

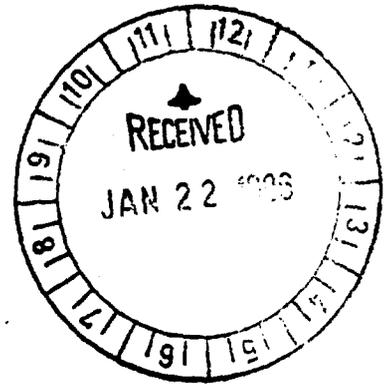


Sprint
 United Telephone-Florida
 Centel-Florida

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

P. J. Merkle
 Manager - Regulatory

January 4, 1996



Mr. Walter D'Haeseleer, Director
 Division of Communications
 Florida Public Service Commission
 2540 Shumard Oak Boulevard
 Tallahassee, FL 32399-0850

Dear Mr. D'Haeseleer:

Thank you for your inquiry dated December 5, 1995 into the agency agreement we have with Sprint Payphone Services, Inc.

Enclosed is the United Telephone Company of Florida response. We believe the information included and attached with the response will show that our business arrangement is legal and not anti-competitive.

If you have any questions about this information, please call.

Sincerely,

Peter J. Merkle

dlb/bs
 Enc.

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 SERVICE COMMISSION
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January 4, 1996

SPRINT-UNITED TELEPHONE OF FLORIDA
Response to FPSC Data Request of 12/5/95

Re: Agency Agreement with Sprint Payphone Services Inc.

1. Does Sprint/United Telephone Company of Florida have a contractual relationship with Sprint Payphone Services Company?

Response:

Yes, there are three contractual relationships that exist:

1. General Agreement Between United Telephone Company of Florida and Sprint Payphone Services Inc. (SPSI performs work for Sprint/United)
2. Sales Agency Agreement Between United Telephone Company of Florida and Sprint Payphone Services, Inc. (Sprint United performs work for SPSI)
3. General Agreement Between Sprint Payphone Services, Inc. and Sprint United/Centel Telephone Florida. (Sprint United performs work for SPSI)

1a. If yes, when was this contract executed?

Response:

1. General Agreement Between United Telephone Company of Florida and Sprint Payphone Services Inc. was effective 03/28/94.
2. Sales Agency Agreement Between United Telephone Company of Florida and Sprint Payphone Services, Inc. was effective 04/01/95.
3. General Agreement Between Sprint Payphone Services, Inc. and Sprint United/Centel Telephone Florida was effective 03/01/95 .

January 4, 1996

1b. Provide a copy of the contract.

Response:

1. **General Agreement Between United Telephone Company of Florida and Sprint Payphone Services Inc. (Attachment marked #1)**
2. **Sales Agency Agreement Between United Telephone Company of Florida and Sprint Payphone Services, Inc. (Attachment marked #2)**
3. **General Agreement Between Sprint Payphone Services, Inc. and Sprint United/Centel Telephone Florida . (Attachment marked #3)**

2. What is the relationship between Sprint/United and Sprint Payphone Services Company?

Response:

Sprint/United and Sprint Payphone Services Inc. (SPSI) are affiliate companies. Sprint/United is owned by Sprint Corporation and SPSI is owned by Florida Telephone Corporation which is owned by Sprint Corporation. Sprint Payphone Services, Inc. performs booth installation/repair contract services for Sprint/United. (see attachment #1). Sprint/United is a contracted Sales Agent for Sprint Payphone Services, Inc. (see attachment #2, section one "Purpose of Agreement") . Sprint/United performs pay telephone installation, removal, maintenance, collection and coin-counting services for SPSI. (see attachment #3)

2a. Does Sprint/United have a similar relationship with any other competitive pay telephone provider? If yes, please explain.

Response:

Sprint/United has entered into an agreement with "NATCOM," a certified independent payphone provider (IPP), for conducting a trial and should this trial be successful the intent is for Sprint/United to sell and market the NATCOM product. The contract authorizing this trial was initiated 01/16/95.

Sprint/United previously had contracts with WISECO and J&M COMMUNICATIONS to perform booth contracted service work.

January 4, 1996

3. Does Sprint/United make data on LEC and non-LEC pay telephone revenues available to SPS?

Response:

Sprint/United makes data on LEC pay telephone available to all competitive pay telephone providers including SPSI pursuant to an authorized "Letter of Agency" signed by the customer.

