identifying number ▶ 95-4851785

Partnership's identifying number ▶ 76-0534950

Partner's name, address, and ZIP code PARTNER # 2

WCS ACQUISITION CORPORATION
2049 CENTURY PARK EAST, SUITE 2700
LOS ANGELES, CA 90067

Partnership's name, address, and ZIP code

NEXTIRAONE, LLC
2049 CENTURY PARK EAST, SUITE 2700
LOS ANGELES, CA 90067

A This partner is a [ ] general partner [ ] limited partner [X] limited liability company member

B What type of entity is this partner? ▶ S CORPORATION

C Is this partner a [X] domestic or a [ ] foreign partner?

D Enter partner's percentage of: (i) Before change or termination / (ii) End of year

	(i) Before change or termination	(ii) End of year
Profit sharing	%	1.590000 %
Loss sharing	%	1.590000 %
Ownership of capital	%	1.590000 %

E IRS Center where partnership filed return OGDEN

F Partner's share of liabilities (see instructions):

Nonrecourse ...... 747,392.

Qualified nonrecourse financing

Other .... 5,957,544.

G Tax shelter registration number ▶

H Check here if this partnership is a publicly traded partnership as defined in section 469(k)(2) .... [ ]

I Check applicable boxes: (1) [ ] Final K-1 (2) [ ] Amended K-1

J Analysis of partner's capital account:

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of lines 3, 4, and 7, Form 1065, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year (combine columns (a) through (d))
	3,589,160.	-235,986.	(70,385.)	3,282,789.

		(a) Distributive share item		(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Income (Loss)	1	Ordinary income (loss) from trade or business activities	1	-2,052,358.	See page 6 of Partner's Instructions for Schedule K-1 (Form 1065)
	2	Net income (loss) from rental real estate activities	2		
	3	Net income (loss) from other rental activities	3	94,288.	
	4	Portfolio income (loss):			
	a	Interest	4a	9,876.	Sch. B, Part I, line 1
	b	Ordinary dividends STMT. 2.	4b	11,750.	Sch. B, Part II, line 5
	c	Royalties	4c		Sch. E, Part I, line 4
	d	Net short-term capital gain (loss)	4d		Sch. D, line 5, col. (f)
	e	(1) Net long-term capital gain (loss)	4e(1)		Sch. D, line 12, col. (f)
		(2) 28% rate gain (loss)	4e(2)		Sch. D, line 12, col. (g)
		(3) Qualified 5-year gain	4e(3)		Line 4 of worksheet for Sch. D, line 29
	f	Other portfolio income (loss) *(attach schedule)*	4f		Enter on applicable line of your return
	5	Guaranteed payments to partner	5		See page 6 of Partner's Instructions for Schedule K-1 (Form 1065).
	6	Net section 1231 gain (loss) (other than due to casualty or theft)	6		
	7	Other income (loss) *(attach schedule)*	7		Enter on applicable line of your return
Deductions	8	Charitable contributions (see instructions) *(attach schedule)*	8	212.	Sch. A, line 15 or 16.
	9	Section 179 expense deduction	9		See pages 7 and 8 of Partner's Instructions for Schedule K-1 (Form 1065).
	10	Deductions related to portfolio income *(attach schedule)*	10		
	11	Other deductions *(attach schedule)*	11		
Credits	12a	Low-income housing credit:			
		(1) From section 42(j)(5) partnerships	12a(1)		Form 8586, line 5
		(2) Other than on line 12a(1)	12a(2)		
	b	Qualified rehabilitation expenditures related to rental real estate activities	12b		See page 8 of Partner's Instructions for Schedule K-1 (Form 1065).
	c	Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities	12c		
	d	Credits related to other rental activities	12d		
	13	Other credits	13		

For Paperwork Reduction Act Notice, see Instructions for Form 1065.

Schedule K-1 (Form 1065) 2001

		(a) Distributive share item		(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Investment Interest	14 a	Interest expense on investment debts	14a		Form 4952, line 1
	b	(1) Investment income included on lines 4a, 4b, 4c, and 4f	14b(1)	21,626.	See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).
		(2) Investment expenses included on line 10	14b(2)		
Self-employment	15 a	Net earnings (loss) from self-employment	15a		Sch. SE, Section A or B
	b	Gross farming or fishing income	15b		See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).
	c	Gross nonfarm income	15c		
Adjustments and Tax Preference Items	16 a	Depreciation adjustment on property placed in service after 1986	16a		See page 9 of Partner's Instructions for Schedule K-1 (Form 1065) and Instructions for Form 6251
	b	Adjusted gain or loss	16b		
	c	Depletion (other than oil and gas)	16c		
	d	(1) Gross income from oil, gas, and geothermal properties	16d(1)		
		(2) Deductions allocable to oil, gas, and geothermal properties	16d(2)		
	e	Other adjustments and tax preference items *(attach schedule)*	16e		
Foreign Taxes	17 a	Name of foreign country or U.S. possession ▶ STMT 2			Form 1116, Part I
	b	Gross income from all sources	17b	15,667.	
	c	Gross income sourced at partner level	17c		
	d	Foreign gross income sourced at partnership level:			
		(1) Passive	17d(1)		
		(2) Listed categories *(attach schedule)*	17d(2)		
		(3) General limitation	17d(3)		
	e	Deductions allocated and apportioned at partner level:			
		(1) Interest expense	17e(1)		
		(2) Other	17e(2)		
	f	Deductions allocated and apportioned at partnership level to foreign source income:			
		(1) Passive	17f(1)		
		(2) Listed categories *(attach schedule)*	17f(2)		
		(3) General limitation	17f(3)		
	g	Total foreign taxes (check one): ▶ [X] Paid [ ] Accrued	17g	3,918.	Form 1116, Part II
	h	Reduction in taxes available for credit *(attach schedule)*	17h		Form 1116, line 12
Other	18	Section 59(e)(2) expenditures a Type ▶			See page 9 of Partner's Instructions for Schedule K-1 (Form 1065)
	b	Amount	18b		
	19	Tax-exempt interest income	19		Form 1040, line 8b
	20	Other tax-exempt income	20		See pages 9 and 10 of Partner's Instructions for Schedule K-1 (Form 1065).
	21	Nondeductible expenses STMT 2	21	14,854.	
	22	Distributions of money (cash and marketable securities)	22	70,385.	
	23	Distributions of property other than money	23		
	24	Recapture of low-income housing credit:			
	a	From section 42(j)(5) partnerships	24a		Form 8611, line 8
	b	Other than on line 24a	24b		

Supplemental Information

25 Supplemental information required to be reported separately to each partner *(attach additional schedules if more space is needed)*:

ITEM J, COLUMN(C) - RECONCILIATION OF INCOME

INCOME (LOSS) FROM SCH. K-1, LINES 1 - 7	-1,936,444.
LESS: DEDUCTIONS FROM SCH. K-1, LINES 8 - 11, 14A, 17G & 18B	4,130.
TOTAL INCOME PER SCHEDULE K-1	-1,940,574.
LESS: INCOME INCLUDED ON SCH. K-1, NOT RECORDED ON BOOKS:	
RENTAL INCOME	90,025.
AUTO LEASE INCLUSION	7.
FOREIGN DIVIDEND INCOME	11,750.
DEFERRED REVENUE ON MAINTENANCE CONTRACT	51,936.
LESS: EXPENSES RECORDED ON BOOKS, NOT INCLUDED ON SCH. K-1:	
DEPRECIATION	78,099.
TRAVEL AND ENTERTAINMENT	14,854.
OTHER ITEMS INCLUDED IN ITEM J, COLUMN(C):	
PENALTIES	3.
TRAVEL AND ENTERTAINMENT	14,854.
CAPITAL LEASE COST OF SALES	12,226.
BOOK STATE INCOME TAX	2,510.
WARRANTY RESERVE	1,801.
NONDEDUCTIBLE EXPENSES	1,175.
STATE INCOME TAX	2,004.
AMORTIZATION	87,704.
BAD DEBT	212,505.
PREPAID EXPENSES	32,708.
PREPAID INSURANCE	2,580.
PREPAID COMMISSIONS	98,127.
DEFERRED COMPENSATION	13,123.
ACCRUED BONUS	2,380.
PENALTIES	596.
ACCRUED EXPENSES	1,632.
INVENTORY RESERVE	17.
MISCELLANEOUS EXPENSE	358.
PLUS: INCOME RECORDED ON BOOKS, NOT INCL. ON SCH. K-1:	
GROSS CAPITAL LEASE REVENUE	15,852.
CAPITAL LEASE INTEREST INCOME	14,275.
UNREALIZED FOREIGN EXCHANGE GAIN	1,210.
DEFERRED REVENUE	30,604.
BOOK/TAX GAIN/LOSS ON F/A DISPOSITION	1,172.
PLUS: DEDUCTIONS ON SCH. K-1, NOT CHARGED AGAINST BOOKS:	
DEPRECIATION	21,062.
AMORTIZATION	15,221.
PRIOR YEAR STATE INCOME TAXES	514.
INTEREST EXPENSE ON CIT LOAN	1,735.
ACCRUED VACATION	290,984.
ACCOUNT SERVICE FEE - SOLD CAPITAL LEASE	1,374.
OTHER ACCRUALS AND RESERVES	115,820.
MISCELLANEOUS RESERVES	4,121.
UNICAP	26,258.
LOSS FROM DISPOSITION OF FIXED ASSETS	11,446.
BAD DEBTS	3,989.
RESTRUCTURE RESERVE	283,503.

CONTINUED ON NEXT PAGE STATEMENT #1

NEXTIRAONE, LLC 76-0534950
SCH K-1 SUPPORTING SCHEDULES PARTNER # 2 NCS ACQUISITION CORPORATION

ITEM J, COLUMN(C) - RECONCILIATION OF INCOME (CONT'D)

INVENTORY RESERVE	149,353.
BOOK/TAX DIFF ON ACCOUNTS RECEIVABLE	30,990.
WARRANTY RESERVE	72,514.
WORK IN PROGRESS RESERVE	133,163.
DEFERRED LOAN COSTS	4,878.
AUDIT FEES	1,590.
BOOK/TAX DIFFERENCE ON ACCOUNTS PAYABLE	170,502.
BOOK/TAX DIFFERENCE ON CONTRACTS	1,019,118.
MISCELLANEOUS EXPENSE	2,612.
ACCRUED SALARIES	9,862.
PLUS: OTHER INCREASES TO PARTNER'S CAPITAL	
PRIOR PERIOD ADJUSTMENT	17,604.
LESS: OTHER DECREASES TO PARTNER'S CAPITAL	
CURRENCY EXCHANGE	1.
ELIMINATE CHG	28,620.
TOTAL INCOME PER ITEM J, COLUMN(C)	-235,986.

LINE 4B - DIVIDENDS

DIVIDEND INCOME	11,750.
TOTAL DIVIDENDS	11,750.

LINE 17A - NAME OF FOREIGN COUNTRY OR U.S. POSSESSION

CANADA

LINE 21 - NONDEDUCTIBLE EXPENSES

TRAVEL AND ENTERTAINMENT EXPENSE NONDEDUCTIBLE	14,854.
TOTAL NONDEDUCTIBLE EXPENSES	14,854.

LINE 25 - SUPPLEMENTAL ITEMS

OTHER ITEMS DECREASING ITEM J, COLUMN(C):	
PENALTIES	3.
TRAVEL AND ENTERTAINMENT	14,854.

STATEMENT #2

Appendix C

nextiraOne

NextiraOne
[illegible] POST OAK BLVD SUITE 200 HOUSTON TEXAS 770[illegible]
T 713 [illegible]
www.NextiraOne.com

April 15, 2003

Miami-Dade Aviation Department
Attn.: Susan Pascul

Re: Non-Exclusive Telecommunications and Network Management Services Agreement
<u>RFP No. MDAD-04-01</u>

Dear Ms. Pascul:

Pursuant to Section 3.2(A)(5)(A)(6) of the RFP, this letter is to advise you that the present financial condition of NextiraOne, LLC is materially the same as that shown on its most recent financial statements. This verification is as of the date listed above and does not oblige the company to undertake to advise you of any future changes or developments, which may hereafter, occur. Please contact me should you have questions.

Sincerely,

NextiraOne, LLC

By: ______________________
Alex Gersh, Chief Financial Officer

NextiraOne, LLC and Consolidated Subsidiaries
2002 Profit & Loss
(in 000's)

	YTD December 2002
Revenue	$ 824,208
Cost of Sales	603,666
Gross Margin	220,542
GM%	27%
Selling, General & Admin Expenses	206,152
EBITDA	14,390
Depreciation & Amortization	29,487
Interest Expense, Income Taxes & Other	48,084
Net Income (loss)	$ (63.181)

NextiraOne, LLC and Consolidated Subsidiaries
2002 Balance Sheet
(in 000's)

		December 2002
Assets		
Cash	$	33,832
Accounts receivable, net		139,293
Costs in excess of billings		15,684
Inventories, net		36,178
Prepaid expenses & other current assets		11,108
Total current assets		236,095
Property and equipment, net		36,239
Goodwill and other intangibles, net		42,683
Deferred loan costs & other assets		11,469
Total assets	$	326,488
Liabilities and Equity		
Accounts payable, trade	$	94,378
Accrued liabilities		78,948
Billings in excess of costs		18,728
Deferred revenue		62,600
Current portion of long-term liabilities		14,833
Total current liabilities		269,486
Long-term obligations, less current portion		15,010
Deferred revenue		4,413
Other long-term liabilities		12,127
Accounts payable (receivable) affiliates		(322)
Loan payable (receivable) affiliates		24,484
Total long term liabilities		55,711
Equity and retained earnings		1,290
Total liabilities and equity	$	326,488

NextiraOne, LLC and Consolidated Subsidiaries
2002 Statement of Cash Flows
(in 000's)

		YTD December 2002
Net income/(loss)	$	(63,181)
Adjusments		
Provided/(used) for non-cash activities:		
Depreciation and amortization		29,487
Amortization of loan costs		427
Bad debt provisions/(release)/write off(recovery)		6,399
Non-cash disposals and adjustments of property and equipment		19,492
Other		2,419
Retained earnings FX adjustments		(484)
Changes in operating assets and liabilities:		
Accounts receivable		43,910
Inventories		9,013
Costs in excess of billings (increase) decrease		42,524
Prepaid expenses and other current assets		10,733
Other assets and deferred loan costs		4,302
Accounts payable		16,259
Accrued expenses		(55,221)
Billing in excess of costs		(40,767)
Deferred income		14,767
Other liabilities		(17,062)
Net cash provided/(used) by operating activities		23,016
Provided/(used) by investing activities:		
(Purchase)/proceeds on property and equipment		(18,901)
Goodwill & Deferred Financing Costs		1,876
Net cash provided/(used) by investing activities		(17,025)
Provided/(used) by financing activities:		
Proceeds/(payment) on term debt		(19,826)
Proceeds/(payment) to/from affiliate loans		22,896
Proceeds/(payment) to/from affiliates		1,170
Proceeds/(payment) of dividend		20
Net cash provided/(used) by financing activities		4,262
Increase/ (decrease) in cash		10,252
Cash at beginning of period		23,580
Cash at end of period	$	33,832

CONSOLIDATED FINANCIAL STATEMENTS

NextiraOne, LLC
Year ended December 31, 2001

NextiraOne, LLC

Consolidated Financial Statements

Year ended December 31, 2001

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Audited Consolidated Financial Statements

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Report of Independent Auditors

Members
NextiraOne, LLC

We have audited the accompanying consolidated balance sheet of NextiraOne, LLC as of December 31, 2001, and the related consolidated statements of operations, members' equity, and cash flows for the year then ended These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of NextiraOne, LLC, at December 31, 2001, and the consolidated results of their operations and their cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States.

Ernst + Young LLP

March 20, 2002,
except for Note 14, as to which the date is
September 4, 2002

NextiraOne, LLC

Consolidated Balance Sheet

December 31, 2001
(In thousands)

Assets	
Current assets:	
Cash and cash equivalents	$ 23,580
Accounts receivable, less allowance for doubtful accounts of $36,761	189,602
Accounts receivable, affiliates	9,185
Costs in excess of billings	58,208
Inventories, less allowances for excess and obsolete inventory of $15,370	45,190
Prepaid expenses and other current assets	16,870
Total current assets	342,635
Property and equipment, net	63,278
Goodwill and other intangibles, net	48,097
Deferred loan costs	15,122
Long-term note receivable, affiliates	1,869
Other assets	6,048
Total assets	$ 477,049
Liabilities and members' equity	
Current liabilities:	
Accounts payable, trade	$ 78,114
Accounts payable, affiliates	5,823
Accrued liabilities	133,812
Billings in excess of costs	59,495
Deferred revenue	48,200
Current portion of long-term obligations	22,008
Total current liabilities	347,452
Long-term obligations, less current portion	25,737
Deferred revenue	4,059
Long-term liabilities, affiliates	5,862
Other long-term liabilities	29,109
Commitments and contingencies	
Members' equity:	
Members' capital	61,506
Accumulated comprehensive income	605
Retained earnings	2,719
Total members' equity	64,830
Total liabilities and members' equity	$ 477,049

See accompanying notes

NextiraOne, LLC

Consolidated Statement of Operations

Year ended December 31, 2001
(In thousands)

Revenues:	
Service	$ 459,525
Product	394,850
Other	12.234
Total revenues	866,609
Cost of sales:	
Service	340,207
Product	269,934
Other	148
Total cost of sales	610.289
Gross profit	256,320
Operating expenses:	
Selling, general, and administrative	176,994
Depreciation and amortization	42,458
Consolidation and integration	15,364
Bad debt expense	15,213
Management fees paid to Platinum	9,300
Total operating expenses	259.329
Operating loss	(3,009)
Interest expense	(17,341)
Gain on sale of subsidiaries	4,731
Interest income and other	201
Loss before provision for income taxes	(15,418)
Provision for income taxes	(1,087)
Net loss	$ (16,505)

See accompanying notes.

NextiraOne, LLC

Consolidated Statement of Members' Equity

Year ended December 31, 2001
(In thousands)

	Members' Capital	Accumulated Comprehensive Income	Retained Earnings	Total Members' Equity
Balance, December 31, 2000	$ (17,563)	$ 579	$ 19,224	$ 2,240
Capital contribution by Platinum for acquisition of Williams Communications Solutions, LLC	89,746	–	–	89,746
Distributions to Members	(14,777)	–	–	(14,777)
Capital contribution by Platinum for contingent purchase consideration recorded for NextiraOne Solutions, LLC	4,100	–	–	4,100
Comprehensive loss.				
Net loss	–	–	(16,505)	(16,505)
Foreign currency translation	–	26	–	26
Total comprehensive loss	–	–	–	(16,479)
Balance, December 31, 2001	$ 61,506	$ 605	$ 2,719	$ 64,830

See accompanying notes.

NextiraOne, LLC

Consolidated Statement of Cash Flows

Year ended December 31, 2001
(In thousands)

Operating activities	
Net loss	$ (16,505)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation	30,336
Amortization of goodwill and intangibles	12,122
Amortization of deferred loan costs	8,150
Gain on sale of subsidiaries	(4,731)
Provision for bad debts	15,213
Changes in operating assets and liabilities, net of effects of acquisition:	
Accounts receivable	25,794
Costs in excess of billings	10,931
Inventories	8,545
Prepaid expenses and other	23,004
Accounts payable	1,379
Accrued liabilities	(27,235)
Billings in excess of costs	(3,522)
Other	2,347
Net cash provided by operating activities	85,828
Financing activities	
Net payments on revolving credit facility	(34,954)
Payments on long-term debt	(17,923)
Advances to affiliates, net	(9,511)
Distributions to Members	(5,750)
Net cash used in financing activities	(68,138)
Investing activities	
Purchases of property and equipment	(4,489)
Net cash received in acquisition of Williams Communications Solutions, LLC	7,454
Net cash provided by investing activities	2,965
Net increase in cash and cash equivalents	20,655
Cash and cash equivalents at beginning of year	2,925
Cash and cash equivalents at end of year	$ 23,580
Supplemental cash flow information:	
Income taxes paid	$ 548
Interest paid	$ 7,810

See accompanying notes

NextiraOne, LLC

Notes to Consolidated Financial Statements

December 31, 2001

1. Organization, Basis of Presentation, and Description of Business

NextiraOne, LLC (the "Company" or "NextiraOne") provides a comprehensive line of networking solutions and life cycle services from planning and design, through implementation, support, and management of voice, data, and converged communications networks. NextiraOne is a nationwide service organization that offers consultation and solutions development ranging from contact center applications to network infrastructure outsourcing.

On March 31, 2001, Platinum Equity, LLC and its holding companies, (collectively, "Platinum"), through its indirect ownership in WCS Acquisition LLC, WCS Acquisition II LLC, and WCS Acquisition Corporation, executed a sale and purchase agreement (the "Agreement") to purchase all of the outstanding membership interests of Williams Communications Solutions, LLC ("WCS") from Williams Communications, LLC ("WCG") and an affiliate of WCG. Platinum, through its indirect ownership of WCS Acquisition LLC, also acquired all of the issued and outstanding shares of Intersys Mexico, S.A. de C.V. ("Intersys"), a Mexican corporation, from WCG and certain individual shareholders; and all of the issued and outstanding shares of Data Communications 2000 Inc., a California corporation ("DataCom"), from WCG. Milgo Solutions Canada Company, an indirect Canadian subsidiary of Platinum, acquired substantially all of the Canadian Professional Services Business ("CPSB") assets from Williams Communications Canada, Inc., a subsidiary of WCG. In conjunction with the sale and purchase agreement, Nortel Networks, Inc. ("Nortel") agreed to transfer all of its membership interests in WCS to an affiliate of WCG prior to the closing. See Note 3 for a description of the acquisition of WCS, Intersys, DataCom, and CPSB.

Effective April 4, 2001, WCS changed its name to Nextira, LLC (the "Company"). The Company at such time was owned by WCS Acquisition LLC, WCS Acquisition II LLC, and WCS Acquisition Corporation. WCS Acquisition LLC was wholly owned by WCS Acquisition II LLC, which was wholly owned by Milgo Holdings, LLC. Milgo Holdings, LLC is a wholly owned subsidiary of Milgo Holdings II, LLC. Milgo Holdings II, LLC has three members, each of which is ultimately owned by Platinum. All of the issued and outstanding shares of WCS Acquisition Corporation were owned by WCS Holdings LLC, which is wholly owned by Platinum.

Prior to the acquisition of the Company, WCS Acquisition LLC wholly owned Milgo Solutions, LLC ("Milgo"), Timeplex, LLC ("Timeplex"), and Milgo Holdings Canada, LLC ("Canada"). Effective April 10, 2001, WCS Acquisition LLC was merged with and

NextiraOne, LLC

Notes to Consolidated Financial Statements (continued)

1. Organization, Basis of Presentation, and Description of Business (continued)

into the Company, with the Company surviving As a result of such merger, all of the membership interests of Milgo, Timeplex, and Canada, and all of the stock of Intersys and DataCom previously held by WCS Acquisition LLC, were contributed to the Company. This combination was among parties under common control and has been accounted for at historical cost, similar to a pooling of interest.

As a result of the above transactions, the current members of NextiraOne are WCS Acquisition II LLC and WCS Acquisition Corporation (collectively, the "Members").

Effective October 5, 2001, the Nextira, LLC name was changed to NextiraOne, LLC.

The Company had experienced significant EBITDA (earnings before interest, taxes, and depreciation and amortization) losses prior to its purchase by Platinum. The Company's current management initiated a restructuring and integration plan immediately after the acquisition in April 2001, designed to substantially improve efficiencies and reduce administrative, operational, and capital costs in every part of the Company's business. The first phase of this plan consisted primarily of improved organizational alignment, increased focus on more profitable business segments, and reductions in receivables, inventories, staff, and facilities. The results of this phase of the plan allowed the Company to report EBITDA before consolidation and integration expenses, as allowed under the Loan and Security Agreement (see Note 8), of $59.7 million. The second and final phase of the restructuring plan includes an information systems integration, focus on key operational metrics and customer satisfaction ratings, and conclusion of facility and staff reduction plans. These efforts are designed to provide continued operational efficiencies and improved customer retention. In addition, the Company is looking at various alternatives that will allow it to reduce its cost of capital. Management expects these collective actions will be completed by July 2003 and believes that the Company has adequate cash and lines of credit to fund operations through year-end 2003.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of NextiraOne, LLC and its wholly owned subsidiaries. All significant intercompany balances and transactions have been eliminated. The consolidated statements of operations and cash flows include the results for twelve months of the former Milgo, Timeplex, and Canada, and the results for the former WCS, Intersys, DataCom, and CPSB from the date of acquisition

Revenue Recognition

Revenue from new systems and upgrade contracts is recognized using the completed contract method of accounting. In general, revenue is recognized when all of the following conditions are met: persuasive evidence of an agreement exists, delivery has occurred or services have been rendered, the sales price is fixed or determinable, and collectibility is reasonably assured. These types of contracts typically include both product and service and are recorded on the income statement by these components. Estimated losses on all contracts in progress are accrued when the loss becomes known.

Revenues from product-only sales and sales-type equipment leases are recognized at time of shipment and are recorded on the income statement as product sales and other sales, respectively. The discounted present values of minimum rental payments under sales-type leases are recorded as revenues, net of executory costs, and the related costs of the products are recorded as cost of sales. Associated interest is recognized over the lease term using the interest method. Operating lease revenue is recognized as earned over the lease term.

Revenue from customer service orders is recognized under the completed contract method. In general, revenue is recognized upon delivery of the equipment or when services have been rendered. This type of activity typically includes both product and service and is recorded on the income statement by these components. Customer service orders represent changes to existing customer systems.

Revenue on contracts for maintenance of installed systems is deferred and amortized on a straight-line basis over the life of the related contract and is recorded as service revenues.

Provisions are made for an estimate of sales returns and doubtful accounts, based on industry averages and historical experience.

2. Summary of Significant Accounting Policies (continued)

Goodwill and Other Intangibles

Goodwill and other intangibles, which represent the excess of cost over fair value of assets of businesses acquired, is being amortized on a straight-line basis over the estimated benefit period of five years. Goodwill and other intangible assets and related accumulated amortization totaled approximately $67.6 million and $19.5 million, respectively, at December 31, 2001. During the year ended December 31, 2001, the Company recorded amortization expense of approximately $12.1 million. Approximately $36.8 million and $5.5 million of goodwill and other intangibles and the related accumulated amortization, respectively, at December 31, 2001 was the result of the acquisition of WCS, Intersys, DataCom, and CPSB.

Effective January 1, 2002, the Company will adopt Statements of Financial Accounting Standards No. 141, *Business Combinations*, and No. 142 ("SFAS 142"), *Goodwill and Other Intangible Assets*, which are effective for fiscal years beginning after December 15, 2001. Under the new rules, goodwill and intangible assets deemed to have indefinite lives would no longer be amortized over estimated useful lives. During 2002, the Company will evaluate existing goodwill and intangible assets acquired in purchase business combinations completed prior to July 1, 2001. The carrying amount of recognized intangible assets that meet the criteria for recognition apart from goodwill or any unidentifiable intangible assets that have been presented with goodwill and other intangible assets for financial reporting purposes will be reclassified and reported separately from goodwill. The Company will also test goodwill for impairment during 2002, using the two-step process prescribed in SFAS 142. The first step is a screen for potential impairment, while the second step measures the amount of impairment, if any. The Company has not yet determined what the effect of these tests will be on the earnings and financial position of the Company.

In October 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*, on asset impairment that is applicable to financial statements issued for fiscal years beginning after December 15, 2001. The FASB's new rules on asset impairment supersede SFAS No. 121, *Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of*, and provide a single accounting model for long-lived assets to be disposed of. The Company is currently determining the impact of this Statement on its financial statements.

2. Summary of Significant Accounting Policies (continued)

Cash Equivalents

Cash equivalents include all highly liquid investments with a maturity of three months or less when purchased.

Concentrations of Credit Risk

Financial instruments that subject the Company to concentrations of credit risk consist principally of trade receivables. The Company performs ongoing credit evaluations of its customers' financial condition and may require customers to make deposits, down payments, and progress billings.

Inventories

Inventories consist primarily of new and refurbished data, voice, and video equipment and are stated at the lower of cost or market. Cost is determined principally using standard costs approximating the average cost method.

Field service spare parts are primarily refurbished equipment used in the process of maintaining customer equipment under voice and data maintenance contracts. Voice field service spares are valued at replacement cost of the defective parts, which represents the lower of cost or market, and are recorded as a component of inventory. Data field service spares, included in other long-term assets, are treated as a deferred charge and amortized over a period of three years, which represents their estimated useful lives.

Fair Value of Financial Instruments

The carrying amounts of cash, cash equivalents, accounts receivable, prepaid expenses, and accounts payable approximate fair value due to the short-term maturities of these instruments. The carrying values of the Company's debt facilities and capital lease obligations approximate fair value since the rates on such facilities are based on current market or are at fixed rates currently available to the Company.

2. Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment are recorded at historical cost, less accumulated depreciation Significant renewals and betterments to property and equipment are capitalized and maintenance and repairs that do not improve or extend the lives of the assets are expensed as incurred. When assets are sold, replaced, or otherwise retired, the cost and related accumulated depreciation or amortization is eliminated from the accounts in the year of disposal and the related gains and losses are included in income. Depreciation or amortization is computed on the straight-line method over the estimated useful lives of the assets and are as follows:

Computer software and equipment	3 to 6 years
Furniture and fixtures	5 to 10 years
Telecommunications and other equipment	3 to 10 years

Leasehold improvements are amortized on a straight-line basis over the lesser of the lease term or the estimated useful lives of the improvements. Machinery and equipment under capital leases are amortized over the lesser of the lease term or their estimated useful lives.

Statement of Position 98-1, *Accounting for the Costs to Develop or Obtain Software for Internal Use*, requires capitalization of certain costs incurred in connection with developing or obtaining internal use software. During 2001, the Company capitalized approximately $2.8 million of software development costs related to the development and installation of new customer relations management and finance systems.

Deferred Loan Costs

Costs incurred to obtain financing through the issuance of the term note and revolver are classified as deferred loan costs and will be amortized over the life of the debt using the interest method. Accumulated amortization of deferred loan costs was approximately $8.1 million at December 31, 2001.

2. Summary of Significant Accounting Policies (continued)

Revenue Earning Equipment

The Company leases certain equipment to customers under operating leases generally for periods of one to five years. Revenue-earning equipment is recorded at historical cost and depreciated on a straight-line basis over four years. Accumulated depreciation on revenue earning equipment was approximately $1.3 million at December 31, 2001.

Consolidation and Integration Expenses

Consolidation and integration expenses represent certain costs associated with management's post-acquisition restructuring plan, certain costs to separate from WCG, and certain costs to integrate the entities forming NextiraOne. These costs are primarily composed of excess space lease costs and lease cancellation costs, certain payroll related costs, costs to disconnect and reconnect information systems infrastructure, and replacing financial and operating systems. These consolidation and integration expenses are comprised of $15.1 million of selling, general, and administrative expense and $0.3 million related to cost of sales

Warranty Reserve

In general, the Company warrants voice new systems for one year after installation. During the warranty period, the cost of the parts is covered by the original manufacturer. The Company must provide the service portion of the repair The warranty reserve is established based upon the accumulation of the actual historical warranty expense for the previous 12-month period.

Foreign Currency Translation

The functional currency of NextiraOne is the U.S. Dollar. The functional currency of NextiraOne's foreign operations is the applicable local currency for each foreign subsidiary, including the Canadian Dollar and the Mexican Peso. Assets and liabilities of foreign subsidiaries are translated at the spot rate in effect at the applicable reporting date, and the combined statements of operations are translated at the average exchange rates in effect during the applicable period. The resulting cumulative translation adjustment is recorded as a separate component of members' equity.

2. Summary of Significant Accounting Policies (continued)

Income Taxes

NextiraOne is treated as a partnership for federal income tax purposes and therefore is not liable for federal income taxes. As a Limited Liability Company treated as a partnership, NextiraOne's taxable income is included in the income tax returns of its members. Additionally, there are certain states that assess a fee against limited liability companies. Accordingly, for these various states, the Company utilizes the liability method to determine the provision for income taxes.

The Company does have foreign subsidiaries based in Canada and Mexico and is therefore responsible for paying certain foreign income taxes. Foreign income taxes were approximately $0.7 million for the year ending December 31, 2001. At December 31, 2001 the Company has recorded a foreign deferred tax asset of approximately $1.2 million for which a full valuation allowance has been recorded, given uncertainty surrounding future realizability.

Impairment of Long-Lived Assets

The Company evaluates long-lived assets, including related intangibles, for impairment when events or changes indicate, in management's judgment, that the carrying value of such assets may not be recoverable. The determination of whether an impairment has occurred is based upon management's estimate of undiscounted future cash flows attributable to the assets as compared to the carrying value of the assets. If an impairment has occurred, the amount of the impairment recognized is determined by estimating the fair value of the assets and recording a provision for loss if the carrying value is greater than fair value.

For assets identified to be disposed of in the future, the carrying value of these assets is compared to the estimated fair value, less the cost to sell, to determine if an impairment is required. Until the assets are disposed of, an estimate of the fair value is redetermined when related events or circumstances change.

Shipping Fees and Costs

The Company records its shipping fees charged to customers as net sales and the shipping costs incurred as cost of sales in the accompanying consolidated statement of operations.

2. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

3. Acquisition

Effective March 31, 2001, Platinum indirectly purchased all the outstanding membership interests and/or shares of WCS, DataCom, Intersys, and CPSB for approximately $102.6 million in cash and a $75 million subordinated promissory note due from WCS Acquisition II LLC to WCG at an interest rate of 12%. The promissory note is due September 30, 2002, of which $30 million (interest and principle) is due March 31, 2002. The promissory note is a liability of Platinum, was considered an additional investment by Platinum in the Company, and was recorded by the Company as a capital contribution by Platinum to the Company. In order to fund the cash component of the purchase price, of $102.6 million, WCS Acquisition LLC borrowed $88 million, which is reflected as debt in the Company's consolidated financial statements as a result of the merger referred to in Note 1. The remaining amount was considered an equity contribution. This acquisition was accounted for using the purchase method of accounting. As part of the Agreement, there were certain assets and liabilities excluded from the sale. The net working capital ("NWC") purchased under this agreement was estimated as of March 31, 2001. The Agreement provided for a final statement of NWC to be agreed upon by Platinum and WCG within 210 days of the purchase date, subject to amendment. The purchase price will be revised upon the final settlement of the NWC amounts.

Pursuant to the Agreement, Platinum provided a Dispute Notice to WCG's final statement of NWC. The cumulative effect of WCG's final statement of NWC and the Platinum Dispute Notice would reduce the estimated NWC by approximately $47 million. The effect of the purchase price revision will be to reduce goodwill and other intangibles and members' capital To date, WCG and Platinum have not been able to resolve the issues outlined in the Dispute Notice. The outcome of this matter cannot be estimated and has not been recorded as of December 31, 2001.

3. Acquisition (continued)

The purchase price of the acquisition and the assets and liabilities purchased at their net book value under purchase accounting were as follows (in thousands):

Purchase price	$ 177,650
Current assets	352,815
Property and equipment, net	96,482
Current liabilities	(293,446)
Net long-term assets/liabilities	(14,972)
Total assets purchased, net of liabilities assumed	140,879
Cost in excess of assets purchased less liabilities assumed	$ 36,771

The Company originally recorded $11.1 million in goodwill based upon the initial purchase allocation plan related to the April 1, 2001 acquisition of WCS under purchase accounting. As of December 31, 2001, the Company recorded an additional $25.7 million of goodwill based upon refinements to the initial purchase allocation. The initial plan included certain estimates that were subsequently finalized in the nine months after the acquisition date of April 1, 2001.

As part of the acquisition of WCS, the Company formalized a plan directed at reducing operating costs. This plan focused primarily on operational and organizational structures, facilities utilization, and certain other matters. As a result of this plan, the Company recorded restructuring charges and related liabilities as part of the business combination related to anticipated facility closures and anticipated employee severance and related costs.

A summary of the activity related to these restructuring liabilities is as follows (in thousands):

	Severance	Facilities	Total
Balance at April 1, 2001	$ 12,958	$ 12,059	$ 25,017
Payments (net of sublease receipts of $172)	(5,889)	(1,983)	(7,872)
Net changes in amounts estimated at April 1, 2001	(2,236)	(3,724)	(5,960)
Balance at December 31, 2001	$ 4,833	$ 6,352	$ 11,185

3. Acquisition (continued)

As of December 31, 2001, the severance and the facility closure estimates that were made as of April 1, 2001 were revised and decreased by $2.2 million and $3.7 million, respectively, resulting in a decrease to goodwill and other intangibles. The original severance estimate decreased due to higher employee attrition. The original facility estimate decreased primarily as a result of the revision of facility close dates, higher sublease amounts, and changes to original facilities identified.

The remaining restructuring obligations at December 31, 2001 totaling $11.2 million are recorded on the accompanying balance sheet in accrued liabilities ($8.5 million) and other long-term liabilities ($2.7 million) based on contractual payout dates through 2007.

Platinum purchased Milgo and Canada in September 1998. In connection with the purchase, Platinum committed to certain contingent royalty payments (ranging from 1% to 2%) on revenues generated by the acquired business for periods expiring through 2008. The total contingent royalty payments cannot exceed $22.6 million. During 2001, the first contingent royalty payment, approximately $4.1 million, was accrued by Platinum and was recorded by the Company as an increase in goodwill and a capital contribution by Platinum. As future contingent royalty payments are made, goodwill will be adjusted.

4. Restructuring Charges – Milgo and Timeplex

During 1999, Milgo recorded restructuring charges of approximately $3.5 million related to workforce reductions and facility closures. At December 31, 2000, Milgo had remaining reserves of approximately $1.0 million. During 2001, Milgo completed actions under their restructuring plan and there are no remaining accruals at December 31, 2001.

In August 1999, in connection with the acquisition of Timeplex by Platinum, Timeplex recorded liabilities of approximately $29.0 million pursuant to a plan to terminate employees and close facilities. The plan provided for the closure of Timeplex's primary corporate facilities and the integration of the Timeplex's general and administrative activities into those of an affiliate. Management recorded an accrual for the estimated costs required to terminate the leases, net of estimated sublease income. Accrued costs at December 31, 2001 included amounts for actions that have already been taken, but for which expenditures have not yet been made.

4. Restructuring Charges – Milgo and Timeplex (continued)

A summary of the activity related to these restructuring liabilities is as follows (in thousands):

	Severance	Facilities	Total
Balance, December 31, 2000	$ 1,052	$ 15,120	$ 16,172
Payments (net of imputed interest and sublease receipts of $775 and $855, respectively)	(396)	(5,416)	(5,812)
Balance, December 31, 2001	$ 656	$ 9,704	$ 10,360

The remaining restructuring obligations at December 31, 2001 totaling $10.4 million are recorded on the accompanying balance sheet in accrued liabilities ($3.1 million) and other long-term liabilities ($7.3 million) based on contractual payout dates through 2016.

5. Investment in Sales-Type Leases

Components of the net investment in sales-type leases entered into by the Company consisted of the following (in thousands):

Total minimum lease payments to be received	$ 6,325
Unearned income	(1,108)
Allowance for uncollectible lease payments	(433)
Net investment in sales-type leases	4,784
Less current portion	(2,617)
Long-term portion	$ 2,167

Future minimum lease payments to be received under sales-type leases are as follows (in thousands):

2002	$ 3,585
2003	2,057
2004	615
2005	68
	$ 6,325

The current portion and long-term portion of sales-type leases are reflected in other current assets and other assets on the consolidated balance sheet.

6. Inventories

Inventories, net consist of the following (in thousands):

Finished goods	$ 39,861
Raw materials	3,381
Work-in-progress	1,948
Total inventories, net	$ 45,190

7. Property and Equipment

Property and equipment consisted of the following (in thousands).

Computer software and equipment	$ 40,834
Furniture and fixtures	25,641
Telecommunications and other equipment	27,865
Construction in progress	11,573
	105,913
Accumulated depreciation and amortization	(42,635)
Property and equipment, net	$ 63,278

Included in property and equipment are assets under capital lease of approximately $2.7 million, net of accumulated amortization of approximately $1.2 million at December 31, 2001. There was approximately $0.5 million in amortization expense related to these assets for the year ended December 31, 2001.

During the year ended December 31, 2001, the Company retired certain assets related to the purchase of WCS no longer in use as part of the restructuring plan. This resulted in a purchase accounting adjustment to goodwill totaling approximately $1.9 million.

8. Long-Term Obligations

On April 2, 2001, as part of the formation of NextiraOne, WCS Acquisition LLC entered into a loan and security agreement with a group of lenders which provides for $55 million in the form of a term loan due in 2003 and $55 million in the form of a revolving line of credit. In July 2001, the Company and a group of lenders amended the revolving loan and security agreement to increase it from $55 million to $60 million. Both the term loan and revolving line of credit have an interest rate of 15%. Approximately $23.1 million of the proceeds were used to repay Milgo Holdings, LLC term obligations that were collateralized by the assets of Milgo, Timeplex, and Canada, and $2.1 million of the proceeds were used to repay Timeplex's revolving loan. The terms of the loan and security agreement related to both the term loan and the revolving loan subject the Company to certain restrictive operating and financial covenants. In addition, the revolving line of credit has annual fee requirements of 5% of the revolving line limit and a $15 million fee due at maturity. The revolving line of credit is secured by the accounts receivable of the Company, net of certain types of accounts receivable which comprise the borrowing base. The borrowing base is multiplied by an advance rate to yield the maximum value that can be drawn upon the revolving line of credit, not to exceed $60 million. At December 31, 2001, the maximum amount that could be drawn upon the revolving line of credit was approximately $46.3 million and the Company had zero borrowings upon the revolving line of credit. The term loan is secured by substantially all assets of NextiraOne and is payable in monthly installments of $1.5 million until maturity in 2003. The revolving loan is due in 2004. In the event of a borrower default, as defined, the entire balance of the loan becomes due.

During 2000, Milgo borrowed approximately $11.4 million from a financial institution. The loan is secured by certain cash flow generating leases of the Company and matures in 2004. In the event of the cancellation of leases by the Company's customers securing the loans, the loan payments are accelerated. Additionally, in the event of a borrower default, as defined, the entire balance of the loan becomes due. The weighted average interest rate on the borrowings was approximately 8.9% during 2001. Long-term debt consists of the following (in thousands):

Term loan due 2003	$ 42,777
Lease secured loan due 2004	3,611
Total debt	46,388
Less current maturities of long-term debt	(20,812)
Total long-term debt	$ 25,576

8. Long-Term Obligations (continued)

Long-term debt maturities as of December 31, 2001 are as follows (in thousands).

2002	$ 20,812
2003	25,532
2004	44
	$ 46,388

During the year ended December 31, 2001, the Company was in violation of certain covenants of its Loan and Security Agreement dated April 2, 2001. Effective September 3, 2002, the Company obtained a waiver through September 3, 2002 for these violations. See Note 14 – Subsequent Event for a discussion of refinancing and new covenant requirements.

The Company leases certain equipment under several lease agreements, which are accounted for as capitalized leases. The assets and liabilities under capital leases are recorded at the lower of the net present value of the future minimum lease payments or the fair value of the assets. Future minimum capital lease payments for the years ended after December 31, 2001 are as follows (in thousands):

2002	$ 1,268
2003	157
2004	13
Total minimum lease payments	1,438
Less amount representing interest	(81)
Present value of net minimum capital lease payments	1,357
Less amount classified as current	(1,196)
Long-term portion	$ 161

9. Employee Benefit Plans

Employee Benefit Plans

The Company participates in a tax-qualified employee savings and retirement plan (the "Plan") sponsored by Platinum covering all full-time employees after completion of the first month of service and all part-time employees after the first 1,000 hours of service. Pursuant to the Plan, employees may elect to reduce a portion of their current compensation and have the amount of such reduction contributed to the Plan.

9. Employee Benefit Plans (continued)

The Company matches, on a discretionary basis, 50% of an employee's contributions up to 6% of the employee's gross income In addition, the Company contributes, on a discretionary basis, up to 3% of the employee's annual compensation to the Plan. This contribution is automatically provided to all employees and is not contingent on participation in the Plan. However, effective January 1, 2002, the contribution will be contingent upon reaching certain profit levels.

The employees are 100% vested in their contributions under the Plan. Vesting of the Company's contributions is as follows: 33% after one year, 66% after two years, and 100% after three years. The Company's contributions totaled approximately $11 million for the year ended December 31, 2001 and are recorded as expense.

