

## Special Treatment for Small Businesses

To fulfill the mandate of Congress that designated entities are given the opportunity to participate in spectrum-based services, the FCC is empowered to use "tax certificates, bidding preferences and other procedures."<sup>13</sup> The *Fifth Report and Order* adopts a variety of special preferences and procedures to assist designated entities. While many of these measures are commendable, there are exceptions that help some designated entities at the expense of others. The most notable is that the FCC allows applicants to "form consortia of small businesses that, on a aggregate basis, exceed the gross revenue/total asset caps."<sup>14</sup> By this measure, the FCC has offered potentially unlimited resources to consortia of small businesses, but not to minority-owned or women-owned businesses, or rural telephone companies that do not qualify as small businesses.

For example, suppose that a minority-owned business with \$80 million in revenues forms a joint venture with another minority-owned company that has identical revenues. According to the FCC rules, the combined firm would have \$160 million in revenues, which *disqualifies* it from bidding in the entrepreneurs' blocks. In contrast, four small businesses with \$40 million in revenues each can form a joint venture that has combined revenues of \$160 million and still qualify to bid on the entrepreneurs' blocks.

The FCC's treatment of small business consortia is prejudicial to the other designated groups. If small businesses as a consortia can exceed revenue and assets caps, then these caps make no sense for other, larger designated entities. In particular, a minority-owned or women-owned firm with \$130 million in revenue is included in Congress's mandate, but would not be permitted to bid on the entrepreneurs' blocks.

---

<sup>13</sup>47 U.S.C. § 309(j)(4)(D).

<sup>14</sup>*Fifth Report and Order*, Federal Communications Commission, FCC 94-178, June 29, 1994, p. 70.

This minority-owned firm is excluded; but a consortia of other firms—non-minority owned and/or non-women owned—with more revenues is permitted to bid.

The FCC is circumventing the intent of Congress by excluding companies owned by minorities or women that exceed the revenue or asset caps, but including even larger combinations of other companies that individually qualify as small businesses, but may not be minority-owned or women-owned. Implicitly, the FCC is treating minority-owned, women-owned, and rural telephone companies as if they all fall under the umbrella of its small business designation. This is a mistake. Congress identified small businesses, rural telephone companies, and businesses owned by minorities and women as *separate* entities. Thus, rural telephone companies and businesses owned by minorities and women that exceed the \$40 million revenue limit for small businesses or exceed the \$125 million revenue limit for the entrepreneurial blocks are at a significant disadvantage to any consortia of qualified small businesses.

The solution here is straightforward. The revenue limits should be raised for designated entities so that they can effectively compete with small business consortia.

### **Auction of Blocks A and B**

The final argument for changing the revenue and asset limits is that successful bidders in the entrepreneurs' blocks will face direct competition from successful bidders in Blocks A and B. In all likelihood, these spectrum blocks will be bought by the very largest telecommunication companies. These companies have a significant advantage, as the FCC notes numerous times, over smaller companies when it comes to access to new capital.

For example, BellSouth Telecommunication's net income exceeded \$1.5 billion in 1993, which is over twelve times the revenue limit set by the FCC. BellSouth Wireless paid \$47,505,673 for a narrowband PCS license. This amount is about 3.2 percent of the 1993 net income of its parent company. In contrast, smaller companies, such as Page Mart II, Inc. issued new equity to help pay for the license it won.<sup>15</sup> New equity issues are more costly than internal financing because underwriting fees reduce the amount received by the company. As these examples indicate, companies with greater revenues have access to more internally generated funds, which are less costly to obtain. The lower cost of raising capital helps keep these companies competitive with the larger telecommunications companies that will almost surely win licenses in Blocks A and B. Raising the revenue caps for designated entities will thus increase the likelihood that these companies remain active in providing spectrum-based services.

---

<sup>15</sup> *Wireless Telecom Investor-News Roundup*, Paul Kagan and Associates, August 23, 1994.