Sprint/United does not make non-LEC revenue information available to any competitive payphone provider.

3a. If yes, is SPS charged for this data?

Response:

No competitive payphone providers are charged for data provided pursuant to an authorized "Letter of Agency".

4. Does Sprint/United make data on LEC and non-LEC pay telephone locations available to SPS?

Response:

LEC - Telephone Location Data:

The General Agreement Between Sprint Payphone Services, Inc. and Sprint United/Centel Telephone Florida, which provides for booth installation and maintenance services from SPSI to Sprint United/Centel, necessitates Sprint United/Centel phone locations to be disclosed for work to be performed. This information is given on an as needed basis.

non-LEC - Telephone Location Data:

No information is provided on non-LEC locations.

January 4, 1996

4a. If yes, is SPS charged for this data.?

Response:

No competitive payphone providers are charged for data provided pursuant to an authorized "Letter of Agency".

5. Is the data referred to in 3 and 4 used to market the services of SPS to potential customers (location owners)?

Response:

No marketing plans are developed from Sprint/United's customer information for SPSI. Only data obtained pursuant to an authorized "Letter of Agency" is used to sell the services of SPSI. See attachment #4 "Public Communications Policy" (sales section).

5a. If yes, explain why such an arrangement should not be considered unfair to other competitive pay telephone providers.

Response:

This is not unfair to other competitive payphone providers. Other providers are able to obtain the same information using an authorized "Letter of Agency".

6. Is the data referred to in questions 3 and 4 made available to other competitive pay telephone providers?

Response:

Yes

January 4, 1996

6a. If yes, explain under what conditions.

Response:

If an authorized "Letter of Agency" is presented to Sprint United/Centel and verified through customer contact, then account information, such as, contract termination date, and revenue information is provided. No information is given to SPSI or other competitive payphone providers until a "Letter of Agency" has been verified by a separate customer contact.

6b. If no, explain why not.

Response:

NA

7. Do employees of Sprint/United make sales calls or perform other duties on behalf of SPS?

Response:

Yes

7a. If yes, explain how the employees' salaries are allocated while they market SPS services or perform other duties related to SPS.

Response:

Employees directly report their time, regardless if it is a part of the Sprint/United service contract with SPSI for installation, repair and maintenance or part of the Sprint/United Sales Agency Agreement (see attachment #2 and #3), for time spent representing the SPSI product offering. The FCC's 86-111 rules governing affiliate company transactions are followed.

January 4, 1996

7b. If yes, what percentage of these employees' time is spent performing duties related to SPS services?

Response:

Sales 16 %
Service Contract 3 %

7c. If yes, how do Sprint/United employees make it clear to the prospective customer which company is soliciting his business and what the relationship between Sprint/United and SPS is?

Response:

Sales personnel always propose the LEC offering to customer prospects. Only after the perspective customer turns down the Sprint/United's offering, does the sales representatives ask for a "Letter of Agency" on behalf of SPSI. The Letter of Agency (as with any other IPP Letter of Agency) allows both the LEC and DXC information to be used in developing the SPSI proposal. Sales representatives explain that SPSI is an affiliate company owned by the parent company Sprint. The purpose of the formation of SPSI was to meet the needs of customers who wanted, A) one provider for all territories in and out of the LEC franchised boundaries, B) one provider for both local and toll with commission statements reflecting combined payments, C) higher commissions based on more revenue streams such as dial around compensation.

Attachment #1

GENERAL AGREEMENT

BETWEEN

UNITED TELEPHONE COMPANY

OF FLORIDA

AND

SPRINT PAYPHONE SERVICES, INC.

GENERAL AGREEMENT
FOR
PUBLIC TELEPHONE BOOTH INSTALLATION
REMOVAL AND MAINTENACE
BETWEEN
UNITED TELEPHONE COMPANY OF FLORIDA
AND
SPRINT PAYPHONE SERVICES, INC.
(CONTRACTOR)

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General Agreement

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THIS AGREEMENT is made by and between United Telephone Company of Florida, a Florida Corporation with offices at Post Office Box 165000, Altamonte Springs, Florida 32716-5000, hereinafter called "Company" or "Telephone Company" and Sprint Payphone Services, Inc., a Florida Corporation with its principal office address being 600 South Northlake Blvd., Altamonte Springs, Florida 32701, hereinafter called "Contractor".