WCS also maintained certain defined contribution plans covering WCS employees. WCS's contributions were based on employees' compensation and, in part, matched employee contributions. WCS's contributions were primarily invested in Williams Companies, Inc. common stock. Effective July 1, 2001, WCS salaried, union, and shared employees were transferred from the Williams' savings plan and became participants in the Plan previously described above.

Employees Under Collective Bargaining

As of December 31, 2001, there were approximately 900 employees (18% of the total employee base) covered under collective bargaining agreements Of that total, 641 are covered under collective bargaining agreements that expire during 2002.

WCS Former Employees' Benefit Plans

Prior to March 31, 2001, employees of WCS participated in noncontributory defined benefit plans. Certain personnel ("shared employees") functioning as WCS employees were actually employees of WCG, primarily in the finance, human resources, and information technology areas. All of these employees were covered by WCG's noncontributory defined benefit plans. As part of the sale and purchase agreement, WCG retained the liability and the responsibility for the continued maintenance of the plan for the shared employees under this plan and, effective March 31, 2001, the future benefits related to this plan were frozen.

9. Employee Benefit Plans (continued)

Effective August 1, 1997, separate noncontributory plans were established for the WCS salaried employees and the WCS union employees. As part of the sale and purchase agreement, WCG retained the liability and the responsibility for the continued maintenance of the pension plan related to the WCS salaried employees and, effective March 31, 2001, the future benefits related to this plan were frozen. Benefits for the WCS salaried plan were based upon years of service and average final compensation.

The WCS union pension plan was retained by the Company. Benefits were based upon years of service and average final compensation Pension costs are funded to satisfy minimum requirements prescribed by the Employee Retirement Income Security Act of 1974. The following table represents information related to the WCS union pension plan at December 31, 2001 (in thousands):

Benefit obligation	$ 8,895
Fair value of plan assets	8,073
Funded status of plan	(822)
Net periodic benefit cost	457

The following are the weighted-average assumptions utilized as of December 31, 2001 for this plan:

Discount rate	7.5%
Rate of compensation increase	N/A
Expected long-term rate of return	8.0%

WCS employees and shared employees also participated in Williams' health care plans that provide post-retirement medical benefits to certain retired employees As of February 28, 2002, the post-retirement medical benefits plan was curtailed and, thus, the obligation reflects the decrease in the liability. The following table represents information related to this post-retirement medical benefit plan at December 31, 2001 (in thousands):

Benefit obligation	$ 245
Fair value of plan assets	–
Funded status of plan	(245)

9. Employee Benefit Plans (continued)

The following are the weighted-average assumptions utilized as of December 31, 2001 for this plan.

Discount rate	7.5%
Expected long-term rate of return	N/A

The annual assumed rate of increase in the health care cost trend rate is 11.8% and systematically decreasing to 5% by 2015. The post-retirement benefit plan provides for retiree contributions and contains cost-sharing features such as deductibles and coinsurance. The accounting for this plan anticipates future cost-sharing changes to the written plans that are consistent with increasing the retiree contribution rate generally in line with health care cost increases.

10. Administrative Agreement With WCG

As part of the Agreement, WCG continued to perform certain corporate administrative functions for NextiraOne under a transition service agreement. These functions primarily include communications, information technology, and payroll and benefits until such time as NextiraOne can provide these services. At any time, NextiraOne may, upon written notice to WCG, discontinue any of these services

NextiraOne performed as an agent under a collection agreement to collect certain accounts receivable that were retained by WCG. Payment of collections under this agreement is being made within five business days following the last day of each two-week period wherein these aged receivables are collected. In consideration of NextiraOne's efforts to collect these receivables, NextiraOne received a collection fee of 5% on the first 50% of the receivable balance and 7.5% thereafter. For the nine months ended December 31, 2001, the collection fees totaled approximately $4.3 million and are recorded as a reduction of selling, general, and administrative expense. Additionally, under the same collection agreement, the Company acted as an agent in collecting tax refunds on behalf of WCG. In consideration, the Company is entitled to receive a fee of 25% of the refund. As of December 31, 2001 the Company has recorded fees of $0.3 million, which are recorded as a reduction to selling, general, and administrative expenses.

NextiraOne, LLC

Notes to Consolidated Financial Statements (continued)

11. Related Party Transactions

Pursuant to a management agreement effective April 1, 2001, Platinum provides the Company financial and strategic management services at a cost of $1 million per month. The monthly cost of the financial and strategic management services may have differed had they been negotiated with an unrelated party Prior to April 1, 2001, the Company paid $0.1 million per month for such services. Additionally, there were certain expenses that the Company paid on Platinum's behalf that totaled approximately $6.0 million. Also, the Company advanced $1.9 million to Platinum related to certain benefit costs. Additionally, Platinum paid certain expenses totaling $2.4 million on the Company's behalf. There amounts are recorded net as accounts receivable, affiliates.

On August 9, 1999, an affiliate loaned $5 million to Timeplex at a variable interest rate with a minimum rate of 7%. The interest rate at December 31, 2001 was 8%. The loan is secured by substantially all of the assets of Timeplex and is subordinate to all other obligations At December 31, 2001, the unpaid balance is $3.6 million, all of which is due in 2004.

During the period from August 9, 1999 through December 31, 1999, Timeplex received approximately $2.2 million of advances from Platinum. Effective January 1, 2000, the advances were converted to a note payable bearing interest at 6.45% per annum. The principal amount of the note payable is due and payable in a single payment on January 1, 2010.

Pursuant to a promissory note agreement dated April 19, 2001, NextiraOne Canada ULC (formerly Milgo Solutions Canada) paid $1 8 million in advances to Platinum. The note matures in 2011 and bears interest at a rate of approximately 5.5% per year. At December 31, 2001, the balance on the note was approximately $1.9 million, including interest due.

During the last half of 2001, the Company advanced an affiliate $3.9 million and performed at cost certain services worth $0 3 million on the affiliate's behalf. At December 31, 2001 the Company has a receivable totaling $3.6 million from this affiliate, which is recorded as accounts receivable, affiliate.

An affiliate provided certain telecommunications services at current market rates during 2001 totaling $5.2 million. At December 31, 2001, the Company has a payable totaling $1.2 million, which is recorded in account payable, affiliates.

11. Related Party Transactions (continued)

In December 2001, Timeplex consigned its inventory to an affiliate and also received an advance of $4.0 million from the same affiliated company. The advance is recorded in accounts payable, affiliates at December 31, 2001.

During the year ended December 31, 2001, the Company paid approximately $5.8 million in distributions to Platinum. In addition, proceeds of $9.0 million from the sales of certain international subsidiaries were forwarded directly from the buyer to Platinum and recorded as non-cash distributions, as described in Note 12.

12. Commitments and Contingencies

Commitments

During early 2000, WCS and WCG were parties to an agreement with a vendor to which WCS and WCG must contract for at least $6 million in services over a period of three years. Under the terms of the Agreement (see Note 1), NextiraOne agreed to contribute an amount equal to $2 million minus the amount of services used over the three-year period of the agreement. Based upon the activity with this vendor during the first year of the agreement, the Company recorded a purchase adjustment of $1.9 million to cover the estimated amount in excess of service used by this vendor, which is reflected in other long term liabilities.

For the year ended December 31, 2001, the Company purchased approximately $128.6 million of inventory from a major distributor for use in equipment installations. The Company has a distribution agreement with this distributor that extends through December 2002.

As of December 31, 2001, the Company had commitments totaling approximately $7.2 million remaining on contracts related to the replacement of the Company's order management and financial systems.

Operating Leases

The Company rents office space, manufacturing facilities, and equipment under various operating lease agreements Generally, the agreements require fixed rental payments over the terms of the leases, certain agreements provide for renewal and purchase options.

12. Commitments and Contingencies (continued)

Future minimum lease payments under noncancelable operating leases with initial or remaining lease terms in excess of one year, including certain leases that have been recorded as restructuring costs as described in Notes 3 and 4, are as follows (in thousands):

2002	$ 29,860
2003	25,762
2004	21,023
2005	18,319
2006	18,074
Thereafter	24,013
	$ 137,051

At December 31, 2001, the Company had subleased certain properties under noncancelable operating leases expiring in 2006. The future minimum rentals to be received under these leases are as follows (in thousands)

2002	$ 1,549
2003	1,297
2004	1,095
2005	1,033
2006	80
	$ 5,054

Rent expense for the year ended December 31, 2001 totaled $24.6 million.

Litigation

The Company is involved from time-to-time in various claims and legal actions incident to its operations, both as plaintiff and defendant. In the opinion of management, after consulting with legal counsel, the ultimate resolution of all claims, legal actions, and complaints after consideration of amounts accrued, insurance coverage, or other indemnification arrangements is not expected to have a material adverse effect on the Company's financial position, results of operations, or cash flows.

13. Dispositions of International Subsidiaries

In March 2001, several of the international subsidiaries of Timeplex were sold for approximately $9.0 million in cash, resulting in a gain of approximately $4.7 million. The proceeds from the sale were forwarded directly from the buyer to Platinum and recorded by the Company as non-cash capital distributions.

In March 2001, the Company determined that it would wind down the operations of a subsidiary in the Far East. In conjunction with winding down the Far East, the Company recognized $2.9 million of wind down expenses, which are reflected in selling, general, and administrative expenses.

14. Subsequent Events

Effective September 3, 2002, the Company amended the loan and security agreement with a group of lenders referred to in Note 8 The $55 million term loan was reduced to $15 million, the interest rate was reduced from 15% to 12 5%, and the term was extended from April 2, 2003 to December 31, 2004. The amended term loan is secured by substantially all of the Company's assets The revolving line of credit was reduced to $35 million, the advance rate which is applied to the borrowing base calculation was increased for certain types of accounts receivable to increase the effective borrowing capacity, the interest rate was reduced from 15% to 12.5%, and the term was extended from April 2, 2003 to December 31, 2004. The amended line of credit is secured by substantially all of the accounts receivable of the Company, net of certain types of accounts receivable, which comprise the borrowing base. The borrowing base is multiplied by an advance rate to yield the maximum value that can be drawn upon the revolving line of credit, not to exceed $35 million The Company also converted the $15 million fee due upon maturity of the revolving line of credit on April 2, 2003 into a $15 million term loan with principal and interest due in monthly installments until maturity on December 31, 2004 The new $15 million term loan has an interest rate of prime plus 2%. The lenders also amended certain loan covenants covering the Company's 2002 and 2003 fiscal years. In connection with the refinancing, management of the Company believes the Company will be able to achieve the new financial covenants based upon their projections of revenues and cash flows.

14. Subsequent Events (continued)

Additionally, effective September 3, 2002, the Company entered into a $20 million subordinated term loan with Platinum. The subordinated term loan has an interest rate of the greater of 7.5% or prime rate plus 3%, principle and interest are due at the maturity on August 30, 2005. The proceeds of the Platinum subordinated term loan will be used for general corporate purposes and to pay down the existing term loan, which had a balance of $30.6 million at August 31, 2002 to $15 million

REPORT OF INDEPENDENT AUDITORS

To the Stockholders of
Williams Communications Group, Inc

We have audited the accompanying consolidated balance sheets of Williams Communications Group, Inc. as of December 31, 2000 and 1999, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2000 Our audits also included the financial statement schedules listed in the Index at Item 14(a). These financial statements and schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedules based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. 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, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Williams Communications Group, Inc. at December 31, 2000 and 1999, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States. Also, in our opinion, the related financial statement schedules, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects the information set forth therein.

As discussed in Note 1 to the consolidated financial statements, effective July 1, 1999, the Company changed its method of accounting for revenue recognition associated with leasing its fiber-optic network.

ERNST & YOUNG LLP

Tulsa, Oklahoma
February 28, 2001

WILLIAMS COMMUNICATIONS GROUP, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended December 31,		
	2000	1999	1998
	(In thousands, except per share amounts)		
Revenues:			
Related parties	$ 184,077	$ 16,706	$ 11,964
Other	655,000	584,750	363,375
Total revenues	839,077	601,456	375,339
Operating expenses:			
Cost of sales	823,272	526,040	294,382
Selling, general and administrative	270,071	199,615	140,965
Provision for doubtful accounts	9,959	1,066	2,360
Depreciation and amortization	185,024	86,718	50,564
Other	(578)	34,512	28,232
Total operating expenses	1,287,748	847,951	516,503
Loss from operations	(448,671)	(246,495)	(141,164)
Interest accrued	(387,816)	(135,939)	(16,445)
Interest capitalized	166,700	39,518	11,182
Investing income:			
Interest and other	59,434	29,777	741
Equity losses	(20,297)	(36,440)	(7,908)
Income from investments	294,136	9,397	—
Minority interest in loss of consolidated subsidiaries	24,492	9,044	2,050
Other income (loss), net	227	(359)	178
Loss before income taxes	(311,795)	(331,497)	(151,366)
Benefit from income taxes allocated from The Williams Companies, Inc.	34,107	3,185	4,787
Loss from continuing operations	(277,688)	(328,312)	(146,579)
Loss from discontinued operations	(540,000)	(31,389)	(39,150)
Net loss	(817,688)	(359,701)	(185,729)
Preferred stock dividends and amortization of preferred stock issuance costs	(4,956)	—	—
Net loss attributable to common stockholders	$ (822,644)	$(359,701)	$(185,729)
Basic and diluted loss per share:			
Loss from continuing operations attributable to common stockholders	$ (.61)	$ (.79)	$ (.37)
Loss from discontinued operations	(1.16)	(.08)	(.10)
Net loss attributable to common stockholders	$ (1.77)	$ (.87)	$ (.47)
Weighted average shares outstanding	464,145	412,620	395,435

See accompanying notes.

WILLIAMS COMMUNICATIONS GROUP, INC.
CONSOLIDATED BALANCE SHEETS

	As of December 31,	
	2000	1999
	(In thousands)	
Assets		
Current assets		
Cash and cash equivalents	$ 213 888	$ 483.853
Short-term investments	395,184	1,419,762
Receivables less allowance of $21,501,000 ($8,843,000 in 1999)	291,706	119,476
Net assets of discontinued operations	288,384	797,364
Deferred income taxes	—	39,031
Other	17,252	12,011
Total current assets	1,206,414	2,871,497
Investments	619,852	786,046
Property, plant and equipment, net	5,138,984	2,047,672
Goodwill and other intangibles, net	103,231	108,273
Other assets and deferred charges	340,804	244,215
Total assets	$ 7,409,285	$6,057,703
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 419,863	$ 234,859
Deferred income	107,931	72,550
Accrued liabilities	401,858	381,061
Long-term debt due within one year — The Williams Companies, Inc.	—	12,500
Total current liabilities	929,652	700,970
Long-term debt:		
The Williams Companies, Inc.	975,610	975,610
Other	3,551,096	1,989,775
Deferred income taxes	—	123,136
Other liabilities and deferred income	453,905	76,921
Minority interest in consolidated subsidiaries	45,028	78,691
Contingent liabilities and commitments	—	—
6.75% redeemable cumulative convertible preferred stock; $0.01 par value per share; 500.0 million shares authorized; 5.0 million shares and no shares outstanding in 2000 and 1999, respectively; aggregate liquidation preference of $250,000,000	240,722	—
Stockholders' equity:		
Class A common stock, $0.01 par value, 1 billion shares authorized, 68.2 million shares outstanding in 2000 and 1999	682	682
Class B common stock, $0.01 par value, 500 million shares authorized, 395.4 million shares outstanding in 2000 and 1999	3,954	3,954
Capital in excess of par value	2,659,136	2,659,927
Accumulated deficit	(1,494,549)	(676,861)
Accumulated other comprehensive income	44,049	124,898
Total stockholders' equity	1,213,272	2,112,600
Total liabilities and stockholders' equity	$ 7,409,285	$6,057,703

See accompanying notes.

WILLIAMS COMMUNICATIONS GROUP, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Common Stock	Capital in Excess of Par Value	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total
			(In thousands)		
Balance, December 31, 1997	$3,954	$ 996,395	$ (128,368)	$ (3,479)	$ 868,502
Net loss	—	—	(185,729)	—	(185,729)
Other comprehensive income (loss):					
Net unrealized appreciation on marketable equity securities	—	—	—	29,977	29,977
Foreign currency translation adjustments	—	—	—	(1,792)	(1,792)
Comprehensive loss					(157,544)
Capital contributions from The Williams Companies, Inc.	—	299,493	—	—	299,493
Noncash dividends to The Williams Companies, Inc	—	—	(2,799)	—	(2,799)
Other	—	30	—	—	30
Balance, December 31, 1998	3,954	1,295,918	(316,896)	24,706	1,007,682
Net loss	—	—	(359,701)	—	(359,701)
Other comprehensive income (loss):					
Net unrealized appreciation on marketable equity securities	—	—	—	113,198	113,198
Foreign currency translation adjustments	—	—	—	(13,006)	(13,006)
Comprehensive loss					(259,509)
Capital contributions from The Williams Companies, Inc.	—	91,290	—	—	91,290
Net proceeds from equity offering	681	1,467,926	—	—	1,468,607
Conversion of Williams stock based awards to WCG stock based awards	—	5,316	—	—	5,316
Recharacterization of amounts due to The Williams Companies, Inc.	—	(200,000)	—	—	(200,000)
Stock award transactions	1	(523)	—	—	(522)
Other	—	—	(264)	—	(264)
Balance, December 31, 1999	4,636	2,659,927	(676,861)	124,898	2,112,600
Net loss	—	—	(817,688)	—	(817,688)
Other comprehensive loss:					
Net unrealized depreciation of marketable equity securities, net of reclassification adjustment for gains realized in net loss	—	—	—	(51,609)	(51,609)
Foreign currency translation adjustments	—	—	—	(29,240)	(29,240)
Comprehensive loss					(898,537)
Stock award transactions	—	4,877	—	—	4,877
Preferred stock dividends and amortization of preferred stock issuance costs	—	(4,956)	—	—	(4,956)
Other	—	(712)	—	—	(712)
Balance, December 31, 2000	$4,636	$2,659,136	$(1,494,549)	$ 44,049	$1,213,272

See accompanying notes.

WILLIAMS COMMUNICATIONS GROUP, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	2000	1999	1998
		(In thousands)	
Operating activities			
Net loss from continuing operations	$ (277,688)	$ (328,312)	$ (146,579)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Depreciation and amortization	185,024	86,718	50,564
Benefit from deferred income taxes	(36,134)	(3,293)	(4,133)
Provision for loss on property	—	5,500	—
Provision for loss on investment	34,515	1,640	23,150
Provision for doubtful accounts	9,959	1,066	2,360
Equity losses	20,297	36,440	7,908
Loss on sales of property and other assets	730	29,168	10,310
Gain on sales of investments	(110,220)	—	—
Gain on conversion of common stock investment	(214,732)	—	—
Minority interest in loss of consolidated subsidiaries	(24,492)	(9,044)	(2,050)
Cash provided by (used in) changes in:			
Receivables	(183,021)	23,631	(105,791)
Other current assets	(6,685)	(8,023)	(12,790)
Accounts payable	196,296	82,011	93,746
Current deferred income	53,511	43,624	26,231
Accrued liabilities	(68,146)	155,319	(1,837)
Long-term deferred income	267,228	60,072	—
Other	(23,375)	31,961	(2,329)
Net cash provided by (used in) operating activities	(176,933)	208,478	(61,240)
Financing activities			
Proceeds from long-term debt	1,670,588	4,357,809	—
Payments on long-term debt	(110,000)	(2,369,367)	(887)
Proceeds from issuance of common stock, net of expenses	4,166	1,468,085	—
Proceeds from issuance of preferred stock, net of expenses	240,500	—	—
Debt issue costs	(28,701)	(78,098)	—
Capital contributions from The Williams Companies, Inc.	—	91,290	299,493
Contribution to subsidiary from minority interest shareholders	—	37,588	—
Changes in due to/from The Williams Companies, Inc.	(12,500)	173,767	711,440
Net cash provided by financing activities	1,764,053	3,681,074	1,010,046
Investing activities			
Property, plant and equipment:			
Capital expenditures	(3,304,970)	(1,591,701)	(352,723)
Proceeds from sales	34,453	60,318	40,012
Purchase of investments	(1,472,432)	(2,383,037)	(226,489)
Proceeds from sales of investments	2,908,015	598,635	—
Proceeds from sale of business	200	49,452	10,000
Other	8,669	—	12,604
Net cash used in investing activities	(1,826,065)	(3,266,333)	(516,596)
Net cash used in discontinued operations	(31,020)	(174,724)	(398,907)
Increase (decrease) in cash and cash equivalents	(269,965)	448,495	33,303
Cash and cash equivalents at beginning of period	483,853	35,358	2,055
Cash and cash equivalents at end of period	$ 213,888	$ 483,853	$ 35,358

See accompanying notes

WILLIAMS COMMUNICATIONS GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Nature of the Business — Basis of Presentation — Summary of Significant Accounting Policies

Nature of the Business

Williams Communications Group, Inc. (WCG), through its wholly-owned operating subsidiary, Williams Communications, Inc (WCI), owns, operates and is extending a nationwide fiber-optic network focused on providing voice, data, Internet and video services to communications services providers. WCG also provides integrated fiber-optic, satellite and teleport video transmission services for the broadcast industry.

The Williams Companies, Inc. (Williams) owns 100% of WCG's outstanding Class B common stock which gives Williams approximately 98% of the voting power of WCG. In addition, Williams and WCG entered into an agreement that, among other things, transferred assets and converted the Williams note into paid in capital in exchange for 24,265,892 shares of WCG's Class A common stock (see Note 19). After this agreement, Williams owns approximately 86% of the total outstanding Class A and Class B common stock of WCG. Williams has announced that its board of directors has authorized its management to take steps that may lead to a tax-free distribution of shares of WCG's common stock held by Williams to its shareholders.

Basis of Presentation

On January 25, 2001, WCG's board of directors authorized a plan for its management to divest the Solutions segment which provides professional communications services and sells and installs communications equipment. Accordingly, the Solutions segment has been accounted for as a disposal of a business segment with the associated operating results, assets and liabilities and cash flows segregated and reported as discontinued operations in the accompanying consolidated financial statements (see Note 2). The notes to the consolidated financial statements reflect the continuing operations of WCG unless otherwise indicated.

WCG is organized into three operating segments as follows Network, Broadband Media and Strategic Investments. Network owns or leases and operates a nationwide intercity fiber-optic network, which it is extending locally and globally to provide Internet, data, voice and video services exclusively to communications service providers. Network also includes a publicly traded Australian telecommunications company and various other investments that drive bandwidth usage on the WCG network. Broadband Media includes Vyvx Services which provides live and non-live video transmission services worldwide for news, sports, advertising and entertainment events and investments in domestic broadband media communication companies. Strategic Investments invests in both domestic and foreign companies that it believes will, directly or indirectly, increase revenue opportunities for its other segments As of December 31, 2000, Strategic Investments' foreign investments are all located in South America. WCG has formed strategic alliances with communications companies to secure long-term, high-capacity commitments for traffic on its network and to enhance its service offerings.

Summary of Significant Accounting Policies

Principles of consolidation

The consolidated financial statements include the accounts of WCG, its majority-owned subsidiaries and a subsidiary that WCG controls but owns less than 50% of the voting common stock. Companies which WCG does not control and owns 20% to 50% of the voting common stock, or otherwise has the ability to exercise significant influence over the operating and financial policies of the company, are accounted for under the equity method of accounting.

WCG has a 45% interest as of December 31, 2000 (41% and 22% as of December 31, 1999 and 1998, respectively) in PowerTel Limited (PowerTel), which is located in Australia, accounted for under the principles of consolidation. WCG consolidates PowerTel as WCG has control over PowerTel's operations despite its less than 50% ownership because WCG is entitled to appoint a majority of the members of PowerTel's board of directors and thereby exercise control over its operations.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes Actual results could differ from those estimates.

Revenue Recognition

Network

Capacity and management services revenues are recognized monthly as the services are provided Amounts billed in advance of the service month are recorded as deferred income.

Grants of indefeasible rights of use, or IRUs, of constructed but unlit fiber, or dark fiber, in exchange for cash, are accounted for as leases. IRUs are evaluated for sales-type lease accounting which results in certain lease transactions being accounted for as sales at the time of acceptance of the fiber by the customer IRUs that do not meet the criteria for a sales-type lease are accounted for as an operating lease, and the cash received is recognized as revenue over the term of the IRU. In accordance with Financial Accounting Standards Board (FASB) Interpretation No. 43, "Real Estate Sales, an interpretation of Statement of Financial Accounting Standards (SFAS) No. 66," issued in June 1999, dark fiber is considered integral equipment and accordingly title must transfer to a lessee in order for a lease transaction to be accounted for as a sales-type lease. After June 30, 1999, the effective date of FASB Interpretation No. 43, sales-type lease accounting is not appropriate for IRUs since IRUs generally do not transfer title to the fibers under lease to the lessee. Therefore, these transactions are accounted for as operating leases unless title to the fibers under lease transfers to the lessee or the agreement was entered into prior to June 30, 1999. The effects of this interpretation on 2000 and 1999 results were to decrease revenues by $189.9 million and $11.0 million, respectively, and increase net loss by $81 6 million and $4.4 million, respectively.

Payments received for the installation of conduit under joint build construction contracts are generally recorded as a recovery of the applicable construction costs.

Broadband Media

Transmission and media distribution services revenues are recognized monthly as the services are provided. Amounts billed in advance of the service month are recorded as deferred income.

Cash and Cash Equivalents

Cash and cash equivalents include demand and time deposits, certificates of deposit and other marketable securities with maturities of three months or less when acquired.

Certain items which meet the definition of cash equivalents, but are part of a larger pool of investments managed by financial institutions, are included in short-term investments.

Investments

Debt and marketable equity securities are classified as available-for-sale. The carrying amount of these investments is reported at fair value with net unrealized appreciation or depreciation reported as a component of other comprehensive income.

The cost of investments sold is based on the specific identification method with gross realized gains and losses included in income from investments. For investments with declines in fair value below their cost basis, which are determined to be other than temporary, the cost basis of the investment is written down to its fair value with the realized loss included in income from investments.

Property, Plant and Equipment

Property and equipment is recorded at cost. Depreciation is computed primarily on the straight-line method over estimated useful lives.

Goodwill and Other Intangibles

Goodwill and other intangibles are amortized on a straight-line basis over the estimated period of benefit ranging from five to twenty years. Accumulated amortization as of December 31, 2000 and 1999 was $38 7 million and $33.2 million, respectively.

Impairment of Long-Lived Assets

WCG evaluates its long-lived assets, including related intangibles, of identifiable business activities for impairment when events or changes in circumstances indicate, in management's judgment, that the carrying value of such assets may not be recoverable. The determination of whether an impairment has occurred is based on management's estimate of undiscounted future cash flows attributable to the assets as compared to the carrying value of the assets. If an impairment has occurred, the amount of the impairment recognized is determined by estimating the fair value for the assets and recording a provision for loss if the carrying value is greater than fair value.

For assets identified to be disposed of in the future, the carrying value of these assets is compared to the estimated fair value less the cost to sell to determine if an impairment is required. Until the assets are disposed of, an estimate of the fair value is redetermined when related events or circumstances change.

Financing Costs

Costs incurred to obtain financing through the issuance of WCG's senior redeemable notes and its long-term credit facility are included in other assets and deferred charges and amortized over the life of the debt. Costs incurred to obtain financing through the issuance of WCG's redeemable cumulative convertible preferred stock are included as a reduction to the carrying value of the preferred stock and amortized over the life of the preferred stock.

Income Taxes

WCG's operations are included in the Williams' consolidated federal income tax return. A tax sharing agreement exists between WCG and Williams to allocate and settle among themselves the consolidated federal income tax liability (see Note 5). Deferred income taxes are allocated from Williams using the liability method and are provided on all temporary differences between the financial basis and allocated tax basis of WCG's assets and liabilities. Valuation allowances are established to reduce deferred tax assets to an amount that will more likely than not be realized.

Earnings Per Share

Basic earnings per share are based on the sum of the average number of common shares outstanding and deferred shares. Diluted earnings per share include any dilutive effect of stock options and convertible preferred stock. For the periods presented, diluted loss per share is the same as the basic calculation as the inclusion of any stock options and convertible preferred stock would be antidilutive. Stock options and convertible preferred stock of 0.5 million shares and 5.0 million shares, respectively, as of December 31, 2000 and stock options of 8.0 million shares as of December 31, 1999 were excluded from the computation of diluted loss per common share. As of December 31, 1999 and 1998 no convertible preferred stock was excluded from the computation of diluted loss per common share as preferred stock was not issued until 2000. Additionally, as of December 31, 1998, no stock awards were excluded from the computation of diluted loss per common share, as WCG had not granted any WCG common stock awards during those periods.

Foreign Currency Translation

The functional currency of WCG is the U.S. dollar. The functional currency of WCG's foreign operations is the applicable local currency for each foreign subsidiary and equity method investee, including the Australian dollar, Brazilian real and Chilean peso. Assets and liabilities of foreign subsidiaries and equity investees are translated at the spot rate in effect at the applicable reporting date, and the combined statements of operations and WCG's share of the results of operations of its equity affiliates are translated at the average exchange rates in effect during the applicable period. The resulting cumulative translation adjustment is recorded as a separate component of other comprehensive income.

Transactions denominated in currencies other than the functional currency are recorded based on exchange rates at the time such transactions arise. Subsequent changes in exchange rates result in transactions gains and losses which are reflected in the statement of operations.

Recent Accounting Standards

SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" as amended establishes accounting and reporting standards for derivative financial instruments. The standard requires that all derivative financial instruments be recorded on the balance sheet at their fair value. Changes in fair value of derivatives will be recorded each period in earnings if the derivative is not a hedge. If a derivative is a hedge, changes in the fair value of the derivative will either be recognized in earnings offset against the change in fair value of the hedged asset, liability or firm commitment also recognized in earnings or recognized in other comprehensive income until the hedged item is recognized in earnings. The ineffective portion of a derivative's change in fair value will be recognized immediately in earnings. WCG has completed its implementation efforts as of December 31, 2000 and adopted these standards effective January 1, 2001. The derivatives identified in the implementation process consisted of a cashless collar on a portion of WCG's marketable equity securities portfolio as well as an interest rate swap and foreign currency hedge held by an equity investee. The cashless collar does not qualify as a hedge under SFAS No. 133 as amended. Therefore, changes in the market value of the cashless collar will be realized in the income statement while changes in the market value of the underlying security will be reflected in accumulated other comprehensive income. The initial impact of these standards on WCG's results of operations and financial position was not material.

The FASB issued Interpretation No. 44, "Accounting for Certain Transactions Involving Stock Compensation." This interpretation modifies the current practice of accounting for certain stock award agreements and was generally effective beginning July 1, 2000. The initial impact of this interpretation on WCG's results of operations and financial position was not material.

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin (SAB) No. 101, "Revenue Recognition in Financial Statements." Among other things, SAB No. 101 clarifies certain conditions regarding the culmination of an earnings process and customer acceptance requirements in order to recognize revenue. The initial impact of this SAB on WCG's results of continued operations and financial position was not material.

Reclassifications

Certain prior year amounts have been reclassified to conform with the current presentation.

2. Discontinued Operations

On January 25, 2001, WCG's board of directors authorized a plan for its management to divest the Solutions segment. On January 29, 2001, WCG signed an agreement to sell the domestic and Mexican operations of the Solutions segment to Platinum Equity, LLC. This sale is expected to close at the end of first quarter 2001. WCG plans to divest its remaining Canadian operations later in 2001.

Summarized results of discontinued operations are as follows.

	Year Ended December 31,		
	2000	1999	1998
		(In thousands)	
Revenues	$1,370,483	$1,431,655	$1,367,404
Operating losses:			
Loss before income taxes	$ (117,057)	$ (35,975)	$ (39,460)
Benefit (provision) from income taxes	(17,864)	4,586	310
Cumulative effect of change in accounting principle	(25,377)	—	—
	(160,298)	(31,389)	(39,150)
Estimated loss on disposal:			
Estimated loss on sale, including exit costs	(361,702)	—	—
Estimated operating losses from January 1, 2001 to anticipated disposal date	(18,000)	—	—
	(379,702)	—	—
Loss from discontinued operations	$ (540,000)	$ (31,389)	$ (39,150)

The results of discontinued operations exclude certain corporate costs that were previously allocated to the Solutions segment of $25 6 million, $15.7 million and $6.9 million for 2000, 1999 and 1998, respectively. These costs have been reallocated to the remaining segments. The results of discontinued operations include charges from Williams of $15 2 million, $13 7 million and $12.4 million for 2000, 1999 and 1998, respectively

Prior to January 1, 2000, WCG's revenue recognition policy on Solutions' new systems sales and upgrades had been to recognize revenues under the percentage of completion method. A portion of the revenues on the contracts were initially recognized upon delivery of equipment with the remaining revenues under the contract being recognized over the installation period based on the relationship of incurred labor to total estimated labor. In light of the new guidance issued in SAB No. 101, effective January 1, 2000, WCG changed its method of accounting for new systems sales and upgrades from the percentage of completion method to the completed contract method. The provisions of SAB No. 101 permit WCG to treat this change in accounting principle as a cumulative effect adjustment consistent with rules issued under Accounting Principles Board (APB) Opinion No. 20. The cumulative effect of the accounting change resulted in a charge to the 2000 loss on discontinued operations of $25.4 million (net of income tax benefits of $14.9 million and minority interest of $17.2 million).

Net assets of discontinued operations as of December 31 are as follows:

	2000	1999
	(In thousands)	
Current assets:		
Cash	$ 19,961	$ 10,448
Accounts receivable, net	414,250	480,237
Costs (and estimated earnings in 1999) in excess of billings	101,121	166,738
Inventories	78,489	85,855
Other	19,937	13,160
	633,758	756,438
Property, plant and equipment, net	109,170	101,791
Other assets	239,737	259,299
	982,665	1,117,528
Current liabilities:		
Accounts payable	92,369	77,479
Deferred income	35,702	39,887
Accrued liabilities	127,539	110,876
Billings in excess of costs (and estimated earnings in 1999)	51,403	50,712
Accrual for loss on disposal of discontinued operations	379,702	—
Current portion of long-term debt	2,985	2,165
	689,700	281,119
Other liabilities	4,581	39,045
	694,281	320,164
Net assets	$288,384	$ 797,364

3. *Segment Disclosures*

WCG evaluates performance based upon segment profit or loss from operations which includes revenues from external and internal customers, equity earnings or losses, operating costs and expenses, depreciation and amortization, and income or loss from investments and excludes allocated charges from Williams. Intercompany sales are generally accounted for as if the sales were to unaffiliated third parties, that is, at current market prices

The following tables present certain financial information concerning WCG's reportable segments. 1999 and 1998 segment loss has been restated to include certain corporate costs which were previously allocated to the Solutions segment (see Note 2).

	Network	Broadband Media	Strategic Investments	Eliminations	Total
			(In thousands)		
December 31, 2000					
Revenues:					
External customers:					
Dark fiber	$ 62,397	$ —	$ —	$ —	$ 62,397
Capacity and other	608,348	168,332	—	—	776,680
Total external customers	670,745	168,332	—	—	839,077
Intercompany	34,275	429	—	(34,704)	—
Total segment revenues	$ 705,020	$168,761	$ —	$(34,704)	$ 839,077
Costs of sales:					
Dark fiber	$ 42,207	$ —	$ —	$ —	$ 42,207
Capacity and other	683,489	97,576	—	—	781,065
Intercompany	429	34,275	—	(34,704)	—
Total cost of sales	$ 726,125	$131,851	$ —	$(34,704)	$ 823,272
Segment loss:					
Loss from operations	$ (404,900)	$(36,551)	$ (7,220)	$ —	$ (448,671)
Equity earnings (losses)	4,421	(10,697)	(14,021)	—	(20,297)
Income from investments	281,403	—	12,733	—	294,136
Add back — allocated charges from Williams	7,011	1,634	580	—	9,225
Total segment loss	$ (112,065)	$(45,614)	$ (7,928)	$ —	$ (165,607)
Equity method investments	$ 15,335	$ —	$ 77,454	$ —	$ 92,789
Additions to long-lived assets	$3,358,980	$ 37,113	$ 2,506	$ —	$3,398,599
Depreciation and amortization	$ 154,288	$ 30,269	$ 467	$ —	$ 185,024

WILLIAMS COMMUNICATIONS GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

	Network	Broadband Media	Strategic Investments	Eliminations	Total
			(In thousands)		
December 31, 1999					
Revenues:					
External customers:					
Dark fiber	$ 109,258	$ —	$ —	$ —	$ 109,258
Capacity and other	295,799	161,324	35,075	—	492,198
Total external customers	405,057	161,324	35,075	—	601,456
Intercompany	33,452	1,525	360	(35,337)	—
Total segment revenues	$ 438,509	$162,849	$ 35,435	$(35,337)	$ 601,456
Costs of sales:					
Dark fiber	$ 67,306	$ —	$ —	$ —	$ 67,306
Capacity and other	347,437	91,083	20,214	—	458,734
Intercompany	448	31,832	3,057	(35,337)	—
Total cost of sales	$ 415,191	$122,915	$ 23,271	$(35,337)	$ 526,040
Segment loss:					
Loss from operations	$ (167,898)	$(30,594)	$(48,003)	$ —	$ (246,495)
Equity earnings (losses)	1,020	—	(37,460)	—	(36,440)
Income from investments	—	—	9,397	—	9,397
Add back — allocated charges from Williams	3,827	973	189	—	4,989
Total segment loss	$ (163,051)	$(29,621)	$(75,877)	$ —	$ (268,549)
Equity method investments	$ 14,416	$ —	$ 42,572	$ —	$ 56,988
Additions to long-lived assets	$1,640,520	$ 39,776	$ 3,069	$ —	$1,683,365
Depreciation and amortization	$ 51,454	$ 29,866	$ 5,398	$ —	$ 86,718

	Network	Broadband Media	Strategic Investments	Eliminations	Total
			(In thousands)		
December 31, 1998					
Revenues:					
External customers.					
Dark fiber	$ 64,100	$ —	$ —	$ —	$ 64,100
Capacity and other	101,329	157,861	52,049	—	311,239
Total external customers	165,429	157,861	52,049	—	375,339
Intercompany	40,755	3,331	450	(44,536)	—
Total segment revenues	$206,184	$161,192	$ 52,499	$(44,536)	$ 375,339
Costs of sales:					
Dark fiber	$ 38,500	$ —	$ —	$ —	$ 38,500
Capacity and other	128,551	98,082	29,249	—	255,882
Intercompany	252	37,737	6,547	(44,536)	—
Total cost of sales	$167,303	$135,819	$ 35,796	$(44,536)	$ 294,382
Segment loss:					
Loss from operations	$(34,057)	$(47,586)	$(59,521)	$ —	$(141,164)
Equity losses	—	—	(7,908)	—	(7,908)
Add back — allocated charges from Williams	1,409	1,048	762	—	3,219
Total segment loss	$(32,648)	$(46,538)	$(66,667)	$ —	$(145,853)
Equity method investments	$ 129	$ —	$ 48,304	$ —	$ 48,433
Additions to long-lived assets	$430,748	$ 35,767	$ 15,600	$ —	$ 482,115
Depreciation and amortization	$ 14,159	$ 25,574	$ 10,831	$ —	$ 50,564

	Total Assets		
	December 31,		
	2000	1999	1998
		(In thousands)	
Network	$6,025,728	$2,651,192	$ 909,139
Broadband Media	210,840	228,778	178,473
Strategic Investments	506,813	403,470	263,103
Corporate	377,520	1,976,899	17,392
Discontinued Operations	288,384	797,364	654,029
Total assets	$7,409,285	$6,057,703	$2,022,136

Corporate consists primarily of cash and cash equivalents, short-term investments and unamortized debt expense.

The following geographic area data includes revenues from external customers based on product shipment origin for the years ended December 31 and long-lived assets based upon physical location as of December 31.

	2000	1999	1998
		(In thousands)	
Revenues from external customers:			
United States	$ 815,122	$ 561,844	$347,307
Other	23,955	39,612	28,032
Total	$ 839,077	$ 601,456	$375,339
Long-lived assets:			
United States	$5,166,086	$2,202,913	$827,607
Other	313,242	120,034	46,966
Total	$5,479,328	$2,322,947	$874,573

Long-lived assets are comprised of property, plant and equipment, goodwill and other intangible assets and certain other noncurrent assets.

In 2000, three of Network's customers exceeded 10% of WCG's revenues with sales from each customer of approximately $170 million, $133 million and $101 million, respectively. In 1999, two of Network's customers exceeded 10% of WCG's revenues with sales from each customer of approximately $102 million and $65 million, respectively. In 1998, one of Network's customers exceeded 10% of WCG's revenues with sales of approximately $42 million.

4. Asset Sales and Write-Offs

In second quarter 1999, management determined that the businesses that provide audio and video conferencing services and closed-circuit video broadcasting services for businesses were held for sale. On June 30, 1999, WCG signed an agreement, which closed effective July 31, 1999, with Genesys, S A. to sell its business which provides audio and video conferencing services. In addition, on July 31, 1999, WCG signed and closed an agreement with Cyberstar L.P. to sell its business which provides closed-circuit video broadcasting services for businesses The proceeds from these transactions totaled approximately $50 million. Included in 1999 other operating expenses and Strategic Investments' segment loss is a pre-tax loss of $28.4 million, including an additional

$1.7 million in fourth quarter 1999, consisting of a $24.5 million impairment of the assets to fair value based on the net sales proceeds and exit costs of $3.9 million consisting of contractual obligations related to the sales of these businesses. These transactions resulted in an income tax provision of approximately $7.9 million, which reflects the impact of goodwill not deductible for tax purposes. Loss from operations related to these assets for 1999 and 1998 were $10.2 million and $22.6 million, respectively.

Included in 1998 other operating expenses and Strategic Investments' segment loss is a $23.2 million loss related to abandoning an investment in a venture involved in the technology and transmission of business information for news and educational purposes. The loss occurred as a result of WCG's re-evaluation and decision to exit the venture as WCG decided against making further investments in the venture. WCG abandoned its entire ownership interest in the venture in 1998. The loss primarily consists of $17 million to write off the entire carrying amount of the investment and $5 million from recognition of contractual obligations that will continue after the abandonment. WCG's share of losses from the venture accounted for under the equity method was $3.7 million in 1998.

5. *Benefit from Income Taxes Allocated from Williams*

WCG's operations are included in Williams' consolidated federal income tax return. WCG has a tax sharing agreement with Williams under which the amount of federal income taxes allocated to WCG is generally determined as though WCG were filing a separate federal consolidated income tax return. Under the terms of the tax sharing agreement, any loss or other similar tax attribute realized for periods prior to WCG's October 1999 initial public offering will be allocated solely to Williams. WCG will be responsible for any taxes resulting to Williams if the loss or similar tax attribute is reduced by audit or otherwise. For any loss or other similar tax attribute realized after WCG's October 1999 initial public offering, WCG will receive the benefit of the loss or other similar tax attribute from Williams only if WCG is able to carry forward the loss or other similar tax attribute against its hypothetical separate return tax calculation for a period in which WCG remains a member of Williams' consolidated federal income tax group. If WCG ceases to be a member of Williams' consolidated federal income tax return, WCG will retain only its allocable share under applicable law of any consolidated loss or other similar tax attribute realized after the initial public offering to the extent that it has not been treated as utilizing such loss or attribute on a hypothetical separate tax return basis under the tax sharing agreement. Similar concepts apply to allocate the state unitary, combined or consolidated, income tax liability.

The benefit (provision) from income taxes allocated from Williams includes:

	Year Ended December 31,		
	2000	1999	1998
	(In thousands)		
Current:			
Federal	$ (1,849)	$ —	$ —
State	(178)	(108)	654
Foreign	—	—	—
	(2,027)	(108)	654
Deferred:			
Federal	37,323	(2,293)	2,004
State	10,909	(2,584)	2,129
Foreign	(12,098)	8,170	—
	36,134	3,293	4,133
Total benefit from income taxes allocated from Williams	$ 34,107	$ 3,185	$4,787

The U.S. and foreign components of loss before income taxes are as follows

	Year Ended December 31,		
	2000	1999	1998
	(In thousands)		
United States	$(294,381)	$(288,453)	$(143,394)
Foreign	(17,414)	(43,044)	(7,972)
Total loss before taxes	$(311,795)	$(331,497)	$(151,366)

WCG's undistributed earnings from non U.S. subsidiaries in 2000, 1999 and 1998 have been accounted for as if fully repatriated.