## Curriculum Vita

### Raymond P. H. Fishe

**Date** May 1994

**Phone** Home: (305) 445-7930  
Office: (305) 284-5540

**Home Address** 2520 San Domingo Street  
Coral Gables, FL 33134

**Primary Department** Department of Economics  
University of Miami  
P.O. Box 248126  
Coral Gables, FL 33124

**Current Rank** Professor

**Education** University of Florida B.S.B.A., June 1976; Economics  
University of Florida M.A., March 1978; Economics  
University of Florida Ph.D., August 1979; Economics

**Instructional** Department of Finance, Chairman (designatee-Sept. 1994);  
Department of Economics, University of Miami, Assistant  
Professor, August 1981 - June 1984; Associate Professor,  
June 1984 - June 1990; Professor, July 1990 to present.

Department of Economics, University of Florida, Visiting  
Assistant Professor, January 1981 - March 1981 and June  
1981 - August 1981.

Department of Economics, Florida State University,  
Assistant Professor, September 1980 - June 1981.

**Books** *Microeconomics-Price Theory in Practice* (with Roger  
Miller), HarperCollins Publishers: New York, forthcoming  
1994.

**Journal Articles** "Good News, Bad News, Volume and the Monday Effect,"  
(with T. Gosnell and D. Lasser), *Journal of Business  
Finance & Accounting*, (November 1993), 881-93.

Vita—Raymond P. H. Fishe

Page 2

"Informal Financial Arrangements and the Stability of Deposit Insurance in Less Developed Countries," (with L. Chen), *Southern Economic Journal* (July 1993).

"An Economic Analysis of Group Lending Programs in Developing Countries," (with J. Devereux), *The Developing Economies* (March 1993), 102-121.

"The Value of Time Spent in Price Comparison Shopping," (with D. Grewal and H. Marmorstein), *Journal of Consumer Research* 19 (June 1992), 52-61.

"The Federal Reserve Amendments of 1917: The Beginning of a Seasonal Note Issue Policy," *Journal of Money, Credit, and Banking*, 23 (August 1991), 308-326.

"Information-Induced Heteroscedasticity in Price Expectations," (with T. Idson), *The Review of Economics and Statistics* 78 (May 1990), 304-312.

"The Adjustment of Expectations to a Change in Regime: Comment," (with M. Wohar), *The American Economic Review* 80 (September 1990), 968-976.

"Margin Requirements in Futures Markets: Their Relationship to Price Volatility," (with L. Goldberg, S. Sinha, and T. Gosnell), *The Journal of Futures Markets* 10 (October 1990), 541-554.

"Setting Margin Requirements in Futures Markets," (with L. Goldberg), *Tagung Geld, Banken und Versicherungen*, Universitat Karlsruhe, WG, December 1987.

"Why Do Corporations Distribute Assets? An Analysis of Dividends and Capital Structure," (with L. De Alessi), *The Journal of Institutional and Theoretical Economics* 143 (March 1987), 34-51.

"Nonlinear Contracts, Zero Profits, and Moral Hazard," (with P. McAfee), *Economica* 54 (February 1987), 97-101.

"The Effects of Margins on Trading in Futures Markets," (with L. Goldberg), *The Journal of Futures Markets* 6 (Summer 1986), 261-272.

"On Testing Hypotheses Using the Livingston Price Expectations Data," *The Journal of Money, Credit, and Banking* 16 (November 1984), 520-26.

"On the Use of Bonus Payments in an Experimental Study of Electricity Demand," (with P. McAfee), *The Review of Economics and Statistics* 65 (August 1983), 506-511.

"Unemployment Insurance and the Reservation Wage of the Unemployed," *The Review of Economics and Statistics* 64 (February 1982), 12-17.

"Labor Force Earnings and College Choice of Young Women: An Examination of Selectivity Bias and Comparative Advantage," (with R. Trost and P. Lurie), *Economics of Education Review* 1 (Spring 1981), 169-191.

"On the Estimation of Inflationary Expectations from Qualitative Responses," (with K. Lahiri), *Journal of Econometrics* 16 (May 1981), 89-102.

"Distributional Analysis of Regulatory Benefits and Costs of Air Quality Control," (with Berg, et. al.), *Journal of Environmental Economics and Management* 6 (November 1978), 222-243.

#### *Other Publications*

"The Role of Privatization in Florida's Growth," prepared for the Florida Chamber of Commerce and the Florida Council of 100 by the staff of the Law & Economics Center, University of Miami, and the Reason Foundation, Santa Monica, CA, 1987.