WITNESSETH:

WHEREAS, the Company desires to have certain work specified in Exhibit B performed as it may from time to time direct; and

WHEREAS, the Contractor represents itself to be capable and willing to perform such work as and when requested;

NOW THEREFORE, the Company and the Contractor, in consideration of the mutual covenants hereinafter contained, agree as follows:

ARTICLE 1. LOCATION OF WORK TO BE PERFORMED

The location of the work to be performed under this Agreement will remain within the operating territory of United Telephone Company of Florida as designated by the green and red areas shown on the service area map as Exhibit A.

ARTICLE 2. DESIGNATED WORK

- (a) The Contractor will perform, or furnish, within the area designated by the Company, such work items, labor and/or equipment set forth on Exhibit B as are authorized by work orders delivered from time to time to the Contractor by the Company. Such work items, labor and/or equipment shall be referred to collectively herein as the "Designated Work". Work items are described and defined on Exhibit B. The term "Work Orders" shall mean Routine and Specific Work Orders and other appropriate work drawings which specify the items of work authorized to be performed hereunder. Such term shall also include verbal work orders given to the Contractor for the purpose of emergency restoration, which the Company will when practicable, confirm in writing. The Contractor shall furnish, at the Company's request such Designated Work at the Unit and Hourly Rates specified on Exhibit B or by rates agreed upon by both parties in advance.
- (b) The Company retains the right to assign the type work covered by this Agreement to other contractors or to its own employees in the same areas as assigned

to the Contractor. The Company shall not be required to assign any specific amount, quantity of volume of work to the Contractor.

- (c) If service requirements of the Company increase to the point that the Contractor becomes incapable in the Company's judgment of supplying the manpower and equipment necessary to perform all Designated Work on a timely basis, the following shall apply:
- (1) Subject to the rights reserved in Paragraph (b) of this Article, the Company shall assign to the Contractor all of the available work the Contractor can adequately perform. The Contractor shall not object to the assignment of excess work to other contractors.
 - (2) After notice to the Contractor of the need for additional manpower and equipment, and the Contractor's inability to meet such needs within the time required by the Company, the Company may secure another contractor(s) to perform such work in the District(s) for which the Contractor has been awarded a General Agreement.
 - (3) The Company will use reasonable efforts to secure such additional contractor(s) at the lowest rates while meeting quality and production standards. If it becomes necessary to pay higher rates to secure and retain the services of another contractor(s), the Company is not obligated to increase the established rates of the Contractor.

ARTICLE 3. LABOR, MATERIALS AND APPLIANCES

- (a) The Contractor will furnish all labor, cartage, tools, implements, appliances and motor vehicles required to fully perform all Designated Work.
- (b) The Company reserves the right to decide which materials and supplies the Contractor will furnish to perform the designated work. The Company may furnish certain or all items of supplies and materials which it decides is necessary to perform the designated work. In the event the Company and Contractor agree that the Contractor will furnish certain items of material or supplies, the Contractor will invoice the Company for such. The Company will pay within thirty (30) days for all such items which shall be fully accounted for by the Contractor. If the Contractor furnishes materials, supplies, or utilizes special equipment with prior approval of the Company, the Contractor may invoice the Company at cost plus a ten (10) percent handling charge.