Reconciliations from the benefit from income taxes at the federal statutory rate to the benefit from income taxes allocated from Williams are as follows:

	Year Ended December 31,		
	2000	1999	1998
	(In thousands)		
Benefit at statutory rate	$ 109,128	$116,024	$52,978
Reductions (increases) in taxes resulting from:			
State income taxes	6,191	(1,750)	1,809
Foreign operations	1,080	(10,867)	(4,323)
Goodwill amortization	(986)	(4,248)	(2,355)
Non-deductible costs related to asset sales	—	(16,765)	—
Change in federal valuation allowance	(127,239)	(5,283)	7,639
Tax benefits (provisions) allocated to Williams	54,148	(74,877)	(51,527)
Other — net	(8,215)	951	566
Benefit from income taxes allocated from Williams	$ 34,107	$ 3,185	$ 4,787

Significant components of deferred tax assets and liabilities as of December 31 are as follows:

	2000	1999
	(In thousands)	
Deferred tax assets		
Deferred revenues	$ 195,973	$ 30,856
Investments	23,511	15,071
Net operating loss carryforward allocated from Williams	93,773	25,253
Other	79,726	36,796
	392,983	107,976
Valuation allowance	(141,994)	(2,751)
Total deferred tax assets	250,989	105,225
Deferred tax liabilities:		
Property, plant and equipment	150,576	80,488
Securities available for sale	58,167	89,589
Other	42,246	19,253
Total deferred tax liabilities	250,989	189,330
Net deferred tax liability	$ —	$ 84,105

As of December 31, 2000, WCG had $28.0 million and $154.9 million of federal net operating losses which will expire in 2020 and 2021, respectively, $58.0 million of foreign net operating losses that carry forward indefinitely and various state net operating losses. Valuation allowances have been established that reduce the deferred tax assets to amounts that will more likely than not be utilized. Uncertainties that may affect the utilization of the loss carryforwards include future operating results, tax law changes and expiration of carryforward periods. The valuation allowance increased in 2000 and 1999 primarily due to the net operating loss and increase in deferred revenues.

If WCG had filed a separate federal income tax return for all periods presented, the benefit for income taxes for 2000, 1999 and 1998 would reflect additional benefit from the carryback or carryforward of federal net operating losses that would have been recognized by WCG on a separate return basis. The deferred federal income tax benefit for 2000 would have remained the same and for 1999 and 1998 would have increased by $66.4 million and $5.6 million, respectively, to reflect the benefit of a deferred tax asset for the federal net operating loss carryforward generated in both years.

Cash refunds for income taxes were $0.5 million in 2000. Cash payments for income taxes (net of refunds) were $0.8 million in both 1999 and 1998.

6. Employee Benefit Plans

Substantially all of WCG's employees are covered by noncontributory defined benefit pension plans. Effective August 1, 1997, separate plans were established for the Williams Communications Solutions, LLC (Solutions LLC) union employees and Solutions LLC salaried employees WCG is retaining the salaried employees plans after the sale of Solutions to Platinum Equity, LLC. However, no future service benefits will be accrued in these plans. As of December 31, 2000, substantially all of the remaining WCG employees are covered by Williams' noncontributory defined benefit pension plans in which WCG is included. WCG is also included in Williams' health care plan that provides postretirement medical benefits to certain retired employees. Effective

January 1, 2001, separate noncontributory defined benefit pension plans were established for WCG employees currently covered under Williams' plans.

Contributions for pension and postretirement medical benefits related to WCG's participation in the Williams plans were $2.1 million, $2.8 million and $1 7 million in 2000, 1999 and 1998, respectively. The change in contributions from year to year is due to a change in the rate of pension contributions during the periods.

The following table presents the changes in benefit obligations and plan assets for pension benefits for the Solutions LLC retained salaried employees plans for the years indicated. It also presents a reconciliation of the funded status of these benefits to the amount recognized in the accompanying consolidated balance sheet as of December 31 of each year indicated

	2000	1999
	(In thousands)	
Change in benefit obligation:		
Benefit obligation at beginning of year	$ 38,512	$ 45,837
Service cost	3,877	4,875
Interest cost	3,526	2,954
Actuarial (gain) loss	10,437	(14,271)
Benefits paid	(821)	(883)
Benefit obligation at end of year	55,531	38,512
Change in plan assets:		
Fair value of plan assets at beginning of year	47,856	40,767
Actual return on plan assets	(1,996)	7,972
Benefits paid	(821)	(883)
Fair value of plan assets at end of year	45,039	47,856
Funded status	(10,492)	9,344
Unrecognized net actuarial (gain) loss	3,156	(13,994)
Unrecognized prior service credit	(671)	(951)
Net accrued benefit cost	$ (8,007)	$ (5,601)
Included in the accompanying consolidated balance sheet as follows		
Prepaid benefit cost	$ —	$ —
Accrued benefit cost	(8,007)	(5,601)
Net accrued benefit cost	$ (8,007)	$ (5,601)

Net pension expense for the Solutions LLC plans consisted of the following

	2000	1999	1998
		(In thousands)	
Components of net periodic pension expense:			
Service cost	$ 3,877	$ 4,875	$ 4,233
Interest cost	3,526	2,954	2,612
Expected return on plan assets	(4,531)	(4,006)	(3,652)
Amortization of prior service credit	(280)	(280)	(280)
Recognized net actuarial gain	(186)	(154)	(83)
Net periodic pension expense	$ 2,406	$ 3,389	$ 2,830

The following are the weighted-average assumptions utilized as of December 31 of the year indicated:

	Year Ended December 31, 2000	Year Ended December 31, 1999
Discount rate	7.5%	8.0%
Expected return on plan assets	10.0	10.0
Rate of compensation increase	5.0	5.0

Williams maintains various defined contribution plans in which WCG is included. WCG's costs related to these plans were $8.1 million, $5.1 million and $4.2 million in 2000, 1999 and 1998, respectively. These costs increased from 1999 to 2000 primarily due to the growth in the eligible employee base.

Included in selling, general and administrative expenses for 1998 is an accrual of $11.5 million related to the modification of WCG's employee benefit program associated with vesting of paid time off. In December 1998, WCG increased the number of days in the new paid time off policy and changed the benefits with regard to sick pay.

7. Investments

Investments as of December 31 consist of the following (in thousands):

	2000	1999
Short-term investments:		
Commercial paper	$ 82,153	$ 516,877
Debt securities mutual fund	765	354,891
Auction securities consisting primarily of asset-backed and corporate debt securities	—	334,290
Other debt securities and time deposits	514	213,704
	83,432	1,419,762
Marketable equity securities	311,752	—
Short-term investments	$395,184	$1,419,762

	2000	1999
Long-term investments:		
Equity method		
ATL — common stock	$ 23,683	$ 42,572
Others	69,106	14,416
	92,789	56,988
Cost method:		
ATL — preferred stock	292,048	317,048
Others	101,271	114,654
	393,319	431,702
Advances to investees:		
ATL	132,606	850
Other	1,138	8,397
	133,744	9,247
Marketable equity securities	—	288,109
Long-term investments	$619,852	$ 786,046

Short-term investments excluding marketable equity securities

Short-term investments excluding marketable equity securities consist primarily of debt securities that mature within one year, with the exception of the mutual fund which does not have a maturity. The carrying amounts of these investments are reported at fair value, which approximate cost.

Interest and other investing income consists primarily of interest income related to debt securities.

Marketable equity securities

Marketable equity securities are classified as current or noncurrent assets based on management's plans for holding or disposing of these investments. The carrying amounts of the marketable equity securities are reported at fair value The aggregate cost of these investments was $170.6 million and $57.7 million as of December 31, 2000 and 1999, respectively. Gross unrealized gains and losses were $179.4 million and $38.2 million as of December 31, 2000, respectively. Gross unrealized gains were $230.4 million as of December 31, 1999, as the carrying amount exceeded cost for each marketable equity security investment. None of the gross unrealized losses as of December 31, 2000 were considered by management to be other than temporary.

WCG has entered into cashless collar derivative instruments in 2000 which will expire by first quarter 2002. As of December 31, 2000, these derivative instruments were accounted for as hedges of WCG's exposure to changes in the price of its investments in certain marketable equity securities. Changes in the fair value of the hedged marketable equity securities and the impact of the associated derivative instruments are reflected in accumulated other comprehensive income. The derivative instruments impact realized gains or losses from the sale of the hedged marketable equity security Effective January 1, 2001, the cashless collar does not qualify as a hedge under SFAS No. 133 as amended. WCG received cash proceeds of $85.1 million from the early termination of derivative instruments treated as hedges of certain marketable equity securities in 2000. The cash proceeds were recorded as a reduction in the basis of the underlying marketable equity security.

WCG sold portions of its investments in certain marketable equity securities for gross realized gains and losses of $108.3 million and $14.6 million, respectively, in 2000. WCG also recognized a gain of $214.7 million in 2000 from the conversion of WCG's shares of common stock of Concentric Network Corporation into shares of common stock of XO Communications, Inc. pursuant to a merger of those companies completed in June 2000.

In first quarter 2001, WCG liquidated a portion of its marketable equity securities portfolio, yielding proceeds of $25.4 million and a gain of $24.4 million. As of February 28, 2001, the value of WCG's marketable equity securities portfolio has depreciated approximately $90 million since December 31, 2000.

Equity and cost method investments and advances to investees

Cash dividends of $8.0 million were received from investments in companies carried on the equity basis in 2000. No dividends were received from these investments in 1999 or 1998.

WCG recognized a loss of $34.5 million in 2000 related to a write-down of certain cost-based and equity-method investments resulting from management's estimate that the decline in the value of these investments was other than temporary

Other cost investments in the table above include eighteen investments and thirteen investments as of December 31, 2000 and 1999, respectively, consisting primarily of common stock investments in various privately-held companies in the telecommunications industry.

Williams granted WCG an option to acquire Williams' entire equity and debt interest in Algar Telecom S/A, a Brazilian telecommunications company, at Williams' net book value. The option was exercisable at any time from January 1, 2000 to January 1, 2001. The option expired on January 1, 2001

Prior to March 1999, WCG owned 30% of the preferred shares in ATL and through participation in a limited liability company owned 30% of the common stock. In March 1999, WCG purchased from Algar Telecom for $265 million an additional 43% of the preferred shares and 19% of the common stock of ATL. The purchase price of ATL common stock exceeded the related share of the net assets by $35 million which is being amortized over 15 years.

In a series of transactions in first quarter 2000, WCG sold to an entity jointly owned by SBC Communications, Inc. (SBC) and Teléfonos de México S.A de C.V., 7% and 30% of ATL's total preferred shares and common stock, respectively The sale of the investment in ATL, which had a carrying value of $30 million, yielded proceeds of approximately $168 million. WCG recognized a gain on the sale of $16.5 million and deferred a gain of approximately $121 million associated with $150 million of the proceeds which were subsequently advanced to ATL. As of December 31, 2000, WCG owns 66% of the preferred shares and 19% of the common stock of ATL

As of December 31, 2000, WCG's ownership of 66% and 19% of the preferred shares and common stock of ATL, respectively, are pledged as collateral for a U.S. dollar denominated $521 million loan from Ericsson Project Finance AB to ATL.

8. Property, Plant and Equipment

Property, plant and equipment as of December 31 is summarized as follows:

	Depreciable Lives	2000	1999
	(In years)	(In thousands)	
Fiber	25-30	$ 851,184	$ 167,283
Optronics	7-10	910,647	328,696
Right-of-way	20-40	680,446	53,717
Computer equipment	3	89,640	58,295
General office furniture and fixtures	3-5	36,962	24,665
Buildings and leasehold improvements	30 or life of lease	286,119	96,781
Construction in progress	Not applicable	2,313,128	1,419,283
Other	Various	301,794	73,852
		5,469,920	2,222,572
Less accumulated depreciation and amortization		(330,936)	(174,900)
		$5,138,984	$2,047,672

In connection with its fiber build projects, WCG periodically enters into various agreements to obtain the use of property rights from Williams' pipeline companies in exchange for telecommunications services Under these agreements, WCG commits to provide various levels and types of services as consideration for the rights of way obtained. As of December 31, 2000 and 1999, such commitments were not material

Depreciation expense was $176.1 million, $73.6 million and $39.1 million, respectively in 2000, 1999 and 1998.

9. Accounts Payable and Accrued Liabilities

WCG's cash accounts reflect credit balances to the extent checks written have not been presented for payment The amounts of these credit balances included in accounts payable are $138.9 million and $91.3 million as of December 31, 2000 and 1999, respectively.

Accrued liabilities as of December 31 consist of the following:

	2000	1999
	(In thousands)	
Construction costs	$199,540	$262,860
Interest	104,084	51,147
Other	98,234	67,054
	$401,858	$381,061

10. Long-Term Debt

Williams

Long-term debt due to Williams as of December 31 consists of the following:

	2000	1999
	(In thousands)	
Williams note	$975,610	$988,110
Less current maturities	—	(12,500)
Long-term debt	$975,610	$975,610

Williams note

Prior to WCG's initial public offering, WCG historically received capital contributions and interest-bearing advances from Williams in order to fund operations. In September 1999, previous non-capital borrowings from Williams were converted into a seven-year note payable bearing interest at an annual rate based upon WCG's credit rating The interest rate is based on LIBOR plus 2.25%. As of December 31, 2000, WCG had locked in varying rates for three months, with a weighted average interest rate of 8.875%.

The Williams note ranks senior to WCG's senior redeemable notes. It ranks equal to WCG's long-term credit facility except to the extent its credit facility is secured and as set forth in an inter-creditor agreement entered into between Williams and the credit facility lenders. Under the intercreditor agreement, Williams has agreed that the Williams note will be subordinated to rights of the lenders in any bankruptcy, insolvency, liquidation or dissolution of the borrower and in the event of default under its credit facility, with some exceptions.

In first quarter 2001, Williams and WCG entered into an agreement that, among other things, resulted in the conversion of the Williams note into paid in capital and the issuance of WCG's common stock to Williams (see Note 19).

Third parties

Long-term debt (excluding amounts due to Williams) as of December 31 consists of the following.

	2000	1999
	(In thousands)	
Senior redeemable notes, 10.70% — 11.875%, due 2007 — 2010	$2,986,598	$1,988,883
Credit facility	525,000	—
Other	39,498	892
Long-term debt	$3,551,096	$1,989,775

Senior redeemable notes

In August 2000, WCG issued approximately $1.0 billion of senior redeemable notes, which consisted of $575.0 million of 11.70% and $425.0 million of 11 875% fixed-rate senior redeemable notes due August 1, 2008 and August 1, 2010, respectively. Proceeds from the debt issued were approximately $997 0 million before underwriter commissions of $23 4 million. Interest on the notes is payable in arrears on February 1 and August 1 each year beginning February 1, 2001. WCG may repay the notes at varying redemption premiums or make-whole prices, as defined.

In September 1999, WCG issued $2.0 billion in senior redeemable notes, which consisted of $1.5 billion of 10.875% and $500 million of 10.70% fixed-rate senior redeemable notes due October 1, 2009 and October 1, 2007, respectively. Proceeds from the debt issued were $1,988.7 million before underwriter commissions of $50.0 million. Interest on the notes is payable in cash semiannually in arrears on October 1 and April 1, which commenced on April 1, 2000. WCG may repay the notes at varying redemption premiums or make-whole prices, as defined.

These notes are senior unsecured obligations of WCG, ranking equally with all of WCG's existing and future senior unsecured debt. The notes will be senior to all of WCG's subordinated debt and junior to any existing or future secured debt.

Long-term credit facility

In September 1999, WCI entered into a $1.05 billion credit facility with various banks. The credit facility consists of a $525 million seven-year senior multi-draw amortizing term loan facility and a $525 million six-year senior reducing revolving credit facility. WCG (through WCI) may borrow under the term loan facility during a one-year period beginning on the commencement date of the credit facility and may borrow under the revolving credit facility throughout its six-year term. WCG borrowed the $525 million term loan under the credit facility in September 2000. Outstanding borrowings under the credit facility bear interest based on WCG's credit ratings. The interest rate under this facility is based on a variable rate of LIBOR plus 2.25%. As of December 31, 2000, WCG had a locked in six month rate of 9.02%. In first quarter 2000, Williams was removed as a guarantor under this credit facility.

Term loans must be repaid in installments beginning in the fourth year of the term loan facility: 15% of the term loans must be repaid during the fourth year, 25% during the fifth year, 30% during the sixth year and 30% during the seventh year. The commitments under the revolving credit facility will be permanently reduced by 20% in the fourth year, by 30% in the fifth year, and by 50% in the sixth year. WCG must repay amounts borrowed under the revolving credit facility to the extent these amounts are in excess of the remaining commitments. In addition, WCG is required to ratably prepay the term loans or reduce its revolving loan commitments in certain circumstances, as defined, based on excess cash flows or proceeds received from asset sales that are not otherwise reinvested back into WCG's core business operations.

The credit facility ranks senior to WCG's senior redeemable notes and equal to the Williams note.

At any time within two years of the effective date of the long-term credit facility, WCG may request one or more additional credit facilities from the long-term credit facility lenders. These facilities could be in the aggregate amount of not less than $100 million or more than $500 million. The terms and conditions of any additional facilities have not been agreed to and would have to be negotiated.

Other

In third quarter 2000, PowerTel entered into a 70 million Australian dollar bridge financing facility agreement ($39.2 million as of December 31, 2000). The facility agreement, which bears interest at a fixed-rate of 9 70% and is due in March 31, 2001, has been fully utilized as of December 31, 2000.

For financial statement reporting purposes as of December 31, 2000, the PowerTel bridge financing facility which otherwise would have been classified as current debt obligations has been reclassified to long-term debt based on proceeds received from the equity offering in first quarter 2001 (see Note 19). In addition, WCG has reclassified its current portion of the Williams note as long-term based on the conversion of the Williams note into paid in capital in first quarter 2001 (see Note 19)

Aggregate minimum maturities, considering the reclassification of current obligations as previously described, for each of the next five years are as follows (in thousands):

2001	$ —
2002	19,863
2003	92,005
2004	137,812
2005	157,500
Thereafter	3,118,125
	$3,525,305

Cash payments for interest, net of amounts capitalized, were $152.1 million, $46.8 million and $2.4 million in 2000, 1999 and 1998, respectively, including commitment fees relating to the credit facility of $9.0 million and $3.6 million in 2000 and 1999, respectively. No commitment fees were paid in 1998.

WCG's debt agreements contain restrictive covenants and require it to meet certain financial ratios and tests. These agreements restrict WCG's ability to borrow additional money, pay dividends or other distributions to stockholders, make investments, create liens on assets and sell assets Debt restrictions limit the ability of WCI, the wholly owned operating subsidiary of WCG, to transfer funds to its parent, WCG. As of December 31, 2000, WCI had restricted net assets of $1 2 billion. However, these debt restrictions allow WCI to transfer funds to its parent, WCG, for regularly scheduled interest payments with respect to the senior redeemable notes, as well as certain other payments as outlined in the long-term credit facility agreement. The long-term credit facility expires in September 2006 Restricted net assets of equity method investees was $34.2 million as of December 31, 2000.

11. Redeemable Cumulative Convertible Preferred Stock

In September 2000, WCG issued 5,000,000 shares of 6.75% redeemable cumulative convertible preferred stock at a liquidation preference of $50.00 per share for proceeds of approximately $240.5 million, net of issuance costs of $9 5 million. Each share of preferred stock is convertible into 1.7610 shares of WCG's Class A common stock, based on a conversion price of $28.39.

WCG may redeem all or any part of the shares of preferred stock at any time on or after October 15, 2005 at a redemption price of 103.38% and, under specified circumstances, before that date. The preferred stock will be subject to mandatory redemption on October 15, 2012 at 100% of the liquidation preference, plus accumulated and unpaid dividends to the date of redemption.

The preferred stock ranks senior to WCG's Class A and B common stock with respect to dividend rights and rights upon liquidation, winding up and dissolution. The preferred stock is junior in right of payment of all debt obligations of WCG.

Dividends on the preferred stock are cumulative from the date of issue and will be payable on January 15, April 15, July 15, and October 15 of each year, beginning on January 15, 2001, at the annual rate of 6.75%. The terms of WCG's credit facility and senior redeemable notes currently restrict it from paying cash dividends. During any periods when WCG is restricted from paying cash dividends, it expects to pay preferred stock dividends by delivering shares of its common stock to the transfer agent for the preferred stock, which will resell those shares of common stock. The proceeds from the sale of its common stock will then be used to pay cash dividends to the holder of shares of preferred stock.

The holders of the preferred stock are entitled to vote with the holders of WCG's Class A common stock on all matters submitted for a vote of holders of Class A common stock. Each holder of the preferred stock will be entitled to a number of votes equal to the number of shares of Class A common stock into which the shares of preferred stock are convertible on the record date of the vote.

12. Stockholders' Equity

In connection with the initial public equity offering in September 1999, WCG converted its existing 1,000 shares of common stock outstanding to 395,434,965 shares of newly created Class B common stock all of which are owned by Williams. In the equity offering, WCG sold 34,040,000 Class A common shares. Concurrent with the equity offering, WCG privately sold 34,064,451 shares of Class A common stock to investors as follows: SBC of $438.5 million for a 4.36% ownership in WCG, to Intel, $200 million for a 2.0% ownership in WCG and to Telefonos de México, $100 million for a 1.0% ownership in WCG. The remaining equity proceeds received represented a 7.34% ownership. Williams retained an 85.3% ownership in the form of Class B common stock.

Class A and Class B common stock have identical rights with the exception of voting, conversion and transfer rights. Class A common stock receives one vote per share while Class B common stock receives ten votes per share. Class B common stock can be converted into Class A common stock on a share-for-share basis at the option of the owner at any time, or automatically upon transfer to a person or entity which is not a permitted transferee. A permitted transferee includes Williams, its direct and indirect subsidiaries, any person or entity in which Williams or any successor beneficially owns, directly or indirectly, at least 50% of the equity or the voting securities, any successor of any of the foregoing and stockholders of Williams who receive Class B common stock in a tax-free spin-off.

13. Accumulated Other Comprehensive Income

The table below presents changes in the components of accumulated other comprehensive income (loss)

	Unrealized Appreciation (Depreciation) of Securities	Foreign Currency Translation Adjustments	Total
		(In thousands)	
Balance as of December 31, 1997	$ (2,348)	$ (1,131)	$ (3,479)
Current period change:			
Pre-income tax amount	45,306	(1,792)	43,514
Income tax expense	(15,329)	—	(15,329)
	29,977	(1,792)	28,185
Balance as of December 31, 1998	27,629	(2,923)	24,706
Current period change:			
Pre-income tax amount	189,023	(13,006)	176,017
Income tax expense	(75,825)	—	(75,825)
	113,198	(13,006)	100,192
Balance as of December 31, 1999	140,827	(15,929)	124,898
Current period change:			
Pre-income tax amount	222,140	(29,240)	192,900
Reclassification adjustment for gains realized in net loss	(308,419)	—	(308,419)
Income tax benefit	34,670	—	34,670
	(51,609)	(29,240)	(80,849)
Balance as of December 31, 2000	$ 89,218	$(45,169)	$ 44,049

14. Stock-Based Compensation

WCG and Williams have several plans providing for Williams and WCG common-stock-based awards to WCG's employees and employees of its subsidiaries. The plans permit the granting of various types of awards including, but not limited to, stock options, stock-appreciation rights, restricted stock and deferred stock. Awards may be granted for no consideration other than prior and future services or based on certain financial performance targets being achieved. The purchase price per share for stock options and the grant price for stock-appreciation rights may not be less than the market price of the underlying stock on the date of grant. Depending upon terms of the respective Williams plans, stock options become exercisable after three to five years, subject to accelerated vesting if certain future stock prices or specific financial performance targets are achieved Stock options granted under the WCG Plan are exercisable at such times and are subject to such restrictions and conditions as the board of directors shall in each instance approve, which need not be the same for each grant or for each participant. Current vesting terms include 5 year cliff vesting, of which some are subject to accelerated vesting if certain future stock prices or specific financial performance targets are achieved, 3 year cliff vesting and 3 year staged vesting in thirds. Stock options in all plans expire ten years after grant As of December 31, 2000 and 1999, 36 million shares of WCG Class A common stock were reserved for issuance pursuant to existing and future stock awards, of which 16 7 million shares and 27 6 million shares, respectively, were available for future grants.

Williams' and WCG's employee stock-based awards are accounted for under provisions of APB Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations. Williams' and WCG's fixed plan common stock options generally do not result in compensation expense because the exercise price of the stock options equals the market price of the underlying stock on the date of grant.

In conjunction with the initial public offering of WCG stock, options granted in 1998 and 1999 under the WCG Plan were converted from Williams to WCG options when market prices were $37.63 and $23.00, respectively. In accordance with APB Opinion No. 25, this resulted in a new measurement date, and related expense of $0.4 million and $0.9 million was recognized in 2000 and 1999, respectively. The remaining value of the option conversion will be amortized over the various vesting periods of the converted stock options.

Pro forma net income and earnings per share, assuming WCG had applied the fair-value method of SFAS No. 123, "Accounting for Stock-Based Compensation," in measuring compensation cost beginning with 1998 employee stock-based awards, are as follows:

	2000		1999		1998	
	Pro Forma	Reported	Pro Forma	Reported	Pro Forma	Reported
Net loss (thousands)	$(941,478)	$(817,688)	$(379,174)	$(359,701)	$(195,129)	$(185,729)
Net loss per share	$ (2.04)	$ (1.77)	$ (92)	$ (.87)	$ (.49)	$ (.47)

Pro forma amounts include compensation expense related to discontinued operations of approximately $36 0 million, $6.2 million and $3.1 million in 2000, 1999 and 1998, respectively. Pro forma amounts for 1999 include the remaining total compensation expense for Williams plans awards made in 1998 and the total compensation expense from Williams plans awards in 1999, as these awards fully vested in 1999 as a result of the accelerated vesting provisions. Pro forma amounts in 1998 include the remaining total compensation expense from the awards made in 1997, as these awards fully vested in 1998 as a result of the accelerated vesting provision Since compensation expense from stock options is recognized over the future years' vesting period for pro forma disclosure purposes, and additional awards generally are made each year, pro forma amounts may not be representative of future years' amounts.

The fair value of the stock options was estimated at the date of grant using a Black-Scholes option valuation model. The Black-Scholes model was developed for use in estimating the fair value of traded options which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions including the expected stock price volatility. Because Williams' and WCG's stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of its employee stock options. The following weighted-average assumptions were used in the Black-Scholes model:

	WCG		Williams	
	2000	1999	1999	1998
Expected life of the stock options	5 years	5 years	5 years	5 years
Volatility of the expected market price of underlying common stock	71%	60%	28%	25%
Risk-free interest rate	6.3%	6.0%	5.6%	5.3%
Expected dividend yield	0%	0%	1.5%	2.0%

WILLIAMS COMMUNICATIONS GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following summary provides information on stock options in both WCG and Williams (NYSE: WMB) common stock granted:

	2000				1999						1998			
	WCG Plan		Williams Plans		WCG Plan				Williams Plans		WCG Plan		Williams Plans	
	WCG Options	Weighted Average Exercise Price	WMB Options	Weighted Average Exercise Price	WCG Options after Conversion	Weighted Average Exercise Price	WMB Options before Conversion	Weighted Average Exercise Price	WMB Options	Weighted Average Exercise Price	WMB Options	Weighted Average Exercise Price	WMB Options	Weighted Average Exercise Price
							(Options in thousands)							
Outstanding — Beginning of year	8,035	$22.70	4,845	$27.33			470	$30.50	5,378	$23.87			4,911	$19.39
Granted							24	$37.38						
Canceled							(56)	$31.81						
Converted from WMB to WCG					716	$18.87	(438)	$30.71						
Granted	12,836	$37.55	—	$ —	7,623	$23.05			900	$39.92	490	$30.55	1,729	$31.87
Exercised	(39)	$19.14	(1,307)	$26.66	(3)	$15.35			(1,383)	$21.92			(1,093)	$15.58
Net intercompany transfers			209	$29.09										
Canceled	(2,412)	$31.98	(47)	$37.27	(301)	$22.60			(50)	$31.16	(20)	$31.94	(169)	$29.13
Outstanding — End of year	18,420	$31.84	3,700	$27.54	8,035	$22.70	—		4,845	$27.33	470	$30.50	5,378	$23.87
Exercisable — End of year	4,611	$42.51	3,693	$27.53	334	$20.86			4,831	$27.30			3,754	$20.41
Weighted-average grant date fair value of options granted during the year where:														
Market price = exercise price		$23.93		$ —		$13.13				$11.55		$ 8.19		$ 8.19
Market price > exercise price						$14.24								

The following summary provides information on stock options in WCG and Williams common stock issued to WCG employees outstanding and exercisable as of December 31, 2000:

Range of Exercise Prices:	Stock Options Outstanding: Options (in thousands)	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Stock Options Exercisable: Options (in thousands)	Weighted Average Exercise Price
WCG Plan:					
$10.88 - $18.44	917	$14.55	9.78 years	23	$14.89
$19.25 - $24.13	7,201	$22.48	8 84 years	1,073	$22.65
$27.00 - $29.38	3,768	$27.35	9 59 years	—	—
$33.09 - $37.63	734	$34.73	9 42 years	—	—
$48.75	5,800	$48.75	9 21 years	3,515	$48.75
	18,420	$31.84	9.18 years	4,611	$42.51
Williams Plans:					
$5.00 to $30.00	2,336	$22.29	7.31 years	2,336	$22.29
$30 75 to $40.50	1,364	$36.54	8.80 years	1,357	$36 57
	3,700	$27.54	7.87 years	3,693	$27 53

The following summary provides information on deferred shares of Williams and WCG common stock granted to WCG employees:

	Williams Common Stock					WCG Common Stock under WCG Plan	
	2000	1999		1998		2000	1999
	WCG Plan	WCG Plan	Williams Plans	WCG Plan	Williams Plans	WCG Plan	
Deferred shares granted	13,290	10,000	36,258	165,000	109,565	527,829	462,589
Weighted-average grant date fair value of shares granted	$37.63	$33.00	$39.82	$ 31.59	$ 31.59	$ 25 17	$ 23 00

$3.8 million, $5.2 million and $1.2 million were recognized as expense for deferred shares in 2000, 1999 and 1998, respectively. Deferred shares may be granted in the year following performance or in return for future performance. The expense is recognized in the performance year.

In conjunction with the initial public offering, 255,000 deferred shares granted under the Williams and WCG Plans in 1998 were converted from Williams to WCG stock based upon the relative market prices at the conversion date The market prices of the Williams and WCG stock were $37.625 and $23 00, respectively, at the conversion date. At that time 25% of the shares became fully vested. In accordance with APB Opinion No. 25, this resulted in a new measurement date, and related expense of $1 1 million and $2.2 million included in 2000 and 1999, respectively. The remaining value of the deferred share conversion will be amortized over the vesting periods of the converted stock.

15. Leases

Lessee:

Future minimum annual rentals under noncancellable operating leases as of December 31, 2000 are payable as follows:

	Property Rental	Off-Network Capacity and Equipment	Other	Total
		(In thousands)		
2001	$ 31,430	$145,603	$ 12,972	$ 190,005
2002	27,239	99,294	12,939	139,472
2003	26,174	72,524	11,595	110,293
2004	25,836	32,817	10,427	69,080
2005	26,238	31,594	10,328	68,160
Thereafter	132,765	233,282	138,607	504,654
Total minimum annual rentals	$269,682	$615,114	$196,868	$1,081,664

In 1998, WCG entered into an operating lease agreement covering a portion of its fiber-optic network. The total cost of the network assets covered by the lease agreement was $750 million. The lease terms are expected to total five years, and if renewed, could total seven years Under the terms of the lease agreement, WCG cannot sublease the assets without the prior written consent of the lessor. Through December 31, 2000, WCG has not requested nor has the lessor granted such consent.

WCG has an option to purchase the covered network assets during the lease term at an amount approximating the lessor's cost. Williams provides a residual value guarantee equal to a maximum of 89.9% of the transaction. The residual value guarantee is reduced by the present value of the actual lease payments. In the event that WCG does not exercise its purchase option, WCG expects the fair market value of the covered network assets to substantially reduce Williams' payment under the residual value guarantee. WCG's disclosures for future minimum annual rentals under noncancellable operating leases do not include amounts for the residual value guarantee.

Total capacity expense incurred from leasing from a third party's network (off-network capacity expense) was $332.3 million, $201.1 million and $110.8 million in 2000, 1999 and 1998, respectively. All other rent expense was $49.5 million, $33.1 million and $19.8 million in 2000, 1999 and 1998, respectively. Included in other rent expense are charges for office space leased from Williams of $5.7 million, $2.5 million and $1.5 in 2000, 1999 and 1998, respectively

Lessor:

Prior to June 30, 1999, WCG had granted IRUs for dark fiber to third parties that are accounted for as sales-type leases. The lease term is typically for 20 to 25 years and the lessee can renew the leases at no cost for an additional period of 10 to 20 years. The lessee generally prepays the lease upon acceptance. As of December 31, 2000, all cash from sales-type leases has been received except for $50.9 million, which will be collected in 2001. Due to the initial term of the IRUs and lessee renewal options, WCG has not recorded any residual value for these leases. Subsequent to June 30, 1999, WCG has granted IRUs for dark fiber that have been accounted for as operating leases.

WCG also provides colocation and maintenance services under dark fiber IRUs and to other third parties leasing space in WCG's facilities Future minimum annual revenues for dark fiber IRUs accounted for as an operating lease and colocation and maintenance services are as follows:

	Dark Fiber	Colocation Services	Maintenance Services
		(In thousands)	
2001	$ 51,348	$ 18,939	$ 21,449
2002	25,969	21,223	24,313
2003	28,404	21,413	25,630
2004	28,404	21,413	25,630
2005	28,404	21,413	25,630
Thereafter	397,656	299,782	358,820
	$560,185	$404,183	$481,472

16. Related Party Transactions

Williams charges its subsidiaries, including WCG, for certain corporate administrative expenses, which are directly identifiable or allocable to the subsidiaries. Details of such charges are as follows:

	Year Ended December 31,		
	2000	1999	1998
		(In thousands)	
Direct costs, charged from Williams	$26,999	$16,253	$ 7,957
Allocated charges from Williams	9,225	4,989	3,219
	$36,224	$21,242	$11,176

The above costs are reflected in selling, general and administrative expenses in the accompanying consolidated statements of operations. Direct costs charged from Williams represent the direct costs of goods or services provided by Williams at WCG's request as well as the cost of centralized administrative services. Williams allocates its cost of centralized administrative services based on a logical representation of the benefits received, such as allocating Williams' human resources department based on employee headcount. Allocated charges from Williams represent an allocation of general corporate charges based on a three factor formula which considers operating results, property, plant and equipment and payroll. In management's estimation, the allocation methodologies used are reasonable and the direct and allocated charges approximate amounts that would have been incurred on a stand-alone basis

Included in WCG's revenues are charges to Williams and its subsidiaries and affiliates of $14.6 million, $14.3 million and $12.0 million in 2000, 1999 and 1998, respectively. These charges include managing Williams' internal telephone operations of $10.4 million, $10.0 million and $7.7 million in 2000, 1999 and 1998, respectively and managing microwave frequencies for Williams' gas pipelines of $3.8 million, $4.3 million and $4.3 million in 2000, 1999 and 1998, respectively.

Amounts due to or from affiliates consist of normal course receivables and payables resulting from the use of each others' services. A summary of these receivables and payables as of December 31 are as follows:

	2000	1999
	(In thousands)	
Due from affiliates — SBC	$24,658	$ 1,274
Due to affiliates — Williams	$68,456	$44,648

Interest expense to Williams was $86.7 million, $54.9 million and $16.9 million in 2000, 1999 and 1998, respectively. Interest paid to Williams was $82.5 million and $20.5 million in 2000 and 1999, respectively. No amounts were paid to Williams for interest in 1998.

Effective in January 2000, SBC is a related party by an appointment of an officer of SBC as an outside member of WCG's board of directors. SBC purchases domestic voice and data long distance and local transport services from WCG. Revenues from SBC were $169.5 million and $2.5 million in 2000 and 1999, respectively. There were no revenues from SBC in 1998. WCG purchases local transport services, platform services such as toll-free, operator, calling card and directory assistance services and international services such as transport and switched-voice services from SBC. These purchases from SBC were $51.7 million, $13.2 million and $17.7 million in 2000, 1999 and 1998, respectively.

In a series of transactions in first quarter 2000, WCG sold to an entity jointly owned by SBC and Teléfonos de Mexico, 7% and 30% of ATL's total preferred shares and common stock, respectively (see Note 7).

In June 2000, WCG acquired SBC's interests in undersea communications cables between the United States and China, and between the United States and Japan, for a purchase price of approximately $111.4 million.

In September 2000, WCG acquired the long distance network assets of Ameritech Communications, Inc., a subsidiary of SBC, for a purchase price of $145 million. These assets are located in the states of Illinois, Indiana, Michigan, Ohio and Wisconsin and include a 2,200 mile fiber-optic network over four routes, indefeasible rights of use in dark fiber and 15 data centers.

17. Commitments and Contingencies

Commitments

WCG has entered into various telecommunications equipment agreements with six suppliers totaling $1.9 billion which expire at varying dates by the end of third quarter 2002. As of December 31, 2000, WCG had $1.2 billion remaining on these agreements. Purchases under these agreements totaled $442 million, $212 million and $84 million in 2000, 1999 and 1998, respectively.

In 1998, WCG entered into an agreement with Winstar Communications, Inc. (Winstar) for a 25 year indefeasible right to use approximately 2% of Winstar's wireless local capacity in exchange for payments equal to $400 million. Winstar intends to construct 270 hubs by the end of 2001, and WCG will have the ability to use all of these hubs for a period of 25 years. Winstar has constructed approximately 170 hubs, or antenna sites, which are currently available to WCG as of December 31, 2000. WCG will pay Winstar a total of $400 million over four years as Winstar completes construction of the hubs. WCG will amortize the $400 million to be capitalized on a straight-line basis over the 25-year usage term. As of December 31, 2000, WCG has paid Winstar approximately $250 million

In fourth quarter 2000, ATL closed a financing arrangement with a Brazilian development bank, which provided ATL an additional 528 million reais in additional local currency funding (approximately $270 million as of December 31, 2000), of which WCG has guaranteed approximately $100 million of this financing

Litigation

WCG and WCI are named as defendants in putative nationwide class actions or putative statewide class actions on behalf of all landowners on whose property WCG allegedly installed fiber-optic cable without the permission of the landowner. WCG believes that installation of the cable containing the single fiber network that crosses over or near the putative class members' land does not infringe on their property rights. WCG also does not believe that the plaintiffs have sufficient basis for certification of a nationwide or statewide class.

On September 7, 2000, All-Phase Utility Corp amended its complaint in a matter originally filed June 28, 1999, against WCI in the United States District Court for Oregon, alleging actual damages of at least $236 5 million from loss of profit from potential construction and lost revenue from leases of fiber-optic cable and conduits plus punitive damages. All-Phase alleges that a portion of WCI's Eugene, Oregon to Bandon, Oregon route is based on confidential information developed by All-Phase and that WCG breached its non-disclosure agreement with All-Phase and violated the Oregon Trade Secrets Act by using it All-Phase also alleges that WCG misrepresented its plans for the route and that, as a result, All-Phase lost the opportunity to build its own line along the same route. On January 22, 2001, the Court entered an Order granting WCI's Motion for Summary Judgment and dismissing the action. All-Phase did not appeal the Court's Order

It is likely that WCG will be subject to other putative class action suits challenging its nationwide rights of way WCG cannot quantify the impact of all such claims at this time. Thus, WCG cannot be certain that the plaintiffs' putative class actions, if successful, will not have a material adverse effect upon its future financial position, results of operations or cash flows.

WCG is a party to various other claims, legal actions and complaints arising in the ordinary course of business. Other than the putative class action suits described above, in the opinion of management, the ultimate resolution of all claims, legal actions and complaints after consideration of amounts accrued, insurance coverage, or other indemnification arrangements will not have a materially adverse effect upon WCG's future financial position, results of operations or cash flows.

18. Financial Instruments

Fair Value Methods

The following methods and assumptions were used by WCG in estimating its fair value disclosures for financial instruments:

Cash and cash equivalents: The carrying amounts reported in the balance sheet approximate fair value due to the short-term maturity of these instruments.

Short-term investments and marketable equity securities: In accordance with SFAS No. 115, these securities are classified as available for sale and are reported at fair value, with net unrealized appreciation or depreciation reported as a component of other comprehensive income. As of December 31, 2000 and 1999 short-term investments excluding marketable equity securities had a carrying amount of $83.4 million and $1,419.8 million, respectively, which approximated cost. Marketable equity securities had a carrying amount of $311.8 million and $288.1 million as of December 31, 2000 and 1999, respectively, with associated aggregate costs of $170.6 million and $57.7 million, respectively.

Investments — cost method and advances to investees: Fair value is estimated to approximate historically recorded amounts as the investments are primarily in nonpublicly traded companies for which it is not practicable to estimate the fair value.

Long-term debt: WCG's long-term debt from affiliates consists primarily of variable rate borrowings which was converted into paid in capital in first quarter 2001 (see Note 19). The fair value of WCG's long-term debt from third parties is valued using indicative year-end traded bond market prices for publicly traded issues, while the long-term credit facility is a variable rate borrowing for which the carrying amount approximates the fair value. As of December 31, 2000 and 1999 long-term debt from third parties, including the current portion, had carrying amounts of $3.6 billion and $2.0 billion, respectively, with associated fair value amounts of $2.8 billion and $2.1 billion, respectively. WCG used the expertise of outside investment banking firms to establish the fair value of long-term debt from third parties. As of December 31, 2000 and 1999, 66% and 67%, respectively of WCG's total long-term debt was publicly traded.

Redeemable cumulative convertible preferred stock: Fair value is based on the prices of similar securities with similar terms and credit ratings as the preferred stock is not publicly-traded. As of December 31, 2000 the preferred stock had a carrying value of $240.7 million with an associated fair value amount of $142 million. WCG used the expertise of outside investment banking firms to establish the fair value of redeemable cumulative convertible preferred stock.

Concentration of Credit Risk

WCG's cash equivalents and short-term investments excluding marketable equity securities consist of high-quality securities placed with various major financial institutions with high credit ratings. WCG's investment policy limits its credit exposure to any one issuer/obligor.

WCG's customers include numerous corporations. WCG serves a wide range of customers, of which four customers comprise of 28% of its net accounts receivable balance as of December 31, 2000. While sales to these various customers are generally unsecured, the financial condition and creditworthiness of customers are routinely evaluated.

19. Subsequent Events

In first quarter 2001, Williams and WCG entered into an agreement that, among other things, resulted in the transfer of ownership of a building under construction from Williams to WCG, the transfer of ownership of aircraft from Williams to WCG, conversion of the Williams note into paid in capital and the issuance of 24.3 million shares of WCG common stock. After the transaction was completed, WCG's total equity increased by approximately $1.1 billion.

In first quarter 2001, PowerTel completed a 1 for 4, 110 million Australian dollar equity rights offering which allowed each PowerTel shareholder to purchase one new share at 0.54 Australian dollars per share for each four shares held. WCG's ownership in PowerTel essentially remained unchanged at 45% subsequent to the equity rights offering.

In first quarter 2001, WCG granted an option to Telecom Américas, Ltd., a joint venture between SBC, American Movil S.A. de C.V. and Bell Canada International, Inc., to purchase WCG's interest in ATL for an agreed to price. The option was granted in exchange for Telecom Américas, Ltd. paying WCG's portion of a required funding to ATL. The option will expire at the end of first quarter 2001.

Appendix D

MEMORANDUM

TO: Maurice Jenkins
Manager Info Systems Dept

DATE: 21 January 2003

SUBJECT: Letter of Recommendation

FROM: Vincent Mojica
Special Assistant
Miami Dade Fire Department

I would like to bring to your attention two employees that work for Nextera that has shown patience and a great deal of attention to detail. These employees are Carlos Perozo and Jesus Cabrera.

They have worked on numerous projects with the Airport Fire Division and have shown us once again that the Communications Division has amongst its staff a group of outstanding employees. They have never failed to provide us with the service, and answers to many unique problems that we present to them.

We wish to thank them for the outstanding Customer Service they have provided and look forward to an outstanding working relationship in the years to come.

Miami Dade Fire Department
Airport Fire Division
Miami International Airport

To Maurice Jenkins
Manager Information Systems

While we tend to be quick to critisize when errors are made. We tend to be slow in praising those who go far and beyond to make sure a job is well done, give it that little extra so that individuals like myself have it easy. We take our communications here at M.I.A. for granted. I wish to correct that in some small way by writing this letter bringing to your attention the personnel in the Telecommunication's Division. They have gone above and beyond not on one occasion but on every occasion that I have had to work with them.