"A Time Series Analysis of Popular Expectations Data," (with G. S. Maddala and K. Lahiri), in *Economic Applications of Time Series Analysis*, edited by Arnold Zellner (American Statistical Association, Washington, D.C.), 1983.

"Pricing Electricity in an Uncertain Environment," (with G. S. Maddala), in *Value of Service Reliability to Customers*, reference manual, sponsored by the Electric Power Research Institute, 1983.

"Marginal Cost Pricing Under Uncertainty," (with G. S. Maddala), Electric Power Research Institute, (July 1982), EA-2491.

"On the Number and Placement of Rating Periods for Time-of-Day Pricing," in *Incentive Electric Rates: Issues in Cost-Benefit Analysis*, Sanford V. Berg (ed.), New York: Lexington Books, 1982.

"Direct Estimation of Inflationary Expectations from Survey Data," (with K. Lahiri), in *Time Series Analysis*, O. D. Anderson and R. Perryman (eds.) (Amsterdam: North Holland), 1981.

"On the Estimation of Popular Price Expectations," (with K. Lahiri), *The Proceedings of the American Statistical Association*, Business and Economics Section, 1980.

"Technical Change, Frontier Production Functions, and Efficiency Measurement," (with G. S. Maddala), *The Proceedings of the American Statistical Association*, Business and Economics Section, 1979.

"Metropolitan Dade County Resource Recovery Facility: An Analysis of Private versus Public Management," (with K. Clarkson and L. De Alessi), Law & Economics Center, University of Miami, 1987.

"Using Private Management to Foster Florida's Growth: Initial Steps," (with K. Clarkson), Law & Economics Center, University of Miami, 1987.

"A Proposal for Medical Malpractice Insurance in Florida," (with K. Clarkson), Law & Economics Center, University of Miami, 1987.

**Professional  
and Honorary  
Organizations**

Econometric Society  
American Economic Association  
Financial Management Association  
Dade Economic Forum  
Omicron Delta Epsilon, Vice President - 1976

**Honors & Awards**

B.S.B.A., High Honors  
Rafael Lusky Award for the Best First Year Graduate Student in Economics, 1976-77  
Public Utility Research Center Award for a paper on regulated industries, 1977

**Post-Doctoral  
Fellowships**

Department of Economics, University of Florida, August 1979 - September 1980

**Teaching**

*Undergraduate:*  
Macroeconomics  
Microeconomics  
Energy Economics  
Intermediate Microeconomics

*Graduate:*

Essentials of Economics—Macro & Micro  
Econometrics  
Advanced Econometrics  
Mathematical Economics  
Advanced Microeconomics I & II  
Economic Evidence in Law  
Advanced Corporate Finance  
Managerial Economics  
Applied Econometrics

*Other:*

"Economics of Health Care," UM Alumni College, 1993.  
"Economics Exploded," UM Alumni College, 1989.  
Faculty Instructor, Second Advanced Institute for Public  
Interest Law Firm Attorneys, Law & Economics Center,  
1985.  
Faculty Instructor, Third & Fourth Economics Institute for  
Administrative Law Judges, Law and Economics Center,  
University of Miami, 1986-88.  
Faculty Instructor, "Economics for Teachers," Foundation  
for Teaching Economics, Tampa, 1992.

*Research Performed*

"Seasonal Money Movements and the January Effect," (with  
Lein-Lein Chen), under review.

"An Economic Approach to Vaccination Decisions," (with  
Pat Conroy), under preparation.

*Grants Research*

"The Effect of Unemployment Insurance on Duration of  
Unemployment: A Study Based on GWBH Data for  
Florida," (G. S. Maddala, PI), prepared for the Department  
of Labor, Contract #99-8-1659-04-26 (\$45,000).

"Marginal Cost Pricing and Optimal Fuel Procurement  
Under Uncertainty," (G. S. Maddala, PI), prepared for the  
Electric Power Research Institute, RP-1220-5 (\$30,000).

"Econometric Analysis of Expectations Based on Micro  
Data," (G. S. Maddala, PI), prepared for the National  
Science Foundation (\$115,000).

"An Experimental Framework for Testing Contract  
Incentives," Research Council, University of Miami  
(\$5,000).