- (c) The Contractor shall be liable for the safekeeping of all material and property of the Company when such material or property is removed by, or delivered to, the Contractor from the Company's normal storage location. The Contractor shall reimburse the Company for the replacement cost of any material or property placed in its custody which is not included in the Designated Work and not returned in good condition to the Company's normal storage location, or other location designated by the Company, less reasonable breakage allowed by the Company.
- (d) The Contractor shall, in performance of the Designated Work, supply tools, equipment, and workmanship of a quality in strict accord with Company accepted standards governing telephone installation and maintenance, safety precautions set forth in Company practices, and any governmental requirements.
- (e) The Contractor shall perform the Designated Work as an independent contractor. The Contractor shall employ and exclusively control all persons engaged in Designated Work and shall prescribe and control the means and methods of doing such work. No subcontractors shall be retained to work under this Agreement without the advanced written approval of the Company.
- (f) The Contractor acknowledges that it is aware of its obligation under Section 1706 of the Tax Reform Act of 1986 and represents that it will comply with same with regard to any person performing work under this Agreement.
- (g) Upon request by the Company's Public Telephone Operations Management, the Contractor shall promptly remove from the job any employee of the Contractor or its subcontractor who, in the sole opinion of the Company, is not doing an adequate job, has misappropriated or wasted Company property, has falsely sought compensation for work performed under or materials used in performance of this Contract, has endangered any persons or property by improper action or failure to act, or is conducting himself/herself in a manner which reflects unfavorably upon the Company. Such request shall apply only to such employee's performance of the Designated Work under this Contract and shall not be intended nor construed by the Contractor as direction or suggestion that the Contractor terminate or discipline said employee. The employee's employment status with the Contractor is in all circumstances a matter solely between the employee and the Contractor.

ARTICLE 4. PERMITS AND LICENSES

The Contractor shall secure and pay for all authorizations, permits and licenses required by any governmental authority or private property owner with respect to the Designated Work. The Contractor shall secure and pay for all authorizations, permits and licenses required by any governmental authority or private property owner with respect to the Designated Work. The Contractor shall give all notices, pay all fees and comply with all governmental requirements relating to the Designated Work. The Contractor shall indemnify and save harmless the Company from liability on account of the Contractor's failure to secure or comply with such authorizations, permits and licenses.

ARTICLE 5. BEGINNING AND COMPLETION DATES

- (a) The Contractor shall perform the Designated Work with promptness and diligence to meet the completion date required by the Company. Notwithstanding the above, the Company may direct times and the order of precedence or priority in which any portions of the Designated Work shall be performed.
- (b) If, in the Company's opinion, the Contractor fails or refuses to supply sufficient suitable tools, equipment, materials or skilled workers to diligently and properly perform the Designated Work, the Company, after two (2) days' written notice, may take over all incomplete portions of the Designated Work, materials and appliances on the site and complete or have completed the Designated Work. The Contractor shall be liable for the cost of such completion and such cost shall be deducted from any compensation due the Contractor from the Company. Any such amount due the Company from the Contractor shall be immediately payable on completion of the Designated Work. Any compensation otherwise due the Contractor for the Designated Work over and above the cost for completion by or for the Company shall be paid to the Contractor by the Company. The rights and remedies provided herein are not exclusive and are in addition to all other rights and remedies available to the Company.

ARTICLE 6. DELAYS: EXTENSION OF COMPLETION DATE

- (a) The Contractor shall not be compensated by the Company for time lost due to delays in completion of the Designated Work unless such lost time is caused by failure of the Company to furnish necessary materials

when needed. In the event of such compensable losses, the Company will compensate the Contractor for such actual losses in an amount to be determined by the Company, and such decision shall be final and binding upon both parties.

- (b) Completion of the Designated Work shall be accomplished within the timeframe established by the Company.
- (c) The Company shall not be obligated to assign work to the Contractor, if, in the sole judgment of the Company, the Contractor is for any reason incapable of performing such work on a timely basis.
- (d) The Company may terminate this Agreement if Contractor's inability to perform work on a timely basis adversely affects the service demands of the Company, and the Contractor, after thirty (30) days' written notice, is in the Company's judgment, unable or unwilling to cure such deficiencies.

ARTICLE 7. INSPECTION OF WORK

- (a) The Company may inspect all Designated Work performed by the Contractor. The Company may reject any or all of the Designated Work, if, in the Company's opinion, such work is not in accordance with Article 3(d) above. Failure to inspect or reject such work shall not be construed as an acceptance of the work by the Company. Any work unacceptable to the Company shall be corrected immediately by the Contractor at the Contractor's expense.
- (b) All plant defects caused by faulty workmanship, negligence or omissions by the Contractor, its employees, agents or subcontractors in the performance of Designated Work which occur, appear or are discovered within eighteen (18) months from completion and acceptance by the Company shall be remedied immediately by the Contractor at the Contractor's expense. The Contractor shall save harmless and indemnify the Company for all damages caused by such defects. The Company shall give notice to the Contractor of any such defects within a reasonable time after their discovery.