Maria Perez has always shown me which way to go when I have been totally lost with a project assigned to me. And providing me with the additional information and options to make the appropriate decisions. Guelsys Copin has always been there for our Division handling the Bell South problems in record time. Making the Bellsouth and Nextera companies almost seamless for my Division. Barbera Altamirano amazes us by replacing our damaged equipment in minutes never leaving staff or our emergency units without service. And Lorraine Jones whom without her staying on her own time the Aviation Department wouldn't have had a Command Post in place in three hours. And Carlos Garcia's understanding the full picture and helping cut through the miles of red tape and making our vision reality.

It is this same attitude that extends to the Nextera group of employees as well. I've had the continued honor of working with great professionals like Dennis Rochester, Ben Tevis and Bobby Cabrera who has helped us so much with our new Fire Station construction projects, helping us avoid the pitfalls and nightmares associated with new construction. And the technicians that continue to fine tune our systems and take our ideas and make them reality. I want to thank each and every one of them. You make my job an easy one. Meeting deadliness that I know must be very difficult.

And the most impressive thing I have witnessed is the overall attitude all these people have. Always greeting me with a smile and ready to assist.

Other Divisions should take notice and emulate Telecommunications. M.I.A. would be a much smoother running operation. You can be proud of these individuals, I know I am.

6-4-02

Vincent Mojica

Special Assistant
Miami Dade Fire Department
Aviation Division

GUYS,
GOOD JOB.
I AM PROUD
TO WORK WITH
SUCH TALENTED
TEAM AND
CUSTOMER FOCUSED
INDIVIDUALS.

ALWAYS READY PROUD TO SERVE

From: Damian Campbell
To: Jesus Lira
Date: Tue, Mar 7, 2000 10:57 AM
Subject: Ramon Alonso

Jesus,
I have been working with Ramon Alonso from Williams the problem with snapper creek. Ramon is one of the few Williams reps who actually took the time to call back and let me know that they have worked on the problem(the other one was Alex). He is also the only one who took the time to explain what the problem was and called back to check on the user and make sure that they where ok. The first time he called they where not able to log in and instead of telling me that it was a P.C. issue he listened to me and while I told him the history behind Snapper Creek and he checked their equipment a second time to find the problem. Afterward he called back one more time to make sure everything was ok and explained what the problem was and said that he would try to find a solution so that this wouldn't keep happening Now I know this sounds like just common practice but this is a level of support I have never seen before from Williams. Including previously on this same issue. Please forward this on to his supervisors and let them know that it was greatly appreciated.

CC: Maurice Jenkins

MON, 4/4/00
THIS ACCOLADE SHOULD SERVE AS THE STANDARD OF CUSTOMER SUPPORT TO WHICH WE CHALLENGE OURSELVES CONSISTENTLY GOING FORWARD.
GOOD JOB. THANK'S, NILES

GOOD JOB
RAMON
PLS KEEP UP
THE GOOD WORK
AND THE EXCELLENT
CUSTOMER RELATION
YOU HAVE ALWAYS
PROVIDED.

PEDRO DE CARRILLO
3-10-00

3/9/00

Pedro De Carrillo
- Williams Comm -

- Express my accolades to Raymond pls...
Thanks

MAURICE

UNITED AIRLINES

January 27, 2000

Ben Tevis
Wiltel Communications Systems, Inc.
P.O. Box 661627
Miami, Florida 33266

To Whom It May Concern:

I want to take this opportunity to thank you and your staff for the remarkable service that you have provided United Airlines in the past year.

Our telecommunication needs are substantial and your firm's experience and knowledge has assisted United Airlines in fulfilling these needs and achieving many of our long term communication goals.

The support team that you have provided us with is extremely knowledgeable and very professional. Wiltel has demonstrated time and again its commitment to remaining on the leading edge of telecommunications. In many instances you and your firm have provided us with valuable assistance above and beyond our needs.

I would, without hesitation, recommend you, Ben for continued work at United Airlines, and serve as a reference if ever needed.

Sincerely,

Jaime Sobalvarro
NEO Instructor/Administration
Latin America Division

Cc: William Demarest
Station Administrator

2/2/00

BEN & TEAM,

ESPECIALLY IN THE MIDST OF THE CURRENT PRESS AND COUNTY AUDIT ACTIVITY THE LETTER REINFORCES OUR TEAM'S INTEGRITY, CUSTOMER SERVICE SKILLS, QUALITY OF WORK AND PROFESSIONALISM. MY PERSONAL THANKS T YOU AND YOUR TEAM FOR THE HIGH STANDARDS OF EXCELLENCE YOU SET.

- NILES

COPY: PEDRO DE CAMILLO
SCOTT BENKAI

Commodore
Aviation, Inc.
FAA CRS VN4R602M
P.O BOX 661078 • MIAMI, FLORIDA 33266-1078
4900 N W. 36TH STREET • MIAMI, FLORIDA 33122
E-Mail: comaviation@juno.com
PHONE (305) 869-1900
FAX (305) 869-1946
SITA: MIAIC7X

WILLIAMS COMMUNICANTIONS SOLUTIONS
P.O BOX 661627
MIAMI, FL 33266

Dear Pedro de Camillo

This letter is written in recognition of outstanding performance by three of your employees, Gus Cole Dennis Rochester and Ben Tevis These professionals have responded to multiple emergency calls during the past month. They have always handled every problem presented to them in a swift and professional manner and have made the migration of many our office/executive staff from one location to another most efficiently. Their response and follow-up to our requests has been exceptional.

Again, I would like to commend these three individuals personally and state that they have represented your company in the highest professional manner.

Sincerely yours,

Frank Ligotti
Systems Admin

Michael McFarland
Systems Admin.

cc: Gus Cole
Dennis Rochester
Ben Tevis

de Camillo, Pedro

From: de Camillo, Pedro
Sent: Monday, June 18, 2001 6 02 PM
To: Gardiner, Kevin
Cc: Rochester, Denis; Tevis, Ben, Pierson,
Subject: RE Kevin Gardiner
Importance: High

Kevin,
I am pleased and thankful for your efforts during the recent move of "Miami-Dade Police Station". You are a very valuable member of our staff, and have always demonstrated that since day one.

Ben, Dennis and I, have in the past, and we continue to rely on you for critical jobs and great customer service, and as you can see from the e-mail bellow, a supervisor from "MDPD" is very much thankful and appreciative of your efforts during this critical move

It is a pleasure to work with individuals, such as you, that shows pride and great customer service on all and any challenges

Thanks for a job well done.

Pedro de Camillo Jr
Senior Manager - DCAD

-----Original Message-----
From: Tevis, Ben
Sent. Monday, June 11, 2001 12:43 PM
To: de Camillo, Pedro
Cc: Rochester, Denis; Gardiner, Kevin
Subject: FW: Kevin Gardiner

Pedro,

It's always a pleasure to communicate the positive efforts of our team Kevin has once again demonstrated that " going the extra mile" is a key element to our success.

Best regards,
Ben

-----Original Message-----
From: Leibowitz, Steven R. (MDPD) [mailto:srleibowitz@mdpd.com]
Sent: Friday, June 08, 2001 4:33 PM
To: 'ben.tevis@wilcom.com'
Subject: Kevin Gardiner

Mr. Tevis
I just wanted to let you know what a good job Kevin Gardiner did in getting the telephone system up and running at the new Miami-Dade Police Station located at Miami International Airport. There were several location changes that were required because of personnel changes since the plans came out He was able to make all those changes quickly. As a supervisor, I am aware that Friday afternoon is never a good time to ask for additional work, however, he did not hesitate.

Sincerely,

Steven Leibowitz, Sergeant
MDPD Airport District
General Investigations Unit

de Camillo, Pedro

From: de Camillo, Pedro
Sent: Friday, March 15, 2002 5:11 PM
To: 'mjenkins@miami-airport.com'; Leonard, Andre; 'pjgarcia@miami-airport com'; 'jlira@miami-airport.com'; 'mperez@miami-airport com'; Albano, Karina; Diaz, Alex; Flynn, Andrew; Palmero, Mike; Fernandez, Carlos M. (Miami); McGlashan, William; Johnson, Sherri; Klaity, Holly; Merk, Todd
Subject: FW: AA_Jetways

Importance: High

All,
We all (MDAD and NextiraOne) got complements from American Airlines on a job well done and organized and the care we take to see the job all the way through, from training to cut-over.
Alex Diaz, Andrew Flynn; Andre Leonard; Carlos Fernandez; Karina Albano; Mike Palmero; Jesus Lira and many others in the MDAD team did an exceptional job with these few positions for American Airlines that will potentially and hopefully help all of us to get American Airlines fully on board with CUTE.
Thanks guys for a job well done,
Pedro de Camillo

-----Original Message-----
From: Albano, Karina
Sent: Friday, March 15, 2002 9:28 AM
To: Palmero, Mike, de Camillo, Pedro
Subject FW: AA_Jetways

FYI..
Print and file :-)

Karina Albano
Network Engineer I
NEXTIRAONE
mailto:karina.albano@nextiraone com
www.nextiraone.com
305-876-8421

-----Original Message-----
From Terri Ravenscroft [mailto terri.ravenscroft@sabre.com]
Sent: Thursday, March 14, 2002 8:24 PM
To Albano, Karina
Cc: 'AA_Tammie.Vargas'; Fernandez, Carlos M. (Miami), 'NTD_Todd Lewis', 'jlira@miami-airport.com'; lynn.keryte@aa com; Melissa A Wallace
Subject: Re: AA_Jetways

Karina,
Thank you so very much for all your effort to get this going for AA. I have worked at many sites around the world & know that are some admins out there that would have just left it. I enjoyed working with you & will look forward to it in the future. Currently AA has only enough ta's available to bring up 6 gates at a time but Tammie told me that they would never use your training room so I can free up those addresses to give them the 7th gate. I will work on that when I get back from vacation and send you a new configuration file. Thanks again-Terri

"Albano, Karina" wrote:

> Hi Tammie,

. ne neighboring issue is resolved and ready for testing Tammie, if you get
a chance, can you test the jetway positions (both ways) and let me know ?
> Thanks.
>
> I have neighbored all the CC-A Gates and Terri re-configured AA's ini file
> to allow access to any gate at CC-A, limited to 7 gates at one time (Terri,
> please confirm).
>
> Thanks to all for your support. Feel free to call me if you have any
> questions.
>
> Karina Albano
> Network Engineer I
> NEXTIRAONE
> mailto karina.albano@nextiraone com
> www nextiraone com
> 305-876-8421

Appendix E

Pedro de Camillo Jr.

16474 SW 99 Street
Miami, FL 33196
pcamillo@bellsouth.net

Professional Experience

NextiraOne, LLC (formerly Williams Communications Solutions), Miami, FL — Jun 1999-Present

Information Systems Manager

Responsible for managing the day to day activities of the entire branch, which consists of 38 full time employees and 10 subcontractors, that provides the entire management of the voice network, data network, cable plant infrastructure and CUTE systems for the Miami International Airport and the other three Miami-Dade county regional-executive airports. Responsible to maintain budgets and contracts with several vendors that provides third level support for all existing telecommunications applications and hardware. Coordinate disaster recovery plans and procedures as it relates to the telecommunications department of the airport and, its existing 52 shared airport tenants. Coordinate high level engineering activities and project management for the relocation and expansion activities of the Miami International Airport under the $4 8 billion dollars capital improvements program. Oversee the complete telecommunications operations, and its availability, during minor and major upgrades and cutover; coordinate hurricane readiness procedures and coverage on a yearly basis during hurricane threats. Successfully maintained a 99 99% up-time availability of all systems during my tenure as a manager.

Williams Communications Solutions, Miami, FL — Jun 1998-1999

Information Systems - Operations Supervisor

Responsible for managing the day to day activities of the department, which consists of eight highly skilled individuals that provides various functions, such as network design, client/server solutions' design and configuration, first and second level network/server trouble shooting.

Directly in charge for the support and management of multiple Windows NT, OS/2 and Novell servers that provides the county with DHCP, WINS, DNS, FireWall, Oracle databases, and networking management tools. Also responsible for the Nortel Meridian telephone switch software and database that hosts over 7,500 phone lines.

Responsible for the department's projects, staff allocation and training.

Tek Systems, Miami, FL — Jan 1998-Jun 1998

Consultant at Williams Communications Solutions, Miami, FL

Responsible for the project management and implementation of the CUTE (Common Use Terminal Equipment) system. The project encompassed the installation of four Windows NT 4.0 servers, and two Novell servers. Also the deployment of over 150 computers running Windows 95, Windows NT and OS/2 that are configured as clients to the Windows NT and Novell servers which hosts databases and image/video advertisement for the airlines at the Miami International Airport.

Also responsible for direct negotiations and dealings with vendors and subcontractors at various stages of the project.

Den Danske Bank, New York, NY — Sept 1990-Oct 1997

Assistant Vice President of Information Systems

Responsible for managing a team of 4 technical staff supporting users on Windows NT 4.0 LAN comprised of the Microsoft Backoffice application suite; SNA Server, Exchange Server, SQL Server, SMS and Office 97; MIDAS ABS (International Banking System); GIFTS (Electronic Payment System and Electronic Message System, on CHIPS, SWIFT and FED); Microbank applications - TRACS, TREX, SOAR and STOR/QM). The Windows NT LAN is also the gateway to all in house systems (AS/400, VAX, Trading Applications) and head-office IBM 3090 applications in Denmark via 3270 emulation from the AS/400 and the LAN.

Responsible for analyzing and coordinating implementation of systems for the treading/dealing room on a digital platform (TIBCO) with data-feeds from Reuters, Telerate and Bloomberg.

Responsible for LAN, AS/400 and DEC VAX configuration and updates to the operating system CHIPS, FED and SWIFT tests coordination and new software implementation and enhancements.

Senior team member and coordinator in the proposal, implementation and tests for the disaster recovery/contingency

plan, using Comdisco in New Jersey to perform bi-yearly tests with live data.
Senior team member in the development, implementation and tests of the conversion from MIDAS S/36 to MIDAS ABS AS/400
Project managed the life-cycle and fully implemented the Microbank applications (SOAR, TREX, TRACS and Stor/QM). Also as part of the Microbank implementation developed and implemented all associated file transfers required from the AS/400 and VAX to the LAN Microbank file server utilizing Reflection and PC Support on a harmonious client/server environment.
Project managed a joint global effort between New York, London, Luxemburg and Denmark to replace the OS/2 LAN with Windows NT 4.0 LAN. The global effort has increased productivity and system reliability and availability by 40%.

Walter Kaye Associates, New York, NY — Jul.1989 – Sept.1990

Senior Systems Analyst

Responsible for the full design, program coding, data conversion and implementation of the Insurance Claims application running on an IBM S/38.
The project encompassed thorough business analysis, application life cycle, program coding, testing and, staff training on the new system and its function; subsequent turn-over to live production.
Also implemented APPC and DDM between IBM S/36 and IBM S/38, in order to share files common to both system without the need to download or duplicate data. Configured passthru feature to enable users directly attached on the S/36 or S/38 to transparently connect to either systems.
Developed guidelines and procedures for day to day operational, backup and utilization of the IBM S/38 and the Insurance Claims application (the only live application at the time in the S/38).

First Interstate Bank International, New York, NY — Jan.1988 – Jul.1989

International Banking Officer - Systems Analyst / Deputy Manager

Responsible for the daily operations of the IS department with a staff of four operators and one programmer. Develop department procedures for daily/monthly/yearly backup and disaster recovery plans.
Responsible for the support, tests and enhancements implementation of new updates for the KAPITI, LEO, CATS and MonTran systems.
Responsible for SWIFT, CHIPS, FED and GEIS communications and daily operations and tests for new enhancements.
Responsible for the analysis and documentation of user requirements and standards on international banking IS operations.
Management of various projects for linking different systems in New York and around other international areas of the world to head office in Los Angeles for MIS reporting and database centralization.
Travel to different branches in the USA and Canada to gather user requirements and status on different projects delivered and in live production, and provide training for the branch staff members on any new software or hardware implementation.
Implemented file downloading from IBM S/36 to Lotus 123 via Fusion/36.
Senior team member in the proposal, implementation and tests for the disaster recovery/contingency plan (using Comdisco as a back up site).

Avionics Instruments, Inc., Avenel, NJ — Aug.1986 – Jan.1988

Programmer Analyst / Deputy Manager

Responsible for the day to day operations and run of the IS department. Develop processes and procedures for system backup and data recovery.
Responsible for the overhaul IBM S/36 implementation with IBM MAPICS II package.
The package included; accounts payable, accounts receivable, general ledger, order entry/invoicing, inventory management, production control & costing, and purchasing).
Responsible for the design and implementation of the security system, configuration of peripherals and communications lines.
Responsible for the extensive training of the staff members from all departments in the respective MAPICS package for the department's needs.
Designed, coded and implemented a Sales Analysis application on the S/36 and PC, utilizing RPG II and dBase II Plus.

Education

Diploma from School of Data Programming (Systems Management and RPG Programming), Union, NJ
Certificate from IBM on RPG/400 Programming, NY, NY
Certificate from IBM on CL Programming, NY, NY
Seminar from SWIFT Terminal Services on SWIFT Messages Management, NY, NY
Seminar from CHIPS on operations and message management, NY, NY
Seminar from IBM on MAPICS II application functions and utilization, NY, NY
Seminar KAPITI on system parameters, programming and file layouts, Los Angeles, CA
ITS System Administration, British Telecom Training Center, NY, NY
COMMON Seminars
Saint Francis College, Brooklyn, NY
Microsoft Certified Office 97 applications
Networking Essentials, NY, NY
Administering Microsoft Windows NT 4.0, NY, NY
Supporting Windows NT 4 0 Core Technologies, NY, NY
Supporting Windows NT 4 0 Enterprise Technologies, NY, NY
SQL System Administration, NY, NY
TCP/IP, NY, NY
Coaching Customer Commitment, Miami, FL
Leadership in Action, Miami, FL
Leadership Training for Managers, Dale Carnegie Training Center
University of Phoenix – Online / actively pursuing Bachelors in Business Administration

6753 SW 22 ST
Miami, Florida 33155 Julio Orihuela II Telephone (305) 264-6503

EXPERIENCE

June- 1998 – Present

NextiraOne, LLC, Miami, Florida
Operations Supervisor

Manage the enterprise LAN/WAN data network system, software support, and infrastructure design operations for Miami Dade Aviation Department.

Oversee the installation, upgrade and operation of two local area networks, multiple wide-area networks and future network deployments.

Projects manage Mdad's assignments and MAC activity. Oversee, determine and schedule the installation and maintenance of network-related equipment and software.

Complete all projects in a cost effective and timely manner. Maintain current network infrastructure drawings, documentation, logs and generate network performance reports as required. Supervise and evaluate the performance of engineering support staff; assign and review ongoing projects.

Advise and consult with engineering staff as to appropriate software and hardware configurations and document changes for current and long-range plans.

Provide expertise and consultation to the customer Ensure proper relationships are established between customers, teaming partners, and vendors to facilitate the delivery of information technology services to the customer. Consult with customers on emerging technologies and products. Clients include: Miami-Dade Aviation Department, British Airways, Atlas Air, LAN Chile, Aces, Swiss Air, Miami Duty Free, and other Major Airlines. In addition, provide support of company's internal network and infrastructure.

- MDAD Security Network Expansion: Managed a network engineering team and created new network infrastructure to support Gig Ethernet and Streaming video across a campus environment.
- C.U.T.E MDAD Network Project: Project Managed engineering team and designed a network incorporating ATM, redundancy, extensive capacity and scalability for an airline Environment.
- Miami Duty Free, Atlas Airlines and (STS Customers): Project Managed (multiple site) VLAN networks for incorporation into an existing enterprise networks.

6753 SW 22 ST
Miami, Florida 33155 Julio Orihuela II Telephone (305) 264-6503

March 1997 – June 1998 Williams Communications Solutions, LLC Miami, Florida
<u>Data Communications Specialist Senior. Lead</u>

- Promote excellence in Customer Satisfaction and Promote teamwork.
- Provide network implementation, support and written documentation for all projects per customer requirements.
- Work closely system engineers to stay current on product features, develop good problem solving skills, listening, and understanding while offering solutions.
- Back up support to Operations Supervisor
- Delegate resources to properly complete projects in a cost effective and timely manner.
- Understand the basics of common networking protocols such as TCP/IP, IPX, and AppleTalk. Other protocols such as SNA, etc.
- Knowledge of wide area networking such as Frame Relay, ISDN, PPP, etc. Capable of troubleshooting basic Router and Switch designs from manufacturers such as Bay Networks, etc.
- Capable of interpreting and using network analysis tools such as Protocol analyzers, HP Open View, Optivity and Network Sniffer.
- Developed network and network operating system. and installed/configured NT 4.0, Windows 95,98 and 2000 server

6753 SW 22 ST
Miami, Florida 33155 Julio Orihuela II Telephone (305) 264-6503

Jan. 1995 - March 1997 Business Information Systems, Inc. Miami, Florida
SENIOR FIELD SERVICE ENGINEER

- Senior engineer for installations and configurations of the MEDISCRIB Medical Transcription software.
- Responsible for installation and configuration of Philips SPEECH FLOW, SPEECH MAGIC and SPEECH PAD Work flow Management Software. Which includes a speech recognition process, running under the Microsoft Windows OS.
- A Networked or Stand Alone Job handling and workflow control application, which automates parts of the dictation to transcription process.
- Using a (Windows Interface), allowing total integration with other applications, running under the Microsoft environment.
- Provide customer support by remote modem service, using PC Anywhere and CO-Sessions
- Support the customer hardware and software configuration of user system parameters and user profiles.
- Support and maintain in-house network operations.

6753 SW 22 ST
Miami, Florida 33155 Julio Orihuela II Telephone (305) 264-6503

Nov. 1978 - Jan. 1995 Dictating Equipment Company, Inc. Miami, Florida
FIELD SERVICE ENGINEER

- Provide field service, installation, maintenance and repair of Philips (Norelco) and (Sony) Dictating and Word Processing Equipment

- Selected for specialized training of company's proprietary software and computer products at customer's site.

- Frequently selected for specialized training and as an instructor for other Field Service Representatives.

- Serve as Acting Field Service Manager, direct service activities and provide technical support for other Field Service Representatives

- Selected to personally prepare manuals in Spanish for Latin American client of selected products. The company offers.

- Credentials Include Proprietary Microcomputer Systems, Monitors, and analog modems. Cabling for complete computer set up and required network. Operating systems, DOS/Windows 3.1,Windows for workgroups. Strong analytical background in IBM/compatible PC systems, hardware and software.

- Extensive knowledge digital and analog diagnostic as well as micro component soldering. Also component level service at customer site and shop using Tektronix scopes, transistor test equipment, and microprocessors analyzing equipment.

- Provide direct sales assistance to promote equipment upgrades and Maintenance Agreement contracts.

6753 SW 22 ST
Miami, Florida 33155 Julio Orihuela II Telephone (305) 264-6503

EDUCATION

BAUDER COLLEGE Miami/Ft. Lauderdale,
A.S Degree, Electronic Engineering/Computer Science & Technology
1994

MIAMI DADE COMMUNITY COLLEGE Miami, Florida
Undergraduate studies in Electronic Engineering 1982/1983

RETS ELECTRONIC SCHOOLS Miami, Florida
Completed Basic Design Electronics Program 1981

TRANING

Bay Networks-Global Resources / Checkpoint Firewall
Educational Services

Network Management / Optivity enterprise for Unix
LAN Protocol Implementation
Accelerated Router Configuration
Advanced Router Troubleshooting
Bay Centillion Configuration
WAN Protocol Implementation

CHECKPOINT
Firewall 4 (Installation and Configuration)
Certified Security System Engineer

PHILIPS DICTATION SYSTEMS Long Island, New York
700 Series Products, Voice System 2000, Voice System 4000.
Certified Systems Engineer Installation and Configuration

Microsoft Solution provider
Windows 95 Registry And Advanced configuration.

Nortel Networks
Enterprise Solutions Partnership

LANGUAGES

Oral and Written Fluency in English and Spanish

Benjamin Tevis
5217 Arthur Street
Hollywood, Fla. 33021

Strengths and Experience:

Seventeen years in the telephony and telecommunications industry. I have acquired skills that have enabled me to build an extremely strong foundation inherent to the implementation of PBX and Key Telephone Systems. In transitioning from a technical to managerial position my field experience has served as a backbone in furthering my career. The ability to exercise excellent communications skills has enabled me to integrate experience from a technical operations perspective into the responsibilities of management

Training:

Completed NextiraOne Leadership Academy
Completed NextiraOne Managerial Course; Coaching Customer Commitment
Completed Dale Carnegie Managerial Course for High Impact Presentations
Nortel Meridian One Certification Installation & Maintenance
Nortel Meridian Mail Voice Mail Installation & Maintenance
Meridian One X-11 Release 23 Overview
Meridian Companion Deployment, Installation, Programming & Maintenance
Meridian One Options 51C, 61C & 81 Maintenance & Upgrades
Williams Communications Solutions T-1 Training
Newbridge Networks 3600 Maintenance Course
Newbridge Networks 3600 Operations Course
Nortel FMT-150 Multiplexer Operations & Maintenance Course

Employment History:

10/97 – to present: NextiraOne PBX/WAN
Voice Operations Supervisor

Responsibilities Include:

Management of 9,000 port Nortel Meridian One PBX telephone swtich @ M.I.A.
Management of technical staff consisting of 12 employees.
Multi-site planning, management, & supervision of all voice networks @ M.I.A.
Coordinate and supervise all aspects of system integration.
Coordinate all action items for weekly meeting with customer.
Monitor time efficiency for all tasks performed by technical staff.
Implement preventative maintenance procedures.
Interface with multiple customer contacts.
Generate reports for customer per contract parameters.

10/95 – 10/97 **Williams Communications**
Lead Technician

Responsibilities Included:

Delegation of daily M.A.C. & Service tasks to technical staff.
Interface with multiple customer contacts.
Perform high level field applications.
Conduct field survey with subcontractors.

07/90 – 10/95 **Centel/Wiltel Communications**
Communications Technician

Responsibilities Included:

Installation and maintenance of Nortel Meridian One PBX Systems.
Perform all M.A C.& Service related duties.
Acquire technical training provided by company.
Became proficient in Fiber Optics.

11/86 - 07/90 **Executone Information Systems**
Communications Technician

Responsibilities Included:

Installation & maintenance of Key Systems including Isoetec, Telrad Key BX, Tie Ultracom & Concord.

Major Accomplishments:

Promoted from Lead Technician to Operations Supervisor, October 1997.
Promoted from Communications Technician to Lead Technician, October 1995.
Multiple Recognition letters from customers. (Available upon request)

Education:

Broward Community College (South Campus)
Pembroke Pines, Fla.
Completed one year.
South Broward High School
Hollywood, Fla.
Graduation date: June 1980
Degree earned: Diploma

General Computer Knowledge:

Windows 95, 98, 2000, NT, and Windows XP
Microsoft Office 2000, Word, Excel and Power Point
Procomm Plus, PC Anywhere, Kraft Interface

References Available Upon Request

490 NW 88 Terrace
El Portal, Florida 33150
Phone (305) 759-7319

Michelle R. Washington

Special Skills

Proficient in all aspects of Budgeting and Financial Analysis
Impeccable Time Management and Organizational Skills
Exceptional ability to effectively evaluate situations and arrive at sound conclusions
Proficient in all aspects of Microsoft Office and Microsoft Works, including Microsoft Project and Access.
Knowledgeable of voice, data and network infrastructure terminology.
Basic concept of installation and maintenance of various voice, data, and network products

Objective

To secure a position utilizing my extensive analytical background and problem solving skills Seeking opportunity for advancement based upon professional experience and performance

Employment

1997- Present NextiraOne, LLC, formerly Williams Communications Solutions Miami, Fl
Project Administrator

- Other positions held **Sr. Office Asst., Sr. Operations Analyst, and Operations Supervisor.**
- Gather, analyze, prepare and summarize operational, financial, statistical, productivity and training reports for management on a monthly basis.
- Handle all Human Resource issues for the project including initial hiring process, post employment and termination paperwork.
- Process and coordinate all training for the project.
- Supervise Accounts Payable, Accounts Receivable, Billing, Dispatching and General Office Duties.
- Hands on experience in all of the areas named above.
- Develop and maintain positive customer relations and coordinate with various functions within the company to ensure customer requests are handled appropriately and in a timely manner.
- Serve as liaison with customer on administrative and technical matters for assigned projects.

1993 – 1997 Terminix International Co. L P. Davie, Fl
Administrative Analyst to Regional Manager

- Promoted twice within the company because of my capabilities, efficiency and dedication.
- Highly effective in promoting a positive work environment and building productive work teams.
- Generated 26 sales, production and revenue reports and provided marketing information to corporate office on a monthly basis.
- Support and coordinator for fifteen branches (30 bookkeepers) located on the East and West Coasts of Florida.
- Accountability for entire region upon the absence of Regional Manager due to his requirement of job travel
- Recognized for competency, professionalism, and friendliness.

1991-1993 Temple's Construction Miami, Fl
Office Manager

- Utilized computer skills such as Word Perfect, Lotus 1-2-3, and Oracle Database to bring company to a more efficient level by computerizing their payroll worksheets, work order forms, and payroll checks.
- Wrote bids to be submitted to both state and local officials for consideration.
- Performed all facets of secretarial duties
- Responsible for all account payables and account receivables.

Education

1992-1993 St. Thomas University Miami, Fl
Law School-Completed one year

1987-1991 Spelman College Atlanta, Ga
BA, Economics
Minor Management and Organization

References **Available upon request**

MIGUEL PALMERO JR.

2325 SW 123 CT.
Miami, Florida 33175

305-216-8071

PROFILE

- **Operations Supervisor** with an **Information Technology** career of over fifteen years including three years of increasing responsibilities as **Supervisor of Airport Systems and North Terminal Development (Telecommunications)** for **Miami International Airport.**
- Extensive experience in providing **project management** geared to enhance all aspects of **Network** and **Cable Infrastructure, Help Desk Operation,** and **Server/Desktop Applications.**

EXPERIENCE

Operations Supervisor: providing leadership for up to ten employees, in two different departments...scheduling of installations, department and customer meetings...implementing solutions to maximize departmental efficiency...providing supervisory support at network, desktop application and customer levels ... proactively monitoring cost vs. revenue. .analyzing performance, efficiency and moral of all employees ... evaluating and recommending emerging technologies, products and procedures branch wide ... assisting in sales proposals and performing technical presentations to customers and prospects ...

Project Management: Providing leadership and direction to project teams ... completing advanced system and infrastructure projects within time and budgetary constraints . analysis and project definition ... managing internal and external resources ...

Miscellaneous Technologies: CUTE, LDCS, Airport Vision...Wireless LAN, Firewall, DHCP and RAS Solutions ... Enterprise Backup Systems ... Copper and Fiber horizontal and backbone cable infrastructure ... PBX and WAN operations... Satellite and Microwave Communications...

EDUCATION

Professional Training: SITA Administrator: CUTE OS2/NT Plus...Dale Carnegie: Leadership for Managers...Microsoft: NT4, SMS Server, Exchange Server, SQL Server, Project (Basic and Advanced)...Sniffer Network Analyzer: DOS and Windows...WAN Protocols: Basic and Advanced

EMPLOYMENT HISTORY

1997 – Present

NextiraOne, LLC, Miami, Florida
Operations Supervisor

Airport Systems and **NTD**

Provide comprehensive management and leadership from concept and design to installation, maintenance and troubleshooting of airline systems enterprise. Responsibilities include, but are not limited to the management of CUTE, LDCS, Airport Vision, Airline WAN connectivity, security of network, help desk operation and management, facilities management and cable plant infrastructure. Also provide pre- and post-sales support to Marketing, and consult with customers on emerging technologies and products. Clients include Miami-Dade Aviation Department, British Airways, Atlas Air, Lanchile, Aces, Swiss Air, Miami Duty Free, and other Major Airlines. Responsible for departments P&L statements, assist with branch budget forecast and marketing sales forecast and strategies.

- Responsible for two major departments:

1. *Airport Systems:* Two system administrators and three computer technicians which cover installation, operation and maintenance of CUTE, LDCS, Airport Vision and related systems Help desk operation/management with very strict SLA's. Also, assists Network Department in deploying and researching new technologies for the Airport Systems network
2. *NTD:* Two facilities engineers and multiple resources that manage the cable infrastructure for the north terminal at Miami International Airport This includes the relocation of over 2 million feet of fiber and 5 million feet of copper pairs <u>Miami-Dade Aviation Department</u>: Successfully accomplished numerous projects ranging from:

1. Design and implemented an Emergency Communications Vehicle used or mobile communications in any emergency, under any weather conditions.
2. Liaison between MDAD and NextiraOne for all Security, Hurricane and Emergency events.
3. Assisted sales with numerous customer presentations and acquisitions.

- <u>C.U.T.E (Airport Services) Network Project</u>: Assisted in the design and implementation of the network incorporating ATM, redundancy, extensive capacity and scalability.
- <u>Hurricane Readiness and Emergency</u>: Designed Hurricane Readiness guidelines and Hurricane Emergency procedures for NextiraOne and MDAD Telecommunications Department

1991 – 1997

US Navy
Cryptological Technician (Maintenance)

Responsible for the operation and maintenance of several multi-vendor systems in a secure environment Designed and installed internal network, to include national procedures and instructions, for several key installations worldwide.

Additional:

Additional seven years experience in **Network Development** and **Administration** for Easy Business Systems.

LANGUAGES

Oral and Written Fluency in English and Spanish

Holly Klaity
2000 NW 37 Avenue
Coconut Creek, Florida 33066
954/975-9919

Credentials:	Working within the information systems/telecommunications industry for 16 ½ years, with substantial onsite Airport experience
Work Experience:	
NextiraOne, LLC f/k/a Williams Communications Solutions, LLC **1/93 through present**	Onsite at Miami International Airport: Marketing, Proposing and Coordinating Airport Communications for Shared Airport Tenant Services (SATS) to include but not limited to: *Voice:* Customer meetings with potential SATS customer; describe the Airport offering and determine business requirements: i.e. phone, fax, modem, and circuit necessities of each customer; provide information for engineering of customer needs; interface with Miami-Dade Aviation Department (MDAD) to ensure customer requirements meet MDAD standards; provide written proposal and MDAD Airport Service Contract to customer; coordinate installation as required. *Data:* Customer meetings with potential SATS IT customers; describe the Airport offering and LAN infrastructure; establish best solutions i.e. dark fiber or LAN/WAN connections using the MDAD backbone; determine protocol and network requirements, provide information for engineering of customer needs, interface with Miami-Dade Aviation Department (MDAD) to ensure customer equipment meet MDAD standards and provisions, provide written proposal and MDAD Airport Service Contract to customer, coordinate installation as required. *Common User Terminal Equipment (CUTE):* Customer meetings with potential CUTE customers; describe the Airport policy and SITA CUTE requirements, advise customer of their responsibilities to use CUTE system; provide information for engineering of customer needs; interface with Miami-Dade Aviation Department (MDAD) to ensure customer meets MDAD policies and commitment dates; provide written proposal and coordinate installation as required. ***Additional Responsibilities:*** Attend MDAD planning, design, engineering, & relocation of SATS services meetings; interface between MDAD and it's customers to assure smooth transitions and cutovers, formulate pricing and monthly charges for equipment and services; provide post cutover pricing for SATS monthly rental payments, initiate orders in system for implementation.
Memorex Telex **12/87 through 5/92**	Provide Sales and Service support for information systems and storage device customers.

Jesus Cabrera
13802 S.W. 46 Lane
Miami, FL 33175

Interested in a Data/Telecommunications position that will enable me to utilize my extensive knowledge in the communications field. I have over 24 years of experience installing cables, from phone lines to alarms both in the private and commercial sector.

SKILLS:

- Outside plant managing.
- Effective public relations skills in dealing and meeting customer needs.
- Effective management skills in dealing with employees.
- Effective trouble shooting resulting in improved and cost effective ways of handling and finishing jobs.
- Installation of basic cable, including throwing, terminations and splicing.
- Installation and special circuit transfers.
- Installation of phones and alarms.
- Design and project management of backbone and horizontal campus cabling.
- Copper and Fiber redesigns for the purpose of demolition and rebuilding structures.

EXPERIENCE:

2000- 2002	NextiraOne Engineering and Project manager.
1994 -2000	Wiltel Communications / NextiraOne Communications technician
1989 – 1994	Telecom Engineering Cable installer
1989	Delta Alarms Installer
1986 – 1989	Self employed Contracted to install alarms and phone lines
1978 – 1986	Southern Bell Cable technician

Education:

Certification in " Mendian 1 Options 11-81 Familarization'' completed March 29, 1995.

Certification in "OPTION 21-81 INSTALLATION AND MAINTENANCE" completed on February 9, 1996.

Certification in " Companion, Installation, Programming and Maintenance" completed on November 11, 1996.

Certification in " Meridian 1 Options 51C, 61C & 81 Maintenance and Upgrades. completed on February 5,1998

Certification in " X11 Basic Database Administration" completed on March 20, 1998.

Certification in " Meridian Mail Release 12 Installation and Maintenance.

Completed on August 17, 1999.

Certificate of Completion BICSI Designing Telecommunications Distribution Systems.

BICSI Member in good standing.

Fluent in English and Spanish

PRESENTATION OF QUALIFICATIONS

RAMON A. ALONSO

CISCO CERTIFIED NETWORK ENGINEER
NETWORK DESIGN, INTEGRATION & SUPPORT

8005 S.W. 158th Court
Miami, Florida 33193
Home: 305-386-4864
Email: ramonalonso@bellsouth.net

PROFILE

- **CISCO** and **Nortel Certified Network Engineer** with **Information Technology** career of over seventeen years including over five years of increasing responsibilities in **Network Design, Installation, Integration** and **Support.**
- Extensive experience in providing **systems solutions** geared to enhance all aspects of **Network Infrastructure** including **Desktop (User), Server** and **Applications.**

CERTIFICATION

CCNP (in progress); CCNA; Nortel Networks Router Specialist; MCSE; CNE 3.x/4.x; Checkpoint Firewall Administrator 3.x; A+ Cert.

EXPERIENCE

__Network Engineering__: Network infrastructure development from concept and design to installation, maintenance and troubleshooting of high-speed enterprise network solutions ... implementing solutions to maximize network efficiency, scalability and uptime ... providing support at network, client and application levels ... proactively monitoring networks and analyzing performance, bandwidth utilization and network trends ... evaluating and recommending emerging technologies and products ... assisting in sales proposals and performing technical presentations to customers and prospects ...

__Protocols__: - ATM Technologies (PNNI, IISP, LANE) ... Routing Technologies including Routed Protocols (TCP/IP, IPX) and Routing Protocols (RIP v1/v2, IGRP, EIGRP, OSPF, BGP-4) . . Switching Technologies (VLAN, SPT, 802.1Q) ... Gigabit ..Token Ring Technologies ... Network Management Systems (NMS) including Network Monitoring, Capacity Planning and Reporting ... Network Analysis Tools including Protocol Analyzers ...

__Hardware__: CISCO and Nortel Networks Routers, Switches and Hubs ... Cabletron Hubs ... Compaq, IBM, ALR and AST Servers, Peripherals, etc. ... IBM PCs and Clones ...

__Software__: Windows XP Professional...Windows NT 4.0 Server and Workstation . . NetWare 3.x/4.x ... Windows 98/95/3.11 .. DOS ... MS Office Suite ... MS Project ... Citrix Winframe 1.6 ... Arcserve 6.X/5.X

__Project Management__: Providing leadership and direction to project teams ... completing advanced system and infrastructure projects within time and budgetary constraints ... needs analysis and project definition ... managing internal and external resources ...

__Miscellaneous Technologies__: Wireless LAN, Firewall, DHCP and RAS Solutions .. Enterprise Backup Systems . . Video over ATM (Lab Environments) ...

LANGUAGES

Oral and Written Fluency in English and Spanish

EMPLOYMENT HISTORY

1998 – Present

NextiraOne, LLC, Miami, Florida
Network Engineer III

Provide comprehensive Network Services from concept and design to installation, maintenance and troubleshooting of enterprise network solutions. Responsibilities include integration and support of network devices including ATM Switches, Routers and Ethernet Switches. Also provide pre- and post-sales support to Marketing, and consult with customers on emerging technologies and products. Clients include Miami-Dade Aviation Department, British Airways, Atlas Air, Lanchile, Aces, Swiss Air, Miami Duty Free, and other Major Airlines. In addition, provide support of company's internal network and infrastructure.

- Responsible for major network infrastructures with varied topology, using PNNI (ATM), Routing, SPT and other technologies:
  1. Multi-VLAN/Multi-Network of 3000+ users with ATM Backbone using ATM Switches and Core Routers. Edge devices comprised of ATM switches, Fast Ethernet and Token Ring Switches. Wan connectivity with routers using PPP, ISDN and Frame Relay protocols.
  2. Single VLAN/Multi-Network of 500+ users with ATM Backbone using ATM Switches and Core Routers with Fast Ethernet Switches.
- Miami-Dade Aviation Department: Successfully accomplished numerous network projects ranging from ten to over 3,000 users.
  1. Implemented key design features to stabilize Enterprise Network infrastructure.
  2. Upgraded code and equipment to enhance performance, scalability and capacity.
  3. Reduced network downtime from 30% to 05%.
  4. Participated in various levels in the Safety and Security Network (NSS) Project to ensure MDAD's needs were met.
  5. Design and installation of the SNE (Security Network Expansion) to position MDAD's network infrastructure to an enterprise and service provider category.
- C.U.T.E (Airport Services) Network Project: Designed and implemented network incorporating ATM, redundancy, extensive capacity and scalability.
  1. Designed and installed Network, which incorporated significant stability and scalability (99.9% uptime), while increasing efficiency and reducing operating costs.
- Miami Duty Free and Atlas Airlines Projects (and others): Designed and implemented VLAN and networks for incorporation into existing enterprise networks.
  1. Engineered design and integration of local corporate networks to maximize production and efficiency while reducing costs.

1997 – 1998	Quest Technologies, Miami, Florida **Senior Network Engineer / Consultant**

Planned and coordinated integration services for clients, including design and implementation of solutions to maximize their network infrastructure. Analyzed network at various levels to further define and correct problem areas. Also installed hardware and/or software solutions to accomplish project goals within time lines and objectives.

- Miami-Dade Aviation Department: Developed network and network operating system solutions, and installed/configured NT 4.0 and Netware servers on a 1,000-node network.
  1. Planned, designed and implemented NT Domains including Security, Roaming Profiles and Policies.
  2. Integrated enterprise NetWare and NT Server/NT workstation.
  3. Coordinated SFT III Installation (two Compaq Proliant 6000s)
  4. Designed and implemented NDS.
  5. Created enterprise backup solutions for NT/Netware Platforms.
  6. Coordinated NetWare NDS security evaluations and enhancements.

1996 – 1997	Interval International, Miami, Florida **Network Analyst / Network Administrator / PC Specialist**

Responsible for administration of NT 4.0 NetWare 4.1/4.11 systems in a WAN/LAN environment, including maintaining and troubleshooting internetwork at all levels. In addition, provided overall Server/PC hardware and software support for an international enterprise, and coordinated in-house training on Novell Platform for Remote Office Administrators and Help Desk Technicians.

- Installed Novell 4.1/4.11 file servers, including those at World Headquarters and various offices throughout the US, Latin America, Asia and Europe.
- Developed global NDS redesign and implementation strategy

1983 – 1996	Decision One Inc., Miami, Florida **Senior Field Engineer**

Maintained diverse computer systems and peripherals, including Novell 3.X/4.X Networks and PC's. Coordinated administrative and logistical steps to provide quality service to a broad customer base. Clients included University of Miami, Miami Dolphins, Carnival Cruise Line, Royal Caribbean Cruise Line, and The Sports Authority.

EDUCATION

Professional Training: CISCO Systems – ICND, ACRC, CID, IMCR, BSCN, BCRAN, CIT; Nortel Networks – Accelerated Router Configuration, Hub Connectivity, Centillion Switching, WAN Protocols, Advanced IP; Marconi – Enterprise Networks 301, Enterprise ATM Switch, Advanced Research Group – ATM and TCP/IP Internetworking, LAN/WAN Networking, Network Troubleshooting; Network Associates – Sniffer; SecureIT (Firewall)

Applied Electronics Degree (One Year Program)
Major: Electronics Theory and Applications
R.E.T.S. Technical Center, Miami, Florida

Carlos Perozo

Experience

1999–Present NextiraOne LLC

Technical Support Service Senior

- Design - Develop Cable plant infrastructure
- Manage Cable plant engineering staff
- Project manages jobs in a cost effective and timely manner.
- Create, Update new and existing cable plant drawings
- Directly assisted in the design of PDS cable infrastructure for Miami International Airport
- Design, Implement cable infrastructure for Miami International Airport NTD,SNE,CTD and South Terminal Development Projects.