"Income Tax Avoidance: An Experimental Analysis,"  
Research Council, University of Miami (\$1,525).

"Why Do Companies Distribute Assets? An Examination of  
the Historical Evidence," Corporate Affiliates Program,  
School of Business, University of Miami (\$5,000).

"Currency Substitution in Developing Countries,"  
International Business and Banking Institute, University of  
Miami (\$3,000).

"The Effects of the Federal Reserve Amendments of 1917 on  
the Behavior of Interest Rates," Corporate Affiliates  
Program, University of Miami (\$5,000).

*Dissertation & Thesis  
Advising*

Chairman, M.A. for Min Ho Shin, "Modelling Opportunistic  
Behavior and Quality Control in a Game-Theoretic  
Environment," December 1983.

Member, M.A. for Joon Woo Hon, "Korean General  
Trading Company," August 1984.

Member, Ph.D. for Victor R. Restrepo, "The Florida Stone  
Crab Fishery: An Evaluation of Diverse Management  
Regimes Through the Use of a Simulation Model," 1985.

Member, Ph.D. for Moises F. Tacle, "A Model of Job  
Search and Allocation of Time," 1987.

Member, Ph.D. for Iman Ammus, 1990.

Chairman, Ph.D. for Sujata Sinha, 1993.

*University Committee  
& Administrative  
Responsibilities*

Member of the Graduate Faculty, 1982-Present.

Faculty Senate Budget Review Committee, 1993-94.

SBA Tenure & Promotion Review Committee, 1993-94.

UM Graduation Honors Committee, 1993-94.

President's Task Force on Academic Structure, Culture,  
Traditions, and Administrative Practices, 1993.

SBA By-laws Committee, 1992-94

Chairman, Recruiting Committee, Department of  
Economics, 1992-93.

Arts & Sciences Dean Search Committee, 1990-91.

Academic Personnel Board, 1990-91.

Chairman, Business and Social Sciences Subcommittee of  
the Research Council, 1990-91.

SBA Finance Task Force, 1990.

SBA Dean Search Committee, 1988-90.

SBA School Council 1987-90.

Ad Hoc Committee on School of Business Admissions,  
1988-89.

MBA Curriculum Committee, 1987

Acting Director of M.A. Program in Law and Economics,  
1983-84.

Chairman, Department of Economics Research Committee,  
1983-84.

Chairman, Recruiting Committee, Department of  
Economics, 1986-87.

Coordinator, Invited Speaker Series, Department of  
Economics, 1983.

Member of the MPA/MBA Advisory Committee, School of  
Business Administration, 1984-85.

Member of the Computer Coordination Committee, School  
of Business Administration, 1984-85.

Member of the Sub-Committee of the Sub-Committee on  
Programs and Degrees in the Social Sciences, 1984.

Faculty Advisor to Lambda Chi Alpha Fraternity, 1985-86.

*Community Activities*

Director, Dade Economic Forum, 1988 to present.

Trustee, St. Stephen's Episcopal Day School, 1989-92.

Advisory Board, *NEW MIAMI* Magazine, 1988-92.

Article: "National Economic Outlook," *NEW MIAMI*  
Magazine, January 1989.

Member, Research Program Committee, The Beacon  
Council, 1988.

President, Miami Business Economists Association, 1986.

Occasional columnist for *THE MIAMI REVIEW*:  
"Unemployment Statistics are Biased," October 26, 1983.  
"Numbers Revolution in Courts Requires Economics and  
Statistics," December 20, 1983.  
"We're Paralleling Early Spain--Columbus Would Be  
Pleased with 1983's Economic Growth," Forecast Edition,  
January 23, 1984.

"Economics Can Have A Light Side; Conrad Story Prompts a Game," April 28, 1984.

"Light Pessimism Prevails in General Economic View," Forecast Edition, July 23, 1984.

"Inflation Could Return If Deficit is Not Cut," Forecast Edition, January 28, 1985.

"Privatization, not Taxation." (with Ken Clarkson), *Viewpoint Section*, The Miami Herald, September 27, 1987.

Numerous public speeches and interviews on local radio and television.

*Papers Presented*

"Unemployment Insurance and Labor Market Behavior," at the November 1979 meetings of the Southern Economic Association, Atlanta.

