

**Q. Reference Revised Evidence, p. 13, lines 4 - 5**

Are available spares and skilled employees to maintain the equipment essential to extend the life of equipment beyond its normal life expectancy?

**A.** Access to spares and skilled maintenance personnel (not necessarily employees) are generally necessary to maintain any and all equipment whether new or old. The text of NLH-8 demonstrates a lack of understanding of what a “normal useful life” represents. The normal useful life of an item of equipment is its current age plus its expected remaining life. At age zero, the expected remaining life is simply the average life expectancy for all similar equipment. Commencing on the in-service date, the useful service life of an item of property increases as the property ages.

For example, assume that the average service life of a desk is 15 years. The day the desk is placed in service, its remaining life expectancy is 15 years. Fifteen years later if the desk is still in service, its remaining life expectancy will be roughly 9 years (based on actual life observations of desks that are 15 years old). Thus, the normal useful life of desks that are 15 years old is, on average, 24 years. This is based on actual life observations involving several hundred thousand observations. Mr. Barreca recently conducted this life analysis for the Florida Department of Revenue.

While the specific lives are different, communication equipment life expectancies follow similar patterns in that the longer the equipment has been in service, the longer is its expected overall useful life. This is not an opinion, this is a fact supported by thousands of actuarial case studies.