1997–1999 Williams Communications Solutions

Voice Technician III

- Installation, configuration of phone systems and special circuits
- Installation, Troubleshoot PBX and Wan circuits
- Excellent Customer Support and Commitment
- Design, Installation and maintenance of fiber optic cable plant

1996–1997 Wiltel Communications LLC

Voice Technician I

- Installation/relocations of voice systems
- Service and maintain telecom and PBX system
- Troubleshooting of outside and inside cable plant infrastructure

Education

Telecom Certifications

- Nortel X11 Basic database
- Nortel Meridian 21E-81C Install & Maint
- Nortel Norstar Rel 4.0 ICS & Voice Mail INM
- Nortel Meridian Mail Rel 12 Install & Maint
- Newbridge E3600 install & amint
- Newbridge E3600 Mainstreet operations
- Nortel Certified Power & Grounding
- AutoCAD 2000

1065 NW 125 Terrace
Sunrise FL 33323

Phone (954) 835-1495
E-mail chris vadnais@att net

Chris Vadnais

Certifications

Nortel Networks – NNCSE (in progress) Routing and Switching Expert, NNCSS Routing and Switching Specialist;

Cisco – CCNP(in progress)

Microsoft – MCSE, MCP+i

Summary of qualifications

2001 - Present NextiraOne, LLC Miami, FL

Network Engineer 6/2000 – Present

- Involved in the design, installation, maintenance, and troubleshooting of an enterprise network consisting of switches (ATM and Ethernet), hubs (Ethernet and Token Ring), and routers.
  - Two major separate networks using routers, PNNI and IISP call routing for ATM, STP for switching, and redundancy delivering 99.9% uptime
    - ✓ Multi-VLAN/Multi-Network of 3000+ users with OC-3 ATM Backbone using ATM Switches and Core Routers. Edge devices comprised of ATM switches, Fast Ethernet and Token Ring Switches. Wan connectivity with routers using PPP, ISDN and Frame Relay protocols;
    - ✓ Single VLAN/Multi-Network of 500+ users with with OC-3 ATM Backbone using ATM Switches and Core Routers with Fast Ethernet Switches.
- Provided support of the internal network and infrastructure, ranging from workstation and server (hardware & software) installations, PDC and DHCP server setup, to network installations.
- Pre and Post sales support for network installations.

1996 - 2001 Williams Communications Solutions Miami, FL

Operations Engineer 4/1998 – 6/2000

- Involves investigating jobs, from phone installs to hub or switch installations, in advance of the installation to ensure all of the correct materials/labor are accounted for when presented to the customer.
- Developed an Access database that enabled us to store cable records in a more efficient method, giving us the ability to create reports ranging from route paths of fiber to cable strand usage.

Equipment Technician II 11/1996 – 3/1998

- Involved in the management of the call accounting database, repair and installation of phone services, programming of the Meridian Option 11 and 81 PBX switches, fiber services, and WAN circuits/applications. Developed schematics of WAN circuits for easier troubleshooting. Oversaw the Network management station for the WAN network.

Education	1989 - 1995	University of South Florida	Tampa, FL
	B.Sc. in Civil Engineering w/ EIT Certification		
	1997 – 1998	Florida International University	Miami, FL
	Computer Engineering related courses		

- Relevant courses completed include Engineering Statistics, Engineering Economy, Technical Writing, Circuits Analysis, Communication Systems, Computer Assisted Drafting, and Computer Programming.

Training / Skills

Nortel Networks: Accelerated Router Configuration, Frame Switching Interoperability and Implementation;

Microsoft: MCSE certification track, MS Office Applications (Word, Excel, Access, Project, etc.);

Sun Microsystems: Fundamentals of Unix, Solaris System Administration I, Solaris System Administration II,

Alcatel Networks: (formally Newbridge) 3600 WAN Node Operations, 46020 Node Management Workstation Operations, 46020 System Administration;

Northern Telecom: Meridian 1 Options 21E-81C Installation and Maintenance, X11 Basic Database Administration;

Siecor: Fiber Optic Installation for Local Area Networks.

Previous Work History

1993 – 1996 Olive Garden Restaurant Tampa, FL

Worked as a waiter supporting myself while enrolled in college.

151 NW 145th St.
Miami, Florida 33168
(305) 687-7634

David Tam

Experience

07/98 - Present NextiraOne, LLC Miami, Fl

Technical Service Support Senior

- Responsible for all aspects of PBX engineering.
- R & D for customer related equipment
- Technical Support
- Supervised – Junior Technicians.

03/94 – 07/98 Wiltel Canada Toronto Canda

Field Technician

- Responsible for Maintenance, upgrade, installation (MAC) business.
- Prime Technician for various customers.

09/93 – 03/94 Modular Telephone Interface Toronto Canada

Senior On-Site Technician

- Maintained and installed Meridian Option 71 System.
- Technical Analyst

06/74 – 08/93 Jamaica Telephone Co. Kingston, JA

Senior Technician

- Installed and maintained various systems and equipment
- Diagnosed and analyzed faults; technical support
- Wired buildings (surface, conduits & terminals) for voice and data
- Supervised & trained Junior Technicians
- First – line manager (upon request)

Education

1989 **College of Arts, Science & Technology**

- Diploma in Electrical Engineering. (Electronics & Telecommunications)

1987 Certificate

- Higher Technical Certificate (Computer Option)

1997 **Humber College of Applied Arts** Ontario, Canada

- Data Communication Technology Certificate

CERTIFIED Courses

Nortel Meridian Release 25 PBX Engineering
Nortel Meridian –1, Provisioning
Nortel Meridian – 1, Installation & Maintenance – Large System (Release 25)
Nortel Meridian – 1 Option 21-71, Installation & Maintenance
Nortel Meridian –1 ISDN PRI Technician
X11 Release 25 Database for Technicians
Nortel Meridian Mail Technician & Administration
ACD, A, B & C
Interalia Installation and Maintenance
MAT 5
Modular ICS (MICS) 5.0 Hardware Overview, Installation & Programming
Computer Archicture
TR-07- S Hands-on Fiber Optic Installation for LAN
NIPPON 120
NEAX 12/12A
MITEL SX10 & SX20

Other Skills/ *Courses*

SIMS PROFICIENT, WINDOWS 95, LEADERSHIP TRAINING, CUSTOMER AND YOU, INTERPERSONAL SKILLS & ACHIEVING CUSTOMER COMMITMENT EXCELLENCE

Interest

Cricket
Golf
Reading

4461 NW 25th Place
Lauderhill, FL 33313
(954) 485-2819

Denis Rochester

Position Sought	Operations Service Supervisor		
Work Experience	NextiraOne, LLC	Miami, FL	3/97-present
	Specialized Telephone	Plantation, FL	01/96-03/97
	Nu-Tel	Ft. Lauderdale, FL	03/94-01/96
	Samsung	Deerfield Beach, FL	01/91-03/94
	Self-Employed		10/82-01/91
	Coradian	New York, NY	10/79-10/82
	Long Island Sound	Long Island, NY	09/76-10/79
	Jamaica Telephone	Kingston, JA	02/68-09/76

Education

Calabar High School
Jamaica, WI
Graduated 1968

College of All Science and Technology
Jamaica, WI
1972-1975

Equipment Experience

PBX

NEC 2400, ROLM, Rockwell, Seimens, Northern Telecom

Key Systems
All At&T Systems, All Atlas Systems, All Tio Systems, All Prostar Equipment, All Macro-Tel Systems, All Vodavi Systems, All Interel Systems, All Tel-Rad Systems, All NEC Systems, All Northern Telcom Systems, All Seimens Systems, All Extram Systems, All, Pro Systems, All Norstar Systems, and much more.

4461 NW 25th Place
Lauderhill, FL 33313
(954) 485-2819

Denis Rochester

Certificates	Access 97 Introduction	March 8, 1999
	Word 97 Introduction	February 16, 1999
	Excel 97 Introduction	February 15, 1999
	Meridian Installation & Maintenance	January 27, 1998
	Norstar Voicemail	March 27, 1998
	Norstar ICS Installation, Maintenance & Database	March 20, 1998
	Meridian 1 Options 21E-81C Installation & Maintenance	August 15, 1998
	X11 Basic Database Administration	November 4, 1997
	DCS	May 24, 1995
	408/612/816 Hybrid/Key Telephone System	March 24, 1994
	56ex/120mx Hybrid/Key Telephone System CPU-B, CPU-A	March 24, 1994
	Prostar	May 20, 1993
	Installation & Maintenance for Prostar 816	August 3, 1992
	580 DSS-Installation & Maintenance	August 13, 1982
	Communications Systems Training	August 22, 1978
	Telecommunications Principles	November 7, 1975
	Basic Station Installation	October 3, 1975
	Frameman	December 1974
References	Upon Request	

3537 N. W 196th Lane
Miami, Florida 33056

Phone: (305) 625-4681
Fax (305) 869-5672
E-mail:
Henry Sheffield@nextiraone com

Henry Sheffield

Objective

To engage employment by a major airport and provide innovative solutions on an up-to-date redundant communications infrastructure to support airport efficiency and promote overall client satisfaction. Also to utilize the training and computer knowledge which I have acquired in order to further my career in the telecommunications field.

Work Experience

2001 - Present Miami International Airport, NextiraOne, LLC Miami, FL
Technical Services Support Senior

- Maintenance and service of the Fiber-Optic Plant and Copper Plant.
- Administer Access database.
- Prepare subcontractor package for proposal to Miami Dade Aviation Department.
- Prepare quotes, job cost, and scope of work.
- Oversee package to various depts. (e g warehouse-material ordering, sub-contractor-scheduling, job implementation (Voice, Data, C.U.T.E)
- Coordinate subcontractor bid process, as well as, manage work distributed to awarded bidder (permits, conduit inspection, cabling specs, invoice approval, as-builts, drawings, etc ..)

1998-2001 Miami International Airport, Williams Communications Miami, FL
Fiber Optics Senior Engineer

- Engineered, installed, and maintained 55 miles of fiber infrastructure and 80+ miles of cooper throughout airport property.
- Engineered data deployment related to fiber connections.

1983-1998 Miami International Airport, Wiltel Communications Miami, FL
Equipment Technician 3

- Installation of telephones, cables and data equipment.
- Installed fiber runs, Installation of the Meridian SL - 1 switch.
- Repair various telephones and systems

1978-1983 Florida Communications d/b/a Honeywell Miami, FL
Technician

- Cable installation and messenger.

1970-1978 Compudata Hollywood, FL
Payroll Services Clerk

- Processed/issued checks to employees

1968-1970 United States Marine Corps

- ** Honorable Discharge 1970

Education 1968 Attucks High School Daina, FL

- Degree earned: Diploma

Skills

Computer Training

- Training on PBX Systems SL-1-X11 software database bars, installation and maintenance.
- Training on Meridian 1 Options 11, 51 and Meridian 71 systems and maintenance
- Training on ISI Infortex DOS, OS Standard, and OS Plus Fiber optics installation and maintenance.
- Training on Northern Telcom Meridian Business Systems Transmissions-1.
- Training on Meridian Mail installation and maintenance.
- Training on Companion Enterprise Mobility in deployment installation, programming and maintenance
- Training on Northern Telcom FMT-150B, C and D, operations and maintenance.

Major Projects

- Hurricane Relief Engineered voice and data structure for emergency disaster recovery.
- AT&T Wireless: First wireless cellular phone service at MIA. Worked with AT&T engineers and coordinated fiber specs, as well as, data and fiber deployment for monitoring of cell-site locations.
- CC-A, Terminal North Expansion: Responsible for building/populating fiber infrastructure. (approximately 700 fiber strands) for newly added terminal consisting of four floors in order to extend and link communications due to airport terminal.
- MDAD Police Station: Engineered relocation of entire police station.
- NTD (North Terminal Development): Airport gates reconstruction/renovation project.
- Northside Utility Corridor: 16-way-4 duct banks. In progress...
- USDA: Working with MDAD engineers to provide facilities to building via major duct banks and cable/facilities within building.

JUAN A. ROMAN
23 Sidonia Av. Apt. # 2
Coral Gables, Fl 33134

OBJECTIVE:
To obtain a chellenging position in a progressive Telecommunications environment, specializing in the area of Data Commnucations and Local Area Network.

TECHNICAL QUALIFICATIONS:
Nortel Networks: System 5000 concentrators, Centillion C-100, BLN / BCN Routers, Baystack 450 10/100/1000 Series, AN /ANH Routers & Network Management.
Nortel Layer 2 switching and ATM networking systems.
Network General Sniffer Analyzer.
Cisco Systems: AGS + and 2600 Series Routers, Catalyst 2950 / 2955 Switch.
Networking & Routing Protocols. TCP/IP, IPX. RIP, RIP2, IGRP, OSPF, BGP-4.

EMPLOYMENT 04/90 to Present
Wiltel Communications - Williams Comm. Solutions - NextiraOne Comm.
Title Network Engineer.

EXPERIENCE:
11/95 - Present
MDAD (MIA)
Directly involved in the design & installation of MDAD, C.U.T.E and S.T.S Networks. (USDA, Duty Free, Group Versailles, Host Marriott, Swiss Air).
Other rsponsibilities include the use of Optivity Network Management for: fault isolation, troubleshooting, global configuration, performance, utilization and monitoring to ensure an ongoing and reliable network
Provide and update network drawings and documentation as required by customer

10/90 - 11/95
Kraft Foods, Inc.
250 North Street
White Plains, N.Y 10625
Responsible for the design and installation of a large Synoptics Local/Wide area Network. Cisco 7000's and AGS + Routers were used. Synoptics 3000-04 and 5000 system concentrators were also implemented, supporting: Token Ring, Ethernet, and FDDI Management tool Optivity for HP Open View. Use of Sniffer Analyzer for Lan troubleshooting.

04/90 - 10/90
Merrill Lynch OS&T Data Communications.
10 Teleport Drive Staten Island, New York. 10311
Duties included, monitoring and troubleshooting data communications equipment.
Assisted customer evaluating and recommending emerging technologies and products

09/88 - 04/90
NMI/LAN Services, Inc. N.Y
Involved in the design of 50 to 100 user Local Area Network, utilizing the IBM cabling system, coaxial cable, shielded twisted pair & fiber optics cable scheme
Installed Synoptics UTP Network in Washington D.C for a large Banking Corp.

EDUCATION:
PSI Institute
Electronic Technology – 1985

New York City Technical College.
Advertising Design – 1982

Professional Training:
Nortel Networks:
Wan Protocols
Frame Switching
Advanced IP Routing
Nortel Centillion Switching
Advanced Network Management
Router Configuration and Management
System 5000 Connectivity
Token Ring Certification
Ethernet Connectivity Certification
Local/Remote Bridge Certification

Cisco Systems:
Interconnecting Cisco Network Devices
CCNA (in progress)

Network General: (Sniffer University)
Token Ring Network Analysis and Troubleshooting
Network Troubleshooting: from Symptom to Solution
Advanced Network Analysis & Troubleshooting

Microsoft:
Networking Essentials
Implementing MS Win 2000 Professional and Server
MS Win 2000 Network & Operating Systems Essentials

REFERENCES
Available upon request

KARINA V. ALBANO

4691 SW 110 Ave
Fort Lauderdale, FL 33328
(954) 880-0475
karina.albano@nextiraone.com

DUCATION UNIVERSITY OF FLORIDA Gainesville, FL
▼ BSBA *Graduated in three years.* August 1996
▼ MAJOR: DECISION AND INFORMATION SCIENCES Core G P.A 3.43/4.0

NTL UNIVERSITY OF PARIS Paris, France
TUDIES ▼ La Sorbonne. Studied the French Language and Culture June - August 1994

:CHNICAL SITA
:HOOLS CUTE/OS System Administration; CUTE/NT Plus System Administration March,August 2000
NORTHERN TELECOM November 96-March 1998
MACs; Meridian ACD Feature Administration; Meridian Mail Administration; SDS; BARS; Meridian MAT 5.0 (Call Accounting & Station Admin)

OMPUTER EXPERIENCE
Operating Systems: Windows 2000, NT, OS2 Warp, DOS
Business Tools/Applications: Microsoft Office (Outlook, Word, Excel, Access,PowerPoint),Visio Projec
Superhighway: Internet/E-mail.

VORK EXPERIENCE
NEXTIRAONE, Formerly Williams Communications Solutions –Miami, FL
MIAMI INTERNATIONAL AIRPORT Report to Pedro DeCamillo July, 1999-Prese

▼ NETWORK ENGINEER/C.U.T.E. ADMINISTRATOR
-Responsibilities include management of Common User Terminal Equipment. Tasks consist of working closely with MDAD telecom and follow set procedures and guidelines for installation of airlines on to MDAD network.
-Manage installs, MACs, service workorders, & billing of jobs.
-Engineer jobs (walk-thrus with customers, sub-contractors, material ordering).
Work with Sita/Equant on circuit installations, software downloads, workstation images, airline configurations, workorders, service calls, and more.
-Database Administrator for CUTE Configurator (OS2 and NT)-Creation of airlines, circuit config, airline emulator software, host address configurations Schedule airline trainings
-On-call second level support for on-site field technicians and 200+ workstations.
-Created/maintain organizational structure (airline and circuit configuration spreadsheets)

MAJOR JOBS
-Responsible for managing entire C U.T.E. NTD Tenant Relocation project. Coordination of approximately 13 airline installations and 16 gate installations over a three-month period. Weekly meetings with MDAD officia for coordination of move dates for multi-billion dollar airport construction project.
Much coordination with MDAD Telecom and SITA/Equant to meet critical deadlines.

WILLIAMS COMMUNICATIONS SOLUTIONS Miami, FL
DCAD-MIAMI INTERNATIONAL AIRPORT October, 1996-July 1999
▼ SERVICE SPECIALIST II. Report to Pedro de Camillo, Operations Supervisor.
-Responsibilities include overall coordination and maintenance of Nortel PBX OPT 81Cs for the Dade County Aviation Department, as well as other Shared Tenant Service customers at The Miami International Airport; approximately 7,000 stations and various remote sites. Developed database collection procedures (floor plans, programming, customer training and quality assurance). Maintain trunking and routing configurations.
-Other responsibilities include support for other applications: Rapport, Meridian Mail, ACD, Companion, Traffic Analysis (MAT), Toll Fraud/Security Reporting (INFORTEL)
-Support for approximately 4-8 on site field technicians
-Maintain Call Processing System, InforTel NT for assurance of proper billing management
-Maintain MS Access application, forms, macros, reports, some visual basic, train users

REFERENCES: Available upon request

2286 NW 160 Terrace
Pembroke Pines, Florida 33028
Phone (954) 885-8532

Alfredo Guerra

)bjective

Lead or supervise a Cable Plant Facilities Department as it relates to cable designing, installation and termination. Interrelate with subcontractors and other companies working on various projects in the airport to make sure no conflicts arise and commitments to the customer are met Ensure that all staff and subcontractors adhere to Federal standards and regulations and comply with local codes. Update staff with release of new products, standards, regulations and procedures

:mployment

1996 – Present NextiraOne, LLC, formerly, Williams Communications Solutions, LLC Miami, Fl

Operations Supervisor

- Supervision of cable facilities technicians and engineers.
- Ensure that designs and material for proposals are within industry standards and with the latest technology according to customers' budgets and needs.
- Review blue prints, layouts and designs from other entities to make sure they fulfill current and future requirements.
- Supervise and field test copper and fiber terminations done by company technicians and/or subcontractors

1995-1996 Global Glass Hialeah, Fl

Production Manager

- Responsible for the planning and overseeing of all production steps for this glass wholesaler.
- Supervised crew of 20 running machinery, cutting glass, packaging, and ensuring quality control.
- Inventoried stock and raw materials and ordered materials based on projected orders.
- Prepared production reports and evaluated machinery operators' reports for presentations to senior management.
- Trained new personnel in procedures and techniques to improve safety on the job.
- Planned and scheduled equipment maintenance, and solved preliminary technical problems with equipment.

1991-1995 Glass & Mirror Depot Miami, Fl

Shipping and Receiving Manager/Sales Representative

- Responsible for hiring, training and managing ten employees loading and unloading trucks and ocean containers
- Routed three delivery trucks daily.
- Scheduled maintenance on equipment and vehicles.
- Oversaw quality control to reduce unnecessary expenses and waste.
- Called on accounts to obtain new orders, improve relations, determine needs, and resolve complaints

1991-1991 Fly Cessna, Hangar One, Opa-Locka Airport Opa-Locka, Fl

Customer Service/Maintenance Support

- Checked aircraft fluids, refueled tanks and detailed each aircraft prior to and following each flight.
- Checked odometer to verify pilots reports and company records
- Billed customers for fight time and updated computer records
- Reported major problems to licensed mechanic and aircraft owner.

1987-1990 Barcos Y Cia LTDA Cartagena, Colombia, SA

General Manager

- Supervised staff of five, including Operations Manager and support staff.
- Promoted cargo and space sales to exporters from Colombia.
- Represented owner in all matters relating to the ship.
- Oversaw all documentation for Transport and Customs officials.

1984-1987 Galos Y Cia LTDA Cartagena, Colombia, SA

Operations Manager

- Responsible for preparation of documentation, passenger and crew lists, and cargo for Columbian Customs, Immigrations, and the Health Department.
- Notified port authorities upon ships' arrival.
- Made arrangements for loading/unloading ships.
- Paid fees and obtained necessary clearances.
- Operated as ships' chandler, finding and delivering supplies

Certificates of Completion

BICSI-Designing Telecommunications Distribution Systems A+ Hardware/Software Support Skills
Data Communications I Data Communications II Understanding Computer Networks
Advanced Material Class Materials Management CET Networking Education
Coaching Customer Commitment

Education

Economics, Universidad Technologica de Bolivar, Cartagena, Colombia, 1980
Jurisprudence, Universidad Militar, Bogotá, Colombia, 1977-1979
Administration & Management Courses, Colombian Army, Second Lieutenant, 1976
Escuela Militar de Cadetes, Bogotá Colombia

Languages

Proficient in both English and Spanish

References

Available Upon Request

4312 NW. 11 St.. MIAMI, Phone 305-445-3153
FL 33126

TONY WELL

+

Summary of qualifications	2001 – Present	NEXTIRAONE, LLC
	MASTER ELECTRICIAN.	
	1993 - 1994	DADE COUNTY PUBLIC SCHOOL MIAMI, FL.
	MASTER ELECTRICIAN.	
Education	1981-1983	GARCES COMMERCIAL COLLEGE HIALEAH.
	JUNIOR ACCT. & COMPUTER.	
Professional experience	1989 - 1990	JOURNEYMAN ELECTRICIAN.
	1993 -1994	MASTER ELECTRICIAN.
	HOSPITAL, AIRPORT, RESIDENTIAL, COMMERCIAL, ETC.	
Languages	ENGLISH / SPANISH	
References	P & E GENERAL CONTRACTOR PH. 635-8932.	
	J S.M. GENERAL CONTRACTOR. PH. 361-2272 BEEPER 268-5619. CONSTRUCTION SERVICES & SUPPLIES, INC. 11249 SW. 34 LANE MIAMI, FL. PH. 559-2487 BEEPER 842-6420.	
	JORGE ZARAGOZI STATE GENERAL CONTRACTOR. 420 SW. 18 TERR. MIAMI, FL. PH. 856-6123.	
	J GUDMAN CONSTRUCTION, INC. 10800 BISCAYNE BLVD. SUITE # 420 MIA FL. PH. 305-981-9701.	

Place and Experience	NextiraOne, LLC . A communication company located at Perimeter Rd & 22rd. Street Bldg. 3030 Miami, Fl. 33159. Company service and install new voice & data

CAPO & LOPEZ INVESTMENT CONSTRUCTION. CONSTRUCTION SITES 842 SW. 14 AVE MIAMI A TWO-STORY APARMENT BLDG. WELL ELECTRIC DID ALL THE ELECTRICAL WORK FOR THIS PROJECT. GOOD RELATION AND COMMUNICATION BETWEEN G.C. AND WELL ELECTRIC INC.

J.S.M GENERAL CONTRACTOR INC. (305) 361-2272
WELL ELECTRIC, INC. HAS DONE ALL ELECTRICAL WORK FOR OVER 20 HOUSES IN DADE COUNTY. IS A GOOD RELATION AND COMMUNICATION BETWEEN THE TWO COMPANY.
CONSTRUCTION SERVICE & SUPPLIES INC. (305) 559-2487
WELL ELECTRIC, INC. HAS DONE ELECTRICAL WORK FOR THIS COMPANY, REPAIRING AND BRINGING UP TO CODE, HOUSES IN THE CITY OF HIALEAH. GOOD RELATION & COMMUNICATION BETWEEN G.C AND WELL ELECTRIC, INC.

JORGE ZARAGOZI, STATE GENERAL CONTRACTOR.
WELL ELECTRIC, INC. HAS DONE ELECTRICAL WORK FOR MR ZARAGOZI SUCH AS REMODELING RED TAG FURNITURE STORE AT 952 SW. 8 ST, MIAMI. AS WELL AS SWIMMING POOLS AND OFFICE BUILDING, VANIDADES MAGAZINE BLDG.

P & E GENERAL CONTRACTOR INC. (305) 635-8932.
WELL ELECTRIC, INC. HAS DONE ALL THE ELECTRICAL WORK FOR OVER 20 HOUSES IN DADE COUNTY (REPARE) IS A GOOD RELATION AND COMMUNICATION BETWEEN THE TWO COMPANY.

ALSO WELL ELECTRIC, INC. IS ENGAGED IN DOING WORK. DIRECTLY WITH HOMEOWNERS, FOR SERVIVE, FEEDERS, PANELS, LIGHTING, ETC.

TONY WELL ADDITIONAL EXPERIENCE	ADDITIONAL EXPERIENCE BY TONY WELL BEFORE FOUNDATION OF WELL ELECTRIC, INC. RENOVATION OF SURFSIDE TOWN'S STREET LIGHTING POLE. MIAMI INT. AIRPORT CONCORD (E), PIPING, WIRING, AND INSTALLING FIXTURES AND MOTORS. MIAMI CHILDREN HOSPITAL NEW CONTRUCTION, LEADMAN RESPONSIBLE FOR. 10 ELECTRITIANS, PIPING, WIRING, INSTALLING LIGHT FIXTURE FIRE ALARM, CONTROL PANEL BAPTIST HOSPITAL REMODELING MAIN BUILDING, FOREMAN RESPONSIBLE FOR 20 ELECTRICIANS; PIPING, WIRING, CONTROL, ETC. OCEANIA CONDOMINIUM, LEADMAN RESPONSIBLE FOR 10 ELECTRICIAN. BRICKELL TOWER. MIAMI FEDERAL COURT LEADMAN RESPONSIBLE FOR 15 ELECTRICIANS. TEQUESTA HIGH RISE CONDOMINIUM LEADMAN RESPONSIBLE FOR 5 ELECTRICIANS, QUALIFIER OF P & S ELECTRICAL CONTRACTORS, INC.

Tony Well's employment record.

Date from	02/12/01	to present
Employer:	NextiraOne, LLC	Ph. 305-869-8857
Address:	Perimeter Rd. & 22 St. Bldg 3030 Miami, Fl 33159	
Type of work	Underground clearances, conduit & cables violation, Job quotes and Project manager a few job.	
Date from:	12/98	to 02/12/03
Employer.	P & S Electrical Contractors, Inc	Ph: 305-448-4720
Address	61 SW. 52 Ct. Miami, Fl. 33114	
Type of work:	Treasure and qualifier, obtain permit for electrical job, in all faces of Electrical, phone, burglar and fire alarm and monitoring.	
Date from:	11/95	to 12/98
Employer:	Well Electric, Inc	Ph: 305-448-4720
Address:	61 SW. 52 Ct. Miami, Fl. 33114	
Type of work:	Control of the business on residential and commercial job.	
Date from:	03/93	to 01/94
Employer:	Regency Electric, Inc.	Ph. 305-771-2797
Address:	1500 NW. 49 St Ft. Lauderdale, Fl.	
Type of work	Foreman, new building for Miami Children	
Date from:	06/92	to 03/93
Employer:	Aneco Electric, Inc.	Ph: 305-889-0975
Address:	10050 NW. 116 Ways #10 Medley, Fl. 33178	
Type of work	Foreman, remodeling Baptist Hospital	
Date from:	06/91	to 06/92
Employer:	Mercury Electric Service	Ph 305-652-2123
Address:	470 A. Ansin Blvd. Hallandale, Fl.	
Type of work	Foreman, electrical service for fast food restaurant	

10 2 MIA prefers to buy out existing network and connect new security/data telecom network and Williams' data telecom network together Williams' position is that it has exclusive rights in the terminal to add all new services or infrastructure.

- What is Williams' exclusivity position based upon?
- Is the Williams network compatible?
- What is its video capacity?
- What is the status of MIA vis-à-vis Token Ring versus Ethernet?

10 3 The Telecommunication Action Plan attaches lists with buy out values

- Has anyone checked for duplication of costs between the lists?

11. Telecom Master Plan – Executive Summary

11.1 "Shared telecommunication services to be provided to tenants at costs significantly below market prices provided by regulated third party providers."

- What does MIA intend by this?

11.2 Key elements of infrastructure – proposes to implement a premises distribution system for all new construction.

- What is intended here with respect to integration with existing infrastructure?

11.2 MIA proposes to restrict tenants to use only MDAD-owned infrastructure

- This would not be permitted under Canadian regulations Is it permitted under U.S.?

12. Broad and Cassel Letter May 18, 2001 (to A. Gittens from R. Shapo)

12.1 Enclosing documents requested following meeting on April 30, 2001 and stating "Nextira is operating and maintaining the system in an outstanding manner".

- What is MDAD's view of Nextira's current operation and maintenance of the system?

12.2 Some requested documents are refused as proprietary

- Which documents were refused as proprietary?

Final Exhibit
No. 213

MDAD-SATS Consolidated Revenue Report

6/18/2006

	Average # of Customers	Billing Period	Total Rental	Total Long Distance	Total Installation	Total Service & Repair	Total Revenue YTD
Historical Totals 6/18/2006	62		$ 5,968,646.49	$ 290,507.53	$ 564,144.50	$ 42,086.45	$ 6,866,780.89
2002 Totals	57		$ 1,853,862.14	$ 74,138.87	$ 83,740.59	$ 22,316.83	$ 2,036,382.93
2002 Total Revenue 1st Q		2/7/02-4/6/02	$ 331,714.86	$ 11,025.71	$ 7,689.05	$ 1,042.86	$ 351,472.48
2002 Total Revenue 2nd Q		4/7/02-6/30/02	$ 508,408.32	$ 14,903.11	$ 28,084.59	$ 3,531.23	$ 554,890.60
2002 Total Revenue 3rd Q		7/1/02-9/30/02	$ 505,618.56	$ 22,242.88	$ 19,699.62	$ 6,591.32	$ 554,154.94
2002 Total Revenue 4th Q		10/1/02-12/31/02	$ 508,120.40	$ 25,967.17	$ 28,267.33	$ 11,151.42	$ 574,864.91
2003 Totals	64		$ 2,011,307.45	$ 84,589.92	$ 313,454.41	$ 19,769.62	$ 2,429,193.07
2003 Total Revenue 1st Q		1/1/03-3/31/03	$ 522,686.01	$ 23,220.89	$ 47,277.18	$ 13,360.59	$ 606,544.67
2003 Total Revenue 2nd Q		4/1/03-6/30/03	$ 553,404.12	$ 24,469.56	$ 97,258.36	$ 3,424.73	$ 678,556.77
2003 Total Revenue 3rd Q		7/1/03-9/30/03	$ 587,265.49	$ 22,348.69	$ 151,976.74	$ 2,984.30	$ 764,646.89
2003 Total Revenue 4th Q		10/1/03-12/31/03	$ 347,951.83	$ 14,550.78	$ 16,942.13	$ -	$ 379,444.74
2004 Totals	60		$ 1,105,808.60	$ 83,715.69	$ 63,815.89	$ -	$ 1,253,340.14
2004 Total Revenue 1st Q		1/1/04-3/31/04	$ 292,178.94	$ 20,001.56	$ 13,388.25	$ -	$ 325,568.75
2004 Total Revenue 2nd Q		4/1/04-6/30/04	$ 279,625.46	$ 24,228.62	$ 16,510.33	$ -	$ 320,364.37
2004 Total Revenue 3rd Q		7/1/04-9/30/04	$ 272,379.84	$ 24,173.66	$ 18,077.15	$ -	$ 314,630.65
2004 Total Revenue 4th Q		10/1/04-12/31/04	$ 261,624.36	$ 15,311.85	$ 15,840.18	$ -	$ 292,776.37
2005 Totals	66		$ 997,668.30	$ 48,063.05	$ 103,133.61	$ -	$ 1,148,864.75
2005 Total Revenue 1st Q		1/1/05-3/31/05	$ 275,806.79	$ 11,277.05	$ 57,289.55	$ -	$ 344,373.17
2005 Total Revenue 2nd Q		4/1/05-6/30/05	$ 246,094.37	$ 12,471.29	$ 15,854.40	$ -	$ 274,420.06
2005 Total Revenue 3rd Q		7/1/05-9/30/05	$ 240,787.37	$ 12,654.42	$ 25,839.06	$ -	$ 279,280.85
2005 Total Revenue 4th Q		10/1/05-12/31/05	$ 234,979.77	$ 11,660.29	$ 4,150.60	$ -	$ 250,790.66
2006 Totals							
2006 Total Revenue 1st Q		1/1/06-3/31/06	$ 232,692.75	$ 10,903.45	$ 109,083.17	$ -	$ 352,679.37
2006 Total Revenue 2nd Q							
2006 Total Revenue 3rd Q							
2006 Total Revenue 4th Q							

Final Exhibit No. 214

MDC1(4) 00821

Monthly Totals	# of Customers	Billing Period	Rental	Long Distance	Installation	Service & Repair	Billing Total
2002							
Monthly Revenue-FEB	56	2/7-3/6/02	$ 165,816.44	$ 4,797 90	$ 4,556.24	$ 100.00	$ 175,270.58
Monthly Revenue-MAR	55	3/7-4/6/02	$ 165,898.42	$ 6,227.81	$ 3,132.81	$ 942.86	$ 176,201.90
Monthly Revenue-APR	57	4/7-4/30/02	$ 169,401.72	$ 3,738.25	$ 13,333.31	$ -	$ 186,473.28
Monthly Revenue-MAY	58	5/1-5/30/02	$ 169,368 83	$ 5,405 78	$ 4,054.50	$ -	$ 178,829.11
Monthly Revenue-JUN	58	6/1-6/30/02	$ 169,637.77	$ 5,759.08	$ 10,696.78	$ 3,531.23	$ 189,588.21
Monthly Revenue-JUL	56	7/1-7/30/02	$ 168,724.94	$ 6,337.27	$ 4,031.18	$ 1,705.60	$ 180,801.55
Monthly Revenue-AUG	56	8/1-8/31/02	$ 168,836.06	$ 7,453 63	$ 8,587.36	$ 1,542.86	$ 186,419.91
Monthly Revenue-SEPT	57	9/1-9/30/02	$ 168,057.56	$ 8,451 98	$ 7,081.08	$ 3,342.86	$ 186,933.48
Monthly Revenue-OCT	57	10/1-10/31/02	$ 169,684.45	$ 8,977.15	$ 3,191.45	$ 8,342.19	$ 190,195.24
Monthly Revenue-NOV	58	11/1-11/30/02	$ 168,259.15	$ 8,290.57	$ 18,147.48	$ 1,510.51	$ 197,565.86
Monthly Revenue-DEC	58	12/1-12/31/02	$ 170,176.80	$ 8,699.45	$ 6,928.40	$ 1,298.72	$ 187,103.81
2003							
Monthly Revenue-JAN	58	1/1-1/31/03	$ 172,263 17	$ 9,162.90	$ 26,800.14	$ 5,912.65	$ 214,138.86
Monthly Revenue-FEB	58	02/1-02/28/03	$ 172,098.11	$ 7,110.00	$ 17,267 24	$ 6,620.65	$ 203,096.00
Monthly Revenue-MAR	62	3/1-3/31/03	$178,324.73	$6,947.99	$3,209.80	$827.29	$189,309.81
Monthly Revenue-APR	61	4/1-4/30/03	$175,562.79	$8,369.15	$73,005.03	$0.00	$256,936.97
Monthly Revenue-MAY	63	5/1-5/31/03	$188,111.04	$8,112.24	$13,199.83	$942.86	$210,365.97
Monthly Revenue-JUNE	65	6/1-6/30/03	$189,730 29	$7,988.17	$11,053.50	$2,481.87	$211,253.83
Monthly Revenue-JULY	67	7/1-7/31/03	$193,889.29	$8,421.85	$108,764.84	$827.29	$311,974.94
Monthly Revenue-AUG	66	8/1-8/31/03	$195,888 61	$7,243 32	$31,025 30	$2,157.01	$236,314.24
Monthly Revenue-SEPT	65	9/1-9/30/03	$197,487 59	$6,683 52	$12,186.60	$0.00	$216,357.71
Monthly Revenue-OCT	66	10/1-10/31/03	$159,620 53	$7,724 13	$7,961 41	$0.00	$175,306.07
Monthly Revenue-NOV	68	11/1-11/30/03	$188,331 30	$6 826 65	$8 980 72	$0 00	$204,138.67
2004							
Monthly Revenue-JAN	58	1/1-1/31/04	$99,861 40	$7,188 46	$5,511 25	$0 00	$112,561.11
Monthly Revenue-FEB	59	2/1-2/28/04	$99,390 43	$5,891 29	$2,835 00	$0 00	$108,116.72
Monthly Revenue-MAR	57	3/1-3/31/04	$92 927 11	$6.921 81	$5,042 00	$0 00	$104,890.92
Monthly Revenue-APR	59	4/1-4/30/04	$94,846 82	$8,913 04	$1,761 25	$0.00	$105,521.11
Monthly Revenue-MAY	60	5/1-5/31/04	$93,749 47	$7,863 16	$9,196 03	$0 00	$110,808.66
Monthly Revenue-JUN	59	6/1-6/30/04	$91,029 17	$7,452 42	$5,553 05	$0.00	$104,034.60
Monthly Revenue-JUL	61	7/1-7/31/04	$91 216 45	$7 850 84	$7,667 05	$0 00	$106,734.34

MDAD-SATS Consolidated Revenue Report 6/18/2006

Monthly Revenue-AUG	60		8/1-8/31/04	$90,686.95	$9,082.43	$5,030.40	$0.00	$104,799.78
Monthly Revenue-SEPT	60		9/1-9/30/04	$90,476.44	$7,240.39	$5,379.70	$0.00	$103,096.53
Monthly Revenue-OCT	62		10/1-10/31/04	$87,200.22	$5,311.82	$7,698.50	$0.00	$100,210.54
Monthly Revenue-NOV	63		11/1-11/30/04	$87,210.99	$4,541.66	$1,578.66	$0.00	$93,331.31
Monthly Revenue-DEC	65		12/1-12/31/04	$87,213.15	$5,458.37	$6,563.00	$0.00	$99,234.52
2005								
Monthly Revenue-JAN	67		1/1-1/31/05	$101,584.25	$5,617.29	$51,843.86	$0.00	$159,045.00
Monthly Revenue-FEB	67		2/1-2/28/05	$88,494.15	$2,272.75	$845.50	$0.00	$91,612.58
Monthly Revenue-MAR	65		3/1-3/31/05	$85,728.39	$3,387.01	$4,600.19	$0.00	$93,715.59
Monthly Revenue-APR	66		4/1-4/30/05	$83,387.15	$3,915.55	$10,264.55	$0.00	$97,567.25
Monthly Revenue-MAY	65		5/1-5/31/05	$81,442.34	$4,134.75	$1,955.46	$0.00	$87,532.55
Monthly Revenue-JUN	66		6/1-6/30/05	$81,264.88	$4,420.99	$3,634.39	$0.00	$89,320.26
Monthly Revenue-JUL	66		7/1-7/31/05	$80,814.01	$3,996.61	$0.00	$0.00	$84,810.62
Monthly Revenue-AUG	64		8/1-8/31/05	$79,000.64	$4,689.94	$25,514.06	$0.00	$109,204.64
Monthly Revenue-SEPT	65		9/1-9/30/05	$80,972.72	$3,967.87	$325.00	$0.00	$85,265.59
Monthly Revenue-OCT	65		10/1-10/31/05	$80,849.47	$3,967.80	$0.00	$0.00	$84,817.27
Monthly Revenue-NOV	65		11/1-11/30/05	$79,783.83	$3,702.11	$3,159.35	$0.00	$86,645.29
Monthly Revenue-DEC	66		12/1-12/31/05	$74,346.47	$3,990.38	$991.25	$0.00	$79,328.10

Miami-Dade County

Audit and Management Services Department

AUDIT REPORT

MDC1(7) 00827

Final Exhibit
No. 215

MEMORANDUM

TO: Angela Gittens, Director
Miami-Dade Aviation Department

DATE: March 28, 2001

SUBJECT: Audit Report – Review of Telecommunication Services Agreement with Williams Communications Solutions, LLC

Cathy Jackson

FROM: Cathy Jackson, Director
Audit and Management Services Department

PURPOSE AND SCOPE

We completed our audit of the Agreement between Miami-Dade County Aviation Department (Aviation or the Department) and Williams Communications Solutions, LLC (Williams) for the period October 1, 1995 through September 30, 2000. The purpose of this audit was to assess compliance with contractual agreements governing the business relationship. Our audit activities encompassed examining evidence supporting billings and performing other tests we considered necessary.

BACKGROUND

Contract Award and Extensions

Following a competitive selection process, in March 1982 the County awarded a contract to Centel Communications Company (now known as Williams) to install a telecommunications system at Miami International Airport (MIA). Contrary to the recommendation of the selection committee, Aviation elected to rent rather than purchase the system. As authorized, Aviation negotiated and entered into two agreements with Centel on September 9, 1982: the Master Equipment Lease (the Agreement) governs Aviation's leased telecommunications equipment, while the Shared Airport Tenant Service (SATS) Agreement defines the terms under which Centel can provide telephone equipment and services to MIA tenants. Both agreements were effective February 7, 1984 (the date system use began) and continued for an initial period of 48 months through February 6, 1988.

On July 24, 1990, the Board of County Commissioners (BCC) formally approved replacement agreements that were substantially the same as the predecessor documents. Both agreements were effective retroactively to February 7, 1988, and would remain in effect for 48 months, with five separate two-year renewal terms through February 6, 2002. In 1991, Centel was acquired by WilTel Communications Systems. In 1997, Williams Communications Solutions, LLC was formed as a result of Wiltel's merger with Nortel Communications Systems.

Contract Administration, Authorization and Funding

During the audit period, Aviation's Telecommunications Section (responsible for administering all aspects of the Agreement and SATS) reported to the Facilities Maintenance Division. (In May 1995, a departmental reorganization shifted Telecommunications from the Information Systems Division to Facilities Maintenance.) However, in 1999, Telecommunications oversight responsibility was returned to the Information Systems Division. Funding requests for operating and capital expenditures are approved by senior management during the annual budget cycle.

Equipment Pricing

Under the terms of the original and successor agreements, monthly rental rates for telecommunications equipment were calculated at 3.01% of Williams cost basis (list price plus markup). After the initial five-year period, the monthly rental fee is discounted by 40%. The Agreement contains a purchase option to acquire equipment based on residual values as detailed in Exhibit B (Purchase Multiplier)

Williams also applies installation and administrative charges to each service request. Installation charges include time and materials fees, with labor rates based on employee job classifications ranging from $64.83 (CADD Operator) to $108.08 (Engineer, LAN Engineer and Novell Certified Engineer). Administrative service charges at the current rate of $64.25 per hour are assessed for every request to add, change, move or remove equipment. The next CPI adjustment is expected in April 2001.

Additional Services

In addition to providing voice communications services and equipment rental, the Agreement permits Aviation to rent other equipment on either time-and-materials or fixed-cost-quote basis. Based on a broad interpretation of the Agreement, the Department procured a variety of goods and services through Williams, bypassing the competitive bidding process. Monthly rental fees for items leased under this provision are computed at 3.01% of their cost basis, which may be either the lower of 130% of Williams list price or a fixed cost quote. Service and installation (labor) rates cited in the previous section may also be applied.