ARTICLE 8. CHANGES IN THE DESIGNATED WORK

Authorized representatives of the Company may modify, delete or add to Designated Work

previously authorized by work orders. The Contractor's compensation in the event of such changes shall be adjusted accordingly. All Designated Work under such modified work orders shall be executed under the conditions of this Contract. Applicable forms in effect at the time of such modified work orders will be utilized to authorize and reflect such modifications.

ARTICLE 9. LOSSES: INDEMNITY OF TELEPHONE COMPANY

- (a) The Contractor shall indemnify, defend and save the Company harmless from and against any and all claims, damages, losses, costs and expenses arising in or resulting from the performance or failure to perform the Designated Work. This shall include: (1) damages to property (including property of the Company), (2) injury or death to persons, animals or livestock, (3) any and all interference with the service rendered by the Company, (4) payments made under any Worker's Compensation law or under any plan for employees' disability and death benefits, (5) any action of the Contractor, its agents or employees, in the performance of the Designated Work, and (6) any and all claims, liens, or lawsuits for labor and materials furnished by the Contractor. The Contractor will defend on behalf of the Company individually, or the Company and the Contractor jointly, any claim or action for or arising out of any of the foregoing.
- (b) The Contractor shall defend and indemnify the Company against any and all claims or actions arising against the Company, singly or jointly with the Contractor, by anyone performing work under this Contract. The Contractor shall also defend, indemnify and save harmless the Company in all claims and actions by said person(s) for wages, overtime wages, and payroll deductions.
- (c) Should the Contractor, in the Company's judgment, fail to properly defend any such claim, lien or suit, the Company may assume or join in such defense. The Contractor will reimburse the Company for attorney's fees and other expenses incurred by it in handling or defending any such claim, lien or suit including any amounts paid the Company in settlement or in satisfaction of judgment.

ARTICLE 10. LIABILITY INSURANCE

The Contractor shall carry insurance to protect the Contractor and the Company from and against all losses, expenses and liabilities resulting from any loss, injury or damage

referred to in Article 9. The minimum amounts for such insurance shall be as follows:

- (a) Public Liability \$500,000 as to any one occurrence
- (b) Property Damage \$500,000 as to any one occurrence
- (c) Automobile Coverage \$500,000 as to any one person
\$500,000 as to any one occurrence
\$500,000 property damage- each occurrence
- (d) Worker's Compensation Insurance in the Florida Statutory Limits

The above insurance shall be written to protect both the Contractor and the Company. The Contractor shall cause each insurance carrier to submit directly to the Company certificates showing effectiveness of the insurance in accordance with this Contract. Such certificates shall contain a provision that the insurance carrier will not cancel or modify any policy issued pursuant to this Agreement except upon written notice mailed to the Company stating the effective date of such cancellation or change, which date shall not be less than fifteen (15) days after receipt of such notice by the Company. The Contractor shall renew all policies of insurance required by this Contract and cause the insurance carrier to provide the Company with renewal certificates or other evidence of renewal satisfactory to the Company not less than fifteen (15) days prior to the expiration date of the policy. All insurance required shall remain in force for the life of the Contract. The Contractor's failure to strictly comply with the requirements for this Article shall be a default in this Contract for which the Company may immediately terminate the same.

ARTICLE 11. CONTRACT PRICE

Compensation paid to the Contractor for the performance of the Designated Work shall be computed as follows:

- (a) For Unit Price Work - Apply Unit Prices set forth in Exhibit B to each item of work specified in the work order, or
- (b) For Hourly work - Apply the appropriate Hourly Cost items specified in Exhibit B.

The manner in of compensation shall be determined solely by the Company prior to commencement of the Designated Work. Subsequent changes in or additions to the items, rates, and charges set forth in Exhibit B must be agreed to in writing by the Company and the Contractor. Such changes shall be amendments to Exhibit B and become a part of this Contract.

ARTICLE 12. METHOD OF PAYMENT: DETAILED INVOICES

Invoices covering Labor and/or Non-Labor Expenses shall be furnished by the Contractor subject to the provisions of Article 13. The Company will pay the Contractor the total amount due not later than thirty (30) days from receipt of such detailed and correct invoices.