"Cross-Sectional Models of Expectations Based on Qualitative Survey Data," at the April 1980 Conference on Model Selection in Econometrics, Gainesville.

"Inflationary Expectations of Households," at the August 1980 meetings of the American Statistical Association, Houston.

"What do Economists Know About Inflation? A Times Series Model of Inflationary Expectations," at the August 1980 International Conference on Time Series Analysis, Houston.

"A Time Series Analysis of Inflationary Expectations," (with G. S. Maddala and K. Lahiri), at the October 1981 ASA-NBER-Census Conference on Time Series Analysis, Washington.

"Using Survey Measures of Inflationary Expectations and Variance of Expectations in the Estimation of Macro Models," (with G. S. Maddala and K. Lahiri), at the September 1982 European Meetings of the Econometric Society, Dublin.

"Cross-Sectional Evidence of Differential Price Expectations," at the at the October 1982 meetings of the Atlantic Economic Society, Miami Beach, and at the December 1983 Meetings of the American Economic Association, San Francisco.

"Contract Design Under Uncertainty," (with R. Preston McAfee), at the December 1982 meetings of the Econometric Society, New York.

"On the Structure of Margins in Futures Markets," (with Lawrence Goldberg), at the April 1984 meetings of the

Eastern Finance Association, Orlando, and the European Finance Association Meetings, Manchester, England, September, 1984.

"Why Do Companies Distribute Assets? Another Look at Dividends and Capital Structure," (with Louis De Alessi), presented at the July 1985 meetings of the Western Economic Association, Anaheim, and presented at the December 1985 meetings of the American Economic Association, New York.

"Setting Margin Requirements in Futures Markets," (with Lawrence G. Goldberg), to be presented at the October 1985 meetings of the Financial Management Association, Denver.

"Currency Substitution in Bolivia," Conference of the Use of Multiple Monies, Central Bank of Bolivia, La Paz, November 1987.

"The Federal Reserve Amendments of 1917: A Tarnishing Change in Monetary Policy," presented at the June 1989 meeting of the Western Economics Association, Lake Tahoe.

"Information-Induced Heteroscedasticity in Price Expectations," presented at the 9th World Congress, International Economics Association, Athens, August 1989.

"Good News, Bad News, Volume, and the Monday Effect," (with Tom Gosnell and Dennis Lasser), presented at the October 1989 meetings of the Financial Management Association, Boston.

"The Federal Reserve Amendments of 1917: The Beginning of a Seasonal Note Issue Policy," presented at the December 1990 meeting of the American Economic Association, Washington, D.C. and the April 1991 meeting of the Public Choice Society, New Orleans.

"Do Money Supply Announcements Contribute to the January Effect?" presented at the April 1991 meetings of the Midwest Finance Association.

*Discussant*

"Recent Contributions to Estimation of Limited Dependent Variable Models," at the September 1980 meetings of the Econometric Society, Denver.

"Modelling the Florida Economy," at the October 1982 meetings of the Atlantic Economic Society, Miami Beach.

"A Study of Maturity Preferences in the Tax-Exempt Bond Market," at the April 1984 meetings of the Eastern Finance Association, Orlando.

"The Bid-Ask Spread, Transaction Prices and the Time Variance Relationship," at the April 1984 meetings of the Eastern Finance Association, Orlando.

"Product Defects Regulation at the FTC: Proposals for a Protocol," at The November 1984 meetings of the Southern Economic Association, Atlanta.

"Exchange Rate Reform Under Commercial Restrictions," Second Dominican Republic Conference on Trade and Financial Liberalization in Latin America, March 1985, Santo Domingo.

"Will Pay-Now Tuition Plans Create a Futures Market?," Public Choice Society Meetings, March 1988, San Francisco.

"An Examination of Ex-Day Price Effects Following the Introduction of Primes and Scores," Financial Management Association, Orlando, October, 1990.

*Invited Participant*

"Value of Service Reliability," Electric Power Research Institute, presentations in San Diego, 1982 and St. Louis, 1983.

The 1984 Shell Faculty Forum, Shell Oil Company, Houston.

The 1984 Financial Educators' Conference, Chicago Board of Trade, Chicago.