SATS Agreement Tenant Service Credits

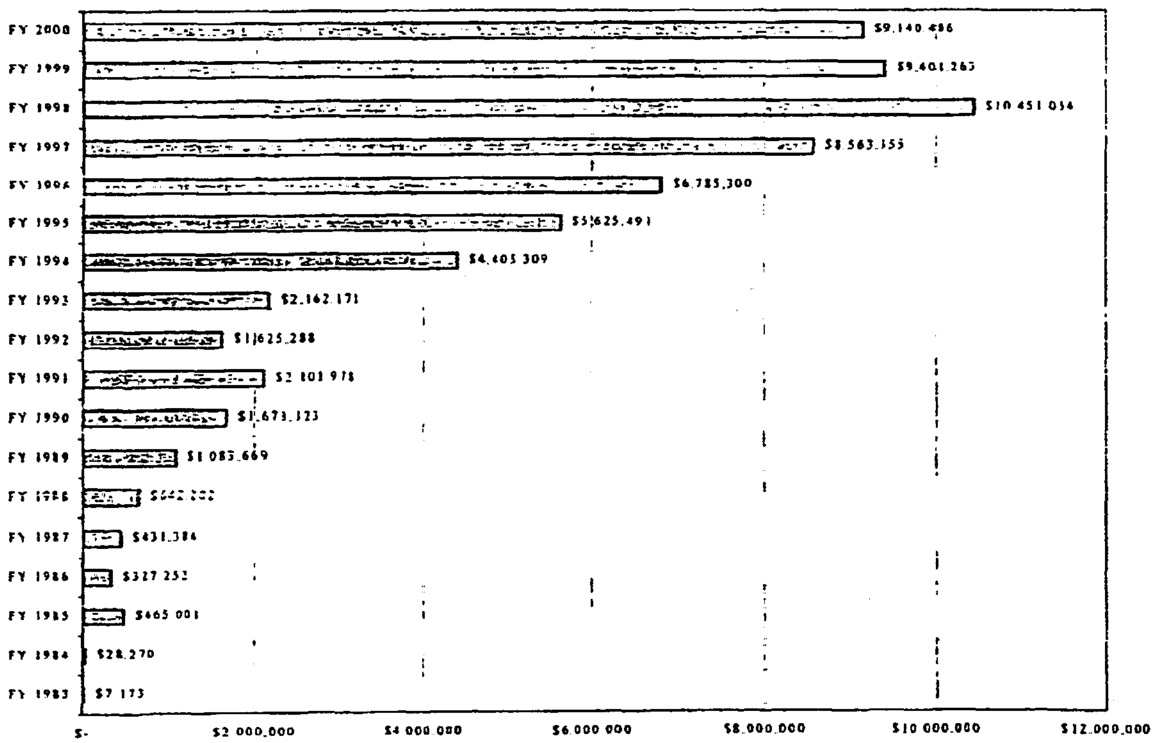
The SATS Agreement allows Williams to provide telecommunications services to Airport tenants, and Aviation is paid 10% of gross revenues derived from equipment charges, plus a graduated percentage of all gross profits from resale of calling services (35% of the first $10,000; 45% of the second $10,000; and 50% above $20,000). These fees are reflected as credits on Williams monthly invoices and amounted to $43,106, $58,782, $58,210, $90,679, and $151,815 for the years ended February 6, 1996, 1997, 1998, 1999 and 2000, respectively.

SUMMARY RESULTS

Aviation incurred $65 million in charges under the Agreement from inception through September 30, 2000 (Table I). Although the Agreement was renewed, it was not updated to adequately address changes in the telecommunications landscape or rapid growth of the Department. Aviation's apparent lack of effective oversight provided Williams the opportunity to apply excessive markups to many leases, with no accountability.

Loopholes in the Agreement provided Aviation unique opportunities to procure a wide range of products, including items having little to do with telecommunications and those which should have been competitively purchased. As a result, annual billings increased from $327,000 in fiscal year 1986 to $10.5 million in fiscal year 1998 (Table I). Further, the majority of items leased should have been either purchased outright or acquisition costs financed in a more effective manner. For example, the Baker Router and Network Controller (BRNC) project should have cost between $35,000 and $53,000, yet Aviation leased the product over a three-year period at a cost of $877,000, representing a 1555% markup.

Table I
Williams Annual Billings to Aviation



Williams also routinely constructed Aviation's equipment leases utilizing finance terms well above prevailing market rates. We found no evidence to indicate Williams ever disclosed lease terms other than monthly payments, nor was there any indication that Aviation analyzed this information to determine cost effectiveness. Equipment leases carried implicit interest rates ranging between 30% and 50% (four times the market rate). Equipment lease rates were also improperly subject to annual CPI increases, when they should have remained constant throughout the lease term. Additionally, the 40% monthly rental discount given after five years produces no real savings, since Aviation would have already paid approximately 269% of an item's original cost.

Further, there was a noticeable absence of continuous active dialogue and exchange of information relative to project planning, feasibility and status, which is typical of vendor/customer relationships in the telecommunications industry. Williams apparently felt no obligation to help Aviation steer clear of technical decisions which were not in the Department's best interests. For example, Williams should have informed Aviation that the BRNC project was technically incompatible with changes made to MIA's telecommunications network protocol before the Department invested more than $877,000.

Authorizing signatures indicating acceptance of quoted prices were often absent from service orders and Williams responding proposals, and lower level supervisors were the sole signatories for monthly lease invoices averaging $750,000. Multiple components or dissimilar equipment are often aggregated for billing purposes, making it difficult to verify propriety of billings. Moreover, Aviation does not have an accurate and complete inventory of leased equipment. Clearly, Aviation officials should have exercised greater due diligence. Overall, projects were often poorly planned, costs rarely questioned and delivered items not examined to ensure operability or conformance with specifications. Other deficiencies noted include the following:

- Lack of comprehensive system justification documents, including cost/benefit analyses and detailed system specifications to support lease decisions.

- No evidence of pre-planning to ensure compatibility with existing systems and technology.

- Lack of proper systems acceptance and testing procedures.

- Leasing telecommunications equipment when purchasing would have been more cost effective.

- Continuing payment of lease charges for inoperable and unnecessary equipment.

In 1999, management initiated a review of all leased items for utility and cost, with the goal of immediately discontinuing those that were unnecessary. The Department also announced its intention to solicit proposals. In February 2002, the Agreement is due to expire and, in the interim, significant decisions must be made to ensure a smooth and seamless transition. Williams owns most of the telecommunications infrastructure at MIA, and because of the large quantity of leased equipment, terminating the Agreement will likely be cost prohibitive. Aviation officials are faced with three possible scenarios: renew the Agreement; proceed with a negotiated buy-out of telecommunications assets; or, if no agreement is reached, Williams could conceivably walk away, significantly enhancing the potential for disruptions in telecommunications service at MIA. Certainly the third option is least desirable, since it has the greatest potential for adversely impacting airport operations. Despite this threat, the transition strategy must be deliberate and associated financial and operational complexities carefully considered so MIA will be extricated from its dependency on

Williams. Further, a long-range strategic plan must be developed to align modernization needs of both the Department and its tenant air carriers commensurate with budgetary constraints and available technologies. These initiatives must be adopted without further delay and we urge the Department to seek assistance from a qualified, experienced consultant. More specifically, the following recommendations are presented for consideration:

- **Aviation must assume control of MIA telecommunications infrastructure.**
  The telecommunications infrastructure (cabling, routers, controllers, etc.) is the likely foundation for every current and future technological innovation at MIA and true control can only be gained through ownership. Accordingly, Aviation's acquisition of its telecommunications infrastructure through an orderly and seamless transition process is an immediate priority.

- **Contracts with both the primary telecommunications provider and prospective subcontractors should be properly structured to clearly articulate actual costs, commissions/markups, and vendor responsibilities.**
  State and/or Federal contract pricing should be utilized whenever possible. In the absence of published list prices, vendors should define actual costs and markups. Aviation should avoid entering into any agreement that permits bundling of charges, which tends to obscure a true representation of pricing methodologies.

- **In general, telecommunications components and related software should be purchased rather than leased.**
  It is not financially prudent to lease durable items with a relatively long, useful life, such as cabling and network infrastructure. Financial terms/implications of each lease transaction must be fully analyzed before granting authorization to proceed. Every attempt must be made to negotiate the best possible lease terms.

- **The approval and acquisition of telecommunications equipment/services must be strictly and consistently controlled, and established procurement procedures should be followed.**

- **Aviation must develop a justification document for every system or plan being considered for implementation.**
  The level of detail presented in the justification document should be commensurate with project cost and scope. Each major Airport telecommunications project should be accompanied by a comprehensive justification document that clearly articulates financial and operational impact outlining purpose, anticipated cost and proposed benefits. Component costs should be individually itemized and benchmarked to promote informed decision-making.

- **Airport telecommunications procurement activities and charges must be continuously monitored.**
  There must be no recurrence of procurement lapses and financial abuses that have troubled the Department. Prospectively, all Airport telecommunications charges must be continuously and diligently monitored for accuracy and compliance with contract terms. Formal work acceptance

procedures should be implemented to ensure invoiced charges properly reflect work satisfactorily performed. Completed work should be accompanied by documentation supporting verification and authorized acceptance.

- **Aviation project consultants must be neutral, independent and objective, and avoid any appearance of impropriety or conflict of interest.**
  Consultants must not be affiliated with any Department official who could personally profit from his/her recommendation(s). This situation must be closely monitored and violators should be disciplined accordingly.

The remainder of this report details our findings and recommendations. Thank you for the courtesies and cooperation extended to our staff during the audit process. Please provide a written response to this report within 60 days, in accordance with Administrative Order 3-7. Should you have any questions, please contact me at 305-349-6100

FINDINGS AND RECOMMENDATIONS

CONTRACT ADMINISTRATION

Contract Expenditures

Since 1992, contract expenditures aggregated $58.2 million, including recurring lease and maintenance costs of $43.9 million; installation and administrative service charges of $13.3 million; and miscellaneous construction costs of $1 million (Schedule I). However, a disproportionate $44.3 million, or 76% of aggregate expenditures, were incurred during the five-year period ended September 30, 2000, as annual lease costs soared from $3.7 million in fiscal 1996 to $8.8 million in 1999. This escalation can be attributed in part to costly telecommunications expansion projects and ancillary systems that were not part of the core telecommunications equipment network and contract mismanagement. Although the Department launched efforts in 1999 to reduce billings. annual lease costs in fiscal 2000 declined only $145,000 (Schedule II).

Our analysis of 12 projects revealed Aviation paid excessive lease rates because equipment cost bases and interest rates (key factors in determining the monthly lease payments) were never disclosed and far exceeded industry norms. Had this information been requested and cost analyses performed, it would have been obvious that purchasing the products or perhaps leasing directly from manufacturers or suppliers was more economical.

The Telecommunications Section initiated most leasing transactions without any oversight or independent analysis on the part of the Assistant Directors for Facilities Development or Business Management. In fact, only one of the initiating service requests and price proposals with financial impacts exceeding $100,000 included signatures of the Division Manager and Assistant Director for Facilities Development. Moreover, the Telecommunications supervisor was the only person routinely approving Williams monthly invoices averaging $750,000 (Schedule III). Finance customarily paid invoices if the signatory was included on the authorized signature listing and cumulative expenditures fell within budget. Mechanisms were not in place to permit continuous monitoring and control of expenditures.

Funding requests for operations and capital projects were approved and reviewed by management, including the Department Director, during the annual budget cycle. The Capital Project Fact Sheet (CPFS) and an accompanying justification memo describing proposed needs and related benefits supported expansion projects expenditures. However, justification documents were superficial and did not contain pertinent data needed for informed management decision-making. Once the request was approved, the Telecommunications Section was permitted to initiate lease transactions at its discretion, as long as expenditures were within budget. With no other oversight, expenditures grew at alarming rates, as projects were poorly planned and haphazardly conceived.

Recommendation

Aviation must analyze all price proposals before granting authorization to proceed, thereby assuring terms are reasonable and represent the best acquisition strategy. A comprehensive continuous review is also needed to control expenditures and assure leased equipment is strategically necessary. Requests for service must also be properly authorized at the appropriate level of responsibility within the Department. No work order should be processed without proper authorizations. Invoices should only be approved for payment at the appropriate level of authority, with specific dollar limits established for each signatory level (Supervisor, Chief, Manager, Assistant Director, etc.).

Telecommunications Cabling Strategy and Charges

Throughout all areas of MIA's expansive campus of buildings, telecommunication services are supported by a complex infrastructure, including a fiber optic backbone, other cabling, switches, routers and peripheral devices which effectively comprise the voice and data network. Since Agreement inception, Aviation has neither monitored nor verified the vast inventory of network infrastructure components. There exists no historical benchmark with which to reconcile installed cabling or subsequent additions to the network, and we are unsure if billings associated with cabling are accurate. Aviation's perpetual leasing of cable has been prohibitively expensive, and the Department has paid for its network infrastructure many times over, without gaining ownership of these critical assets.

Recommendation

Aviation should perform a physical inventory of cable and related infrastructure components, instituting a plan for acquisition.

Lease Payment Adjustments

Williams annually increased monthly lease payments to conform with changes in the Consumer Price Index (CPI) Based on our review of Article 5 of the Agreement, together with a concurring opinion from the Office of the County Attorney, the CPI adjustment should not have been applied to monthly lease payments; thus, costs should have remained fixed throughout the lease term. For example, at lease inception, the monthly payment for the BRNC was \$19,197 (Table VIII). However, as a result of annual CPI increases, monthly payments escalated to \$20,672 during the 37-month lease period. The monthly payment should have remained \$19,197, reducing aggregate lease payments to \$710,289 instead of \$741,531, yielding a savings of \$31,242. Further, effective February 1990, new equipment lease rental rates should have equaled the lower of 94% of Williams South Florida published list prices, or 130% of Nortel's published list prices, eliminating the need for CPI adjustments. Although requested, Williams declined to provide these price lists, claiming the information was proprietary.

Recommendation

Using appropriate price lists, Aviation must determine the financial impact of this misapplication and seek recovery of amounts overbilled.

Billing and Inventory

Williams bills Aviation monthly, itemizing equipment rentals and other services performed. Schedule A (approximately 120 pages) lists all rented equipment and associated costs, but does not detail location and lease inception dates. In addition, project billings are not aggregated, making it difficult to monitor and track total costs. Identification of items is further complicated because varying descriptions are used for identical equipment. Annual CPI increases and post-fifth-year rental discounts are manually applied to leased items, allowing opportunity for calculation errors. Installation dates are also missing for many line items, making it difficult to accurately identify items eligible for post-fifth-year discounts. In essence, billing and inventory schedules are a series of manually-updated, non-integrated personal computer spreadsheets, and Telecommunications failed to maintain independent records of leased equipment, relying solely on Williams monthly invoices.

Recommendation

An independent consultant should be engaged to conduct a detailed inventory of all items listed on Schedule A. Where appropriate, equipment should be tagged with bar codes. For the duration of the Agreement, Williams must be required to provide single line item billings, minimally adding to the Schedule acquisition date, initial cost and physical location. Cabling charges must be supported with appropriate detail. Larger items and those which are aggregations of multiple pieces of equipment must be itemized, with documentary support provided for cost and rental.

Williams reliance on manually-maintained spreadsheets for billing and inventory purposes is error-prone and should be replaced with a more highly-automated system. Prior to expiration of the Agreement, Aviation must know exactly what is rented, rental cost and item location.

SATS Agreement

SATS Agreements are commonly used by airports to provide comprehensive telecommunications services to airlines, concessionaires and other airport tenants, without requiring each tenant to separately procure and maintain its own system. Under a typical SATS Agreement, a telecommunications vendor (such as Williams) bears complete financial responsibility for system-related software, hardware and infrastructure (switching equipment, cabling, etc.) throughout the airport site. The vendor charges participating tenants user fees for each telephone and/or other telecommunications station (fax, computer modem, etc.), and the airport owner/operator (in this case, the County/Aviation Department) receives a defined percentage of revenues derived from SATS tenants.

Aviation receives 10% of gross revenues from equipment charges, plus varying percentages of gross profits resulting from calling services; Williams must submit annual reports certified by an independent accountant itemizing monthly gross revenues and profits. During the five-year period ended February 6, 2000, SATS credits aggregated $402,592 and averaged $80,518 annually. Although we did not audit the propriety of the credits, our overall analysis suggests these amounts may be understated. Assuming a SATS tenant base of 3,000 telecommunications stations, it appears each station is yielding annual credits of only $27 and eligible gross revenues of $268 Independent accountant reports offer no insight into propriety of the credits, as monthly gross revenue and profits were not reported or attested to as required by the SATS Agreement. Audit procedures performed encompassed determining the clerical accuracy of billing credits listed on monthly invoices, and were not adequate to validate the propriety of credits paid the Department.

Since SATS inception, there is no evidence suggesting Aviation reviewed the commission rate structure to assure percentage fees remain competitive with those of other major airports. For example, it is unusual that commissions on calling services (the most lucrative revenue category in SATS) are based on gross profits rather than gross revenues. This provision is not advantageous for Aviation, since profits can be manipulated and minimized to reduce commissions. This arrangement is atypical and does not allow the County to maximize opportunity fees.

Recommendation

Prospectively, successor Agreements should include commissions for calling services based on gross revenues, rather than gross profits, and should entitle Aviation to SATS credits for goods and/or services provided by Williams (or other telecommunications carrier) to airport tenants. Williams should immediately comply with financial reporting provisions and resubmit reports for the last five years to include pertinent data necessary to determine propriety of credits. An audit of SATS credits for the past five years should be conducted to ensure Aviation has been compensated according to Agreement terms. Aviation management should exercise greater due diligence to ensure MIA maximizes SATS revenues.

SPECIFIC PROJECT COST ANALYSIS

Of the $44.3 million paid Williams over the five-year period ended September 30, 2000, we reviewed 12 projects with cumulative billings approximating $10 million. We desired greater coverage, however, invoicing and internal project cost tracking systems did not facilitate ready identification of relevant costs without extensive staff effort. Nonetheless, we believe projects sampled are fairly representative of the broader population. To determine the financial impact of leasing transactions and assess cost-effectiveness, we examined available information contained in Department files and interviewed key decision-making staff. Using this information, which was limited to monthly payments and installation fees, we computed the equipment cost basis used to derive monthly lease payments to assess reasonableness of leasing transactions. A reputable technology expert was consulted to assure our conclusions were sound.

Our review disclosed that Aviation paid premium lease rates far exceeding industry norms, often yielding little or no long-term benefits. Mark-ups ranged from 30% to more than 1500%, and implicit interest rates averaged 30% to 50%, even though prevailing interest rates averaged only 8.25% during the audit period. Most projects were poorly planned and not appropriately screened or analyzed for cost effectiveness by Airport staff before leases were executed. Typical lease terms, such as equipment cost basis and annual percentage rates, were not disclosed in price proposals or requested by the Department. Further, we noted lease payments over a 33-month period exceeded 100% of the equipment cost basis, suggesting it may have been more prudent to purchase rather than lease most items. Specific projects reviewed and aggregate payments during the audit period are summarized in Table II below:

Table II

Projects Reviewed	Aggregate Payments
Common Use Terminal Equipment	$3,380,953
Network Maintenance	1,269,846
Terminal Fiber for Live Media Feeds	922,477
Baker Integrated Technologies Equipment:	
Garage Crisis Alert System	963,861
Baker Router and Network Controller (BRNC)	877,433
Baker Consoles	399,438
Elevator Messaging System	368,719
Flight Information Display System (FIDS) Monitors	520,012
Network Engineering Services	446,683
Dato Electric (Computer Room)	298,815
Baker Custom Furniture	72,045
Disaster Emergency Vehicle	68,997
	$9,589,279

Common Use Terminal Equipment (CUTE)

In 1994, Aviation staff began discussions regarding implementation of a CUTE computer system that would allow airlines to gain access to host systems at any specially-equipped ticket counter or gate. This also included the Local Departure Control System (LDCS), a feature that would simulate a host computer for smaller airlines lacking such a facility. CUTE was intended to increase operating efficiency by allowing multiple airlines to use the same check-in counters and boarding gates, while gaining access to their own computer applications and proprietary telecommunications networks. Conceptually, CUTE would save significant relocation costs during the planned massive multi-year MIA Terminal renovations (involving repeated moves as construction progressed). At airports such as MIA where a large number of small airlines compete for scarce terminal resources, the CUTE system can provide substantial operational benefits.

Following a competitive process, Williams selected Sociètè Internationale de Tèlècommunications Aèronautiques (SITA), one of two vendors having a 90% combined market share for CUTE installation. SITA's proprietary software and site licenses, as well as necessary hardware, would be leased from Williams. In August 1997, the Department agreed to lease software licenses and 100 workstations from Williams.

In March 1998 monthly leasing fees began and, as of September 2000, approximately $3.4 million had been spent on the project (Table III). However, exact costs cannot be determined because many charges (including cabling and installation) have been bundled with other items on the billing schedule.

Table III

CUTE System	
Rental Costs	$2,648,856
Installation Costs	483,951
Construction Costs	140,704
Engineering	96,323
Consulting Services	63,639
	3,433,473
Rental Credits *(for equipment not installed)*	(52,520)
Financial Impact as of September 2000	**$3,380,953**

The Department originally envisioned voluntary airline enrollment, with billings on a per-passenger basis. However, most airlines opposed the program because they were not consulted. Further, Aviation was unable to justify the proposed rates because Williams refused to provide cost information, claiming it was proprietary. Consequently, CUTE was halted and Aviation remained contractually obligated to pay rent for 24 months. Williams refusal to share CUTE cost/pricing information with Aviation is particularly disturbing given the Department's significant financial contribution toward its development. In November 1998, Williams agreed to contract directly with airlines for CUTE service, promising to remove equipment from Aviation's rental invoice and remit to the Department 10% of revenues derived. Although Aviation ceded full control of CUTE in

November 1998, the Department paid an additional $2 million through September 2000. Aviation should seek full recovery of lease payments remitted since November 1998 and audit credits issued to date.

Network Maintenance

In 1994, the Department upgraded the original IBM data network by purchasing Token Ring network equipment from Racal-Datacom and Williams for approximately $558,000. Network maintenance/ management services arranged or performed by Williams increased the cost to nearly $1.3 million, as shown in Table IV. In April 1995, one year following the original purchase, Williams and Racal executed a network equipment maintenance contract, providing for repair and/or replacement of equipment on a 24-hour/7-day coverage basis. Additional provisions included: remote testing and diagnosis of hardware and software problems; preferred hourly rates for on-site technical calls after normal business hours; maintenance of existing equipment not manufactured by Racal (including personal computers and workstations); and technical telephone consultation. Racal's quoted monthly billing to Williams averaged $7,611, but varied with changes to network hardware. Williams initially marked up Racal's invoices by 7.5%, but increased its fee to 30% after February 1997. Payments under this maintenance agreement from April 1995 through November 1997 totaled $213,106, as detailed in Table IV.

Table IV

Racal Network Maintenance

	Cost	*Markup*	*Total Payments*
Equipment Purchase from Racal-Datacom*			$ 223,776
Additional Equipment Purchases through Williams	$ 305,466	$ 28,689	334,155
Total Equipment Purchases			**557,931**
Apr 95 – Sept 95	18,813	1,411	20,224
Oct 95 – Sept 96	67,116	5,034	72,150
Oct 96 – Sept 97	77,983	17,536	95,519
Oct 97 – Nov 97	12,986	3,896	16,882
Other Maintenance Costs	7,750	581	8,331
Total Racal Network Maintenance**			**213,106**
(Labor performed by Racal and billed through Williams)			
Oct 94 – Sept 95 (Monthly invoices include charges for			24,527
Oct 95 – Sept 96 minimum billable hours plus administrative			291,559
Oct 96 – Sept 97 processing fees of $58 to $62.)			175,394
Total LAN Maintenance Costs			**491,480**
(Labor performed by Williams on Racal Network)			
Additional Network Maintenance Labor			**7,329**
(Paid to Williams for other work on Racal Network)			
Financial Impact of Racal Network as of November 1997			**$1,269,846**

*Includes Equipment, Annual Maintenance and Installation
**Only 28 monthly payments were made during the 32-month period (Apr 95 – Nov 97)

In addition to the maintenance contract with Racal, in July 1995 Aviation's Telecommunications Chief approved Williams proposal to provide Token Ring local area network (LAN) management services, although there may have been some overlap in service This agreement included the LAN physical layer, troubleshooting network problems, analyzing network traffic, maintaining network drawings, verifying connectivity from the workstation to and between concentrators and either the host or server, and maintaining the Novell Network Software. The proposal guaranteed Williams a monthly minimum of 318 billable hours at hourly rates ranging from $78.87 to $101.85 (a monthly average of $28,734). Aviation did not require an accounting of services performed provided hours billed did not exceed the guaranteed minimum. Between September 1995 and May 1997, Williams billed the Department $491,480. In March 1997, the monthly minimum billable hours were reduced to 150 since more than half of the users had migrated to the new Bay Networks equipment. In late 1997, migration was complete, rendering the Racal Token Ring network obsolete. Although never recorded in Aviation's fixed assets system, all Racal hardware was removed from service November 1997 (three years following acquisition) and stored. Aviation incurred charges of approximately $558,000 for this equipment, which should be removed from storage and sold for scrap if it is no longer useful.

Terminal Fiber for Live Media Feed

In January 1996, Aviation asked Williams to install high-capacity fiber-optic cable in the MIA terminal to facilitate live media reporting, with the belief that costs would be recovered in part from media networks, but the equipment is not being fully utilized. Aviation is accessing a small portion of the cable capacity for internal purposes only and aggregate costs are more than $922,000 through September 2000. Table V details project costs. This lease should be terminated immediately unless Aviation management can justify its expense.

Table V

Terminal Fiber For Live Media Feed

	Base Cost	Monthly* Payment	Total Payments
Equipment Original Cost Basis (includes Williams markup - amount unknown)	$ 534,877		
Aug 96 - Feb 97 Lease Payments		$ 16,100	$ 112,699
Mar 97 - Mar 98 Payments w/3.7% CPI increase		16,701	217,117
Apr 98 - Jan 99 Payments w/1.7% CPI increase		16,983	169,834
Feb 99 - Feb 00 Payments w/1.6% CPI increase		17,255	224,317
Mar 00 - Sep 00 Payments w/2.7% CPI increase		17,721	124,047
Total Equipment Rental Payments			848,014
Equipment Installation Charges			74,463
Total Rental and Installation Charges (through September 2000)			$ 922,477

*Monthly payment is 3.01% of Cost Basis

Garage Crisis Alert System

In 1995, Aviation commenced leasing the Garage Crisis Alert System through Williams from Baker to replace the existing 84 emergency telephone handsets in elevator cabs at the MIA parking garages with a system of hands-free speakerphones Leasing and installation charges as of September 2000 totaled $963,861 (Table VI). The initial monthly lease payment of $17,079 was based on the original cost of $567,400. On the February 1996 Schedule A billing report, for unknown reasons Williams reduced the monthly lease payment to $14,827 and issued a $16,033 credit for six months' overpayment. Had Aviation elected to purchase this system, it would have cost no more than $200,000 including installation After paying nearly twice as much, Aviation should reconsider the cost effectiveness of this lease.

Table VI

Garage Crisis Alert System

	Base Cost	*Monthly* Payment*	*Total Payments*
Equipment Original Cost Basis (includes Williams 30% markup)	$ 567,400		
Jun 95 - Jan 96 Lease Payments		$ 17,079	$ 136,630
Credit for Monthly Payment Adjustment[1]			(16,033)
Feb 96 - Feb 97 Lease Payments		14,827	192,750
Mar 97 - Mar 98 Payments w/3.3% CPI increase		15,316	199,110
Apr 98 - Feb 99 Payments w/1.7% CPI increase		15,577	171,343
Mar 99 - Feb 00 Payments w/1.6% CPI increase		15,826	189,910
Mar 00 - Sep 00 Payments w/2.7% CPI increase less 40%		9,752	68,263
Total Equipment Rental Payments			**941,973**
Equipment Installation Charges			21,888
Total Rental and Installation Charges (through September 2000)			**$ 963,861**

* Monthly payment is 3.01% of Cost Basis

Note: [1]Records indicate a credit of $16,033 was authorized by Williams to compensate for 6 months of lease overpayment. Aviation Telecommunications has not responded to AMS request for evidence of credit receipt.

Baker Router and Network Communications Controller (BRNC)

In May 1995, Aviation's former Telecommunications Section Chief requested Williams provide a router and network controller. Conceptually, the device would enable independent, proprietary applications to communicate interactively in a common language. These applications would include the Flight Information Display System (FIDS); Interactive Voice Response (IVR); information display signs; gate assignment displays; Common Use Terminal Equipment (CUTE); and MIA's Private Branch Exchange (PBX) telephone switch. Williams selected Baker Integrated Technologies (Baker) of Norcross, Georgia to provide this customized telecommunications device. Williams quoted a monthly rental of $19,197 for the BRNC, plus $123,722 for installation. In September

1995, the BRNC server was installed and in October 1995, rental charges were added to Schedule A with the description "FDDI network controller." It is unclear why Baker was selected for this work, since our discussions with Baker's former lead technical consultant revealed the firm had never been involved in a telecommunications project of this complexity. This represented a custom design and installation job, a task better suited to a vendor possessing prior comparable experience.

From a design perspective, the BRNC has two primary components: the Message Router (a Windows NT-based personal computer functioning as a server) and the Client Controller (software used by the stand-alone client applications to communicate with each other). In reality, the BRNC is little more than a generic personal computer, enhanced with an FDDI (Fiber Distributed Data Interface) network controller device and related software. The hardware and software configuration of the BRNC is detailed in Table VII.

Table VII

Hardware	***Software***
100 mhz Pentium processor	Windows NT version 3.5
1 gigabyte SCSI drive	Microsoft SQL Server
17" color monitor	Microsoft Access
Video adapter	Microsoft Word
FDDI controller	Microsoft Excel
CD rom	Microsoft Remote Access Server
DAT tape backup system	Baker Message Router
101 key keyboard	Baker Client Controller
14 4 kb baud internal modem	FDDI network software
Microsoft mouse	

Apparently, the BRNC acquisition was not properly planned, since in early 1996, Aviation decided to adopt Asynchronous Transfer Mode (ATM) as MIA's network backbone, rendering the BRNC incompatible. ATM was implemented in late 1996, yet Aviation continued to rent the BRNC through October 1998–13 months longer than the contractually required 24-month minimum, which cost an additional $266,660; these charges were only discontinued after audit inquiries. Moreover, installation of user applications, such as Microsoft Word and Excel, on a network controller is unusual and arguably unnecessary, as the BRNC was to be utilized solely to network the previously listed client devices and applications.

Further, even though the BRNC was not functional, in August 1997 a software upgrade was installed for $5,916 plus a monthly rental fee of $163. In March 2000, the rental fee increased to $170 and payments continue, although the lease was terminated in November 1998. It should be noted that installation charges exceeded software costs and lease payments were bundled with the Garage Messaging and 7750 Audio Console systems on the monthly billing statement. Williams acknowledged the error in billing the software upgrade charges, but as of September 2000 they had not been deleted.

Table VIII

Baker Router and Network Communications Controller	Base Cost	Monthly* Payment	Total** Payments
Equipment Base Cost	$ 490,599		
Williams markup (30%)	147,180		
Cost Basis for Equipment Rental	637,779		
Oct 95 - Jan 96 Payments		$ 19,197	$ 76,788
Feb 96 - Feb 97 Payments w/2.5% CPI increase		19,677	255,801
Mar 97 - Mar 98 Payments w/3.3% CPI increase		20,326	264,238
Apr 98 - Oct 98 Payments w/1.7% CPI increase***		20,672	144,704
Total Equipment Rental Payments			741,531
Equipment Installation Charges			123,722
Software Upgrade Installation Charges			5,916
Total Rental and Installation Charges			871,169
Software Upgrade Base Cost	4,166		
Williams markup (30%)	1,250		
Cost Basis for Software Upgrade Rental	5,416		
Software Upgrade Aug 97 - Feb 99		163	3,097
Software Upgrade Mar 99 - Feb 00		165	1,980
Software Upgrade Mar 00 - Sep 00		170	1,187
Total Software Upgrade Rental Charges			6,264
Financial Impact of BRNC Project			$ 877,433

* Monthly payment is 3.01% of Cost Basis
**Aggregate monthly payments may differ from total payments due to rounding
***The BRNC hardware was removed from Schedule A in November 1998

In the final analysis, more than $877,000 was expended on this modestly-enhanced personal computer that was never placed in service. Although the BRNC was delivered and set up, there is no indication it was ever tested and installed. Moreover, Baker's former lead technical analyst indicated that, although the firm had intended to market the BRNC to other customers, its pricing to Aviation (its first customer) was meant to recover all product research and development costs.

We estimate the BRNC should have cost no more than $35,000 to $53,000. Our research indicates that similar multi-protocol network routers were commercially available at that time for $8,000 to $15,000, including software. Prospectively, the commercial market should be thoroughly researched for the availability of desired products prior to commissioning custom development of hardware or software, a practice that is inevitably more costly. Aviation should seek full recovery of the BRNC hardware and software installation costs ($129,638), as well as all monthly lease payments beyond the 24-month contractual minimum ($266,660)--a total of $396,298.

Baker Consoles

Over a two-year period through October 1999, two Baker 7750 consoles, two main servers and two telephony servers were leased from Williams at a cost of $399,438 (Table IX). Initially, monthly 7750 rental charges were $16,588 ($11,529 rent and $5,059 maintenance).

Table IX

Baker 7750 Consoles	Base Cost	Monthly* Payment	Total Payments
Equipment Base Cost	$ 294,631		
Williams markup (30%)	88,389		
Cost Basis for Equipment Rental	**383,020**		
Aug 97 - Feb 99 Payments **		$ 16,588	$ 315,174
Mar 99 - Oct 99 Payments w/1.6% CPI increase		16,853	134,824
Credit for Aug, Sep, Oct 99			(50,560)
Financial Impact as of October 1999			**$ 399,438**

*Monthly payment is 3.01% of Cost Basis plus maintenance fee
**No CPI increase applied during time period

The consoles are personal computer-based workstations that integrate radio and telephone communications (used by dispatchers, 911 operators, etc.), and each server is paired with a second server of the same type to provide fail-safe redundancy. Although the former Chief of Telecommunications contends the 7750 systems were to be evaluated for potential use in the planned new Landside Operations Control Room, the project stagnated and the equipment was installed in Williams Training Room, where it has remained unused since August 1997. According to Baker engineers, the new 7750 consoles could not be utilized because they were incompatible with the existing 6750s (an older model). Williams failed to advise Aviation that replacement of the older 6750 models could not be phased in by replacing individual units with the newer 7750s. After audit inquiries in September 1999, Aviation requested the deletion of the 7750 system charges from Schedule A; charges were removed in November 1999. In addition, a credit of $50,560 was issued covering the months of August, September and October.

Elevator Messaging System

In August 1996, at the request of both the then Deputy Director and former Manager of Facilities Maintenance, Aviation's Telecommunications Section began planning the expedited acquisition of a talking elevator system for installation in MIA Terminal garages 2 through 5. This system broadcasts pre-recorded English and Spanish messages at regular intervals, stating garage name and floor number. Informal bids to purchase and install the system were solicited, and responses ranged from $87,943 (Baker) to $278,375. Although there was no formal evaluation or ranking of bid responses, the former Chief of Telecommunications elected to lease the system from Baker through Williams.

In March 1997, Williams proposal was amended to include 90 presence sensors and broadcast messages to detect a person at the elevator landing. The initial monthly rent of $3,441 was based on 3.01% of Baker's bid price, plus Williams standard 30% markup totaling $114,326. Baker charged an additional $138,654 for installation, almost twice the initial amount quoted, and though never installed, the sensors were included on Schedule A. Monthly rent of $2,687 was billed over an 18-month period through January 1999. Following audit inquiries, a credit of $48,376 was applied to the February 1999 invoice. In September 1997, the Department requested an additional 21 elevator landings in Garage 7.

Table X

Elevator Messaging System

	Base Cost	*Monthly* Payment*	*Total Payments*
Garages 2 thru 5:			
Equipment Base Cost as quoted by Baker	$ 87,943		
Williams markup (30%)	26,383		
Cost Basis for Equipment Rental	**114,326**		
Aug 97 - Feb 99 Payments		$ 3,441	$ 65,383
Mar 99 - Feb 00 Payments w/1.6% CPI increase		3.496	41,955
Mar 00 - Sep 00 Payments w/2.7% CPI increase		3,591	25,135
Total Equipment Rental - Garages 2 thru 5			**132,473**
90 Elevator Landing Presence Sensors:			
Aug 97 - Jan 99 Payments		2,687	48,376
Garage 7:			
Equipment Base Cost	56,835		
Williams markup (73%)	41,604		
Cost Basis for Equipment Rental	**98,439**		
Feb 98 - Feb 99 Payments		2,963	38,516
Mar 99 - Feb 00 Payments w/1.6% CPI increase		3.010	36,122
Total Equipment Rental - Garage 7			**74,638**
Installation for Garages 2 thru 5			138,654
Installation for Garage 7			
Base Cost	17,563		
Williams markup (30%)	5.269		22,832
Total Installation Costs			**161,486**
Williams Processing Fees			122
Refund of Elevator Sensor Payments			(48,376)
Financial Impact as of September 2000			**$368,719**

*Monthly payment is 3.01% of Cost Basis

According to the Baker proposal provided by Williams, the equipment base price was $56,835, plus a 73% equipment markup of $41,604, which aggregated $98,439. An additional $22,832 was charged for installation, including Williams 30% markup of $5,269. It should be noted that the Agreement prohibits applying markups to labor charges. The aggregate $368,719 financial impact of the elevator messaging system is detailed in Table X.

Flight Information Display System (FIDS) Monitors

In 1995, American Airlines and the Federal Inspection Station (FIS) agreed to utilize Aviation's Flight Information Display System (FIDS), a computer-based network providing flight information for travelers. It was determined that 278 21-inch Sony monitors would be necessary to implement FIDS in new areas at MIA, with an additional eight ordered as spares. To expedite equipment acquisition, 150 monitors were purchased through Williams; the remaining 136 were procured through Midtown Video, an authorized County vendor. Aviation paid an additional $76,500 ($510 per monitor) procuring through Williams (Table XI). Aviation should have used an Emergency Purchase Order to purchase the 286 monitors through Midtown Video, achieving expeditious delivery without incurring additional costs by procuring through Williams.

Table XI

FIDS Sony Monitor Purchase Summary

Month Ordered	*Supplier of 21" Sony PVM-2950Q Monitors*	*Quantity Ordered*	*Average Cost Per Monitor*	*Total*
7-8/95	Williams	25	$2,061	$ 51,513
8/95	Williams	48	2,061	98,904
8/95	Williams	77	2,061	158,659
9/95	Midtown Video	136	1,551	210,936
Totals		286		$520,012

Network Engineer

From October 1995 through May 15, 1998, Williams was paid $446,683 for network engineer consulting services performed by Julio Gonzalez, which included $402,916 for labor and $40,446 for computer hardware and software. Both Williams and Aviation personnel indicated the former Manager of Facilities Maintenance requested Mr. Gonzalez' services.

Mr. Gonzalez was originally employed from November 8, 1993 through November 4, 1994 by Dade Aviation Consultants (DAC), the Department's capital construction consultant, as a Management Information Systems Specialist at a peak billing rate of $22 per hour. Mr. Gonzalez was a Novell networking technician and, while employed by DAC, he often worked with Aviation's Information Systems personnel. When he terminated employment with DAC in November 1994, he became an employee of National Systems Integrators, Inc. (NSI), a Williams subcontractor based in Atlanta. We believe NSI may be related to Baker, as its Chief Financial Officer is also Baker's corporate Registered Agent NSI invoiced Williams $56 per hour for services rendered by Mr. Gonzalez.

Williams then applied its customary 37.5% markup and handling fees, increasing the labor rate invoiced to $78 per hour. The latter rate represents a 254% increase over the rate DAC charged for Gonzalez' services (Table XII).

Table XII

Network Engineer	
Project Description	***Total Payments***
Novell Network	$ 191,766
CUTE	96,323
Unidentified Services	81,470
Miscellaneous Installations, Modifications, or Inspections	23,987
Bay Network Engineering & Coordination	7,333
Other Engineering Services	2,037
Total Data Technician & Consulting Services (Labor)	**402,916**
Hardware and Software	16,536
Novell GroupWise Equipment	16,114
Toshiba Tecra Laptop Computer	7,796
Total Equipment	**40,446**
Professional Development	3,210
Miscellaneous	111
Financial Impact as of May 1998	**$ 446,683**

For unknown reasons, in July 1996, Mr. Gonzalez was transferred to Williams payroll as a Field Engineer (billed at $76.95 per hour), later promoted to Sales Engineer and ultimately Data Supervisor ($103.58 per hour) until May 1998. In many instances, invoices did not itemize specific tasks performed, and more than half of the invoices examined were not authorized by Aviation technical personnel. Further, hourly rates paid for his services were excessive, and Aviation should take appropriate steps to ensure it pays no more than the prevailing market rate for contracted services. All contracted employees should regularly submit complete, approved timesheets detailing work performed.

Dato Electric

Williams used Dato Electric, Inc., (Dato), with whom it shares office space, to supervise miscellaneous construction projects as directed by Telecommunications officials. Williams initially increased Dato's billings by applying a 7.5% markup; however, in 1997, this markup increased to 30%. In those instances when Dato supplied detailed records, it was evident Dato had also marked-up its subcontractor billings, adding another layer of cost. For comparative purposes, Dade Aviation Consultants (DAC), the Department's General Consultant, does not mark up goods or services procured at the Department's request. In late 1997 and early 1998, Dato constructed a computer room for Williams offices in Building 3030 for $298,815 (Table XIII).

Table XIII

Computer Room Construction	
Subcontractors	$147,232
Air-conditioning	44,030
Fire suppression system	30,958
Miscellaneous materials	5,627
Compugrilles	1,314
Air-conditioning condensation detection	649
Total Dato and Subcontractors	**229,810**
Williams markup (30%)	68,943
Williams administrative processing fee	62
Total Paid by Aviation	**$298,815**

Although Dato submitted voluminous material price lists, required subcontractor invoices were not supplied. Further, there is no indication that work performed by Dato was inspected or approved by Facilities personnel. We also noted that in October 1997 Dato pumped out a manhole at Aviation's Fuel Tank Farm. In March 1998, Dato subcontracted with Magnum Environmental Services, Inc. to pump out a second manhole In both instances, the County's existing Environmental Services Contract DERM-04, specifically intended for situations such as these, should have been utilized.

Dato does not pay rent and Aviation should survey the office space occupied, seeking full recovery of back rent. Moreover, subcontractors should not be assigned jobs outside their specific areas of expertise. The Department should utilize existing contracts for small construction projects. Further, all subcontracted construction work must be inspected and approved by Aviation Facilities staff prior to payment.

Custom-made Furniture

In May 1996, the former Chief of Telecommunications authorized the purchase of custom-made Formica and plywood workstations and high-backed office chairs through Williams from Baker at a cost of $72,045 (Table XIV).

Table XIV

Custom-made Furniture	
Workstations	$44,344
15 Chairs	8,575
Immediate delivery charge	2,500
Sub-Total	55,419
Williams markup (30%)	16,626
Total Cost	$72,045

According to Williams and Aviation Telecommunications staff, this furniture was designed for the proposed Building Automation Control Center (BACC) in Building 3030, which would house various systems, such as HVAC (heating, ventilation and air-conditioning) and fire suppression, used throughout MIA. For unknown reasons, the furniture was prematurely ordered and delivered prior to project authorization by the Department Director. When the BACC project was not approved, a portion of the furniture was installed in the Facilities Division and the remainder placed in storage. This surplus equipment should be transferred to the General Services Administration for disposition.

Disaster Emergency Vehicle

In 1998, at the request of the former Manager of Facilities Maintenance, Telecommunications retrofitted a 14-year old Aviation Fire Rescue vehicle with specialized communications equipment to remotely transmit and receive information under emergency conditions. The vehicle was equipped with cellular and satellite telephones, fax, voice, data and video equipment, retractable mast and generator, with the capability of being linked to existing phone lines. Monthly rental fees for the telecommunications equipment totaled $31,444 and aggregate cumulative charges, including labor, processing fees and equipment rental, totaled $68,997 as of September 2000. However, this vehicle was never placed in service because County Fire Rescue has a similarly-equipped emergency mobile command vehicle. This lease should be terminated and the vehicle sold for scrap. Table XV details the financial impact of the Disaster Emergency Vehicle project.