ARTICLE 13. RECEIPTED BILLS, CLAIMS AND LIENS

- (a) The Contractor shall attach to the invoices referred to in Article 12, receipted bills for all materials and expenses contained in said invoices.
- (b) In the event there are any outstanding bills against the Contractor for labor, materials or any other expenditures, related to the performance of the Designated Work, the Company may pay said outstanding bills and deduct the amount of same from the amounts shown in the invoice or withhold payment of any amount equal to the sum of said bills until the same are paid by the Contractor.
- (c) The Company may, before making any payment to the Contractor require the Contractor to furnish satisfactory proof of full payment by the Contractor for all labor, materials, supplies and equipment furnished for or used in the performance of the Designated Work. The Company may require the Contractor to furnish satisfactory waivers of lien supported by affidavits, establishing that all liens and rights to claim liens which could arise out of the performance of the Designated work have been waived. Whether or not such proofs of payment or waivers have been furnished, the Contractor shall indemnify the Company from any liens, liabilities, actions, costs and expenses associated in any way with the Contractor's or any subcontractor's or materialman's failure to pay for any labor, materials, supplies, or equipment used in or furnished in the performance of the Designated Work.

ARTICLE 14. DEDUCTIONS FROM INVOICES

The Company may deduct from any invoices rendered by the Contractor as provided for in Article 12, before issuing certificates of payments thereon, an amount sufficient to protect the Company from loss on account of: (a) defective work not remedied; (b) claims filed against the Contractor, or reasonable evidence indicating the probable filing of such claims; (c) failure of the Contractor to make payments properly for materials or labor; and/or (d) cost of restoration of telephone service as the result of Contractor damage to Company facilities or negligence on the part of the Contractor in the performance of the Designated Work.

ARTICLE 15. ASSIGNMENTS

This Agreement shall not be assigned by the Contractor without the written consent of the Company. This Agreement shall extend to and be binding upon the successors and assigns of the parties hereto.

ARTICLE 16. PROTECTIVE MEASURES AND NOTICES

- (a) Performance of the Designated Work may bring employees of the Contractor and/or its subcontractors in close proximity to the facilities of others with the resulting risk of injury or death of such employees and other persons or damages to such facilities. The Contractor shall keep itself fully informed of the location of the facilities of other and assumes full responsibility for taking appropriate protective measures to avoid or fully minimize such risks.
- (b) At the Contractor's request the Company will confirm to other persons or utilities that the Contractor is performing work for the Company and request the cooperation of such persons or utilities to determine the existence, location and ownership of any facility that may be subject to damages in the performance of the Designated Work. However, the Contractor shall be solely responsible for taking proper protective measures to protect all persons from personal injury and to prevent damage to facilities encountered while performing the Designated Work. The Company shall not incur any liability by reason of such assistance or because of any failure of such other persons or utility to comply with such requests.

ARTICLE 17. GRATUITIES

It is the written policy of the Company to decline acceptance of gratuities offered by vendors of products or services. During the term of this Agreement and any extension

hereof, the Contractor will not offer and will not give a gratuity of any sort to employees of the Company. The Contractor will report the solicitation of a gratuity of any sort by a Company employee to an officer of the Company. Failure to comply with this provision may result in termination of this Agreement or in such other action as the Company deems appropriate, regardless of whether the Contractor initiated the offer or an employee of the Company solicited it.

ARTICLE 18. EXAMINATION OF RECORDS

The Company shall, within three (3) years of the final payment tendered under this Contract, have access to and the right to examine any pertinent books, documents, papers and records of the Contractor involving transactions relative to this Contract.

ARTICLE 19. FINANCIAL STATEMENTS

The Contractor agrees to furnish the Company, upon request, a copy of the Contractor's financial statements for a previous three (3) year period.

ARTICLE 20. EQUAL EMPLOYMENT OPPORTUNITY

The provisions of Section 202 of the Executive Order 11246 and the Rules and Regulations issued pursuant to Section 201 thereof are hereby incorporated by reference and the Contractor represents, by signing this Contract, that it will comply with such Executive Order and Rules and Regulations and amendments thereto to the extent the same are applicable.