Panel Member, 1991 Florida Forum for Efficiency in Government, Chaired by Lt. Governor, Buddy McKay.

*Occasional Referee*

*The Review of Economics and Statistics*  
*Journal of Economics and Business*  
*Quarterly Review of Economics and Business*  
*Journal of Futures Markets*  
*Economica*  
*Public Finance Quarterly*  
*Southern Economic Journal*  
*Journal of Money, Credit, and Banking*  
*Journal of Econometrics*  
National Science Foundation

*Consultant*

Occasional consulting to corporations, government agencies, and professional associations on matters relating to financial economics, macroeconomics, microeconomics, and econometrics.

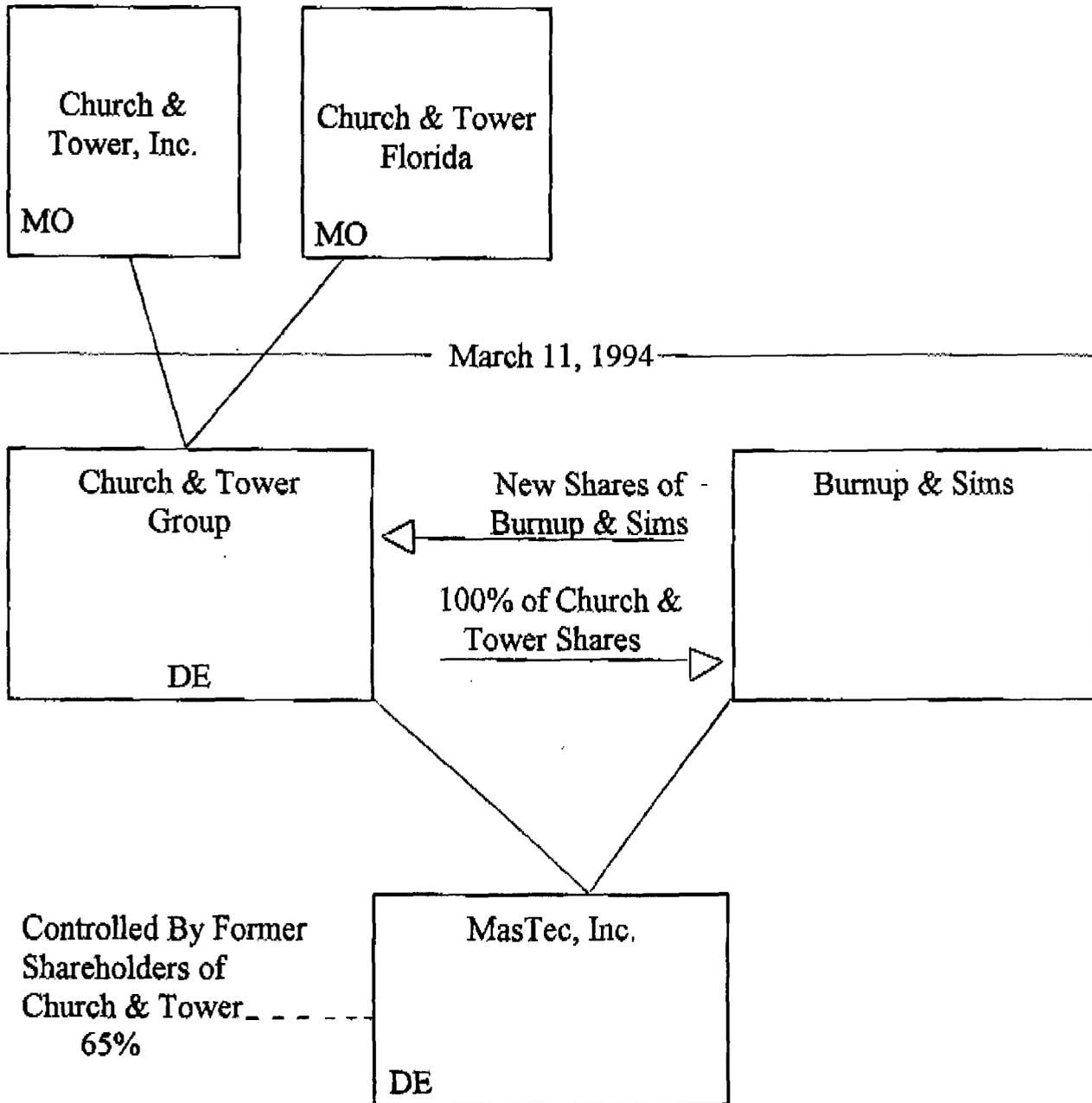
**To:** Pat Fishe  
**From:** Ken Clarkson  
**RE:** If you need this for About the Authors.