Table XV

Disaster Emergency Vehicle

	Base Cost	*Monthly Payment*	*Total Payments*
Satellite communication equipment installation			$21,365
Labor (subcontracted to Dato Electric)	$6,679		
Williams markup (30%)	2,004		8,683
Drawings			683
Total cost of vehicle improvements from Williams			**30,731**
Video equipment purchased through County vendor			6,822
Total cost of vehicle improvements			**37,553**
Satellite communication equipment rental:			
Dec. 98 – Feb. 99 payments		$1,398	4,194
Mar. 99 – Feb. 00 payments, with 1.6% CPI increase		1,420	17,041
Mar. 00 – Sep. 00 payments, with 2.7% CPI increase		1,458	10,209
Total communication equipment rental			**31,444**
Financial impact as of September 2000			**$68,997**

(Totals rounded to nearest dollar)

Internet Access

Since September 1996, the Department's Internet access has been purchased through Williams and subject to 30% mark-up and processing fees. Procuring Internet access through Williams is not cost-effective. We understand the Department intends to establish its own Internet connection and we concur with this action.

OTHER MATTERS

Duplicate Payments

During our review, we found two instances of duplicate payments totaling $25,134. In one case, Finance made the initial payment from an unapproved original invoice, while the duplicate payment was issued based on a photocopy approved by Telecommunications personnel. In the other instance, the initial payment was made from a photocopy approved by Telecommunications, while the duplicate payment was issued from the approved original invoice. Unapproved or photocopied invoices should not be paid, and the $25,134 should be recovered.

Williams Rent Free Space

Williams occupies 14,332 square feet in Building 3030 for offices, however, no rent is received by the Department. This includes 2,013 square feet of air-conditioned space occupied by Dato Electric and 226 square feet used by Baker. During the past few years, Williams has been expanding to accommodate increased staff, and we estimate past rent and utility payments aggregate approximately $150,000. Aviation recently conducted a survey of the space being occupied by Williams and discussions are is in progress to recover prior rent and utilities fees. As of May 2000, Baker entered into its own lease agreement for space at MIA.

Insurance Coverage

Agreements with Williams do not specify limits for insurance and, in several instances, coverage is less than minimum County requirements. For example, automobile liability for tenants requiring Airside Operations Area (AOA) access should be $5 million combined single limit per occurrence. However, Williams is allowed to carry only $1 million in coverage, based on a permit granted by the Airside Operations Division. This deficient liability coverage should be rectified immediately, due to the frequent need for AOA access. Aviation's Airside Operations Division should also review other permits issued to ensure insurance requirements are consistent.

CJ:rmb

Attachments

c: Steve Shiver, County Manager
Harvey Ruvin, Clerk of the Courts
Robert Ginsburg, County Attorney
Steve Spratt, Senior Assistant to County Manager
Paul R. Philip, Senior Advisor to County Manager
Mayra Bustamante, Assistant Aviation Director for Business Management
Bobbie Phillips, Assistant Aviation Director for Administration
Sean P. Shaughnessy, Vice President, Williams Communications Solutions, LLC

Williams Telecommunications Contract Overview

Master Equipment Lease and Maintenance Agreement
* *Provides for the purchase or rental of the Telecommunications Systems at MIA*
* *Provides for the maintenance and repair of the Airport and Hotel Systems*

Lease Payments: $43,888,392

Shared Airport Tenant Service Agreement -SATS
Lease of communication services to airport tenants by Williams
Monthly percentage credit from leased services remitted to MDAD
Credits applied to Master Lease Payment

Other Services

Telecommunications Network Expansion Projects
Network/LAN Development and Other Expansion Projects
Systems Application and Southern Bell Support Projects

Installation Payments: $13,339,843

Representative Projects
CUTE, BRNC, Elevator Messaging System
Baker 7750 Consoles, Custom Furniture
AirportVision, Disaster Emergency Vehicle

Miscellaneous Construction Projects
* *Telecommunication Expansion Support*
* *Cable Infrastructure Installation*

Construction Payments: $931,482

Representative Projects
Phone & Conduit Installations
Fiber Cable Installations
Duct Bank Construction

Total Payments for Fiscal Years 1992 through 2000 - $58,159,717

Williams Communications Solutions
Schedule of Disbursements to Williams from Miami-Dade Aviation Department
For the Period October 1, 1991 through September 30, 2000

	FY 1992	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	All Years Total	Total Disbursed
Operating Budget											
Equipment Lease Payments	$ 1,625,288	$ 1,804,561	$ 3,210,101	$ 3,102,298	$ 3,707,987	$ 5,697,702	$ 7,271,701	$ 8,806,875	$ 8,661,879	$ 43,888,392	
Total Operating Budget											$ 43,888,392
Bond Funding-Capital Projects											
Network Expansion Projects											
Capital Project #6T600-2	-	357,610	1,148,936	489,374	-	-	-	-	-	1,995,920	
Capital Project #6T600-3	-	-	-	1,299,181	1,513,490	-	-	-	-	2,812,671	
Capital Project #6T600-4	-	-	-	-	696,329	2,556,325	170,322	-	-	3,422,976	
Capital Project #6T600ADF	-	-	-	734,638	859,912	309,104	1,015	-	-	1,904,669	
Capital Project #B191A	-	-	-	-	-	-	1,812,477	268,827	36,909	2,118,213	
Capital Project #B191ADF	-	-	-	-	-	-	272,774	19,811	2,440	295,025	
Capital Project #B191C	-	-	-	-	-	-	628,110	151,791	10,468	790,369	
Misc Construction Projects	-	-	46,272	-	7,582	224	294,655	153,959	428,790	931,482	
Total Bond Funding											14,271,325
	$ 1,625,288	$ 2,162,171	$ 4,405,309	$ 5,625,491	$ 6,785,300	$ 8,563,355	$ 10,451,054	$ 9,401,263	$ 9,140,486	$ 58,159,717	$ 58,159,717

Source: Miami-Dade Aviation Department Vendor History by Contract/Project No , provided by the Department's Information Systems Division

MDC1(7) 00852

Miami-Dade Aviation Department (MDAD)
Williams Communications Solutions
Project Authorization Analysis

IPON	Date	Description	Project Cost To Date[1]	MDAD Project Contact	Approval Signatures from MDAD: IPON	Williams Proposal	Lease Invoice[6]	Installation Invoice(s)
95-379 and	5/22/95	[illegible] (BRNC)	$ 877,[illegible] Sep 00	James Nabors	None Noted	None Noted	Maria Perez	Maria Perez
96-755[1]	10/29/96	BRNC Software Upgrade		James Nabors	None Noted	None Noted	Maria Perez	None Noted
95-601	8/14/95	Purchase 48 PVM 2950Q Sony Monitors and 12 4-channel DVCs for the Flight Information Display System (FIDS)	129,792	Stephen Podley	None Noted	None Noted	N/A[2]	Stephen Podley
95-483	7-8/1995	Purchase 25 PVM 2950Q Sony Monitors and 7 Infax DS-4 channel	69,531	Stephen Podley	Not Located	None Noted	N/A[2]	Maria Perez
95-646	8/30/95	Purchase 77 Sony PVM 2950Q monitors and 27 DVCs for the Flight Information Display System (FIDS)	228,137	Stephen Podley	None Noted	None Noted	N/A[2]	Stephen Podley
96-322	5/22/96	Provide Design Services for communications systems and furnishings to establish an interim Building Automation Control Center (BACC). Also, purchase FAA-approved chairs	72,045	James Nabors	James Nabors	None Noted	N/A[2]	Maria Perez
96-754	10/29/96	Provide CTI terminals for training/evaluation for future installation in MIA Terminal Operations Control Room (Daker 7750 Consoles)	399,438 Oct-99	James Nabors	None Noted	None Noted	Maria Perez	Not Applicable
96-755[1]	10/29/96	Audio Communication System for MIA Parking Facilities (Elevator Messaging System for Garages 2 - 5)	271,188 Sep 00	James Nabors	None Noted	None Noted	Maria Perez	None Noted
97-407[4] and	7/2/97	Install hardware and software to support 100 Common Use Terminal Stations (CUTE)	3,380,953 Sep 00	James Nabors	Richard Mendez, John Hamill, James Nabors	None Noted	Maria Perez	Maria Perez
97-118D[4]	10/24/97	Airport Vision Terminals		James Nabors	James Nabors	None Noted	Maria Perez	Maria Perez
97-495	9/25/97	Provide and install equipment for Garage 7 Elevator Messaging System	97,531 Feb-00	James Nabors	None Noted	James Nabors	Maria Perez	Maria Perez
98-192[5]	12/9/98	Miscellaneous work by Dato on Disaster Emergency Vehicle.	68,997 Sep-00	Maria Perez	None Noted	James Nabors	Maria Perez	Maria Perez
			$ 5,595,065					

Legend:

[1] The corresponding proposal for this IPON from Williams included the Elevator Messaging System and BRNC software upgrade. It should be noted that the IPON did not include the software upgrade as part of the requested service.

[2] In these instances, since there was a purchase of equipment, a monthly lease fee is not incurred. Thus, the individual authorizing the purchase is the same as indicated under Installation.

[3] Multiple IPONs were issued for this project, however, Telecommunications could only locate and provide the IPON noted.

[4] Project costs for CUTE and Airport Vision include multiple IPONs other than those listed. However, the total project cost is reflective of all CUTE costs.

[5] This schedule does not include all projects discussed in the audit report.

[6] The majority of rental invoices were authorized for payment by Maria Perez.

Titles: Richard Mendez/former Assistant Director for Facilities Development, John Hamill/former Facilities Manager, James Nabors/former Telecommunications Chief, Stephen Podley/Telecommunications Superintendent, Maria Perez/Telecommunications Supervisor

MDC1(7) 00853

Miami-Dade County

Audit and Management Services Department

MIAMI-DADE AVIATION DEPARTMENT

RESPONSE

MDC1(7) 00854

Final Exhibit
No. 216

MEMORANDUM

TO:	Cathy Jackson, Director Audit & Management Services Department	DATE:	April 4, 2001
FROM:	Angela Gittens Aviation Director	SUBJECT:	Response to Audit Report-- Williams Telecommunications Solutions, LLC

The Aviation Department thanks the Audit and Management Services Department for its comprehensive and thorough audit of the Williams contracts. Many of the findings discussed in the Audit Report have been addressed by the Aviation Department, beginning in March 1999 and continuing to the present, as shown in the following reports and directives:

- CUTE Issues (Assistant Aviation Director for Standards and Compliance to Aviation Director, March 19, 1999)
- CUTE Accounting Issues (Assistant Aviation Director for Standards and Compliance to Assistant Aviation Director for Business Management, April 14, 1999)
- Wiltel Contract Management Review (Assistant Aviation Director for Standards and Compliance to Aviation Director, May 10, 1999)
- Telecommunications Contracts (Aviation Director to Senior Staff, May 27, 1999)
- Telecommunications Contracts (Assistant Aviation Director for Standards and Compliance to Aviation Director, June 15, 1999)
- Utilization of the Wiltel Communications Contract (Aviation Director to Senior Staff, June 18, 1999)
- Utilization of the Wiltel Contract (Assistant Aviation Director for Standards and Compliance to Project Manager, Facilities, July 1, 1999)
- Status Report (excerpt), (Assistant Aviation Director for Standards and Compliance to Aviation Director, October 18, 1999)
- Relationship of Williams Communications to Baker Audio, Inc. (Assistant Aviation Director for Standards and Compliance to Aviation Director, December 15, 1999)

Copies of these documents are appended to this memorandum.

In early 1999, upon learning of contract concerns from Standards and Compliance Division management reviews, the Aviation Director moved to curtail utilization of the Williams contract to procure goods and services (see June 14, 1999 memorandum, above), and subsequently informed Williams that its existing contracts would not be renewed. Instead, all acquisitions of new or additional equipment were to be accomplished using established County procurement procedures, including competitive bidding, where appropriate. This policy remains in effect.

Other actions (some of which are detailed in the above memoranda) have been taken in the period from March 1999 to the present to ameliorate the weaknesses in the Williams contracts and facilitate the transition to an Aviation-owned and –managed infrastructure. To assist in the transition, the

Department has obtained the services of consultants with in-depth experience in major airport telecommunications and network systems, including situations similar to the Department's. To achieve high-level consensus on technology strategy, the Airport Systems Task Force, a multi-disciplinary group of Aviation and business partner representatives meets regularly to advise the Aviation Director on technology policy and serve as a vehicle for formulating that policy (including a strategic plan). However, specific details of actions taken and planned cannot be discussed because of Airport security constraints.

Organizational changes have also been made to prevent recurrences of similar situations. The Telecommunications Section has been placed under the management and supervision of the Information Systems Manager and the Assistant Aviation Director for Administration. This makes the most organizational sense, and also provides the appropriate level of technical supervision for the Section. A Procurement Division, headed by an Assistant Director, has been created and is charged with ensuring that all procurements are consistent with County policy.

Finally, most of the abuses detailed in the Audit Report and in Aviation documents are directly traceable to the activities of the former Chief of Telecommunications, the former Facilities Manager, and the former Assistant Director for Facilities Management. Of these, one has been convicted of criminal charges, and another is under criminal investigation. All three have left the Department. Had an internal watchdog agency existed when the events described in the Audit Report were happening, these activities would have come to management's attention earlier. The Standards and Compliance Division, established January 1, 1999, will continue to review internal practices and operations. To further heighten staff awareness of the responsibilities and potential abuses of contract management, the Standards and Compliance Division conducted mandatory training for all Aviation staff functioning in this capacity (see attached memorandum, Aviation Director to Staff, November 1, 1999).

SUMMARY RESULTS

The Department notes the following regarding the Summary Results, with which it otherwise concurs:

- As detailed below, Aviation has conducted a comprehensive inventory of leased equipment.
- The broad interpretation of the Williams Agreement (page 2) was set forth in a written document issued by the County Attorney's Office.
- The Department acknowledges that the Williams contracts, well-crafted and appropriate when written in 1982, are inadequate today due to changes in technology and the Department's needs. It also acknowledges that these documents should have been revised to reflect these changes, rather than renewed in substantially their original form. It is this deficiency, rather than

"loopholes," which has permitted distortion of leasing provisions to acquire equipment not directly related to the Department's telecommunication needs, ostensibly to expedite the procurement process.

As to specific recommendations in Summary Results:

Aviation must assume control of MIA telecommunications infrastructure. The Department concurs.

Contracts with both the primary telecommunications provider and prospective subcontractors should be properly structured to clearly articulate actual costs, commission/markups, and vendor responsibilities. The Department concurs.

In general, telecommunications components and related software should be purchased rather than leased. The Department concurs.

The approval and acquisition of telecommunications equipment/services must be strictly and consistently controlled, and established procurement procedures should be followed. The Department concurs.

Aviation must develop a justification document for every system or plan being considered for implementation. The Department concurs.

Airport telecommunications procurement activities and charges must be continuously monitored. The Department concurs.

Aviation project consultants must be neutral, independent and objective, and avoid any appearance of impropriety or conflict of interest.
The Department concurs, emphasizing that all consultants utilized for telecommunications-related work from March 1999 to date have been highly qualified and have given no indication or appearance of impropriety or conflict of interest.

FINDINGS AND RECOMMENDATIONS

Contract Expenditures

The Department concurs that it paid excessive lease rates, noting that the Department has repeatedly requested equipment cost bases and interest rates, among other leased equipment information, from Williams. To date these requests have been denied. The Department also concurs with the remainder of the finding.

The Department concurs with the recommendation, noting that authorized signature listings (which have varying levels of signatory authority) are approved by Assistant Aviation Directors and updated annually. When this responsibility is properly assigned, the signature listings are an effective internal control device.

Telecommunications Cabling Strategy and Charges

The Department concurs with the finding. Physically inventorying cable is not an option due to physical plant complexities and estimated prohibitive cost. The Department does, however, have an acquisition plan which is being given the highest priority.

Lease Payment Adjustments

The Department concurs. Cost items noted in the finding will be included in negotiations with Williams.

Billing and Inventory

The Department concurs. An inventory of Schedule A items, performed by an independent consultant, began November 16, 1999 and concluded in March 2000. To date, however, Williams has not agreed to modify Schedule A as recommended by AMS and requested by the Department. Accurate, properly documented support for all leased equipment, especially cabling, remains a top priority for the Department.

SATS Agreement

The Department concurs that the report of the independent accountant does not present sufficient information for management decision-making or for determining the propriety of credits paid the Department. The Department wishes to emphasize, however, that the Finance Division has repeatedly questioned the format of the independent accountant's report over the last several years and its choice of independent accountant (rather than the Department's), but has been rebuffed by Williams.

The Department also concurs with the recommendation that future agreements be more comprehensive, and will formally request that the last five years of SATS Agreement operations be audited by a certified public accounting firm selected by the Department (as required by the contract).

Specific Project Cost Analysis

As noted above, the Department concurs and has been attempting to correct the situation since March 1999.

Common Use Terminal Equipment (CUTE)

The Department concurs. Cost items noted in the finding will be included in negotiations with Williams. The Department is in the process of reviewing a number of options for implementing CUTE using its own license.

See March 19, 1999 memorandum (CUTE Issues) for further articulation of the Department's position.

Network Maintenance

The Department concurs with the finding, but considers implementation of the recommendation not cost effective, as the obsolete equipment has little or no value. It will be scrapped.

Terminal Fiber for Live Media Feed

The Department does not concur that the lease on this cabling should be terminated, because it is being used for a number of Aviation applications and will be used for many more in the future, as fiber optic cabling is now the Departmental standard.

Garage Crisis Alert System

The Department concurs that analysis indicates that this system should have been purchased, rather than leased. It replaced an obsolete SL-1MS system that did not comply with the Americans with Disabilities Act, and has extensive reporting capabilities lacking in its predecessor.

Baker Router and Network Communications Controller (BRNC)

The Department concurs, and has again demanded that the software upgrade be removed from Williams' monthly billing and a credit issued for amounts charged since December 1998.

Baker Consoles

The Department concurs, noting that the initiator of this acquisition has been convicted of receiving gifts from this vendor. It should also be emphasized that the Department removed the consoles in 1999 and promptly discontinued payment at the conclusion of the 24-month minimum lease period.

Elevator Messaging System

The Department concurs. Cost items noted in the finding will be included in negotiations with Williams. It should be noted that the Department requested that the Messaging System be removed in December 1999.

Flight Information Display System (FIDS) Monitors

The Department concurs.

Network Engineer

The Department concurs that Mr. Julio Gonzalez' services should not have been procured through Williams, that the 30% markup and handling fees applied to his hourly rate were unnecessarily expensive, and that specific work performed was inadequately documented and authorized. The practice of acquiring contract labor through a vendor is now specifically prohibited and all hourly work must be properly documented and approved prior to payment by the Finance Division. It should be noted, however, that the hourly rates paid for Mr. Gonzalez' work as a Williams employee were those specified by the Williams' contract for the positions he occupied.

Dato Electric

The Department concurs. The Department presently has included the space occupied by Dato in the unsigned Williams lease, but is formulating a separate lease for Dato to take effect after the conclusion of Williams' contracts.

It is the Department's policy to use existing contracts (including Miscellaneous Construction Contracts and DERM contracts) to perform needed occasional services. As noted above, Aviation employees have been specifically prohibited from using contracts such as Williams' to provide goods or services outside the scope of the contract.

The Department no longer pays invoices which include subcontractor work unless accompanied by subcontractor invoices. In this specific instance, Williams has been notified that its invoices must include those of all subcontractors billed

Custom-made Furniture

Although the Department concurs that the rationale for acquiring this equipment, as well as the procurement method and cost, is unacceptable, it cannot agree with AMS' recommendation. As items auctioned by the General Services Administration generally recoup a very small portion of the original cost, the Department intends to utilize the stored equipment as soon as is practicable, and keep it in service for its entire useful life for maximum cost recovery.

Disaster Emergency Vehicle

The Department does not concur. Following the Fine Air crash, and the attendant communications difficulties (including overloaded cellular circuits), the former Aviation Director requested that the former Manager of Facilities Maintenance establish an Aviation mobile command post. The vehicle discussed in this finding is currently in use by the Airside Operations and Security Division, and has been utilized for its intended purpose since late 1999. Although management agrees that the method of procuring this equipment should have been properly analyzed (as set forth in the Audit Report) and the most cost-effective alternative selected, the need was legitimate. Most major airports have considerably larger and more complex mobile command vehicles. To this end, the Department has acquired and refurbished a bus, and intends to retire the smaller emergency vehicle when the bus is fully operational.

Internet Access

The Department concurs. In July 2000, the Department took back control of the hardware portion of Internet contact and the firewall. The Department is currently in the process of assuming responsibility for directly paying its service provider, rather than doing so through the existing Williams contract. It should be noted that the process of transferring these responsibilities to the Department has been prolonged by Williams' resistance.

Duplicate Payments

The Department concurs. The $25,134 overpayment will be included in the Department's negotiations with Williams.

Williams Rent-Free Space

The Department concurs. In conjunction with its comprehensive re-evaluation of space supplied to vendors, on March 10, 2000, Williams was asked to sign a lease for the space it currently occupies. Williams has formally indicated that it intends to litigate this matter.

Insurance Coverage

The Department concurs that Williams' contracts with the County do not contain required insurance coverage limits. However, it does not agree that Williams should be immediately required to raise its automobile liability to $5 million. Over the last several years, insurance coverage required by Airside Operations Area (AOA) access permits has fluctuated from $5 million to $1 million, and back again to $5 million, based on periodic reassessments. Current policy requires AOA permit holders to maintain the coverage mandated at the time of issuance. Up- or down-grades are required when a permit is renewed.

AG:al
Attachments
c: Steve Shiver, County Manager
Abigail Price-Williams, Assistant County Attorney
Steve Spratt, Senior Assistant to the County Manager

MEMORANDUM

To: Gary J Dellapa, Aviation Director
Miami-Dade Aviation Department

Date: May 10, 1999

Subject: Wiltel Contract
Management Review

G.T. Arnold

From: G. T. Arnold, Assistant Director
Standards & Compliance

As directed in your memorandum of January 22, 1999, a management level review has been conducted of the Wiltel contracts used by the Aviation Department. Analysis of the contract documents and the Department's utilization of those contracts was supplemented by field inspections and interviews with Aviation Department personnel. Information was coordinated with Ms Anne Lee, Audit and Management Services, who is currently conducting an audit of the Wiltel contracts. While her detailed audit results should be available within a few weeks, certain management issues have been identified which can be addressed at this time. The following summarizes my findings, along with recommendations for future actions.

BACKGROUND:

On September 9, 1982, the County entered into two contracts with the Centel Communication Company (Centel). The Equipment Lease and Maintenance Agreement (Master Equipment Lease) provided for the installation and maintenance of the telecommunications system and related equipment for the Airport and Hotel. The Shared Airport Tenant Service Agreement (Service Agreement) allowed the vendor to use the telecommunications equipment and facilities within the airport to provide services to airport tenants for which the vendor (Centel) pays the County a monthly fee plus a percentage of the gross revenues. A dispute over fees owed was settled February 7, 1988 and both contracts were renewed in the same basic form as originally written.

Since 1982 the original vendor has gone through several business mergers becoming Williams Telephone (Wiltel) and most recently Williams Communications, Inc. During this same time period both basic contracts have been repeatedly renewed without significant modification or updating to reflect changes in technology and the communications market. Under the Master Equipment Lease contract Wiltel provided the airport's telephone system (originally a 1980's analog system with telephone instruments and SL-1XT master switch), the airport terminal audio system (audible announcements and paging) and a rudimentary, limited and small computer network (a "Token Ring" style twisted pair and node system). The contract provides the vendor a monthly lease amount for all the equipment installed including cabling, hardware and software. Most significantly, all equipment installed remains the property of the vendor. As additions were made to the system over the years, the monthly lease payment to the vendor has increased substantially

As communications technology advanced and as the Airport grew, our telecommunications needs changed drastically. The telecommunications system grew in size, complexity and in technology being used. Today we operate a fully digital fiber based ATM network running with NT software and providing service to a variety of sophisticated hardware and software sub-systems. General terminology in the original contract allowed the installation and lease of "other DCAD approved systems" and related equipment. This language was broadly interpreted to allow the acquisition, by leasing through the Wiltel contract, of a variety of additional equipment. The result was the lease of such items as the Flight Information Display System (FIDS), Common Use Terminal Equipment (CUTE), Airport-Vision displays, Audible Information System for Elevators, Communications Mobile Command Vehicle, Communication Switching Consoles, etc. Upgrades and expansions of existing systems, including wiring and cabling, were also "leased" under the contract. This was done without using the County's competitive procurement process by accessing the "lease" provisions of the contract.

RECOMMENDATIONS:

1. **The current telecommunications contracts should not be renewed in their present form when they expire.** Both the Master Lease Agreement and the Service Agreement should be rewritten to reflect the current state of telecommunications technology and current industry standards in outsourcing telecommunications service needs. The current contracts are due for renewal on February 6, 2002, therefore, sufficient time exists to adequately craft new Requests for Proposal (RFP's) to remedy the problems identified with the existing documents. Competition from the marketplace, including our current vendor, will only serve to improve the cost effectiveness of our telecommunications contract. The existing contract includes a "buy out" provision requiring the Department purchase infrastructure and related equipment owned by the vendor and currently being leased by the Department. While this one time cost could be quite substantial, a properly prepared RFP could ameliorate the financial impact by including much of the buy out cost as a part of the new vendor's contractual responsibility.

2. **The Department should change the current practice of renting basic mechanical/analog telecommunications infrastructure hardware.** The new contracts should identify the difference between mechanical/analog infrastructure (wires, cables, connectors, manual switches, equipment storage frames, etc.) which change little over time and need not be leased, and electronic hardware/software which require frequent upgrades. The contracts should specify that all mechanical/analog infrastructure, once approved by the Department as meeting technical requirements, become the property of the Department.

3. **No additional equipment should be leased under the existing telecommunications contract unless specifically related to the telephone system, computer network or terminal audio system.** The leasing of equipment under the Wiltel contract allowed rapid acquisition of these items without competitive bidding. While the reason given for this practice was the ease and timeliness of leasing new systems as compared to using the County's complex and time consuming purchasing process, the checks and balances of the County's procurement system were bypassed. Those checks and balances provide a vital part of government's duty to promote public integrity and fairness

4. **The Department should acquire the services of an expert in the telecommunications field.** The Department has been at a distinct disadvantage in the past due to the lack of internal expertise in the network/telecommunications arena. Departmental personnel basically just listened to the vendor's "experts" and took their advice. The vendor would tell us what we needed to do or what new equipment we should have. Lacking an independent professional opinion, we usually just implemented the vendor's recommendations, often resulting in additional equipment and increased lease costs Whether through a consultant or a full time County employee, the Department needs a professional telecommunications manager with appropriate educational credentials and real world experience to guide our activities in this vital area.

5. **The Department should re-evaluate the operational need for the "additional equipment" currently being leased and drop from the lease agreement as soon as possible those items not absolutely essential.** Some of this equipment, like the "talking elevators", has minimal operational necessity. Other items could be replaced through the normal County procurement process. While the contract provides a substantial penalty for ending the lease on any piece of equipment in less than two years, this time period has run for many of these items or is almost up for the other systems in question. All non-essential items should be off the lease agreement, and replaced where needed before the expiration of the existing contracts.

6. **The current practice of "aggregate billing" permitted under the contract should be changed.** Wiltel provides monthly aggregate bills for services performed. The bill does not identify which work was done for which purpose or sub-system being maintained. This is not addressed in the contract and makes accurate cost evaluations by project or purpose difficult. This aggregate billing practice will be a major issue identified in the audit. An agreement should be reached with the vendor to provide more specific billing

7. **The Department and the vendor should work together to produce an accurate list of all equipment and infrastructure resources currently in place.** The auditor has indicated that existing written records are not accurate. It is unclear just what items of equipment exist, where they are actually located, and which items (including cabling) belong to the County versus belonging to the vendor and therefore are subject to lease charges. Having accurate data in this area is essential before any transition to a new contract The current vendor will

certainly wish to bid on the new RFP and their past performance will just as certainly be a selection factor. This provides motivation to cooperate with the Department in making this and other needed adjustments to the current contract.

SUMMARY:

The Wiltel contract, well crafted and appropriate when written in 1982, has not been updated to keep pace with changes in technology and changes in the Department's needs. The leasing provisions of the contract were used to acquire equipment not directly related to the Department's telecommunications needs, ostensibly to expedite the procurement process. The Department came to depend almost completely on the vendor's technical advice when making far reaching strategic decisions about equipment and telecommunications planning. A series of ill-advised decisions by the Department, coupled with poor contract terms, has put the Department in an unfavorable financial position Action should be initiated now to remedy this situation.

GTA/ga

c: Amaury Zuriarrain, Deputy Aviation Director
Mayra Bustamante, Assistant Aviation Director for Business Management
Bruce Drum, Assistant Aviation Director for Airside and General Aviation Airports
Narinder Jolly, Assistant Aviation Director of Facilities Development
Nelson Oramas, Assistant Aviation Director for Security and Operations
Bobbie Phillips, Assistant Aviation Director for Administration
Esterlene Lewis, Associate Director for Minority Affairs
Ana Sotorrio, Associate Director for Governmental Affairs
Lauren Stover, Associate Director for Public Affairs

Attachment 4

Williams.

BYRON MOORE
Senior National Account Manager
305/876-7277
305/876-0699 office fax

P.O. Box 998526
Miami, Florida 33299
www.wilcom.com

December 17, 1998

Mr. Gary J. Dellapa
Aviation Director
Miami-Dade Aviation Department
Miami International Airport
P.O. Box 592075
Miami, Florida 33159

Dear Mr. Dellapa:

Williams Communications Solutions is proud to be a part of the dynamic growth and expansion of Miami International Airport (MIA). Williams owns and operates the airport's state of-the-art fiber optic-based communications network, integrating cutting-edge voice, data, and video technologies over eight million feet of fiber optic cable. The Williams network supports 7,000 telephones, 1,400 computers, hundreds of security cameras and multiple software applications for the MIA community.

Moore/Dellapa Sum. Ltr. 12/98.

This leading edge technology and equipment are making MIA an 'airport of the future'. Williams believes it can make a positive contribution to the future of MIA and is proud to participate in continued growth. With recent resignations and retirements of key personnel, it is essential to avoid any disruption or delays in communications service and ensure quality service to the public. For this reason, Williams requests that the County take two steps:

1) Assign the oversight of Williams' contract to an experienced project manager with the training and required technical background in networking and computers.

2) Assign an independent consultant to review whether the County should continue outsourcing the enterprise network or whether the County could purchase the network and assume the responsibility and cost of its operation. As you know, the contract between Williams and Miami-Dade County comes up for renewal in 2002.

Miami-Dade County has periodically retained consultants including Price Waterhouse, Hancock and Hannon, HNTB, Deloitte & Touche LLP, Sabre Decision Technologies, and others to review portions or all of Williams outsourcing agreement with the County.

With an outsourcing agreement is it important to have the analysis conducted by a third party for the following reasons:

- In an outsourcing situation an organization's in-house staff is inherently subject to criticism for either favoring the vendor or attempting to create or retain jobs for the County's staff.
- Only a consulting firm has the experience and experts on staff in multiple disciplines (finance, networking, and computers) to properly evaluate a complex outsourcing agreement.

P.08/

AUG-28-1999 08:41

- The magnitude of the County's investment (30 to 40 million) to purchase Williams' enterprise network.
- The multi-million dollar annual budget required for the networks operation and staffing.
- The millions in annual capital required to expand the network and to fund technology refreshes.

Williams provides MIA with a state-of-the-art enterprise network for the daily operation of critical airport systems and Williams believes it is strategically important that MIA continue to have a leading-edge digital enterprise network to support its progress into the next century. MDAD showed its leadership in 1982 when, through a competitive bid process, the County outsourced MIA's communications network to Williams. Outsourcing was rare then but a common occurrence today and Williams believes outsourcing continues to be MIA's best alternate for obtaining enterprise networking services.

Subsequently, Williams invested tens of millions of dollars in equipment and staff to deploy and implement a state-of-the-art digital enterprise network. MIA requires this type of technologically advanced network for the airport's expansion and for the explosive growth currently occurring in digital communications. In the last two years, Williams has expanded MIA's local area network's (LAN) backbone capacity by over 1,000 percent. Based on MIA's forecasted growth Williams will need to double or triple the LAN's capacity in the next 12 to 18 months.

We look forward to being a part of MIA's future and serving the communications needs of clients such as:

Miami-Dade Aviation Department
Center for Disease Control
American Airlines
British Airways
TWA
Host Marriott

United States Department of Agriculture
AT&T
United Airlines
Continental Airlines
Fine Air
Sirghany

Williams has engineered, designed, and deployed the enterprise network in close coordination with the MDAD's consultants and staff. The network is critical to the safe and efficient operation of the airport and the two steps recommended above will ensure MIA continues to benefit from a leading edge communication's network.

Your attention to these matters is greatly appreciated.

Sincerely,
Byron Moore

Byron Moore

Senior Manager – National Accounts
Williams Communications Solutions, LLC

Attachment 5

3072-

Memo of Understanding

To: Maria Perez, DCAD

From: Dale Henderson

C.C.: Pat Palmieri, Tom Dessert, Byron Moore, Jim Nabors, Lorraine Jones, Guelsys Copin, Tracy Dennis

Date: April 2, 1998

Re: Memo of Understanding

The following billing issues were agreed upon at a meeting between Maria Perez and Dale Henderson, and are being put into writing to ensure understanding between both parties.

- MAC work that is done by Williams technicians, or subcontractors, but is per Exhibit "C" or "Time & Material (Williams technician only) " is billed on Schedule B or N.
- If subcontractor work (i.e.; Cabling), is required and the work exceeds – Exhibit "C" amounts – the subcontractors charges are marked up 30% and is billed on – Schedule C.
- If subcontractor is required to do work that is not on Exhibit "C", (i.e.; Conduit installation) these charges are marked up 30% and billed on - Schedule C.

At this point Williams is cutting three (3) invoices for the work, then separated on the Schedules.

Maria Perez has agreed, having several invoices for one IPON is not necessary." Williams Communications Solutions can provide one invoice for the total work done, but broken down on the invoice the detail of what has been performed, i.e.:

INVOICE XXX
DCAD

(1) CABLE INSTALL 1 LEVEL 5 CABLE [illegible] 1 @ [illegible] - [illegible]
(2) CONDUIT INSTALL DATE [illegible] XXX [illegible] * 30% = [illegible]
(3) ADD USER TO NETWORK 1 @ [illegible] - [illegible]
PROCESS FEE: [illegible]
TOTAL LABOR: [illegible]

**ADD (1) LVL 5 CBL [illegible] (1) @ [illegible] - [illegible]

Then separate the amounts to the appropriate schedules (spreadsheets).

Schedule N weekly spreadsheet for XXX

Ipon	Ticket	Invoice	Line	Description	Rental Qty.	Install Qty.	Rental Total	Install Total
Xxx	xxx	xxx	1	Cable installation		1		[illegible]
Xxx	xxx	xxx	2	Add user to network		1		[illegible]
Xxx	xxx	xxx	3	**Add (1) Lvl. 5 cbl.**	1		3.39	

Schedule C Weekly spreadsheet for XXX

Ipon	Ticket	Invoice	Line	Description	Rental Qty.	Install Qty.	Rental Total	Install Total
Xxx	xxx	xxx	1	Conduit installation		1		[illegible]

1

[illegible]

April 2, 195

Maria has also stated, that it is not necessary for Williams Communication to supply DCAD with all backup paper work such as; subcontractor invoices if work performed was per Exhibit "C" or an approved quote. But if work is on a Time & Material basis and exceeds Exhibit "C", the back up paperwork will be necessary.

We are agreeing, per both parties that this is the format in which billing for DCAD should be done.

Dale Henderson, Williams Communications Solutions

M. Perez

Maria Perez, Dade County Aviation Dept.

TOTAL P.03

Attachment 6

Williams

Williams Communications Solutions, LLC

July 20, 1998

MEMO TO ALL CONCERNED:

The following is the billing procedures for DCAD telephone moves, adds and changes, (MAC) requests for DCAD approval IPON's:

1a. For installation of 1 to 5 telephones, DCAD will be invoiced in accordance with Exhibit C. Model 2008B, .5 hours of technician time ($41.43) and model 2616D, 1 hour of technician time ($82.85). (DCAD retains the option of requesting a price quote on all new installations)

b. For installation of 1 to 5 cables (dual run level 3 and level 5 cables, single run level 3 or level 5 cables), where conduit may or may not be required, DCAD will be invoiced on subcontractor's time and material plus a 30% mark up.

2a. For installation of 6 or more telephones, DCAD will be invoiced per price quote

b. For installation of 6 or more cables (dual run level 3 and level 5 cables, single run level 3 or level 5 cables), where conduit may or may not be required, invoicing will be per quote.

3. Programming changes or adding features to existing telephones that require CSR and Technician time will be billed using CSR and Tech rates on a time and material basis. This time can be billed in quarter hour increments. (DCAD retains the option of having telephone units installed per exhibit C pricing but must be stated on IPON).

4. For all existing telephone service requiring cable and jack to be relocated, DCAD will be invoiced the same as the installation of new cables. Telephones relocations will be invoiced as per exhibit C pricing. (No additional rental is involved in this type of work)

If additional clarification or changes are needed, please contact Maria Perez at ext. 876-7092 or myself at ext. 869-8582.

Thomas E. Dessert
Thomas E. Dessert
Project Manager

Maria Perez
Maria Perez
Supervisor, DCAD
Telecommunications Division

Final Exhibit
No. 220

MDC1(7) 00939

FEB-25-2000 06:10

Attachment 7

107.07-17A

MEMORANDUM

TO: Pedro de Camillo
Williams Communications Solution

DATE: February 22, 2000

SUBJECT: Telecommunications Request

FROM: Maurice Jenkins, Manager
MDAD, Info. Systems/Telecommunications Div.

1

This will revise the procedures outlined in the letter of agreement dated July 20, 1998, attached, as follows:

- Williams will perform conduit work for priority one requests that are deemed of emergency in nature. This applies to work orders for installations of 1 to 5 voice/data lines. All other requests and installations of more than 6 voice/data lines will be performed by others.

- Williams is to perform work upon the issuance of an internal purchase order number (IPON) by ISD/Telecommunications. A description of the scope of work will be entered in the Infortel work order system The hard copy of the users' request for service will be kept by ISD/Telecommunications on file for reference.

These procedures will become effective immediately. Please feel free to call me if you have any questions.

MJ:MP/mclg

c: G. Dellapa
A. Zuriarrain
B. Phillips
T. Arnold
M. Perez
J. Lira
L. Jones
G. Copin
Control File

Final Exhibit
No. 221

MDC1(7) 00940

BROAD AND CASSEL

ATTORNEYS AT LAW

Attachment 12

TELEPHONE 305.373.9400
FACSIMILE 305.373.9443
www.broadandcassel.com

RONALD A. SHAPO, P.A.
DIRECT LINE (305) 373-9425
DIRECT FACSIMILE (305) 995-6426
EMAIL: rshapo@broadandcassel.com

November 3, 2000

<u>Via Facsimile (305-876-0948) & U.S. Mail</u>
Mr. Gary Dellapa
Director
Miami-Dade Aviation Department
P.O. Box 592075
Miami, FL 33159-2075

Re: MDAD Planned Procurement of a New Telecommunications Network

Dear Mr. Dellapa:

On July 19, 2000 and September 15, 2000 Williams Communications Solutions ("WCS") received letters from Maurice Jenkins concerning the County's apparent decision (1) not to purchase the existing telecommunications network from WCS, and (2) to purchase and install its own network in anticipation of the contract termination date of February, 2001. In light of these letters, as well as other issues that have arisen, WCS has made several records requests in order to understand the County's basis for certain actions. One of these records requests dealt with documentation concerning the planned purchase of the new network. By a letter dated October 10, 2000 from Bobbie Phillips of your office (a copy of which is attached hereto), WCS was advised that, with the exception of <u>one</u> document dated September 27 entitled "MDAD Network Master Plan NET2 Project" (the "Memo"), the Aviation Department did not have any documents regarding the procurement issue (however, review of other documents produced include clear directives regarding the planned procurement and that is the subject of a follow-up request).

The Memo raises numerous issues with respect to erroneous beliefs that the County apparently holds regarding WCS' positions on issues and its network functions, as well as the County's ability to procure a new network in fifteen months. Furthermore, it is evident from the Memo that the Department intends to utilize all or portions of the acquisition prior to February 7, 2002, which is also prohibited by and inconsistent with the terms and purposes of the Williams contracts. In addition, the Memo evidences an intention to upgrade Williams equipment which cannot be done except through and with Williams. The Memo also thereby fundamentally conflicts with the purposes and intentions which were represented as fact in the Department's earlier communications on that topic. Specifically, it stands in stark contrast to MDAD's repeated statements that any acquisitions of duplicate equipment were going to accomplished by competitive bids which Williams would be invited to participate in. As our client earlier pointed out, although the Department might theoretically seek to make needless acquisitions of non-functional duplicate equipment, such acquisitions would make no economic, technological or operational sense for the County. On that basis, even if Williams was a successful bidder (which the Department stated would be pleasing outcome) and would therefore obviously have the opportunity to make additional profits, the proposal still would not be in the best interest of the Department.

We are constrained to reiterate the fundamental contractual principle that acquisitions of ALL telecommunications equipment of the type which Williams has available for distribution (explicitly including Nortel equipment), or which it has previously furnished to the Airport, MUST be acquired from Williams. Accordingly, the County will remain fully responsible for all damages incurred by Williams in the event that the Department acts under the Memo to acquire such equipment from any other source in violation of the existing agreements with Williams. Furthermore, if the Department determines to proceed in accordance with its earlier expressed concept to effectuate a possible proposed acquisition of redundant, duplicate and completely non-functional equipment, but fails to do so in accordance with its representations that any such acquisitions would be based on competitive bidding by the lowest responsive and responsible bidder, then such "actions" would be a transparent attempt to circumvent the requirements of Williams' agreements; and the County would be responsible for the breach of its obligations thereunder.

Williams believes that there are numerous other fundamental misunderstandings and/or misstatements contained in the Memo. Action based thereon would therefore place the Airport at risk operationally, independent of any violations of the Williams contracts which might result therefrom. For example, even an initial review of the Memo reflects that there does not appear to be any provision made for the continuation of the Shared Tenant Services network. That would be most inappropriate and disruptive.

Section 10.0 of the Memo, which states that "Williams management has refused to consider contract re-negotiation, contend that [the] purchase option is all at $66 million, or nothing, and will not consider selling any of their equipment or infrastructure to a competitor." WCS is quite surprised by this statement because WCS has never stated, much less demanded, that it would sell the network for $66 million. We would be greatly interested to know how and when this figure was obtained and from whom. As stated in the previous letters to you, in light of MDAD's announced decision not to purchase the network, WCS has not completed the very extensive and detailed calculations and work necessary to provide the buy-out figure. Be advised, however, that the amount would be **far less than $66 million**. WCS believes that this gross misconception as to a buy-out price may be the basis for the County's decision to proceed with installing a new network. Hopefully, the County will reconsider its decision not to purchase, in light of this information. It would then be reasonable and sensible for Williams to complete efforts to provide a quote for the sale of its network, and we would do so as promptly as possible.

The Memo has a timeline detailing the planned completion dates for the planning, procurement and installation of the new network. Last year, you instructed that the procurement process begin, but the Department's October 10th letter indicates that nothing concrete has been done to this point Poignantly, it is also significant that the portion of the acquisition, installation and testing of the portion of the Williams Network which appears to be referenced in the Memo is not scheduled for completion until September 28, 2001 - - which assumes a September 15, 2000 start and perfect compliance with the schedule.

There is certainly little question that Department actions which are in conflict with the contract only serve to complicate and delay performance under the contract as well as to continue to increase the County's liability to Williams thereunder.

Although our clients are still reviewing the Memo, based on an initial review, it may include grossly misstated comments concerning the current technical capabilities of the Williams Network, as well as concerning the work performed by WCS to-date. Therefore, the Memo heightens our client's concerns about the very adverse consequences for the Airport and the safety of the flying public if an unsuccessful attempt is made to timely effect a completely operational replacement network which must approach the nearly 100% reliability which is achieved by Williams, and which is necessary for the Airport.