ARTICLE 21. TERM AND CANCELLATION

- (a) This Agreement shall be effective upon the date it is executed by the last party to execute this Agreement, and shall remain in effect until terminated by either party upon thirty (30) days' written notice to the other party.
- (b) At the expiration of the indicated term of this Contract, the obligations and rights of both parties as provided in this Contract shall continue for any work not completed at the expiration date. The Contractor agrees to fully perform all work set forth in any work order delivered to it by the Telephone Company prior to the expiration date. Nothing contained in this Article shall be construed to limit the Telephone Company's right to immediately terminate this Contract as hereinbefore provided.

ARTICLE 22. BANKRUPTCY

The filing of any petition for bankruptcy, any assignment for the benefit of creditors, insolvency or other debtor's proceedings by or against the Contractor, or the adjudication in bankruptcy of the Contractor or the appointment of a receiver for Contractor by any court shall, at the Company's sole option, serve to terminate this Agreement.

ARTICLE 23. CONTRACT READ AND UNDERSTOOD

The Contractor has read and understands this complete Contract and the attached Exhibits and shall fully comply with all terms, covenants and agreements set forth herein.

EXECUTED in duplicate on the dates and for the term indicated below:

TERM: Beginning March 28, 1994 and ending "Open Ended".

UNITED TELEPHONE COMPANY OF
FLORIDA

Witness:

Doris A. Brekma

Jo Ann Kardas

[Signature]
By: J. Jamell Kelley

Title: President

Date: June 8, 1994

COPIES
1783
REMOVED

SPRINT PAYPHONE SERVICES, INC.

Witness:

Christina J. Telle

Judith Harwood

By: Walter L. Jones

Title: General Manager

Date: June 13, 1994

Contractor's Federal Identification Number:

Attachment 1

SALES AGENCY AGREEMENT

BETWEEN

UNITED TELEPHONE COMPANY OF FLORIDA

AND

SPRINT PAYPHONE SERVICES, INC.

This Agreement is made on March 28, 1995, by and between United Telephone Company of Florida d/b/a Sprint/United Telephone-Florida, a Florida corporation (hereinafter "Sprint/United"), 555 Lake Border Drive, Apopka, Florida 32703 and Sprint Payphone Services, Inc., a Florida corporation (hereinafter, "SPSI"), 750 South Northlake Boulevard, Suite 1000, Altamonte Springs, Florida 32701.

RECITALS

A. Sprint/United is a telecommunications company and a provider of pay telephone services, but is limited by Florida Public Service Commission rules to provision of pay telephone service within its certificated service territory in the State of Florida.

B. SPSI is certificated by the Florida Public Service Commission as a pay telephone service provider and has no territorial restrictions in the State of Florida.

C. SPSI desires to expand its base of pay telephone installations by appointing Sprint/United as a sale agent to sell SPSI services to customers who do not desire Sprint/United services or who wish statewide service.

Now therefore, in consideration of the promises contained in this Agreement, the parties agree as follows:

SECTION ONE
PURPOSE OF AGREEMENT

The purpose of this Agreement is to enhance the business of both Sprint/United and SPSI by allowing Sprint/United sales personnel to offer and sell SPSI payphone services to customers, contacted by Sprint/United sales personnel, who do not desire Sprint/United service or desire statewide service which Sprint/United cannot provide.

SECTION TWO
APPOINTMENT AS SALES AGENT

SPSI hereby appoints Sprint/United as its sales agent for the sale of SPSI pay telephone services and Sprint/United accepts such appointment.

SECTION THREE
DURATION

The term of the agency created shall be one year beginning on April 1, 1995 and terminating on April 1, 1996, or upon thirty (30) days written notice by one party to the other.

SECTION FOUR
AGENT'S BEST EFFORTS

Sprint/United agrees to devote its best efforts to sell SPSI's pay telephone services; however, nothing in this Agreement shall be construed as prohibiting Sprint/United from first attempting to sell its own pay telephone services to customers.

SECTION FIVE
NONDISCLOSURE

Each party agrees to keep confidential such information which may be imparted between them concerning the other's business affairs, marketing techniques and other business related information. Neither party shall disclose such information to others.

SECTION SIX
PAY TELEPHONE CONTRACTS

A. Sprint/United shall have authority to enter into contracts for pay telephone service on behalf of SPSI. The contracts must be on a form approved by SPSI and the form shall not be modified by the customer or Sprint/United without the permission of SPSI.