**KENNETH W. CLARKSON**

Dr. Kenneth W. Clarkson is Professor of Law and Economics, and Director of the Law and Economics Center at the University of Miami, a research and educational institute focusing on rigorous economic analysis of public policy issues and providing economics education to professional audiences, such as federal administrative law judges. Dr. Clarkson's Ph.D. is the author/coauthor of more than 50 books and articles, including *Industrial Organization: Theory, Evidence and Public Policy*, and *Economics Sourcebook of Government Statistics*. In addition to serving as a consultant to numerous public and private organizations, he has served as the Associate Director for Human Resources, Veterans and Labor at the U.S. Office of Management and Budget. Dr. Clarkson received his advanced degrees from U.C.L.A. and has served on the faculties of U.C.L.A., University of Virginia and University of Miami.

**EXHIBIT II**

**EXHIBIT II  
DEMONSTRATIVE CHART**

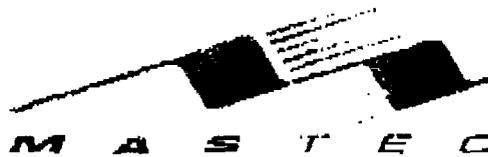


MO = Minority Owned and Controlled

**EXHIBIT III**

05-04 94 13:21 599 1572

MASTEC



August 4, 1994

Matthew Leibowitz  
Leibowitz & Associates  
1 S.E. 3rd Avenue  
Suite 1450  
Miami, Florida 33131

Dear Mart:

In response to your request on the appropriate application of generally accepted accounting principles to the acquisition by Burnup and Sims Inc. ("Burnup") of Church and Tower of Florida and Church and Tower Inc. , collectively referred to as the CT Group, (the "Acquisition") which was accounted for as a "reverse acquisition " as described below, please find the following information:

#### DESCRIPTION OF THE ACQUISITION

On March 11, 1994, the CT Group was acquired, through an exchange of stock, by Burnup. Burnup issued 10,250,000 shares of its common stock in exchange for all the outstanding stock of the CT Group. As a result of the exchange of stock, the former shareholders of the CT Group received approximately 65% of the outstanding shares of Burnup. Thus, the CT Group shareholders became the majority shareholders of Burnup. Following the Acquisition, Burnup's name was changed to MasTec, Inc. Jorge L. Mas Canosa, the president of Church and Tower of Florida was elected Chairman of the Board of MasTec and Jorge Mas, the president of Church and Tower, Inc. became the President of MasTec.

#### APPROPRIATE ACCOUNTING PRINCIPLES

The primary accounting literature that governs accounting for business combinations such as that described above is Accounting Principles Board Opinion No. 16, "Business Combinations" and rules published by the Securities and Exchange Commission including SAB Topic 2.A.2.

Paragraph 70 of APB 16 provides guidance for determining which party to the combination is the acquirer and indicates , in part, that:

...presumptive evidence of the acquiring corporation in combinations effected by an exchange of stock is obtained by identifying the former common stockholder interests of a combining company which either retain or receive the larger portion of the voting rights in the combined corporation. That corporation should be treated as the acquirer unless other evidence clearly indicates that another corporation is the acquirer.

09 04 94 13:21 305 599 1572

MASTEC

2003

Matthew Leibowitz  
Page Two  
August 4, 1994

SAB Topic 2, Item A.2., provides additional guidance in determining the acquiring company and indicates that other factors should also be considered in determining which company is the acquirer. These considerations might include predominant control by the management and board of directors of one of the combining companies or the management and board of directors of the combined company.