In summary, as Williams has stated without the hesitation, Williams is proud of what it has accomplished in bringing the Miami International Airport telecommunications system from a rudimentary condition to a world class and envied operation. We also have repeatedly acknowledged the previous assistance and cooperation of the Department in accomplishing this result. Nevertheless, so long as these circumstances, breaches, misunderstandings and misstatements continue, Williams is clearly constrained to act in a manner which confirms and protects its rights. However, Williams wants only to continue and enhance the proud history of the Airport's telecommunications systems and reiterates its repeated suggestion that **appropriate meetings be held in a constructive atmosphere to work together in order to resolve the issues** which exist in a way which is mutually beneficial. We look forward to your response.

Please advise your thoughts concerning the foregoing.

Thank you.

Sincerely.

Ronald A. Shapo, P.A.

Ronald A. Shapo, P.A

DAP:nbm

bcc: Jacqueline Hair, Esq.
Byron Moore
Sean Shaughnessy
Craig Jacob

Attachment 13

Audit and Management Services Department
APR Methodology for Selected Williams Projects

	Elevator Messaging System	BRNC	7750 Consoles
Lease Start	8/7/97	10/7/95	8/7/97
Lease Amount	$ 114,326	$ 637,779	$ 383,020
Number of Payments	60	60	60
Lease Payment	3,570 [1]	19,968 [2]	17,210 [1]
Residual Amount [3]	24,329	135,719	81,507
Interest Rate	30.661%	30.785%	50.226%

[1] Payment represents average of monthly payments for 5 years (includes a 2% annual CPI adjustment).
[2] Payment represents average of monthly payments for 4 years (includes a 2% annual CPI adjustment).
[3] Residual amount is 21.28% of Lease Amount/Cost Basis as per Agreement.

Final Exhibit
No. 223

Attachment 14

WILTEL

Technical Support for Customer Owned and Maintained Systems (COAMS)
Telephone Support for Meridian 1 (Options 11-81)

Schedule	Current/Active/Sustained	Retired
7AM to 7PM Monday through Friday	$300.00 per hour	$600.00 per hour
7PM to 7AM Monday through Saturday	$450.00 per hour	$900.00 per hour
Sunday/Holiday	$600.00 per hour	$1,200.00 per hour

Note: Minimum one hour billing

On-Site Support for Meridian 1 (Options 11-81)

Schedule	Current/Active/Sustained	Retired
8AM to 5PM Monday through Friday	$1,600.00 per day	$3,300.00 per day
Overtime	$325.00 per hour	$650.00 per hour
Sunday/Holiday	$3,300 00 per day	$6,600.00 per day

Note: Minimum one day billing plus travel and living

Final Exhibit
No. 224

MDC1(7) 00968

Attachment 15

Unit Price Schedule

ject Title: North Terminal Development
ject Package # 790A – Telecommunications Only

it prices shall be applicable for additive and/or deductive changes in work scopes.

Customer Premise Equipment

	Install	Purchase Price	Annual Maintenance
One (1) Multi-Line Phone Set (M5316 w/speaker) Product ID # 823409	$ 38.08*	$ 478.80	$ 93.48*
One (1) Multi-Line Phone Set (M5008) Product ID # 823401	$ 38.08*	$ 171.90	$ 33.60*
One (1) Standard Single Desk Phone Set Product ID # 727878	$ 38.08*	$ 55.29	$ 6.60*
One (1) Polycom Teleconferencing Unit Product ID # 793066	$ 38.08*	$ 791.91	$ 95.04*
One (1) M5222 Add-On Module Product ID # 794408	$ 38.08*	$ 179.96	$ 24.00*
One (1) 24VDC Power Supply 2AMP Product ID # 580687	$ 5.91	$ 117.85	$ 18.84
One (1) 1-Way 8" Ceiling Speaker Product ID # 580500	$ 45.49	$ 35.66	$ 5.76
One (1) 3-Zone Control Unit 1-Way Product ID # 580680	$ 113.88	$ 317.18	$ 50.76
One (1) Speaker Backbox & Bridge Product ID # 580679	$ 31.28	$ 17.11	$ 2.76
Cabling - CAT 3 Plenum	$ .60 lf.	Included	
Cabling – CAT 5 Plenum	$ .79 lf.	Included	

te: All products and services are plus applicable taxes.
All equipment carries a standard 12 month warranty.
Minimum installation charge per premise visit is $105.00*

* *Pricing is for illustrative purposes only. Please see SECTION 2. PROPOSED SOLUTION: iministration and Maintenance and Station Feature Changes.*

Attachment 16

April 16, 1998

Status Meeting – WilTel
April 9, 1998

TO: Those Listed

Maria Perez – DCAD
Jesus Lira – DCAD
Stephen Podley – DCAD
Patrick Palmieri – WilTel
Dale Henderson – WilTel
Ben Tevis – WilTel
Julio Oribuela – WilTel
Pedro De Camillo – WilTel
Tom Dessert - WilTel

Purpose

This meeting is held weekly for the purpose of defining and tracking the various issues relating to the operation of the WilTel/MIA Network and the applications connected thereto.

1. **Emergency Notification System** (Julio Gonzalez) 11/97-On Going
   Baker has committed to provide a complete rewrite of the software for this system and deliver a working product.
   Dan Edwards will be on DCAD Site Monday, March 30, through Tuesday, March 31. WilTel will thoroughly test the system along with the user to assure the system is operational and we have thorough documentation.
   System working properly with the exception of Effraim's beeper.
   Julio O. to test to make sure everyone can be contacted. OCR and Airside will be tested. Will work on Effraim's beeper.

2. **Infortel System** (Dale Henderson) 10/97
   Changes to the Directory Database have been made. System completed per initial specification.
   Still awaiting DCAD to get PC's upgraded. Maria has questions and concerns about initial specifications: 1) Building # and Department Code must be entered in order for system to respond 2) Call record information questionable
   Maria met with Karina. Most outstanding issues have now been resolved.
   Questions concerning Toll Fraud. Dale explained Toll Fraud report and its capabilities.
   Further training to be scheduled once DCAD receives their PC's.
   2145 still an issue. Gus to check. Format given to Karina. Karina to confer with ISI to see if format is okay.

3. **Mobile Command Vehicle** (DCAD) 9/97
   1) Survey completed on 2/26/98 by WilTel, DATO and DCAD for quick response Mobil Command Post with various communications capabilities. 2) Air Condition/Generator to be installed by DATO.
   Target Date: April. 3) Engineering Proposal given to DCAD. 4) New request on 3/16: Mass for camera-Orlando did specs and provided to DCAD for approval.
   Update: Generator taken to DATO
   Wiring for paneling to be done
   Air Condition installation to be done } All completed.
   Proposal given for Satellite Dish System. Physical dimension for layout of truck given.
   County concerned about balance of 20ft. mass instead of 15ft.
   Order should have been placed for rack.

MDC1(7) 00970

Final Exhibit
No. 226

4. **Hotel Telephone System** (Hotel, DCAD, WilTel) 7/97
Ben has resubmitted a complete proposal on upgrading the Legacy equipment in order to provide operational features the Hotel desires. **Maria to follow up with hotel. WilTel awaiting response from DCAD/ hotel.**
~~Quotes for faceplates given.~~
Marketing to do letter concerning overall proposal. *No Change.*
~~Problem with ticket for hotel. WilTel advised to pay $1300~~ reported loss by hotel. ?

5. **Tamiami Telecom Infrastructure** (WilTel, Maria Perez) 10/97
Quote for development of growing Telecommunications infrastructure given to Stephen Podley on 3/5/98. WilTel awaiting response from DCAD.
Answer right now is, "No". **Maria still needs to clarify actual start date for new Admin. Bldg. Situation may change then.**
Proposal for change given. Questions whether conduit was included. **Maria to check on.**

6. **LAN Management System (Optivity)** (Julio Gonzalez) 01/98.
System working properly. Back to correct condition. Awaiting Jesus' approval.
Quote for upgrade approved. **Awaiting Equipment.**
Julio G. to check w/ Bay Networks to see who can fix Optivity on Jesus' desk.

7. **PBX Lockups/Initializations** (Ben Tevis) 2/97
Patch installation scheduled for March 30th. proved unsuccessful and had to be backed out due to problems concerning trunk routes on 3030 Switch for United Airlines. Patch rewritten. WilTel requests from DCAD, permission to apply and test on Friday, April 11 @12:00 a.m. **Permission granted.**
See Attached.

8. **VLAN** (WilTel) 3/98
DCAD is requesting two separate VLAN's be added.
VLAN 1-Shared Tenant
VLAN 2-Williams
In addition, WilTel will also implement two more VLAN's to the existing four CUTE VLAN's, VLAN 3-Airport Vision, and VLAN 4-CUTE E1.
Target date for completion: Mid-April but subject to change.
Bay Network to run tests.

9. **Trouble Tickets** (WilTel) 3/98
Dispatch issue at Corporate.
Issue of concern: Routine vs. Priority
Hotel to be labeled priority at all times.

10. **Frame Relay to ITD** (WilTel, Orlando) 1/98
Quote received.
Jesus has questions for Julio G.
ITD wants to do set up and charge DCAD.
Julio G. suggested letting them put router in our computer room, which they will be responsible for.
Dale suggested going straight through ICI.

11. **Proposal for Microwave Tower** (WilTel, Orlando) 3/98
DCAD working with Lew Buck on where to put tower.
Budgetary cost received from Orlando.

12. **Opa-Locka & Tamiami** (WilTel, Dale) 3/98
Maria questions being charged more for Opa-Locka, when Tamiami has more people.
~~Dale to make sure extra charges taken off Schedule A.~~

13. **TRUNK REPORT** (WilTel, Dale) 2/98
Trunk Reports not acceptable. Report only shows one week of March.
WilTel to provide.

14. **CUTE-Wiring of Seafood Bar**
Monitors can't go in. Still work to do on counters. Meeting scheduled for April 15th.

15. **Quote Tracking** (WilTel, Dale Henderson) 3/98
Changes to be made. To be updated.
Still awaiting. County still not on NT. Can't get off network. PC's in. Need to be installed.
Wiltel to provide spreadsheet. *No Change.*

16. **Wires Hanging at Landside.** (WilTel, Ben Tevis) 3/98
DCAD to replace cover.

17. **CP Circuit Packs** (WilTel, Ben Tevis) 3/98
CP Circuit Packs to be installed after patch installation proves successful.
(For Terminal Switch only.)

18. **UPS Shut-down** (WilTel, Julio G.) 3/98
Approved for Thursday, April 9th.

19. **Y2K Compliance** (Tom Dessert, Julio G.) 4/98
Issue still outstanding concerning Bay Networks.

20. **Bobby Phillips Voice Mail** (WilTel, Maria) 4/98
To be monitored by WilTel and Bell South 10 more days.

21. **WilTel vs. BS @ American Airlines** (Maria) 4/98
Question about WilTel boundaries and possible foul play concerning phone lines at American Airlines.
Maria to look into.

22. **Talking Elevator** 4/98
Albert to finish next week.

23. **IPON Concerning Quote for Honeywell** (Julio G.) 4/98
Re: Their own Network
Too costly.
Questions raised as to whether Honeywell can go to Ethernet. Julio G. to check on.

Attachment 17

METRO-DADE

MIAMI, FLORIDA 33159-2075
Office: (305) 876-0265
Fax: (305) 876-0134

FINAL
CAPITAL PROJECT FACT SHEET

DATE: October 16, 1995

TRACKING NO:
CIP No: 151.1

PROJECT NAME: Telecommunications Network Expansions
PROJECT NO: 6-T600-4

PROJECT MANAGER: James A. Nabors / Telecommunications
Ph: 7523 Name /Division

CONSULTANT:

CATEGORY:
Safety:
Operations:
Expansion:

Revenue:
Non-Revenue:
Funding: PAP NPAP
Bond Series:

ESTIMATED PROJECT COST: (See Supplement A)
Building Cost:.........$
Civil Work Costs:......$
Allowance Account......$
Furnishing/Equipment...$ 4,000,000.00
Art in Public Places...$
Other Costs............$
$
TOTAL: $
19___ Dollars

PROJECT SCHEDULE: Month Year
Advertise for Bids:
BCC Award:
Complete Const.:

YEAR REQUIRED FOR FUNDING:

	Amount	FY
Design:	$	
Const.:	$ 4,000,000.00	95-96
		96-97

NEW AREA
Yes ______ No ______

RENTAL AREA:
Airline Support: ______ S.F.
Concession Area: ______ S.F.
Other: ______ S.F.
TOTAL: ______ S.F.

DEVELOPMENT DATE: ___/___

PROJECT COSTS FUNDED BY:
Federal Gov't:...$
State Gov't:.....$
Tenant Share:....$
TOTAL: $

ADMINISTRATION DATE: ___/___

ANNUAL REVENUES: (Est.)
Revenues:..........$
Operating Expenses ($)

TOTAL NET REVENUES: $

PROJECT NEED/DESCRIPTION:

RECOMMEND FOR APPROVAL:

Date: 10/18/95
Asst. Dir. - Development

tech Support Date: 10/23/95
Asst. Dir. - ~~[illegible]~~

for David R. Ely Date: 11/2/95
Asst. Dir. - Finance

APPROVAL BY EXECUTIVE COMMITTEE:

Date: 11/6/95
Director- Facilities Development

Date: ___/___/___
Aviation Director

Attachments: 714352

Copies to:

MIAMI INTERNATIONAL AIRPORT

Final Exhibit
No. 227

MDC1(7) 00973

CAPITAL PROJECT FACT SHEET
SUPPLEMENT A

PROJECT NAME: Telecommunications Network Expansion
PROJECT NO.: 6-T-600-4 Date: 10-2-95

A. CONSTRUCTION COST - These costs are reflected as 19___ costs and do not contain an escalation factor.

1. Demolition: ________ S.F. x $________ = $________
2. Renovation: ________ S.F. x $________ = $________
3. New Constr: ________ S.F. x $________ = $________
4. Civil work: . . . . $________

SUB-TOTAL A.1 THRU A.4 . . . . $________

5. Allowance Account @ 10% of A-1 thru A-4 . . . . . $________

TOTAL CONSTRUCTION COST . . . . $________

B. FURNISHINGS/EQUIPMENT $4,000,000.00

C. ART IN PUBLIC PLACES

1. Cost of new construction (A.3 + A.4) $________
2. A/E Basic Fee (5% of C.1) $________
3. Contingency (5% of C.1) $________

TOTAL ART IN PUBLIC PLACES 1.5% of Total $________ = $________

D. OTHER COSTS

1. A/E Basic Services @ 6.5%
2. Additional Services @ 3.5%
3. Worksite Services @ 2.5%
4. Survey, Testing, etc. @ 2.5%
5. General Consultant @ 3.0%
6. Finance Cost @ 2.0%
7. Permitting, etc. @ 1.0%
8. Environmental, etc. @ 4.0%

TOTAL OTHER COSTS . . @25.0% of $________ $________

E.

F.

REMARKS: ____

From: Pedro Garcia
To: Internet "harius@miamidade gov"
Date: 12/5/01 8.24AM
Subject: New Contractt Statement

The requested allocation of funds, as it relates to various telecommunications contracts. is needed to repair, maintain and provide new installations at the MDAD airports for telephone equipment data network equipment, cabling and other miscellaneous equipment to provide the telecommunications services needed at the MDAD airports

This equipment is presently owned and maintained by NextiraOne, the present telecommunications services provider, as part of an existing lease agreement between NextiraOne and the County that expires on 2-6-02 The County is negotiating with NextiraOne at the present time to purchase from them all the existing telecommunications infrastructure installed at the MDAD airports. After 2-6-02, the MDAD needs to have a vehicle, to maintain and purchase any nedeedadditional telecommunications equipment and the labor to install this equipment

The County is also trying to negotiate with NextiraOne to stay on as Manager of the telecommunications infrastructure after 2-6-02 under a different agreement

If the negotiations are not successful, the above contracts will help the Aviation Department to have options to keep the telecommunications infrastructure in operation. These contracts cover different types of equipment like telephone, data network and miscellaneous equipment and also different functions like maintenance, repairs, installations of equipment and cabling.

As identified above, some overlapping between the contracts may exist due to the possible different modes of operation that the Aviation Department could be facing after 2-6-02, which is uncertain at this time pending the outcome of the negotiations with NextiraOne.

Pedro J. Garcia, P.E
Chief, Telecommunications
Miami-Dade Aviation Department
Telephone. (305) 876-7523

CC: Jenkins, Maurice Lee Anne; Pascul, Susan, Phillips, Bobbie; Whittington, Delmar

Final Exhibit
No. 228

Memorandum

TO: Anthony Jennings
Assistant Aviation Director for Procurement

DATE: November 19, 2001

FROM: Bobbie J. Phillips
Assistant Aviation Director for Administration

SUBJECT: New Contracts

Miami-Dade County is presently under contract with Nextira, LLC. (formerly known as Williams Telecommunications Solutions, Inc.) by which the Miami-Dade Aviation Department leases all the telecommunications infrastructure and services serving MIA as well as the General Aviation Airports at an approximate annual cost of $7,300,000. This contract expires February 6, 2002.

Last July 24th, the BCC approved Resolution R-852-01 approving an agreement between the County and Resavia for professional services to provide specialized negotiation consultant skills to Miami-Dade Aviation Department, regarding negotiations between the County and Nextira, Inc., for the purpose of purchasing from Nextira, Inc. the existing telecommunications infrastructure at MIA and the other General Aviation Airports. This infrastructure includes all telephone, data network, Shared Tenant Services (STS) and Common Use Terminal Equipment (CUTE), a system used by the airlines to facilitate gate changes.

The MDAD is simultaneously working in an expeditious manner to develop an RFP to award a contract to a new service provider that will replace Nextira, Inc., as the manager of the telecommunications infrastructure after (if) an agreement is reached. Due to time constraints, it is not expected that the County can award this contract by February 2002, when the Nextira contract expires.

As a contingency, to assure the uninterrupted operation of the County airports, the MDAD staff is also proposing to negotiate a contract with Nextira, Inc, which is being prepared at this time, to retain them as managers of the installed telecommunications infrastructure. The proposed contract, based on County ownership of the equipment, will contain more favorable terms for the County than the present contract, and it will be for a maximum term of one year, with a 30- day cancellation clause. The MDAD plans to present this contract to the BCC for approval sometime in January of 2002.

In the event that the negotiations with Nextira fail and no agreements are reached by February 6, 2002, the MDAD will need to do the following to assure continuity in the provisioning of telecommunications services:

- File an injunction to prevent Nextira from removing their equipment from MDAD premises and prevent their staff to access the premises.
- Use an established contract to bring a new vendor in an expedite basis to replace Nextira and manage the telecommunications infrastructure.
- Have available a series of State, County and Federal contracts to be able to purchase telecommunications equipment and obtain related services.

The list of contracts has been submitted to Wilma Felder for processing. Thank you for your assistance to resolve this urgent matter.

If you need additional information, please call me or contact Pedro Garcia at 876-7523

Received from mdad
(extproxy miami-airport.com [10 14 26.33])
by mail; Fri 28 Dec 2001 11:06 40 -0500
Received from fep02-mail.bloor is.net cable rogers.com ([66.185 86 72]) by mdad Fri, 28 Dec 2001 11:06 57 -0500 (EST)
Received from cr323873a ([24.114.131.25])
by fep02-mail.bloor is.net.cable.rogers com
(InterMail vM.5.01.04 02 201-253-122-122-102-20011128) with SMTP
id <20011228160651.HFW219559 fep02-mail.bloor.is.net cable rogers.com@cr323873a>
for <spascul@miami-airport.com>; Fri, 28 Dec 2001 11.06.51 -0500
Reply-To <svalo@rogers.com>
From: "Sid Valo" <svalo@rogers.com>
To <spascul@miami-airport com>
Subject FW NextiraOne
Date Fri, 28 Dec 2001 11 13:22 -0000
Message-ID <002201c18f90$a986a240$6401a8c0@cr323873a>
MIME-Version: 1.0
Content-Type multipart/mixed,
boundary="----=_NextPart_000_0023_01C18F90 A986A240"
X-Priority 3 (Normal)
X-MSMail-Priority Normal
X-Mailer Microsoft Outlook CWS, Build 9.0.2416 (9.0.2910.0)
Importance Normal
X-MimeOLE Produced By Microsoft MimeOLE V5 50 4522 1200

This is a multi-part message in MIME format

------=_NextPart_000_0023_01C18F90.A986A240
Content-Type text/plain,
charset="iso-8859-1"
Content-Transfer-Encoding 7bit

Susan

Here is a copy of the management services proposal

Regards,

Sid
-----Original Message-----
From: Sid Valo [mailto svalo@rogers com]
Sent Friday, December 28, 2001 10:50 AM
To 'pjgarcia@miami-airport.com'
Cc 'bphillips@miami-airport.com'
Subject NextiraOne

Pedro, Bobbie

Here is the management services proposal. I have had a long conversation with Scot D. this AM and have the following information and comments to add

This spreadsheet is apparently their actual pricing mechanism for outsource proposals (except for the "miscellaneous" column explained below). The delays in delivering it were apparently the result of head office not

	Year 1	Year 2
Headcount	$5,517,254	• $5,737,944
Spares Carrying Cost	$290,571	$290,571
Start Up Cost	$25,714	0
TOTAL	**$5,833,539**	**$6,028,515**

• Year 2 represents a 4% pay increase

wanting to release the actual pricing mechanism and detailed information that it includes , The other reason for the delay was the removal of the actual employee names from the spreadsheet It does however show actual salaries being paid and should be treated as confidential You need to consider who in MDAD should have access to this info
The summary sheet includes an item for carrying cost of inventory. I pointed out to Scott that the current inventory proposal should result in their carrying cost reducing and potentially disappearing over the next year or two He agreed and will probably adjust this number
With respect to the main spreadsheet I can add the following:
The column labelled "NTRC/IAO" is for their National Technical Resource Centre which provides 24/7 backup for tech issues.
The "Misc." column ties into the smaller spreadsheet which sets out their office costs, trucks, etc In this regard I pointed out to Scott that they are charging for each employee having a cell phone pager and laptop These are not large numbers but I suggested he look at them.
"GM%" is their Gross Margin
"Corporate G&A" is their general and administrative costs from HQ and overall organization
"EBITDA" represents what they say is their actual profit on the work.
DATO's cable pulling activities are not included, nor are the other subcontracts that they employ to maintain certain specialty equipment such as CUTE printers,etc Scott says that Pedro Camillo is to provided you with a list of all of these special subcontractors I told Scott that with respect to the day to day management work Nextira may have to include this in their proposal as MDAD can not contract separately.
Scott confirms that there is no intention to 'double dip" for work done by their listed personnel He sites as an example the use of their resident network engineers on specific project work which is now billed separately but which would not be charged if the personnel were on site and otherwise available
Scott was unable to tell me what they were going to propose as a fee for managing subcontractors on project work He acknowledges that their existing staff resources will do the management if available Mark Davis is apparently responsible for determining how Nextira will deal with this issue and Scott has yet to be advised.

Some other notes
Under the current STS arrangements the billing paid by tenants includes maintenance It would be important for MDAD to review the financial information that Nextira currently provides regarding its STS revenues and expenses in order to understand how much expense is represented by maintenance work. This will help us to get a better fix on the actual net revenue being produced by STS Scott has confirmed that he is still in the process of collecting and forwarding to us the current rate tariff for STS. Following our conference call I called Scott Drury and advised that MDAD wished Nextira to include the subcontracts necessary for day to day operations in its price proposal Scott will get the information together and provide it. He confirmed that he is already waiting for an estimate of the annual expenditure on Dato necessary for day to day operations.

Best regards

Sidney Valo, QC

ResAvia
Airport Business Consultants

215 Forest Hill Road
Toronto Canada M5P 2N3

T +1 (416) 489 1542
F +1 (416) 485 7845
E svalo@rogers.com

------=_NextPart_000_0023_01C18F90.A986A240
Content-Type: application/vnd ms-excel;
name="MDAD Staff Proposal xls"
Content-Transfer-Encoding base64
Content-Disposition: attachment;
filename="MDAD Staff Proposal.xls"

Click to view Base64 Encoded File

METROPOLITAN DADE COUNTY, FLORIDA

METRO-DADE

AVIATION DEPARTMENT
P.O. BOX 592075
MIAMI, FLORIDA 33159-2075
Office: (305) 876-0285
Fax: (305) 876-0134

August 2, 2001

Mr. Scott Drury
Nextira
607 Bakertown Road
Mail Drop 17070
Antioch, Tenn. 37013

Re: Equipment Lease & Maintenance Agreement
Article 6 – Option to Purchase Equipment

Dear Mr. Drury:

Pursuant to Article 6 of the Equipment Lease and Maintenance Agreement, copy attached, this letter shall serve as official notification of the County's intent to exercise its option to purchase equipment and to negotiate a mutually agreeable purchase price.

Sincerely,

Angela Gittens, Director
Miami-Dade Aviation Department

cc: Bobbie J. Phillips, Assistant Aviation Director
Maurice Jenkins, Manager, Information Systems
David S. Hope, Assistant County Attorney
Ronald A. Shapo, Esq.
File

8.2.01Nextira

C. Audit

The County shall have the right to audit at it's cost and discretion the contract adjustments provided for in Article 5(A)(3). Centel agrees to make available in its South Florida office information required by the auditors to such audits.

D. Maintenance of Purchased Equipment

1. Charges for the maintenance for all Hotel and non SATS purchased equipment shall be provided for by Centel at a fixed annual rate payable monthly by County. Except as provided below, notwithstanding any purchases of equipment by County during the following 12-month period, the maintenance rate for the 12-month period shall be determined by the amount of such Hotel and purchased equipment as of February 7 of each year. To determine the maintenance rate, the component quantities shall be multiplied by the unit point values as shown in Exhibit D, multiplied by the per point per month amount shown in Exhibit D, multiplied by 12 to obtain the fixed annual maintenance fee for the subsequent 12-month period.

2. Charges for maintenance for all SATS components which County may purchase from time to time under Article 6, will be billed as at the above described method. However, when County purchases more than 50% of the Airport System or SATS components as measured by their current rental rates, then County shall pay Centel such monthly maintenance fee as determined above or the minimum monthly maintenance charge shown in Exhibit D, whichever is greater; and provided further, that if County purchases any component for which County has paid more than 12 monthly rental payments, then Centel shall charge the applicable maintenance fee for such item effective as of the date of purchase.

ARTICLE 6
Option to Purchase Equipment

A. Centel agrees to sell to the County all or any portion of the Equipment which it rents to the County at the Airport, except that Centel will not sell any part of the Equipment that is required by Centel to provide SATS Service to other telephone users at the Airport if the County does not purchase all of the non-owned Equipment at the Airport. If the County purchases all of the Equipment, (1) Centel agrees after receiving payment in full for all of the Equipment to assign to the County all service and lease agreements between Airport tenants and Centel, and (2) County shall have the option of obtaining Centel's maintenance services for any purchased Airport System or SATS components for subsequent annual periods at rates determined in accordance with this Agreement.

B. The purchase price to the County for the Airport System will be determined by the following formula:

(Current Rate/.0301) X Purchase Multiplier

The purchase multiplier used for any item as reflected in Exhibit B will be based on the number of months that the item has been installed.

C. The Purchase Price to the County for the Shared Airport Tenant System Equipment shall be the sum of the Equipment price based on the formula(s) agreed to by Centel and DCAD at the time DCAD approves Centel's Shared Airport Tenant Rate(s), plus the County shall pay Centel the amount of the previous three months gross revenues as defined in the SATS Agreement or $100,000.00 whichever is less.

D. The purchase multipliers are listed in Exhibit B attached hereto and made a part hereof.

E. The County must give Centel written notice that the County is exercising its right to purchase hereunder at least six months prior to the purchase of more than 50% of the Airport System by dollar amount. If the County is purchasing 50% or less of the Airport System, then County must give Centel at least two months prior written notice.

F. If County purchases all of the Equipment, Centel shall assign to County any and all service and lease agreement between Centel and its SATS users. County shall agree to assume all rights and obligations under such agreements from and after the effective date of such assignment.

G. For any item purchased by County, Centel shall assign to County all unexpired warranties. If the County does not purchase all of the Equipment, the County shall use Centel's maintenance and repair services in regard to such purchased items for the term of the Agreement. Centel's maintenance services, and the rate applicable to such services, shall be based on the maintenance rates determined above in 5(D).

H. County shall be entitled to acquire from third parties equipment other than hardware or software manufactured or supplied by Centel, Northern Telecom, Inc., or its subsidiaries, associated with the Equipment ~~hereunder~~, such as, but not limited to, closed circuit TV systems, computers, word processing equipment, and FAX devices, any portion of which County shall be entitled to connect to the Airport System; provided, however, that such equipment shall not interfere with the maintenance and operation of the Airport System. Centel shall be reimbursed for materials and labor to the extent requested pursuant to terms set forth in Article 5B. Centel shall not warrant or be liable for the maintenance or repair for any equipment purchased by the County form a third party.

I. For the term of this Agreement, County shall have the option of purchasing from Centel additional components for the Airport or SATS equipment and of having Centel provide maintenance services for such equipment, at rates determined in accordance with this Agreement.

ARTICLE 7
Additions to and Relocations of the Equipment

A. Rental rates and installation charges for any Additions to the Equipment shall be in accordance with the Current Rate in Exhibit C as may be amended.

B. The rental rate adjustment to the Current Rate provided for in Article 5(A)(3), shall apply to all Additions.

C. The charges for relocating Equipment provided by Centel under this Agreement shall be the installation charges set forth in the Current Rate or as otherwise specifically agreed upon by the Parties. The discount entitlement of County under Article 5(A)(4), shall not be affected in any way by the relocation of any equipment.

D. A Service Order includes any request by the Department to move, add, change or remove Equipment. Centel shall charge the County a Service Order charge of $44.61 for every Service Order.

E. The Service Order Charge is subject to an annual review on February 7 and adjustment due to CPI (Customer Price Index) changes in the preceding 12 months.

F. The County may rent additional items of Equipment which are not included in Exhibit C. The materials purchase price on which the rental rate will be based will be calculated under the provisions of paragraph G(2) below or on fixed cost quote basis at County's option. The County at the time the work order is placed with Centel will specify if the work is to be done on a fixed cost basis. The monthly rental rate for items not

AUG. -03 01 (FRI) 13:20 MDAD INFORMATION SVCS. TEL:3058760134 P.001

TRANSACTION REPORT

Transmission
Transaction(s) completed

NO.	TX DATE/TIME	DESTINATION	DURATION	PGS.	RESULT	MODE
715	AUG 3 13:18	916153335361	0° 01' 08"	005	OK	N ECM

MIAMI INTERNATIONAL AIRPORT

Miami-Dade Aviation Department • Miami-Dade County
P.O. Box 592075 • Miami, Florida 33159
Fax: (305)-876-0134

To: Scott Drury Date: 8/2/01

Organization:

Fax Number: (615)333-5351 Phone Number: (615) 333-5330

Number of Pages (including cover page): 5

Message: RE:

Please See Attached!

Confirmed by: Kay Brown
@ 2:30 pm

AUG.-03 01(FRI) 13.40 MDAD INFORMATION SVCS. TEL 3058760134 P. 001

TRANSACTION REPORT

Transmission
Transaction(s) completed

NO.	TX DATE/TIME	DESTINATION	DURATION	PGS.	RESULT	MODE
719	AUG. 3 13:35	93053739473	0°03'51"	006	OK	N ECM

MIAMI INTERNATIONAL AIRPORT

Miami-Dade Aviation Department • Miami-Dade County
P.O. Box 592075 • Miami, Florida 33159
Fax: (305)-876-0134

To: Ron Shappo Date: 8/2/01

Organization:

Fax Number: (305) 373-9473 Phone Number (305) 373-9400

Number of Pages (including cover page): 5

Message: RE:

Please See Attached!

Confirmed by: Manthia
@ 2:45 pm.

BROAD AND CASSEL
ATTORNEYS AT LAW

MIAMI CENTER
201 SOUTH BISCAYNE BOULEVARD
SUITE 3000
MIAMI, FLORIDA 33131
TELEPHONE 305 373 9400
FACSIMILE: 305.373 9443
www.broadandcassel.com

RONALD A. SHAPO, P.A.
DIRECT LINE: (305) 373-9479
DIRECT FACSIMILE: (305) 995-6426
EMAIL: rshapo@broadandcassel.com

May 18, 2001

VIA HAND DELIVERY

Angela Gittens, Aviation Director
Miami-Dade County Aviation Department
Executive Office
5th Floor - Concourse E
Miami, FL 33122

Re: ***Nextira f/k/a Williams Communications Solutions, LLC ("Nextira")***
Documents Requested at April 30, 2001 Meeting

Dear Ms. Gittens:

We wish to again express our appreciation for your time and evident interest in meeting with Nextira officers and managers on April 30, 2001. At the outset, let me reiterate Nextira's position that it wishes to resolve outstanding issues expeditiously and amicably. There seems to be unanimous agreement that Nextira is operating and maintaining the system in an outstanding manner and that the responsiveness of the Company's staff with regard to this vital activity is praiseworthy. We hope that the positives will come back into focus and that those issues which do exist will be resolved reasonably and with due respect for the concerns and objectives of the other party. In short, efforts should be made to avoid unnecessary and undesirable contentiousness and, instead, to concentrate on approaches which will be constructive and harmonious.

At the meeting held on April 30, 2001, you requested that Nextira provide MDAD certain documents/information to aid the Department in its decision making process concerning the future of Nextira's telecommunications network. Please find enclosed a binder of documents which contain most of the requested items listed in the e-mail dated April 26, 2001 from Leonard Stout to David Hope and others. Located in the front of the binder is a table listing the various categories of requested documents, and whether the documents were produced. Nextira has delivered herewith most of the requested documents. However, Nextira believes some of the requested documents are proprietary and a few specified items do not exist. Naturally, these are in addition to documents previously produced or regularly provided. As discussed, "values" will be subject to negotiation once the Department has reviewed the attached and advised the Company regarding its objectives.

We hope that the enclosed information will assist in your decision making process and look forward to meeting with you personally and members of your negotiating team so that we may bring this matter to resolution. This delivery is necessarily subject to the following conditions. While Nextira has responded to your request as quickly as possible, Nextira can not be responsible for any decisions which the County makes in reliance on the produced documents, or based on documents not produced. Nextira has provided most of the requested information, even though there is no obligation to do so under the Equipment Lease Agreement or the Shared Tenant Services Agreement. Nextira does not waive any of its rights or remedies with respect to the Equipment Lease Agreement and the Shared Airport Tenant Services Agreement, all of which are expressly reserved. The attached documents are provided solely for MDAD's convenience and are for informational purposes only. Any dissemination or use by MDAD other than contemplated herein is strictly prohibited. Nextira reserves the right to supplement and/or change the enclosed information at any time.

Please do not hesitate to contact us if you have any questions.

Sincerely,

Ronald A. Shape, P.A.

DAP/dap
Encl.

cc: Nextira f/k/a Williams Communications Solutions
Mark Davis, Vice President and General Manager – *(w/o encls.)*
Scott Drury, Vice President Strategic Accounts – *(w/o encls.)*
Sean Shaughnessy, Vice President Strategic Accounts – *(w/o encls.)*
Maurice Jenkins, Manager, Information Systems/Telecommunications, MDAD – *(w/o encls.)*
David S. Hope, Assistant County Attorney, Miami-Dade County, FL, MDAD – *(w/o encls.)*
Bobbi J. Phillips, Assistant Aviation Director, Administration – *(w/o encls.)*

METROPOLITAN DADE COUNTY, FLORIDA

METRO DADE

AVIATION DEPARTMENT
P.O. BOX 592075
MIAMI, FLORIDA 33159-2075
(305) 876-7000

RECEIVED
MAR 12 2001
INFORMATION SYSTEMS

-> Copy to File
-> " Bobbi
Return to me

March 8, 2001

Mr. Howard Janzen, President
Williams Communications Group, Inc.
One Williams Center, 26th Floor
PO Box 22067
Tulsa, OK 74121-2067

Re: Miami-Dade Aviation Department Equipment Lease and Maintenance Agreement

Dear Mr. Janzen:

Under a utilities-type arrangement, the Miami-Dade Aviation Department (the "County" or "Department"), located at the Miami International Airport, contracted with Williams Telecommunications Solutions ("Williams") and its predecessor entities for its telecommunications services since 1982. Until the early 1990s, Williams primarily provided telephone service, leasing phones, other equipment, and cabling to the Department. Since that time, Williams has also provided network services, installing and leasing the various components to us. The current contract expires February 28, 2002. Billings since 1991 are more than $45 million.

In keeping with industry best practices, and the standard at all large United States international airports, the County determined a need to own its telephone and network equipment, and contract with a service provider for operation and possibly maintenance. Therefore the Williams contract in its present form will not be renewed. This intent was communicated in writing to local Williams staff more than eighteen months ago, along with our desire to *work with Williams* to develop a new agreement consistent with our objectives. The Department was informed by Williams that the County could only purchase Williams' equipment *in its entirety*. Prices varying from $44 million to $65 million have been quoted to various Department staff. Such a price, if accurate, is unacceptable, given much of the existing equipment is either at the end of its useful life or uses outmoded technology. All County requests to negotiate a fair price have been met with flat refusal.

Further, local management has refused to provide information on existing installations and equipment, or to cooperate during the transition to County ownership, and has retained local counsel which tends to thwart any attempt to effect a transition prior to February 28, 2002. Clearly, this attempt to prevent the Department from carrying out its lawful intent to establish a new service-type contract, indicates an unwillingness to participate in that contract. The local Williams organization refuses to be of assistance, and has threatened legal action if the Department purchases or installs any telephone or network equipment. Such behavior is viewed as a means to hold the County hostage to a contract renewal, at the price of shutting down Miami International Airport when the current contract ends. This scenario is untenable. In light of this situation, the Department requested that Byron Moore, the local Williams manager, be replaced by a "more cooperative" person, but these requests have been ignored.

Given Williams' excellent national reputation, it is difficult to believe that upper Williams management is aware of these abuses, or would ignore the wishes of a long-time public-sector client, particularly when its actions imperil the operation of a major international airport, and will ultimately affect the traveling public.

The Miami-Dade Aviation Department asks that the following be undertaken immediately:

- Commencement of negotiations between Williams and the Department regarding the transfer of leased assets to the Department.
- Granting of full access to Williams' fixed asset and cable records, diagrams, and blueprints to the Department or its representatives.
- A cost estimate provided for the purchase of the existing system (i.e., cables, switch boxes) under lease to the Department.
- Cost estimates provided for the implementation of a month-to-month or six (6) month lease covering the transition period following February 2002.
- Replacement of Byron Moore as Williams' local representative to the Department.
- Restoration of good, cooperative service by Williams.

I look forward to hearing from you, and resolution to these issues.

Sincerely,

Gary J. Dellapa
Aviation Director

c: Steve Spratt, Senior Assistant to the County Manager
Byron Moore, Williams Telecommunications Solutions, Ltd.
Ronald Shapo, Esq.

bc: Maurice Jenkins, Manager, Information Systems

This document is confidential and privileged and has been prepared in anticipation of litigation

Attending: Bobbie Phillips
Howard Stein
Anne Lee
Sid Valo
Lynn Stout
Maurice Jenkins
Dick Kelley
Susan Pascul
Pedro Garcia

MDAD MEETING AGENDA / ISSUES

1 MDAD OBJECTIVES Bobbie Phillips confirmed these objectives

1.1 Acquisition of all telecom and network infrastructure, hardware, software and documentation installed under E.L &M. agreement. (a) Schedule A

1.2. Acquisition of SATS / CUTE assets. (b) SATS/CUTES Assets; line to handset/phone (Schedule E) also licenses, network services for USDA & other agencies

1.3. Acceptable price of acquisition.

1.4. Orderly turnover of assets and operating control

1.4.1. Desirability / viability of extending existing Nextira E L&M contract on MDAD's terms.

1.4.1.1. Legal issues? David Hope of the opinion - extend the existing contract w/rev. terms, 24 mos w/the ability to terminate.

1.4.1.2. Political issues?

1.4.1.3. Other issues?

1.5. Completion of STS audit and settlement of outstanding balance owed. - Lynn Stout to prepare value of Schedule E.

1.6. Resolution of Nextira space lease. - Properties need to provide, make sure it is restriced in RFP.

1.7. Uninterrupted operation of telecom services and network infrastructure Consensus of parties that Nextira would not, if agreement is not reached cause any disruptions in service.

2 E.L.&M AGREEMENT & ASSET PURCHASE 1) Schedule A & E (STS: cute & line connected to phone)

Sid wants list of equipment installed 2 years or less.

2.1. Price for the assets being purchased? Anne distributed copy of report. Sid to meet w/ Anne to review.

2.1.1. MDAD's price calculation? Nextira's price?

2.1.2. Fair market value? if questioned off not many takers, value is that it is here & customized to our needs

2.1.3 Value of MDAD's outstanding claims?

2.1.4 MDAD purchase price objective? Trade: purchase price of infrastructure (@ 6,000,000) against claims, outstanding rent against value of Schedule E equip (SATS) = Ø; values negate.

2.2 Turnover date? Turnover requirements?

Pedro Garcia.

2.3. Extension / amendment or new contract?

2.4. MDAD's intentions re 5/18/01 list of: "On Site Equipment"? Non Schedule A Software?

2.5. Terms for extension / amendment?

2.5.1 Extension + termination on notice from MDAD 1 year, 2-6 mos. options w/ 30 day termination.

2.5.2 Specific, itemized scope and services Requesting from Nextira

2.5.3 Non exclusive contract for services

2.5.4 Clear authorization requirements and levels

2.5.5 Price defined for standard and custom items full price disclosure.

2.5.6 Price establishment / verification / appeal process

- preferential ~~to~~ hiring treatment? like Janitorial. Asked Del, and he said no because Jan. ~~agreement~~ is a Mgt. agreement -

Final Exhibit
No. 234

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2.5.7. Subcontracting policies & requirements – approve & reject
2.5.8. Performance standards – by Pedro
2.5.9. Reporting and record keeping – by Anne, labor, equipment invoicing.
2.5.10. Itemized billing – form & frequency
2.5.11. MDAD access to information and records
2.5.12. Software development & ownership
2.5.13. Compliance matters and audit
2.5.14. Turnover obligations and process

SITA: John Powell, wants to do business w/ MDAD. Nextira has agreed to waive confidentiality & to send letter to SITA

3. SATS AGREEMENT & ASSET PURCHASE

Suggestion from Sid: terms of our lease, to provide phone service

3.1 Was SATS agreement ever signed by MDAD? yes

3.2 Treatment of existing STS / CUTE tenant service agreements? Assignment? Replacement? Alternatives?

– ~~Cut~~ MDAD to provide cute? Business Model is being developed (Cos: Sita, eric & vita com)

3.3 How is SATS equipment to be valued? Did Len S. get the installed dates of Tenant equipment? Lynn

3.4. SITA contract status? MDAD role? License to be transferred.

3.5. SATS pricing issues? Existing terms? Status / application of proposed new MDAD pricing schedule? (TMP) control $, maintain service

Gateway Flow System

3.6. Status of MDAD registration with PSC? w/ David Hope Nextira as a carrier, not a SATS, Orlando, though

Cute RFP request upcoming

3.7. MDAD intention re maintain, manage & operate – STS / POP billing and revenue management?

Bell South (not registered) Tampa, yes. Lynn, if providing service just within the airport property, it is not necessary, if outside register w/ PSC. Advised David.

4. TELECOM RFP

4.1. Purpose? Nextira replacement or Nextira back up?

4.2. Timing? Issue RFP when? Award RFP when?

4.3. Impact of / on MDAD IT&T master plan?

5. SPACE LEASE

5.1. How much space did WCS initially occupy? Does its space include equipment rooms? Aida

5.2. Separate from Telecom management contract?

5.3 Space rental rates and terms.

5.4. Define space provided by MDAD at no cost? Define space provided at telecom service provider's cost?

6. **NORTH TERMINAL DEVELOPMENT** - moving equipment

6.1. Nextira's role? Contract term? Implications? MDAD's intentions?

Contractor of NTD to provide raceways, conduit & cable.

7. **MISCELLANEOUS ISSUES & QUESTIONS**

7.1. Does Airport System Task Force play any role in Nextira issues? Technical, w/nextira no

7.2. Is Nextira's current invoicing practice providing required detail? No

7.3. Status of airport's tenant lease provisions regarding telecom and data services and wiring?

7.4. Status of Disaster response vehicle lease?

7.5. Outstanding documents, information, calculations, etc requested from NEXTIRA? Schedule E, STS Audit of Revenues,

7.6. Is there a difference between a message router and a LAN router?

Maurice to consider using GBR or other Telecom contract to provide ~~part~~ raceways, conduit & cable.

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