B. Sprint/United shall provide the original contracts to SPSI within five (5) business day of execution

C. SPSI shall provide appropriate guidelines to Sprint/United concerning commission rates to be paid to premise owners, the long distance provider to be the primary interexchange carrier for the pay telephone(s) contracted for and other information which needs to be filled in on the contract form. These guidelines may be changed in writing by SPSI from time to time. Changes to guidelines must be provided to Sprint/United thirty (30) days prior to their effective date unless otherwise agreed to in writing by both parties.

SECTION SEVEN COMMISSIONS

Sprint/United shall receive a commission of two hundred dollars (\$200.00) for each pay telephone secured under contract by its representatives for SPSI. This amount may only be amended by written agreement of the parties on at least thirty days advance notice. Commissions shall be paid on a monthly basis. The commissions shall be invoiced by Sprint/United to SPSI and shall include a listing of all pay telephones for which commissions are claimed. SPSI shall pay all such invoices within thirty (30) days of receipt. Commission shall not be paid by SPSI directly to Sprint/United's sales personnel. Any objection to an invoice submitted by Sprint/United or a payment made by SPSI shall be made within five (5) business days to the receipt of the invoice or payment. Objections not received within this time limit are waived.

SECTION EIGHT AGENT'S EXPENSES

All expenses incurred by Sprint/United pursuant to this Agreement shall be the responsibility of Sprint/United. SPSI shall have no responsibility for expenses incurred by Sprint/United under this Agreement.

SECTION NINE SALES IN OTHER TERRITORIES

Sprint/United shall not solicit sales from customers who have no presence in Sprint/United's local operating territory. Sprint/United shall be permitted to solicit sales to customers who do have a presence in its service territory, but have pay telephone locations outside the service territory. Sprint/United shall be entitled to commissions as specified in Section Seven above on all sales whether within or without its service territory.

SECTION TEN NON-EXCLUSIVITY

This Agreement is not exclusive to either party. Sprint/United may enter into similar agreement with other companies, and SPSI may appoint other sales agents to solicit pay telephone contracts within Sprint/United's service territory.

SECTION ELEVEN ACCOUNTING AND AUDITS

A. All commissions shall be strictly accounted for by each company. Either company may request to audit the books of the other concerning commission claimed or paid. Audits shall be conducted during normal business hours following two weeks

prior notice. If the audit scheduling is inconvenient for either company, the inconvenienced company must notify the other within five (5) business days of the receipt of the audit request. The companies shall then agree on a time for the audit which shall not be more than six weeks from the date the audit request was sent.

B. Sprint/United and SPSI are both companies in the Sprint family of companies, and, as such, fall within the purview of the affiliate transaction rules of the Federal Communications Commission. Each party is responsible for assuring that no violation of the affiliate transaction rules occurs. All portions of this Agreement shall be interpreted to be consistent with the affiliate transactions rules. If such an interpretation cannot be made, the language contrary to the affiliated transaction rules shall be deleted from this Agreement.

C. Upon termination of this Agreement, the obligations of the parties shall continue to accrue through the termination date. All sales made by Sprint/United through the termination date shall be entitled to commissions from SPSI as provided above.

SECTION TWELVE SERVICE STANDARDS

Sprint/United, as a provider of pay telephone services, has established certain service standards which its customers have come to expect. The service provided to customers under contracts negotiated by Sprint/United will reflect on its business reputation in its service territory. In order to preserve Sprint/United business reputation for quality service, SPSI agrees to adhere to the following service standards:

A. SPSI will adhere to all regulations, pricing requirements and maintain all service standards contained in Federal Communications Commission (FCC) and Florida Public Service Commission (FPSC) orders and rules, and SPSI's own service standards. If a conflict exists between FCC or FPSC orders and rules and SPSI's service standards, the FCC and FPSC orders and rules shall prevail.

B. SPSI will maintain rates guidelines for all call types allowed and will not charge rates in excess of established rates allowed by the FPSC or FCC rules, orders and guidelines.

C. SPSI shall provide service in a manner that keeps complaints to the FPSC concerning its service to a minimum. If more than four complaints per one thousand access lines are filed against SPSI in any twelve month period, Sprint/United may terminate this Agreement.

D. SPSI will provide Sprint/United with the commission structure to be offered to customers. SPSI will be responsible for all customer fraud and will be responsible for all