The term "reverse acquisition" refers to a business combination accounted for by the purchase method in which the company that issues its shares or gives other consideration to effect a business combination is determined to be the acquiree in the business combination. As previously noted, this would occur when the shareholders of the issuer have less than a majority of voting control of the combined entity and other factors confirm the presumption that the issuer is not the acquirer. Under the application of paragraph 70 of APB 16 and SAB Topic 2.A.2., the company whose shareholders retain the majority voting interest in the combined entity is presumed to be the acquirer.

The accounting for a reverse acquisition takes into consideration the legal form of the surviving entity as well as the accounting substance of the business combination. The company that issues stock to effect the combination as the "legal acquirer" and the company whose shareholders exchange their stock for the legal acquirer's stock and who retain voting and operating control of the combined entity as the "accounting acquirer."

In a reverse acquisition, the legal acquirer generally continues in existence as the legal entity whose shares represent the outstanding common stock of the combined company. In some instances, the legal acquirer is a public company whose shares are listed on an exchange. By effecting a reverse acquisition, the accounting acquirer can thereby gain access to the public market without going through an initial public offering.

#### CONCLUDING COMMENTS

Based on the fact that the CT Group's shareholders retained the majority voting interest in the combined entity, the CT Group is considered to be the accounting acquirer. Accordingly, the historical financial statements of MasTec are those of the CT Group.

I hope this information is helpful. Please call me at (305) 599-2014 if you have any further questions.

Sincerely,

MasTec, Inc.



Carmen M. Sabater  
Controller

**CERTIFICATE OF SERVICE**

I, Maria D. Riveron, certify that a copy of the foregoing Response to Petitions for Reconsideration was sent by first class U.S. mail this 9th day of September, 1994 to the following persons:

Mark J. Tauber, Esq.  
Piper & Marbury  
1200 19th Street, N.W.  
Seventh Floor  
Washington, DC 20036

James U. Troup, Esq.  
Arter & Hadden  
1801 K Street, N.W.  
Suite 400 K  
Washington, D.C. 20006

Michael F. Atschul  
Vice President, General Counsel  
Cellular Telecommunications Industry Association  
1250 Connecticut Avenue, N.W., Suite 200  
Washington, DC 20036

Philip L. Verveer  
Willkie Farr & Gallagher  
Three Lafayette Centre  
1155 21st Street, N.W., Suite 600  
Washington, DC 20036-3384

Debra L. Lee  
Executive Vice President and  
General Counsel  
Legal Affairs  
Black Entertainment Television  
1232 31st Street, N.W.  
Washington, D.C. 20007

Leonard J. Kennedy, Esquire  
Dow, Lohnes & Albertson  
1255 23rd Street, N.W.  
Washington, D.C. 20037

Patricia Diaz Dennis  
Sullivan & Cromwell

1701 Pennsylvania Avenue, N.W.  
Washington, D.C. 20006

Henry Solomon  
Haley, Bader & Potts  
Suite 900  
4350 North Fairfax Drive  
Arlington, VA 22203-1633

Robert H. Kyle  
President, Kycom, Inc.  
96 Hillbrook Drive  
Portola Valley, CA 94028

Stephen G. Kraskin  
Kraskin & Associates  
2120 L Street, N.W.  
Suite 520  
Washington, DC 20037

John A. Malloy, General Counsel  
Columbia PCS, Inc.  
201 N. Union Street, Suite 410  
Alexandria, VA 22314

David L. Nace  
Lukas, McGowan, Nace  
& Gutierrez, Chartered  
1111 Nineteenth Street, N.W. Suite 1200  
Washington, D.C. 20036

Robert E. Levine  
Mullin, Rhyne, Emmons and Topel, P.C.  
1225 Connecticut Avenue, Suite 300  
Washington, DC 20036

James L. Winston  
Rubin, Winston, Diercks, Harris & Cooke  
1730 M Street, N.W.  
Suite 412  
Washington, DC 20036

**Lois E. Wright**  
Vice President and Corporate Counsel  
Inner City Broadcasting Corporation  
801 Second Avenue  
New York, NY 10017

**James P. Tuthill**  
Pacific Bell Mobile Services  
140 New Montgomery Street  
Room 1525  
San Francisco, CA 94105

**James L. Wurtz**  
1275 Pennsylvania Avenue, N.W.  
Washington, DC 20004

*Maria D. Riveron*

---

Maria D. Riveron